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European Union

STATE PARTNERSHIP PROGRAMME

JOINT REVIEW MISSION DRAFT REPORT

Chhattisgarh

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*The consultants would like to thank the state authorities in Chhattisgarh, who so willingly cooperated with the members of the team throughout the mission.*

*The views expressed in this document are those of the consultants and do not necessarily represent those of the European Union*

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## **LIST OF ABBREVIATIONS**

BemOC : Basic Emergency Obstetric Care  
CAA : Chhattisgarh Administration Academy  
CGBSE : Chhattisgarh Board of Secondary Education  
CHC : Community Health Centre  
CME : Continued Medical Education  
CSP : Country Strategy Paper  
DES : Directorate of Economics and Statistics  
DIET : District Institute of Education & Training  
DIF : Directorate of Institutional Finance  
DPI : Directorate of Public Instructions  
DTC : District Training Centre  
EC : European Commission  
ECCE : Early Childhood & Care Education  
EMOC : Emergency Obstetric Care  
GOCG : Government of Chhattisgarh  
HMIS : Health Management Information System  
HRM : Human Resource Management  
HRM : Human Resource Management  
ICT : Information & Communication Technology  
JFM : Joint Forest Management  
LFA : Local Fund Audit  
MGT : Multi Grade Teaching  
MPW : Multi Purpose Worker  
NIP : National Indicated Programme  
NWFP : Non Wood Forest Produced  
PHC : Primary Health Centre  
PPP : Public Private Partnership  
PRI : Panchayat Raj Institution  
PS : Primary School  
RGSM : Rajiv Gandhi Shiksha Mission  
RP : Resource Person  
SBA : Skilled Birth Attendant  
SC : Sub Centre  
SCERT : State Council of Educational Research & Training  
SHG : Self Help Group  
SHRC : State Health Resource Centre  
SIEMAT : State Institute of Educational Management and Training  
SIHFW : State Institute of Health & Family Welfare

SIRT : State Institute for Rural Development

SIT : Satellite Interactive Terminal

SPP : State Partnership Programme

UPS : Upper Primary Education

LAKH : Calculation Unit equivalent to 100,000

CRORE : Calculation Unit equivalent to 10,000,000



## EXECUTIVE SUMMARY

The Joint Review Mission 11 appraised the steps taken by the State Government for improving service delivery in underserved areas of the State and the initiatives taken to execute the agreed set of process and system indicators. The mission also carried out a detailed review of the four sectors constituting the areas/ subjects of budgetary support and technical assistance. Overall progress was evaluated and assessed against the following thematic indicators (i) strengthening of devolution of functions, functionaries and funds to the Panchayati Raj Institutions (PRIs), (ii) strengthening pro-poor sector policy, planning and management, with a strong focus on governance and institutional capacity development in the Health, Education and Forest based livelihood sectors, and (iii) providing support for improved coverage of quality services in these sectors, particularly in the underserved regions of the State.

### Detailed Performance Appraisal

**Update on PFM in the state:** The fiscal performance of Chhattisgarh continues to be strong and well within the track of fiscal planning. On-budget funds utilisation has been quite satisfactory and speaks high about credibility of overall budget estimates by the state. But, the state needs to identify and address the various impediments to off-budget funds utilisation.

While on-line computerisation of treasuries and sound system of compilation and audit of accounts are pointers to well-built PFM architecture in the state, financial management and control by the departments continues to be weak. Also, there has not been any improvement in responsiveness of the government departments to C&AG audit paragraphs.

**Up-date on progress towards achieving Fixed Milestones (Fifth Tranche Release):** The following updates are noteworthy:

- Finalisation of draft MTEF by the health and school departments is a step forward. Further initiatives are required for improvising MTEF and institutionalisation of the process.
- The disbursement of 4th tranche receipt of EC funds to the respective departments has been delayed due to lack of co-ordination between DIF and the Finance Department.
- About 91% of the first three tranches was disbursed by the Finance Department and 87% of that amount has been utilised by the respective departments so far. However, funds utilization by CGMFP Federation (Forest) and other department remained poor.
- The departments of health and school education and Federation have engaged CA firms to prepare statement of accounts for EC funds utilisation. While accounts of Federation have been completed for FY 2006-07 to FY 2009-10, the accounts of the health and school departments for the same period will be ready by May 2011.
- Federation is found to keep substantial amount of EC funds in savings account and in short term deposit and earn interest thereon. The health department has also kept EC funds in bank account and earned interest income.
- The state's on-budget allocations for the health and education departments have continuously shown positive real growth over the period from 2006-07 to 2010-11. However, the budget allocation for the forest sector got reduced in 2010-11 as compared to the previous year and thus nominal/real growth rate turned into negative.
- The draft multi-year PIPs for fourth and fifth EC tranches have been reviewed, revised, and approved except for the school education department. The PIP of the school education department is yet to be approved.
- Overall allocation of EC funds (taking into account allocations of fourth and fifth tranches) is estimated to be 43% for health, 44% for school education, 5% for forest, and 8% for governance related activities.
- The findings and recommendations of the PFM study are accepted by the government but operational plan to implement the recommendations has not yet been developed.

### Key recommendations

The health and school departments are required to update and align MTEF projections with the Twelfth Five Year Plan. In addition, contents, details, and report presentation format of MTEF should be improved in line with the recommendations made by the Fourth JRM. For institutionalisation of multi-year budgeting process, the departments must use MTEF for annual budget preparation. The PFM expert of the TA team is required to provide necessary support to both the departments.

The system of accounting through external CA firm should continue until the end of EC-SPP.

There is a need to review the existing budget allocations to Federation and prune it down to match with its budget absorption capacity.

The health department has kept EC funds in a bank account, which was opened in 2008-09 in complete violation of CG Treasury Code, Section V and Rule 9. The department should liquidate this account and follow the treasury route for using EC funds.

The findings and recommendations of the PFM study are accepted by the government but operational plan to implement the recommendations has not yet been developed. It is recommended that the Finance Department and DIF take initiatives to prepare an operational plan with specific focus on the following:

- Computerisation of accounts of the school education department (at the moment accounts are maintained manually)
- Develop simple/standardized format for streamlining timely preparation and submission of Monthly Statement of Expenditure
- Conduct periodically PETS/Performance Evaluation study of the health and school education departments by external agency
- Capacity building of the spending units of the respective departments as suggested in the PFM report

PFM operational plan also needs to include measures to strengthen DIF for better co-ordination, and monitoring and evaluation of EC-SPP. JRM team strongly recommends recruitment of technical staffs including a Chartered accountant for DIF.

The NWFP based livelihood activities showed slight decline in Micro Enterprise activity with only 3 units established this year. Each enterprise is run by a Self Help Group typically comprising 20-25 members with a total current membership of 3,225 benefits over 16,000 people. Good progress has been made in product development, branding and marketing with 45 products being sold through NWFP Marts. New product development has been slightly slow with GoI taking its time in approving the new formulations identified. Progress in decentralization is has been slow with activity mapping of functions completed only in 12 departments. Over 110 Panchayat Resource Centres have been established to support PRI at various levels and over 98,000 PRI functionaries have been trained.

The Joint Review Mission 11 appraised the steps taken by the State Government for improving service delivery in underserved areas of the State and the initiatives taken to execute the agreed set of process and system indicators. The mission also carried out a detailed review of the four sectors constituting the areas/ subjects of budgetary support and technical assistance. Overall progress was evaluated and assessed against the following thematic indicators (i) strengthening of devolution of functions, functionaries and funds to the Panchayati Raj Institutions (PRIs), (ii) strengthening pro-poor sector policy, planning and management, with a strong focus on governance and institutional capacity development in the Health, Education and Forest based livelihood sectors, and (iii) providing support for improved coverage of quality services in these sectors, particularly in the underserved regions of the State.



## **1. BACKGROUND**

The State Partnership Programme (SPP) with Chhattisgarh, is based on the European Commission (EC), India Country Strategy Paper (CSP, 2002-06) and National Indicative Programme (NIP, 2004-06), envisages EC contribution of €160 million to Chhattisgarh and Rajasthan (€80 million to each state). The SPP is focused on assisting India in eliminating poverty and building its human capital. The Financing Agreement (FA), which constitutes the basis for the Review Mission provides for an Indicative SPP Tranche releases table (Table-4), according to which the State of Chhattisgarh is to receive €13.4 million against the fixed tranche and €4.5 million against variable tranche as third tranche release of assistance.

The present Joint Review Mission 2011 has been undertaken by Dr. Richard Slater, Team Leader, Dr. N.C. Saxena and Dr. S.K. Chaudhuri and Prabhaker Vanam. The Mission began work in Raipur, Chhattisgarh on the 22th march 2011 and continued to April 5<sup>th</sup> with a final presentation to the PSC which was also attended by the Head of EU Delegation in Delhi and the Joint Secretary DEA.

The EC-SPP being a support programme envisages sector budget support and technical assistance to the Government of Chhattisgarh's reform processes in education, health and forest based livelihood sectors. The EC's sector budget support contributes to accelerating the Government of Chhattisgarh's own efforts to develop and implement comprehensive reforms in the education sector, deepen reform initiatives in the health and family welfare sector and create an enabling pro-poor environment policy framework and enhanced capacities, specifically addressing non-timber forest-based tribal livelihoods. The SPP is designed to complement and supplement ongoing reforms in education and health promoted through the national flagship programmes.

The focus of the 2011 JRM has been to assess progress in the respective sectors covered under the programme since the previous JRM of Oct 2011. Since there is no planned Tranche Release until the 2012 (5<sup>th</sup> and final Tranche), the main focus of the mission has been to update progress against the respective milestones. This has included examining the current position in relation to:

1. Fixed Milestones for the 4<sup>th</sup> Tranche Release in relation to overall disbursement and utilization of funds under Tranches 1-3 and progress on MTEF and PFM across the respective sector. The JRM has not been in a position to assess progress of the 4<sup>th</sup> Tranche release since these funds have only just been released to the respective departments.
2. Assessment of progress against the Variable Milestones to date in relation to sector performance in defined under serviced districts as well progress in implementing previously agreed process indicators and JRM recommendations.
3. Identification of constraints and limitations at programme or sector level and recommendation of corrective measures where required
4. Review of the role and performance of Technical Assistance including the support provided on implementation activities and the use made by GoCG of the advice provided by the TA team.

## **2. METHODOLOGY**

The methodology adopted by the JRM 2011 was divided into three broad phases comprising preliminary departmental discussions and information collection, intensive field study and final interactions, analysis and report preparation.

The first phase consisted of interactions with the Special Secretary, Education, Nodal Officers of Health, Managing Director, CGMFP Federation, Director, PRI and Directorate of Institutional Finance to obtain a rapid perspective on fund utilization, project progress and compliances against the JRM IV recommendations. Detailed presentations and status reports were given by the health, education department and the Federation. This phase helped the JRM to get a broad view of progress and most importantly to establish a collaborative platform for further discussions. Discussions were also held

with Nodal Officer of General Administration Department and Chhattisgarh Administration Academy (CAA) to examine aspects of pedagogy infrastructure and the progress. The team also had detailed discussions with the TA team to ascertain their progress. An extensive field study was planned with inputs from all concerned departments covering 2 diverse districts. The main aim of the field study was to assess the overall reach and quality of services and the impact of specific strategic interventions in underserved areas. Two districts were chosen, Bastar and Rajnandgaon. Both the districts are under serviced districts and provided the important relative benchmark. The field study included numerous focus group discussions and individual interviews.

The mission visited several PHCs, CHCs, FRUs, District Hospital and had interactions with CMO, doctors, RMAs, and nurses. In the education sector, the JRM team visited a number of primary, secondary and middle schools in both the districts which included MGML and ALM activities. The Residential Bridge School in Rajnandgaon district and DIET centre in Bastar district. The team visited Tribal Hostels and schools in the interior regions of the Bastar District. The forest livelihood initiatives of Tamarind Candy Processing Unit and Tamarind Brick Unit in Bastar district were visited and detail discussions were held with the Federation Officials, Marketing Executives and Micro enterprises. The team had discussions with the PRI officials in Bastar district including visit to the Panchayat office.

The post fieldwork phase consisted of further interactions with departments to clarify data and information and analysis and report preparation. This period also included a detailed de briefing with the Secretary Health and PRI Department. The team examined further departmental information during this phase and prepared the draft final report.

### 3. PROGRAMME STATUS

#### Progress against Fixed Milestones

<b>Milestone 1: Draft MTEF prepared by Health and School Education Departments and agreed by DIF</b>
<b>Observations</b>
<p>Draft MTEF reports for health and education finalised with the involvement of the respective depts.</p> <ul style="list-style-type: none"> <li>• MTEF projections need to be updated and aligned with the 12<sup>th</sup> Plan preparation</li> <li>• Accounts section of health and education depts. must use MTEF for annual budget preparation if necessary supported by newly recruited TA consultant</li> </ul>
<b>Milestone 2: At least 75% disbursement of previous year's approved allocation based on PIP to the concerned Line Departments</b>
<b>Observations</b>
<p>Over 90% of Tranches 1-3, representing a total of Rs 277 Cr. disbursed against Rs. 303 Cr. received.</p> <ul style="list-style-type: none"> <li>• It should be noted that the process of funds disbursement needs to be expedited. The 4<sup>th</sup> Tranche release was received by Finance Dept on 7<sup>th</sup> Jan 2011 but funds have not yet been</li> </ul>

disbursed to the concerned line departments.

**Milestone 3: Increase in real sector expenditure against 2009-10 baseline**

**Observations**

The state's on-budget funds allocations (revised estimates) in the health and education sectors have shown year-on-year positive real growth over the years. During 2009-10, real growth in revised budget estimates were 13.3%, 30.0% and 5.0% for the health, education and forest sectors respectively.

**Milestone 4: Concerned Line Departments have prepared a multi year Action Plan covering the remaining period of the programme**

**Observations**

All Departments have prepared Multi-Year PIPs which have been approved with the exception of Education PIP which has been revised and recently re-submitted.

**Milestone 5: PFM assessment and study underway (comprising assessment and remedial action plan for the concerned line depts.)**

**Observations**

PFM Study completed and findings approved but operational plan needs to be finalised and implemented and should include measures such as:

- Computerisation of accounts of School Education Dept. (at the moment accounts are maintained manually)
- Developing simple/standardized format for streamlining timely preparation and submission of MSE
- Conducting periodically PETS/Performance Evaluation by external agency wherever required
- Capacity building at spending unit level as suggested in PFM report

The operational plan should also include measure to strengthen DIF for better M&E

- Recruit technical staff including a CA

## Progress against Variable Milestones

**Milestone 1: Improved Service Delivery in the Following Underserved Districts: Kawardha, Surguja, Dantewada, Narayanpur, Bijapur, Bastar, Raigarh, Koriya and Rajnandgaon (60%)**

Observations:

### **EDUCATION:**

- EDI (2009-10) meets State average in 6 out of 9 focus districts & is well above average in 1 of 9 districts
- Net Enrolment Ratio as reported by the State is 99% with little inter-district variation
- Around 88,000 teachers have been recruited since 2005
- The average Pupil Teacher Ratio is reported as 1:26 although field visit observations show this is lower (1:15) in the more accessible some parts of focus districts and thus likely to be much higher in remoter parts.
- Strong emphasis on addressing out of school/ migrant children problem through innovative Residential Bridging Schools and tailored curriculum as well as provision of hostels
- Interactive teaching methods (MGML) have been widely introduced at primary level and now up-scaled to upper primary through Advanced Learning Methods (ALM).
- Continuation of DIET research programme on a wide variety of topics

### **Issues**

- EDI poor in Bijapur, Naryanpur, Dantewada which need prioritisation in PIP
- Field visit NER at 80-85%, ASER 10 pt decline in attendance requires remedial measures
- Teachers deployment requires rationalisation as PTR varies across and within districts
- Improved monitoring of teacher absenteeism required to address fact that only 60% schools report all teachers present
- Bridging and hostel facilities should be expanded with more focus on mainstreaming
- New teaching methods require improved follow up for mentoring and continuous training to ensure proper and productive use of such methods
- Continuous field mentoring by DIETS, BEOs etc required to address teaching quality

### **HEALTH:**

- Decline in decadal rural IMR from 95 to 55; i
- Increase in Institutional Deliveries (ID) from 21% (09) to 44% (UNICEF)
- Positive health seeking behaviour observed (80-90% accessing anti natal services and adopting breastfeeding)
- Expansion of access to health facilities as per IPHS pop norm
- RMAs have been posted to every PHC & 24/7 availability of Medical Officers at CHC

level

- A toll free emergency number (!08) has been piloted in 2 districts, including one focus district linked to provision of an ambulance to attend to all emergencies and deliveries
- Integrated tracking of all pregnant mothers has been introduced to ensure improved monitoring and service provision
- Continued EC-SPP support for special schemes including child heart surgery, leprosy & blindness control and cochlia implant surgery
- Health procurement reform has been initiated with establishment of the Medical Services Corp
- Dept is actively pursuing PPP options to supplement medical training and health care provision in remote areas
- The Mitatin evaluation has been completed and findings presented to the Health Dept

#### **Issues**

- Persistent child malnutrition remains a serious problem and a further reduction is required in IMR/ MMR and endemic malaria
- Inadequate health facilities for reproductive & child health (SBA, newborn care, FP)
- Remains shortage of staff at all levels
- Need to increase training capacity for all grades
- Need to speed up the operationalisation of Medical Services Corporation
- Need to strengthen community accountability in health provision

#### **FOREST LIVELIHOODS:**

- 116 Micro enterprises have been established to date providing livelihoods to 14,500 pop
- 14,897 people trained (11,176 beneficiaries & 3,721 staff) in NWFP activities
- 30 Sanjeevani outlets established,
- 45 products & 49 raw herbs sold in 6 Marts selling branded *Chattisgarh Herbals* products
- Continuous technology upgrading taking place for for tamarind candy & mahul processing
- 47 formulations identified for further research
- 9 Herbal Hospital established

#### **Issues**

- SHGs need to be more self reliant and there needs to be phased handover to SHGs
- Training required to provide more emphasis on enterprise and business skills
- Need to market beyond NWFP marts and expand Sanjeevani outlets beyond Chattisgarh
- Attention needs to be given to address any gaps in labeling expiry and manufacture date
- Product testing & certification taking time and needs State govt. intervention
- Org restructuring exercise required
- High attrition rates of Federation of Mktg Executives is serious risk to all aspects of operations GoC and Federation need to agree increments and devise a mainstreaming plan for such

## Executives

### **PRI:**

- Orders have been issued for devolving 27 out of 29 functions issued to all Departments
- Around 98,000 PRI functionaries have been trained
- 117 PRCs established and training is being conducted through SATCOM / EDUSAT,
- PRI has received a substantial budget of Rs 3,080 Cr. tied funds
- Exposure visits have been conducted on decentralization including a study tour to Kerala

### **Issues**

- Departments have been reluctant to activate devolution
- A road map & plan remains to be developed
- There is a need for more post training evaluation & follow up to incorporate lessons
- PRI Dept lacks staff resources to manage & monitor the full range of devolution initiatives
- The Department may consider focusing on establishing Model Panchayats with EC-SPP funds

**Milestone 2: Achievement of Progress Against Agreed Process and System Indicators (agreed in the previous year's JRM at the time of release of the third tranche) (20%)**

Observations:

### **Education**

- Integration of student teacher data into MIS
  - National survey on registration and quality of education is conducted every year (ASER). Efforts for developing comprehensive MIS are underway
- MGML extended to Grade 3 & 4 in target (8,000) schools mostly in tribal areas
  - Evaluation completed and analysis to be completed
- ECCE material disseminated and learning programme expanded to 10,000
  - ECCE is running in parallel to PSE in ICDS centres
- Prioritise investments to upgrade Ashram Schools in Tribal / Underserved areas
  - Convergence mechanisms established with Tribal Welfare for setting up Tribal schools, Ashrams & Hostels
- Provide educational opportunities for talented students from remotest areas
  - State programmes are targeted to provide educational opportunities in remotest areas.

### **Health**

- Proposal approved for sanctioning 5,000 ANM posts as per NRHM guidelines

- State is currently recruiting all vacant positions of Male MPWs, post which additional ANMs will be recruited. Steps are taken to augment the capacities of ANM training centres.
- Approval and sanctioning additional 1,700 GNs
  - Being done. All administrative hurdles are not sorted out with GAD.
- One third additional ANMs and Nursing posts filled
  - Being done. All administrative hurdles are not sorted out with GAD.
- Medical services corporation establishing and functioning
  - Cabinet approval done. Positions are being advertised.
- 20 CHCs upgraded and functioning as FRU
  - No progress.

#### **NWFP (Federation)**

- Increased number of Herbal Hospitals
  - Identified 45 sites for establishing the herbal hospitals
  - Completed construction in 15 sites; rest in progress
- No. of SHGs becoming more self sustaining
  - Training on enterprise management, business planning, and financial management provided to 9,844 SHG members.
- Increase in number of Sanjeevani outlets and the volumes of sale
  - More than 45 products and 49 raw herbs being sold.
- Implementation of recommendations of various TAs commissioned
  - Taken up on priority basis.
- Mechanisms formulated for sustainable management of forests
  - Technical guidance and training were provided to beneficiaries and the staff.
  - Research & Development work on sustainable harvesting of few select species has been assigned to TFRI.

#### **PRI**

- PRCs operational;
  - Done
- Gazette notification issued based on the activity mapping conducted
  - No progress. Activity mapping completed in 12 dept only.
- Cabinet approval of devolved functions identified in dept activity mapping
  - No progress.
- Preparation of Roadmap for Panchayat TA commissioned
  - No progress. Procurement methodology finalized.
- Perspective Plan for the capacity building of the functionaries completed
  - No progress. Will be initiated post roadmap development.
- Training of the Panchayat functionaries completed at the Janpad level
  - Completed.

## **4. DETAILED PERFORMANCE APPRAISAL**

### **Overview of Public Financial Management in the State**

#### **Update on Public Financial Management in the State**

***Fiscal planning and performance:*** Medium term fiscal planning is embedded in the Chhattisgarh Fiscal Responsibility Act, 2005, which stipulated elimination of revenue deficit by the end of March 2009 and maintenance of fiscal deficit below 3% of GSDP. The state achieved revenue surplus five years ahead of the scheduled period (2008-09) and fiscal deficit remained below the prescribed limit.

However, trend analysis shows that revenue surplus declined and fiscal deficit increased during 2008-09 and 2009-10 relative to 2007-08<sup>1</sup>. The primary surplus decreased during 2008-09 and turned into primary deficit in 2009-10. The main reason for fiscal deterioration was relatively faster growth of revenue expenditure (due to pay revision based on the Sixth Pay Commission's recommendations) vis-à-vis the revenue receipts. However, according to revised estimate, revenue surplus marginally increased and primary deficit again turned into positive during 2010-11.

Turning to debt position, the fiscal liabilities as percentage of GSDP has steadily declined from 26% in 2005-06 to 15% in 2009-10. But, as per revised estimate liability-GSDP ratio increased during 2010-11 and it is expected to rise further over the next two years *albeit* the ratio would remain well below the limit of 28% recommended by the Twelfth Finance Commission.

**Credibility of the state budget:** Aggregate state expenditure out-turn compared to original budget estimates stood at 94% in 2008-09 as well as in 2009-10<sup>2</sup>. The scrutiny of some important fiscal parameters of 2009-10 shows that actuals were quite close to the budget estimates, except in the case of capital expenditure and fiscal deficit estimates<sup>3</sup>. The capital expenditure was lower than the budget estimate by 23% mainly due to less capital expenditure on civil aviation, medical and public health, roads and bridges, and village and small scale industries<sup>4</sup>.

As far as expenditure out-turns against off-budget funds allocations are concerned, the position with respect to SSA and NRHM is as follows<sup>5</sup>. Over the period from 2005-06 to 2009-10, actual expenditure under SSA accounted for 86% of the available funds. In contrast, funds utilisation under NRHM during the period 2005-06 to 2009-10 was only 60%.

<sup>1</sup> The trend in fiscal performance:

Indicators	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (RE)
Revenue surplus/GSDP (%)	2.71	4.10	3.83	1.96	0.82	0.88
Fiscal deficit/GSDP (%)	-0.85	0.06	-0.16	-1.08	-1.63	-2.31
Primary surplus/GSDP (%)	1.03	1.64	1.27	0.05	-0.62	1.34
Fiscal liabilities/GSDP (%)	26.03	21.81	18.27	15.52	14.77	15.27

Note: Source of data for the period from 2005-06 to 2009-10 is CAG report (2009-10). The figures for 2010-11 are obtained from FRBM statements.

<sup>2</sup> The year-wise out-turn of aggregate state expenditure:

Rs. Crores	2006-07	2007-08	2008-09	2009-10
Budget estimate (BE)	12,310	15,510	18,286	22,211
Actual expenditure (AE)	11,773	14,473	17,226	20,910
AE/BE (%)	96	93	94	94

<sup>3</sup> Selected fiscal parameters (2009-10) – actuals vis-à-vis budget estimates

Rs. Crores	State's own Tax revenue	State's own Non-tax revenue	Total Revenue receipts	Total Revenue expenditure	Interest payments	Capital expenditure	Revenue surplus	Fiscal deficit
BE	7,030	2,745	18,897	18,091	1,079	3,569	806	2,564
Actual	7,123	3,043	18,154	17,265	1,096	2,745	888	1,759
Actual/BE (%)	101	111	96	95	102	77	110	69

Source: CAG Report (2009-10)

<sup>4</sup> The under-utilization of funds for capital expenditure explains 31% lower fiscal deficit as compared to budget estimate.

<sup>5</sup> Gol transfers sizeable funds directly to the state implementing agencies (e.g. State Health Society for NRHM, State Implementing Society for SSA) for the implementation of various schemes/programmes. These funds are not routed through the state budget and treasury system and therefore potentially exposed to fiduciary risks.



**Fiscal transparency:** The budget document of Chhattisgarh is quite comprehensive and displayed in the website for public access. It also presents in prescribed format “budget at a glance”, “outstanding liabilities”, and “outstanding guarantee”<sup>6</sup>.

**On-line computerisation of treasuries (e-kosh):** An important area of PFM reform in Chhattisgarh has been on-line computerisation of treasury system, known as ‘e-kosh’<sup>7</sup>. Under e-kosh, the state budget is allotted electronically to 107 budget controlling officers, who re-allot it through the central server directly to 3,000+ nos. of Drawing and Disbursement Officers (DDOs) in the entire state. Based on the budget allocations, funds are drawn at 17 treasuries and 46 sub-treasuries. The entire process of treasury/sub-treasury functions including reports and compilation and transmission of accounts to AG office are automated. The web-enabled software provides access to other web-enabled modules viz. budget allotment and communication system, employee data base, pension management system, and CPS administration and LoC system. The e-kosh system has eliminated over-withdrawal of funds by DDOs and put a complete check on misappropriation of funds as the software checks each head of account and budget availability before passing a bill. Accurate accounting information is made available to the lowest level of accounting head, freeing manpower from tedious job of account matching<sup>8</sup>.

**Compilation and audit of state accounts by AG:** Like in other states, Accountant General (AG) in Chhattisgarh, which functions under the Comptroller & Auditor General (C&AG) of India, does compilation of government accounts and conducts audit<sup>9</sup>. In addition, AG maintains the General Provident Fund Accounts of the state government employees who joined prior to Nov 2004.

AG compiles the monthly accounts of the Government from the vouchers furnished to it every month by all the treasuries (this is known as Voucher Level Compilation). Since Feb 2010, AG office has been receiving on-line figures from treasuries. The monthly accounts are submitted to the Finance Department. After the closure of March accounts, the Finance and Appropriation Accounts of the state government are compiled, audited, and signed by C&AG of India. The same is then handed over to the state government for placing before the State Legislature.

AG conducts several types of audit (compliance audit; performance audit; financial attest audit; audit of information technology; etc.). The audit process involves (a) annual audit plan; (b) quarterly audit programme; (c) field audit; (d) inspection report; (e) draft paragraphs; and (f) audit reports. Audit reports are prepared in an interactive, participatory, and transparent manner. Entry and exit conferences are always held with the top executives of the auditee in case of performance audit. Once tabled in the State Legislature, the audit reports stand permanently referred to the Public Accounts Committee (PAC) and Committee on Public Undertakings (COPU)

AG also undertakes audit certification of externally aided projects if it is being directed by C&AG, Gol. In 2009-10, AG issued audit certificates for the projects funded by the World Bank and ADB.

In recent period, AG has taken several initiatives for strengthening the audit process viz. extensive use of statistical sampling methods, setting up of State Audit Advisory Board, and (as mentioned earlier) greater interaction with auditee through entry/exit conference in case of performance audit.

**Financial management and budgetary control:** The previous JRM report (Oct 2010) highlighted, on the basis of C&AG report 2008-09, several weaknesses financial management and budgetary control by the government departments (e.g. persistent savings i.e. non-utilisation of funds; non-surrender of savings; surrender of savings on the last working day of the year; surrender of funds in excess of the

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<sup>6</sup> The other non-special category states who provide all these documents are Haryana, Madhya Pradesh, Maharashtra, Rajasthan, and Tamil Nadu.

<sup>7</sup> The ‘e-kosh’ project was carried out on a turn-key basis by NIC/NICSI at an estimated cost of Rs. 11.54 crores over a period of three years. The project cost excludes software development cost, which was provided free of cost.

<sup>8</sup> The available statistics reveal that:

- Four to five thousand bills are entered and processed every day
- Three to four thousand cheques are prepared and issued to DDOs
- Six thousand challans for receipts are captured from treasuries/sub-treasuries
- Pension disposal time got reduced from three months to ten days
- Bill processing time reduced from seven days to a maximum of two days

<sup>9</sup> The functions of C&AG are derived mainly from the provisions of Article 149-151 of the Constitution of India.

actual savings; inadequate provision of funds; etc.). According to the latest C&AG report for the year 2009-10, GoC is still grappling with all those weaknesses.

It may be mentioned here that, in case of seven demands for grants, there were persistent savings (unutilised funds) over the five year period 2005-2010. These seven demands include demand for grants of DPHFW and School Education Department. According to the data furnished by C&AG report 2009-10, the average savings per year were Rs. 78 crores and Rs. 96 crores for DPHFW and School Education Department respectively<sup>10</sup>.

**Financial reporting and internal control:** C&AG test checked 11,849 UCs corresponding to grants amount of Rs. 4,054.19 crores for the period from 2007-08 to 2008-09 and found that 11,553 UCs (97.5%) were not submitted as of 31 March 2010<sup>11</sup>. The list includes the cases of pending UCs of health and education departments<sup>12</sup>. Apart from delay and non-submission of UCs, C&AG reported instances of losses/theft and misappropriations of funds.

**Response to AG audit:** According to the CA&G report 2009-10, the numbers of outstanding audit paragraphs are substantial. As on 31 March 2010, the outstanding audit paragraphs were 12,866 (previous year 10,955) related to 3,482 (previous year 3,077) Inspection Reports, out of which outstanding paragraphs for the Health Department, School Education Department, and Panchayat and Rural Department were 851 (previous year 766), 865 (previous year 825), 1,626 (previous year 1,581) respectively.

It is quite evident from above discussion that the state government of Chhattisgarh needs to develop a comprehensive operation plan to deal with multi-facet weaknesses in PFM.

#### **Up-date on progress towards achieving Fixed Milestones (Fifth Tranche Release)**

**MTEF reports of health and education departments:** The previous JRM reported about preparation of draft MTEF reports (2011-12 – 2013-14) for health and school education departments with the support of short term TA consultants. Those draft reports have been finalised. However, while finalising the draft reports the improvements recommended by the previous JRM (*Box 1*) were not incorporated. The previous JRM also recommended that both the departments should initiate institutionalisation of the MTEF process with the technical support from the TA team. No initiative has taken so far in this regard.

#### **Box1: Required improvements in contents, details, and report presentation format of MTEF**

The MTEF reports need to provide a more comprehensive trend analysis of budget spends by the concerned departments. The analysis must focus on expenditure classified by: (i) major sectors (e.g. primary, secondary, tertiary sector expenditures in health sector); (ii) sources of funding (e.g. non-plan, plan, centrally sponsored schemes); (iii) types of expenditure (e.g., revenue and capital expenditure); major heads of expenditure (e.g. urban health expenditure, rural health expenditure, budget spends on medical education, training and research); (iv) object heads of expenditure (e.g. salary, medicines, books, equipment); and (v) any other classification that may be relevant for projection purpose. It is also imperative that the report presents deeper analysis of off-budget expenditure (e.g. NRHM, SSA).

<sup>10</sup> Year-wise savings (unutilised funds) were as given under:

Rs. crores	2005-06	2006-07	2007-08	2008-09	2009-10	Average
DPHFW	46.77	86.12	99.97	106.10	53.15	78
School Education	82.51	52.88	82.57	197.58	64.28	96

<sup>11</sup> The Chhattisgarh State Financial Code (Rule 182, 229 F) provides that Utilisation Certificates (UCs) for grants provided for specific purposes should be obtained by the department from its various spending units and forwarded to AG after verification within 18 months from the date of their sanction unless specified otherwise.

<sup>12</sup> During 2007-08 and 2008-09, the health department and general education department received grants worth Rs.61.30 crores and Rs. 828.74 crores from different grantee institutions. As of 31 March 2010, both the departments did not submit UCs for the aforesaid amounts.

A missing element in the entire review of recent expenditure of the respective departments is the absence of any analysis of budget absorption capacity, including the level of utilisation of EC-SPP funds. This is an important aspect that must be taken into account in the projections. Another missing element is the lack of integration of the on-budget and off-budget expenditure so as to have a better understanding of how different heads of expenditure are being funded from different on-budget and off-budget sources of funding. Besides, the present MTEF report does not provide any clue about how EC-SPP funding has complemented or supplemented the existing resource pool of the state.

It is desirable that the present MTEF reports annex detailed figures/estimates, which will facilitate any analysis that users of the report intends to carry out. It is also imperative that medium term projections are presented in different formats, including the budget formats. The latter will help better understanding of projections by the programme managers at various levels.

Source: Fourth JRM Report

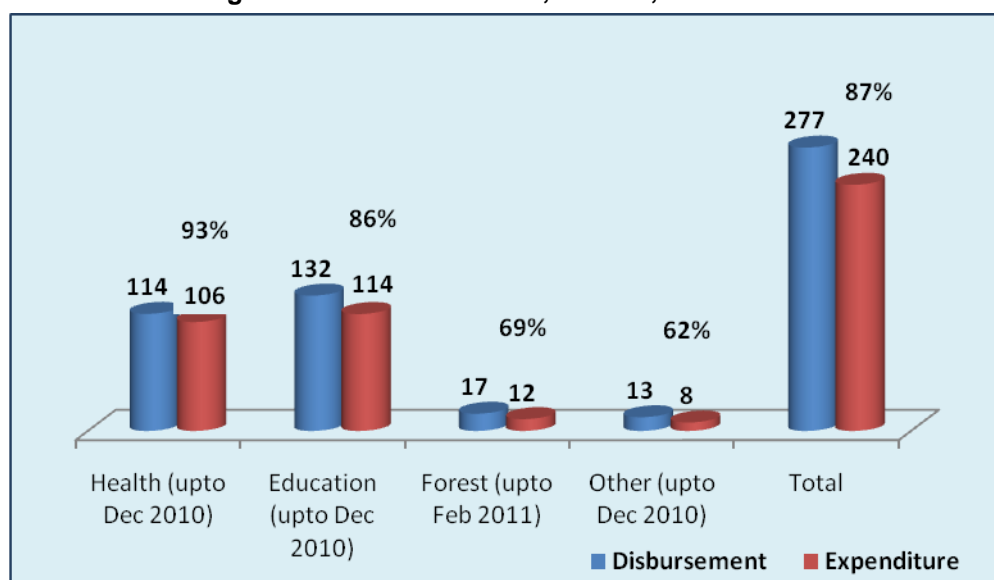
**Disbursement and utilization of EC funds:** The state received the fourth tranche of EC funding of Rs. 83.89 crores (€ 14 million comprising € 10.5 million fixed tranche and € 3.5 million variable tranche) on 7 January 2011 (*Annex-I, Table 1*). With the receipt of this amount, the total release of EC funds to GoC stands at Rs. 386.61 crores (€ 62 million).

Though the fourth tranche amount was transferred to GoC on 7 January 2011, DFI was not aware of it until the date of visit by the JRM team. It is understood that the Finance Department did not communicate to DIF about the receipt of fourth tranche amount. As a result, funds could not be disbursed to the concerned departments. Clearly, there is a need for better co-ordination between DIF and the Finance Department.

Regarding the department-wise disbursement and utilisation of the first/second/third tranches are concerned, the position is as follows (*Figure 1*):

- In cumulative terms, the state received three tranche total of Rs. 302.72 crores (€ 48 million) of which Rs. 276.70 crores was released by the Finance Department to the concerned department, representing 91% disbursement.
- The health department received Rs. 114.34 crores (41% of the total disbursement), of which estimated expenditure up to Dec. 2010 was Rs. 106.34 crores, representing 93% funds utilisation. Bulk of the spending (62%) by the health department was related to infrastructure development *viz.* construction/renovation/refurbishing of CHC, PHC, SC, training centre, conference hall, etc. (*Annex-I Table 2*). The other heads of expenditure were strengthening of blood bank unit (9%); BCC (6%); sector policy, planning, and management (6%); support for better health services, management and control (5%); Bal Hriday Yojana (4%); etc.
- Similarly, the school education department received Rs. 132.15 crores (48% of the total disbursement) and spent an estimated amount of 114 crores up to Dec. 2010, representing 86% funds utilisation. The heads of expenditure were library (23%); civil works (20%); subject-based work and training (17%); MGML (12%); girls education (11%); etc. (*Annex-I, Table 3*).

**Figure 1: Utilisation of first, second, and third tranches**



- The funds utilization was poor in case of CGMFP Federation Ltd. (Forest). It received Rs. 16.83 crores (6% of the total disbursement) and expenditure up to Feb 2011 was estimated to be Rs. 11.57 crores, representing 69% funds utilisation.
- The other departments (PRI, GAD, DIF, etc.) received Rs. 13.38 crores (5% of the total disbursement) and could spend Rs. 8.25 crores up to Dec 2010, representing 62% funds utilisation.
- On the whole, total expenditure was Rs. 240.33 crores as against the disbursement of Rs. 276.70 crores. This represents an overall funds utilisation of 87%.

**Audited statement of accounts:** As mentioned in all earlier JRM reports, the departments have not been able to track their expenditure due to non-submission of SOE/UC by most of their spending units. Keeping in view the inordinate delay in getting UCs, the health department, school education department, and Federation appointed external CA firms for preparation of statement of accounts for EC funds utilisation. Preparation of audited accounts was also a recommendation by previous JRM.

While accounts of Federation have been completed for FY 2006-07 to FY 2009-10, the accounts of the health and school departments for the same period will be ready by May 2011<sup>13</sup>. Needless to say that the respective departments and DIF will find the audited statement of accounts as more reliable tool for monitoring and control of budget spends.

The audited statement of accounts has revealed that CGMFP Federation kept substantial amount of EC funds in savings account as well as in short term fixed deposit. The average year-end bank balance (savings account plus fixed deposit) over the period 2007-08 to 2009-10 was Rs. 4 crores and Federation earned a total interest income of Rs. 24.4 lacs (*Annex-I, Table 4*).

Like Federation, the health department has also earned interest by maintaining a bank account with EC funds. As mentioned in Mid Term Review, during 2008-09, the health department drew the entire EC budget allocations of Rs. 38.17 crores from the treasury and deposited the amount in a bank account<sup>14</sup>. The aforesaid bank account is still continuing *albeit* with declining bank balance. It is understood that the health department has earned so far an interest amount of Rs. 13.5 lacs.

**Maintenance of real sector expenditure:** The state's on-budget allocations for the health and education departments have continuously shown positive real growth over the period from 2006-07 to 2010-11 (*Annex 1, Table 5*). However, the budget allocation for the forest sector got reduced in 2010-11 as compared to the previous year and thus nominal/real growth rate turned into negative.

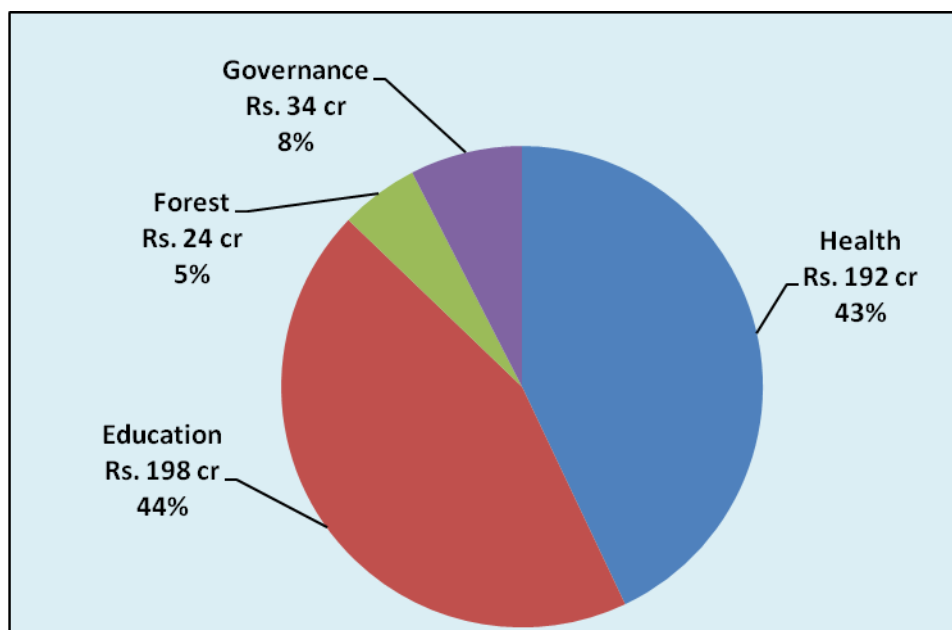
**Preparation of multi-year PIP:** The draft multi-year PIPs for fourth and fifth EC tranches have been reviewed, revised, and approved except for the school education department. The PIP of the school education department is yet to be approved.

Overall allocation of EC funds (taking into account allocations of fourth and fifth tranches) is estimated to be 43% for health, 44% for school education, 5% for forest, and 8% for governance related activities (*Figure 2*).

<sup>13</sup> This is being reported to JRM team members by the respective CA firms.

<sup>14</sup> This was an act in complete violation of CG Treasury Code, Section V and Rule 9. This anecdotal evidence is a pointer to weakness in the existing Public Financial Management in the state.

**Figure 2: Allocation of total EC funds (including 4<sup>th</sup> /5<sup>th</sup> tranches**



**PFM assessment study:** As mentioned in the previous JRM, a PFM study was conducted by the external agency. The findings and recommendations of the study have been accepted by the government. But, operational plan has not yet been developed to implement the recommendations.

## 5. PRO POOR SERVICE APPAISAL

### Health Sector

The strategic initiatives to augment the primary health care system including the FRUs and referral linkages & referral transport as well as more focussed program approaches related to maternal and child health continue to dominate the DPH&FW priorities in order to realize the State health Vision 2020 and the Millennium Development Goals. There has been steady improvement in health outcomes as a result of a significant expansion and strengthening of health services over the last 10 years, resulting in a positive shift in various health indicators including: a decline in IMR from 79 (SRS 2000) to 54 per 1000 live births (SRS 2009) which is a major achievement considering the fact that any reduction in IMR requires synergetic efforts of several sectors as well as positive socio-cultural community practices: proportion of institutional deliveries rose to 44% from 21% in 2009 (UNICEF) and positive health seeking behaviour that include antenatal care and breast feeding practices. However persistent high levels of child malnutrition, high levels of nutritional anaemia in women and children, parasitic infections (malaria) etc continue to remain public health concern. Further, there still remains a challenge to focus efforts on achieving a significant increase in the proportion of births attended by a skilled attendant, increasing the rate of institutional deliveries and the number of service providers trained in newborn care and emergency obstetrics besides strengthening the institutional facilities.

The state health policy 2007 sets out more ambitious goals for realisation by 2016 that include reduction in IMR to 30 per 1000 live births, MMR to 100 per 100,000 births, Child Mortality Rate to 60 and near universal ANC coverage, institutional deliveries, child immunization including vitamin- A supplementation and use of ORS in management of childhood diarrhoea. Another critical goal to bring down API below 2 from the current level of 10.2 calls for more focussed malaria control strategies. Successive reviews conducted under CRM of NRHM have also identified critical gaps in public health infrastructure, shortage of human resources and limited access to difficult- to- reach areas which are inhabitations of tribal and other marginalised segment of communities needing these facilities the most. The DPH&FW therefore continue to strive hard to achieve IPHS norms for service delivery in all

SHCs, PHCs and CHCs and DHs; ensure the presence of skilled health personnel in underserved areas; establishing effective referral system linked to improved tertiary health care facilities; improved community monitoring; mainstreaming of AYUSH systems of medicine; strengthening and expanding training capacities to bridge the gaps in human resources shortage as well as skill gaps.

The persistent shortage of trained health staff across all grades as per the IPHS norms continued to remain a challenge. The State has taken several initiatives to improve the availability of trained staff. Rural Medical Assistants have been posted at all the PHCs, an appropriately trained female health volunteer (Mitani) is available in all the 60000 habitations creating health awareness and promoting health seeking behaviour as well as providing a link to formal services. The Department proposes to strengthen training through public private partnership (PPP) arrangements to supplement current resources.

## **Access**

### **Infrastructure**

In order to improve the coverage of services, the Department has taken a welcome initiative in undertaking an infrastructure mapping exercise to determine health resource requirements based on health infrastructure norms in relation to population projection. This dynamic assessment has identified the main infrastructure gaps across all districts and the additional infrastructure required meeting standard service benchmarks. This exercise has led to the addition of 300 SHCs, 26 PHCs and 4 CHCs during the current year. There are now 5076 SHCs, 741 PHCs and 148 CHCs thus, meeting the population norms. There is, however an urgent need to meet the building requirements as large number of primary health care facilities do not have government buildings and /or functioning from inadequate space, e.g. PHCs functioning from sub centre buildings. Fifteen percent of the CHCs also do not have their own building. Non availability of labor rooms in some of the PHCs is also a constraint in offering institutional deliveries at this level. The Department has given high priority to the construction of new buildings and renovation of existing facilities with inadequate space and EC SPP support has been used for construction and upgrading of facilities at different levels.

District hospitals and Community Health Centres are being strengthened to act as FRU and provide EmOC services in the State. This includes appropriate building infrastructure, availability of specialists/ multi-skilled personnel like EmOC/LSAS trained doctors and other skilled personnel, Operation Theatre and Equipments etc. It has been reported that only 36 FRUs are functional of which 14 are District Hospitals (the state has a total of 17 district hospitals and 17 civil hospitals) and 22 are CHCs (of the 148 total CHCs) against a state target of 75 such facilities.

Construction of drug storage units at the district hospitals and at selected 32 FRU blocks with computerization and linkage to the district computerized drug inventory and control system are being established through EC SPP support. Similarly additional space is also created in 39 CHCs for mainstreaming the AYUSH in the system.

### **Mobility/Transportation**

The number of ambulances has doubled at 412 since 2007-08 with 146 procured through EC-SPP support. The State has recently introduced a Toll Free number (108) to access a Sanjeevani Express Ambulance Service in 2 pilot districts (Baster and Raipur). This service is available free of cost in case of emergencies and MCH cases with a response time of around 30 minutes in rural areas The ambulance is equipped with essential critical first aid and trained technicians. Since its induction a large number of medical emergency calls have been answered through this initiative. The JRM team visited one such facility at CHC, Keshkal (district Baster) which has provided emergency medical help in more than 200 cases in a 2 month period.

## **Quality**

### **Staffing Assessment**

The Department has recently conducted a detailed manpower assessment to address areas of critical staff shortage as per IPHS norms and classification of institutions. This exercise has revealed that whilst the State has a substantially higher number of village health workers as compared to IPHS norms there is a shortage of 5,000 ANMs and 5,000 qualified staff nurses as well as a shortage of paramedical including lab technicians and pharmacists. Action is being taken by the Department to obtain approval from Finance Dept for sanctioning of additional posts of ANMs under NRHM as well as additional 1,700 staff nurses, 1,000 of them are to be deployed at district hospitals and 700 at PHC

level. These additional front line staff will greatly improve the availability of care in the 9 underserved districts. Whilst the State has sufficient sanctioned posts for doctors there have been insufficient recruits to fill these positions and this problem is exacerbated in the defined underserved districts.

The NRHM CRM report highlights a significant shortage of health staff across all grades as well as the uneven distribution of staff within and between districts. Around 50% of doctors' posts and 60% specialists' posts are currently vacant. The Health Department is fully aware of this problem and has been attempting to address this over the course of the last year attempting to recruit Class 3 posts as well as higher grades such as MBBS. Several unanticipated administrative obstacles have cropped up in the process and these are now almost resolved with the GAD and the process of recruitment is likely to commence soon. Moreover, the department has also taken cabinet approval to recruit and appoint MBBS doctors on a rolling basis which was earlier the responsibility of the State Public Service Commission which had led to inordinate delay and limited intake. The Department has only provided for a 6 months of budget provision for contract staff under NRHM in anticipation of being able to recruit new doctors in the coming year. .

With a view to long term staffing reform, the Department is considering introducing a mechanisms that will allow post graduate doctors to be recruited directly as junior specialists and deployed at FRU level (CHCs or district hospitals) as is the case in Tamil Nadu, Gujarat and Uttarakand. At the same time the Department is thinking of introducing a level of specialism for those entering as medical officers so that those wishing to pursue clinical work can be deployed directly at CHC level and only those wishing to work in the public health field would then be deployed at PHC level.

Other useful initiatives that will have an immediate impact on improving access to health is the deployment of RMAs at PHC level and new efforts to enforce the Rural Services Bond of Rs 75,000 for all newly qualified doctors entering service. The Department has plans to raise the value of the bond to Rs 5 lakhs for future MBBS appointees and Rs 10 lakhs for those qualified at post graduate. level. Together these initiatives will have a useful impact on increasing the total availability of qualified medical staff in rural areas.

### **First Referral Units**

A key priority of the Department is to increase the availability of FRU facilities in terms of infrastructure, skilled manpower and equipment in a phased manner. District hospitals and Community Health Centres are being strengthened to act as FRU and provide EmOC services in the State. These efforts have been complemented by training programs for multi-skilling doctors particularly in emergency obstetric care (EmOC) and Life Saving Anesthetic Skills (LSAS). Around 96 MBBS doctors have been trained under this initiative and training in 'Essential Neonatal Care' has started very recently.

The Department is also focusing on the need to ensure availability of adequately trained personnel at CHC level as well as in district hospitals by posting one gynecologist and anesthetist or EmOC/LSAS trained medical officer and one lady medical officer in each CHC. Funds are available under NRHM for the improvement of existing infrastructure and supply of equipment and a number of centres have already developed so as to provide a range of specialist services and emergency facilities in such centres. Our observations on some of these facilities visited by the JRM team are as under: .

The district hospital, Rajnandgaon is a 100 bedded facility and had all the sanctioned staff in position. However in view of increased patient load both indoor and outdoor than its capacity, it needs more nursing and other technical staff. On an average 250-300 deliveries are conducted per month and of these, 50-60 are LSCS. Abortions are also conducted (about 30 per month). The blood bank unit was in place and Sick Newborn Care Unit (SNCU) is being established with the UNICEF support. It is believed that all the necessary staff and equipment will be available to make it effective as the civil and the interior work has been completed. On an earlier occasion the SNCU equipment was shifted to another hospital because of lack of space and manpower at the hospital. The hospital does not have a separate Gyne/obst O.T. the labor room has 4 tables. Baby warmers were not functional. There was an urgent need for ambo- bag for resuscitation and independent kit for blood sugar estimation in order to avoid delays from centralized laboratory. The drug supply position needs to be revisited as the some of the life saving drugs in the emergency tray of the OT were expired. With regard to newborn care the hospital thus presents a dismal picture in view of lack of resuscitation facilities and managing hypothermia both of these are critical for newborn survival based interventions

The Dongargarh CHC (District Rajnandgaon) designated as functional FRU lacks the presence of an Anaesthetist because the doctor who had undergone a six month LSAS course could not pass the examination on two occasions and the facility does not have any effective linkage either with the anaesthetist of the district hospital or from the private sector thus abandoning the LSCS and other major surgeries which were earlier conducted. MTPs and other minor surgeries are being undertaken. One of the labor tables needed to be replaced. The team had witnessed a Laparoscopic ligation camp performing over 60 ligations on that day However; the facility was not equipped to handle such large case load and both in case of emergency and post operative recovery. It is important to analyze this in the light of prevailing guidelines which say that not more than 20 laparoscopic ligation should be performed by a single surgeon in a day. The civil Hospital, Kodagaon in Baster District, although designated as an FRU, does not have any specialist. Blood storage units were present at both the facilities. Being a civil hospital there is no provision for the Class one posts and hence no specialist is attached to this facility. The one gynecologist has recently moved to another hospital on promotion. Both facilities lacked a critical unit on newborn care and were unable to provide interventions in cases of emergencies and were thus referring patients to the district hospital defeating the purpose of being an FRU.

In summary the FRUs reported as functional, face acute absence of critical human resources (e.g. specialist doctors), particularly the anesthetists and gynecologists affecting the EmOC services the most. The newborn care services are virtually nonexistent as newborn corners are not established, the radiant warmers not functional, ambo- bags and mucus extractors either not available or where ever available the staff was not conversant of their use. Simple measurements like birth weight recording are erroneous as rounding to next 250 grams are done missing out on low birth weight babies requiring medical intervention The postnatal stay in the facility was too short to have positive impact on newborn care and puerperal morbidity/advice

#### Training

The department has initiated strengthening of its training capacity for ANMs and GNs in order to improve the availability of properly trained staff nurses, ANMs and MPWs with the support of ECSP. Four ANM training centers are proposed to be established at Kanker, Jagdalpur, Mahasamund and Koriya. One BSc college is coming up at Jagdalpur.

The JRM team visited the ANM training centre constructed with EC-SPP funds in Rajnandgaon. The team also visited another ANM training centre at Konda block in Bastar. The Rajnandgaon ANM training centre's present capacity is 60 students, 20 from each adjoining district, however the capacity would be raised to 90 once they move to their new building. The faculty consists of one principal and four tutors who have been in the centre for over 15-20 years. The revised syllabus which includes modules of SBA and IMNCI has been implemented since 2009 however; the reorientation of the faculty on these modules as well as lack of availability of relevant teaching aids is a continuing problem. The interaction with the first batch armed with the learning of revised syllabus was not very encouraging, however they appeared quite enthusiastic. It is expected that the fresh batches of ANMs would be able to provide critical assistance in midwifery and newborn care as envisaged in the SBA and IMNCI modules but the observed deficiencies in the learning methods will have to be addressed as a priority. Since in-service training of the existing ANMs on SBA and IMNCI still continues to remain a challenge and fresh recruits are likely to fill this gap only in the long term, augmenting training and learning ability is critical. Discussions with the faculty revealed the following ideas to make these institutions more quality oriented and effective:

- Refresher training of faculty
- Provision for guest resource faculty
- Teaching Aids including computer based learning models and material
- Supervisory mechanism for training
- Logistics support for field training of students in rural areas around CHCs

#### In-service training:

No significant progress has been made with regard to SBA training of ANMs/LHVs, whereas .the District PIPs reflects the training schedule to be conducted in the district hospitals. Similarly IMNCI training for both medical and paramedical personnel has also legged behind. Both the above training programs are critical for maternal newborn and child survival (MNCH) services and need to be



addressed on priority basis. Appropriate strategies need to be evolved to accomplish the training activities.

### **Mitanin Programme**

Over 60,000 Mitanins- a community based female volunteers have been deployed in all parts of the state since 2005 facilitating people's access to public health services at the village and every habitation level. The Mitanins have been appropriately trained as CHW particularly on areas relevant to RCH programs and serving as critical link between health providers and the beneficiaries and replaces ASHA under NRHM in the state. They are also providing first level curative care under the Mukhyamantri Dawa Peti Scheme. ECSPP funds have been used to provide BCC kits to all the Mitanins

Recently an evaluation of Mitanin's program, both following qualitative and quantitative approaches, has been completed describing functioning of Mitanins based on assessment of her knowledge and skills, possible impact on community health awareness and health outcomes and strengths and weaknesses of the program through the EUSPP support. Whilst the evaluation study has serious design issues with respect to its stated objectives making its observations of limited value, the bigger picture that emerges from the above evaluation is that the Mitanin occupies a significant space in the community to facilitate critical health and nutrition services to the people in the rural and difficult to reach areas. Further since the evaluation addresses several areas that have larger policy implication, it is suggested to revisit the statistical analysis of the evaluation data to substantiate some of the observations by building contrasts and comparisons in the analysis.

### **Hospital management**

The Jeevan Deep Simitis are people oriented and target centric hospital management committees. These committees also have the power to recommend disciplinary action against non-performing officials. Under this scheme, every hospital will be graded based on its service quality and the best hospitals will be given Jeevan Deep gold stars, silver stars and bronze stars respectively. The best hospital in every district will get Rs. 2 Lakhs as reward for good services. Korba, Ambikapur and Durg are Silver Star hospitals. The Korba District Hospital has been certified for ISO 9001:2000.

### **Enhancing civil society response**

Community participation in the decentralized planning and monitoring of primary health care services is evident from the fact that 17,733 village health and sanitation committees (VHSC) are functional out of 20,000 villages in the State. The Swasth Panchayat Scheme supported through ECSPP funds, the information on 32 indicators has been collected for computing Panchayat Health & Human Development Index and panchayats are now engaged in detailed planning to produce village health plans. The VHSCs have further strengthened this initiative.

1. Improved Procurement
2. Cabinet approval has been obtained for the establishment of a Medical Services Corporation as a public company. This entity will now be registered and staffed with professional procurement personnel. This is an important initiative that will help to streamline drug and equipment purchases and to ensure more effective procurement procedures are in place with improved value for money and greater transparency in all health procurement matters.

### **Strengthening program approaches**

Provision of additional resources from ECSPP funds has been made to improve the outcomes of the following programs

- Mobility support for operationalizing the cataract surgery units under blindness control program
- Mobility support for rapid support teams for epidemic control in each district under IDSP
- Establishing Technical Resource Units for leprosy control program both manpower and infrastructure
- Establishing Intermediate Level Reference Laboratory (IRL) for TB control program
- Support for Family Welfare Program - special incentives for motivation.
- Mainstreaming the AYUSH
- Support for child heart scheme and cochlear implant for children with hearing difficulties for BPL category families.

## **Challenges**

Although there has been significant improvement in creating health infrastructure during the last 5 years with support from EC-SPP, there is a remaining challenge in terms of addressing the continuing infrastructure gaps. Absence of minimum facilities as per IPHS standard for 24x7 PHCs and FRUs, diagnostic facilities for quality care, vacancy of staff nurse, physicians and specialists have contributed to under utilization of these facilities.

No significant progress has been made with regard to SBA training of ANMs/LHVs and IMNCI training for both medical and paramedical personnel. Both the above training programs are critical for maternal newborn and child survival (MNCH) services, appropriate strategies need to be evolved to accomplish the training activities.

## **Recommendations**

The state has 17 civil hospitals possibly one in each district which was earlier attached with district civil surgeon. These facilities are providing excellent curative services to the people, both indoors and out patient units are utilized to their full capacity, and in fact are the sub division hospitals in the district. The civil hospital Kodagaon, District Baster has been designated as FRU. Since these facilities are not conforming to the standard nomenclature of primary health care services (CHCs) and therefore deprived of specialist positions. It is suggested that the governance issue of civil hospitals may be revisited and appropriate strengthening done to better utilize these facilities.

PPP models may be explored to further augment training and skill development requirements of all category of health personnel including training need assessment.

## **Education Sector**

Chhattisgarh is making steady progress to achieve education outcome targets across the State, especially in the elementary sector. The District Primary Education Program (DPEP) along with the Sarva Shiksha Abhiyan Program (SSAP) have provided a significant injection of resources into the sector to help meet universal primary education targets. This is complemented by Rasthriya Madhyamik Shiksha Abhiyan designed to strengthen secondary education. Since the resources under these programs are tied to stipulated norms, the EC SPP budget support provides flexi funds to support strategic gaps across the sector as a whole with a focus on improving service provision in the more remote and conflict prone districts.

In this context, EC SPP funds have enabled the Department of School Education (DSE) to become change agents by piloting innovative initiatives such as Multi-grade Multi-level teaching (MGML) across grades 1-4, Early Child Care Education (ECCE) to strengthen pre- school learning provided under ICDS and community-driven initiatives such as CIMP and capacity building in various areas of teaching and learning. Most of these initiatives are now ready to be mainstreamed into the department and scaled-up for replication. Once this is underway, the Department proposes to expand EC SPP budget support to strengthen a number of the special programs in the State that focus specifically on the remote tribal districts and which cut across several sectors. Some of these initiatives include; establishing and upgrading residential (ashram) schools and hostel for tribal children; special academies for gifted tribal children, vocational training initiatives for tribal children, providing transport (bicycles) for girls in remote areas. Other initiatives include improving the level of support being provided to physically challenged children and promoting holistic development & life styles for children. Under Sarva Shiksha Abhiyan, the Department has provided infrastructure & facilities for disabled children including disabled friendly lay outs, equipments & resources. Other initiatives include assisting pupil transition to secondary schooling through easy enrolment and intake mechanisms. A detailed school-based survey in collaboration with SSA and ICDS will be conducted that will help to synergize efforts with other related departments.

## **Outcomes**

The NER for primary and upper primary level is 99% except in Bijapur (90%) and Dantewara (91%) districts although the latter have shown considerable progress when compared with 2008-09 rates of 43% and 61% respectively. Both Dantewara and Bijapur, however, report retention rates at primary level below 60% and transition rates from primary to upper primary at 50%. Moreover, the drop out at upper primary level is also noted to be higher in these districts.

The composite Education Development Index (EDI) computed at national level from 21 indicators divided into four components i) access, ii) infrastructure, iii) teachers and iv) outcomes shows that the State remains low on the all India ranking although it has made significant progress in terms of the teacher and outcome index. The desired EDI value for each component would be 1.0 and components with an EDI value close to 1.0 could be rated as encouraging. The district-wise EDI shows an overall EDI of 0.13 in the case of Bijapur and 0.89 for Durg implying that more effort is needed in these districts. Amongst the 9 EUSPP 3 are ranked as the lowest in the State (Bijapur 18, Narayanpur 17, Dantewara 16) while Kawarda is ranked 13 of 18 and Bastar 11 of 18. It may be noted that Dantewara ranked low on the outcome ranking while other districts ranked low on the access, teacher and infrastructure index.

### **Access**

The Department has made significant progress in improving access to education across the State including remote districts through the establishment of 36,732 primary and 15,748 upper primary schools. Much of the expansion in education infrastructure has taken place during last three years and around 87% of all civil works are now complete (SSA reports). Significant emphasis has also been placed on improving access to secondary education which has included an impressive increase in the number of schools over the last year and an overall doubling of secondary schools since 2003-04.

The primary school coverage ratio stands at 2.4:1 for the State but declines to over 3:1 in the remoter districts (Dantewara 3.08, Naryanpur 3.56, Jaspur 3.57, Bijapur 4.5). Almost 10% of habitations in Bastar, Dantewara and Bijapur and about 20% in Narayanpur districts do not have an upper primary school within the target of 3 Km.

There are over 72,000 teacher posts in the State and the Teacher Pupil Ratio is quite comfortable at 31:1 for primary and 23:1 for upper primary levels, however, there are still around 10% of primary schools across the state as a whole with a single teacher only which rises to over 20% in Bastar and Bijapur and 33% in Dantewara.

In spite of these efforts there are still many gaps in school infrastructure including buildings, class rooms, toilets (especially for girl's) as well as water, electricity, furniture, etc. Panchayats are major stake holders in the overall management and monitoring of schools in rural areas and mandated to address construction of school buildings and necessary extension, repairs and efforts will need to be made to encourage them to utilize their own grants for such purposes.

Access to education in districts such as Dantewara, Bijapur and Narayanpur has been severely affected by conflict and this is reflected in the figures above. The Department is experimenting with different ways of providing education up to grade 8 for children of 6 to 14 years of age including providing temporary/ mobile schools in porta cabins as well as residential options schools.

### **Equity**

No social discrimination on access to school facilities based on caste or sex is found to be prevalent in the State. Children of scheduled tribe, caste or other minority sections of society are enrolled, attend and learn alongside other children. However, the provision of school facilities in areas populated by minority groups is not always in conformity with the sector benchmarks. Out of total 2,220 villages with more than 40% ST, SC and Muslim population, 304 are found to be without any primary school within 1 Km radius and 290 are without upper primary within a 3 Km radius.

Regular tracking of 'out of school' children is being undertaken and a number of initiatives launched to address this problem. A total of 44,863 (or 90%) of all 'out of school' children have been covered under a bridging course programme and of these 26,933 (or 60%) have been mainstreamed into regular schools (Household survey of June 2009).

### **Quality**

#### **Early Child Care Education**

An Early Child Care Education (ECCE) initiative was launched during the first year of EC SPP support. This has helped to enrich pre- school education under the ICDS programme as well as raising a cadre of resource faculty in ECCE. Under this initiative the Department has provided learning kits and handholding support to 20,000 Aganwadi centres and plans to expand this to another 20,000 (11,000 funded under SSA and 9,000 under EC SPP) so as to cover the entire State. It will be important for the Department to decide whether the ECCE initiative should be handed over to another vertical activity under ICDS or if it should replace the PSE. To date most of the training and learning

activities under ECCE have been confined to older children (ie above 3yrs) because of the predominant attendance of this age group. Hence, the contents of ECCE on pregnancy, lactation and 0 to 3 year children may need to be re-assessed.

#### **Multi-Grade Multi-Level Learning**

The MGML teaching and learning initiative for grades 1-2 is another initiative supported by EC SPP and is now being practiced in about 26,000 schools from all 146 blocks of the State. The roll-out of MGML on this scale was based on experiences gained from pilot testing and standardisation of learning material in 8,000 schools as well as qualitative assessment conducted by Rishi Valley Institute of Educational Resources and Tamil Nadu. The Department is now ready to expand MGML to grade 3 & 4 and all learning material has been standardized and printed and training of faculty from 8,000 schools has been completed. The Department also plans to conduct an independent child assessment of the impact of MGML in grade 2 1-2 under EC SPP support prior to any further scaling up of the initiative.

#### **Vocational Education**

Vocational education in 19 trades is being delivered in 106 higher secondary schools across the State and equipment for a further 12 trades has been supplied by EC SPP. A book on career guidance has been published by SCERT for all high and higher secondary schools. This area can benefit from substantial improvement and support with linkages to various livelihood programmes and opportunities so as to enable children, especially those from remote and conflict prone districts to access employment after school.

#### **Capacity Development and Research**

Another strategic component of EC-SPP support has focused on strengthening of District Institutes of Education and Training (DIET) to enhance the quality of teaching and learning. The DIETs continue to play pivotal role in innovating newer strategies of learning, overseeing quality elementary education, counseling and rehabilitating 'out of school' children beside training large number of untrained teachers as well as conducting D.Ed. courses. The resource centre established at each of the DIET through EUSPP support has been providing value addition to teaching and learning methods as well as immense resource to D.Ed. students.

English learning laboratories have been established in 61 upper primary schools (one per block) on a trial basis and it is intended to expand these to at least 2 upper primary schools in all 146 blocks. The English learning Kit which consists of 115 books, CDs, projectors and other lab material had been procured through EC SPP funds to all 61 UPS.

In addition to the above, around 2,800 school teachers and faculty from SCERT/ DIET/ D.Ed attended a 7 day short term residential course on life skill education (Chetna Vikas Mulya Shiksha) in 45 batches. A further 9,800 participants have received an introductory orientation through EDUSAT and 103 teachers have been sponsored for a one year life skill education course. The course books of life skill education for class 1 to class 5 have been introduced on pilot basis in primary schools.

SCERT has introduced Activity Based Learning at Upper Primary level on a pilot basis to improve the quality of learning. A team was sent to Tamil Nadu to study the process and has developed techniques such as the mind map which has been introduced as a new classroom technique. This year, SCERT has identified more strategies for active learning & has developed the Resource Group concept for providing training to teachers. Funds for developing the Resource Group have been taken from EC SPP and converged with SSA for teacher's training. SCERT is also planning to undertake training in this technique to target backward blocks to help improve quality and equity.

SCERT has also organized a series of workshops on continuous & comprehensive classroom evaluation. A team of 50 teachers has been oriented on this technique and SCERT is producing detailed guidelines for the implementation of CCE as per RTE provisions. Finally, SCERT has revised the curriculum and text materials for D.Ed. in line with NCF. The State has made a review of the examination patterns & answer sheets of students and based on these findings, some changes are being made. This year, the State has introduced the materials in both D.Ed. Year 1 and 2 courses.

#### **Participation**

The Community Initiative Micro Plan concept aims to empower and equip PRIs (rural local governments) to make interventions in school education as well as to identify resources and technical expertise available within the community to strengthen delivery. Pilot testing of the Community Initiative Micro Plan concept has been undertaken in one block of each of the eight districts

(Dantewada, Durg, Janjgir, Kabeerdham, Kanker, Korba, Raipur and Rajnandgaon) under EC SPP funding. Under the initiative, one volunteer for every 40 families in each block has been selected and trained in various components of community mobilization. Over 70% of the local PRIs and potential youth have been sensitized and modules for new PRI Chairpersons and Deputy Chairpersons have been developed. This initiative has resulted in mainstreaming of 5,935 (77%) 'out of school children' in these blocks as well as helping to improve facilities such as kitchen gardens, craft designing and monitoring school performance.

Another interesting initiative has included a 'Good Parenting' scheme whereby 50 parents from 40 blocks have been trained in good parenting, de-addiction & Vysan Mukti, moral and cultural values etc. This has been accompanied by various promotional activities amongst parents to encourage children to participate in a variety of educational competitions at village, district and State level with over 60,000 children participating to date.

Interactions with some of PRI's representatives during field visits by the JRM team to block resource centres and adjoining villages in Korba and sarguja districts revealed lack of awareness of PRI members on school education issues and solutions that exists locally and such initiatives by education department that enlighten community leaders on issues and likely solutions are urgently needed on long term basis and more so because of the facts that recruitment of teachers are being done through them. Further a study on Effectiveness of Decentralised Service Delivery Mechanisms: PRIs and Village Committees in Chattisgarh (2010) also highlight the same concerns of lack of awareness and visibility of these committees in the village development particularly in the field of elementary education.

## **Challenges**

There are still 25,000 inadequately trained teachers in the State and RTE norms are likely to increase this burden further. Teacher Training Institutions are not able to meet training demands and measures being taken to increase training seats. A ban on recruitment of untrained teachers may to some extent ease this problem.

Overall, the learning achievement levels of children in Chhattisgarh are much lower than the National average in all most all subjects. Several initiatives aimed at improving and monitoring quality of teaching and learning are already underway, however this needs to be integrated to address the quality concerns. SCERT has formed subject-wise cells which are responsible for improving teaching. This initiative has been supported by a letter to all departments.

There is a need to revamp village education committees (VEC) inducting females/parents whose children are enrolled in the schools. State School Management and Development Committees are in line with this and have separate class-wise evaluation and quality monitoring committees including participation from parents.

The teacher's effectiveness framework, including performance tracking on predefined indicators, induction, in-service training and training for certification of untrained teachers all need to be put in place in the near future. A teacher performance evaluation system will be developed and implemented under the HRM policy.

Works in pipeline: MGML evaluation, technical support for improving service delivery in 3 selected backward districts

Education Management: DPI will work on this, ECTA will also be requested to assist.

EMIS needs to be developed on a priority basis

More concerted efforts are required to expand CIMP activities. And inputs in this regard will be reviewed & system strengthening will be suggested

## **Forest Livelihoods**

The development of minor forest produce and livelihood models has shown significant progress over the past 4 years as result of a comprehensive approach covering research, capacity building, diversification and technological upgradation. The livelihood net covers vast populations in the remote and traditionally underserved areas and given its area of operation, tribal communities have been the

primary beneficiaries. The EC funds have been put to strategic and efficient use in technological upgradation, training, marketing and research.

The Federation has a target of setting up of 132 micro enterprises by 2010-11, out of which 129 have been sanctioned which includes Production, Collection, Processing and Marketing activities. Each Self Help Group typically has 20-25 members each and the total number of members in the group would be 3,225. With an average family size of 5, over 16,000 derives livelihoods from these initiatives.

The JRM team visited Herbal Medicine Processing Unit at Donganala which was established using EC funds. The total cost of the project is Rs.16 Lakhs. Total of 10 SHG groups are involved in collection, processing and marketing of these products. With an average family size of 5, as many as 1000 people are deriving their livelihood from this activity. Currently, 35 different products are prepared here and sold at the Sanjeevani outlets and the average sale is Rs. 36 Lakhs. The group is entitled for 5% share in the overall profits which helps them in overall poverty alleviation. Although sufficient training is provided to the group members, the JRM team observed that more scientific training needs to be imparted to leverage the existing facility. As the group is dealing with medicinal plants, the process of processing them should comply with the standard practices. It was observed that, the group was facing a shortage in availability of utensils for mixing the herbs.

Federation has taken number of steps to increase the livelihood activities such as creation of new budget head for processing NTFP and Rs. 2 Crores have been sanctioned in the year 2008-09; A Bio Diversity Conservation through community based natural resource management, Ministry of Environment and Forests, GoI has been sanctioned; GoI has sanctioned Rs. 32 Crores for setting up value addition centres of NTFP; SGSY linkages have been developed. Although many steps are being taken by the Federation, it is still desired that concerted efforts involving various vertical and horizontal agencies needs to be taken up.

### **Micro Enterprises**

The expansion in the number of micro enterprises across all the categories of production, collection, processing and marketing has taken place successfully, achieving close to the target number. The following details provide information as to the steady increase in the micro enterprises in the state:

A total of 15 new micro enterprises have been sanctioned in the year 2009-10 and 2 have already been sanctioned in 2010-11. The Federation has sanctioned a total of 129 micro enterprises against the target of 132. In lac cultivation, has doubled the annual income of the villagers, 6 new micro enterprises have been sanctioned in the year 2009-10 year taking the total number to 16. In honey collection and raw herbs collection the number added has been 1 and 3 respectively. Substantial increase has been noticed in establishing processing units. A total of 31 various processing units have been established which is generating livelihoods to the needy. At the retailing end, 30 Sanjeevani outlets have been sanctioned with a budget of 30 Lacs. These outlets are now established and are improving the livelihoods of the groups who are involved in managing these outlets. Federation has also established a total of 32 temporary storage centres all across to store the raw material and finished product systematically.

### **Marketing**

Marketing and packaging of the products has been given a special focus during the current year. The technical inputs in marketing/brand promotion are now underway and the output of these consultancies is expected to give substantial impetus to the Federation in improving their marketing and branding strategy. The Federation should keenly look at the recommendations and should have a clear action plan for implementing the same.

There are 6 NWFP marts for purchase and sale of raw herbs and herbal products and currently 40 products are being marketed through these marts. Forty Three Sanjeevani outlets are also established for promoting retail marketing of the herbal product. Federation has taken efforts to promote the brand "Chattisgarh Herbals" aggressively and various measure are being taken to improve the brand promotion. Market linkages have been successfully established with Dabur for raw herbs. Another initiative to improve marketing is the commissioning of a report to the Indian Institute of Foreign Trade for assessing the export potential of the minor forest produce.

Advisements through SMS, Hoardings, TV channels and Radio channels were also initiated to promote the brand and increase the sales.

### **Capacity Building:**

Training in scientific methods of collection is the fundamental component of this programme as it has the most immediate and far reaching effect in improving yield and quality of the produce. 200 Forest Produce Cooperative Societies have been identified for capacity building. A total of 11,484 participants which includes 7,993 beneficiaries and 3,491 officials were trained so far. PRIs are now being involved in the training activities and training manual for PRIs is also prepared with the assistance from SIRD.

Management Development Training was imparted to the staff of the Federation for the first time and it is expected to bring in better interpersonal relations within the staff. An important new focus area of training last year was management and marketing analysis. Tally software training imparted last year resulted in Federation maintaining and updating their MIS. More than 1874 beneficiaries and 162 staff were also trained in Raw Herbs Collection in the year 2009-10 which oriented them towards correct approach of harvesting. SHGs were trained in accounts and processing and 36 master trainers were trained in micro enterprise management.

### **Certification:**

Protocols for the organic certification of Honey, Aonla, Tamarind and other herbs are being developed with NPOP standards. Steps have been initiated to undertake organic certification of honey and other NTFP produce. The Federation staff has been trained by Agriculture Produce Export Development Authority of India for Organic Certification.

The Federation is also now the organic certifier and are certifying the agriculture / forest produce for organic production. CGCERT has also signed MOU with accredited laboratory, Reliable Analytical Laboratories Pvt. Ltd for testing purposes. Concerted efforts are being put to bring eleven forest areas under organic certification process.

### **MIS and Resource Management**

Management Information System cell is in place which is resulting in reducing time, cost and effort in generating reports. Steps are underway to bring in the entire accounting system under Tally Software and required licenses have been procured. Required training has been provided to the personnel on the MIS.

Resource Survey has been carried out all over the state forest area in order to map the NWFP resources of the state. A detailed field manual has been prepared to carry out the inventory with the technical help of Forest Survey of India, Dehradun. The resource field work and data entry for the year 2007 and 2008 have been completed in 2358 and 2640 plots. Total 344 plant species have been identified with the help of Botanical Survey of India.

### **Research and Development:**

R&D activities on good collection practices and non destructive harvesting techniques have been initiated and are consolidated at the field level. Technology transfer of 3 product of Aonla and 2 product of Tamarind was taken by CFTRI, Mysore. Federation was successful in establishing Tamarind manufacturing unit at Jagdalpur district. Tamarind and Aonla product processing plan are also proposed for establishing using technology transferred from CFTRI. Federation has also assigned 7 new research projects to CFTRI, Mysore and TFRI, Jabalpur which will result in developing new product line.

### **PRI Interface**

Institutional involvement of PRIs in NWFP activities is very limited; however efforts are being made to improve PRI participation. In furtherance of the same the federation has planned a capacity building exercise for PRIs, the training manual is prepared for involving PRIs with the assistance of SIRD. This initiative needs to be driven further and with the assistance of SIRD hopefully training should commence soon. Necessary instructions have been issued to the federation offices and SHGs to all concerned to involve PRIs in the activities related to NWFP. At a non institutionalized level PRI members are involved in the functioning and operations of SHGs and JFMs.

**Key observations:**

Although Herbal Hospitals are established, there is a great need to develop a self sustaining model for these hospitals if they have to survive in the long term and become financially independent.

The Marketing Executives employed by the Federation are instrumental in driving the activities of the Federation. It was self evident that the attrition rates of these executives is very high and there is a need to increase their motivation level – both financially and non financially

One of the innovations brought in by the Federation is to venture into PPP for processing and marketing of NWFP products. It should be noted here that, even though PPP route encouraging, sufficient steps should be taken to safeguard the interests of the SHGs and their revenue systems.

Federation should also continuously apply for registration of new products as this may increase their revenue and will also assist the SHGs dependent on retail outlets in increasing their profitability.

Federation should critically review the recommendations of the various short term assistance programmes and have a definitive plan for implementation of recommendations.

One of the major challenge and focus area of the Federation should be on Sustainable management of Forests and promote the use of Non Destructive Farming. Federation should prepare a comprehensive action plan for the same.

**Devolution and Local Government**

As part of strengthening the Decentralization Framework in the State, EC-SPP has been funding the PRI Department and related institutions as the main focal area of budget support in the Governance sector. The main area support includes development of capacities to implement devolution. The main areas of progress in the PRI sector relate to the statutory and fiscal frameworks for devolution as well as planning and capacity development.

**Statutory Framework**

As reported in the JRM report 2010, the enabling framework for devolution of the PRI's derives from the earlier Devolution Policy of Madhya Pradesh of 1998 which was adopted for Chhattisgarh on Nov 1<sup>st</sup> 2000 with subsequent minor amendments. It is worthwhile highlighting that the MP policy as the genesis of the Chhattisgarh devolution policy was considered at the time to be an innovative policy which provided for the granting of legal status to the Gram Sabha along with certain powers and functions. Whilst there have been some modifications in practice, the Chhattisgarh policy has provided a strong enabling framework for the establishment of one Gram Panchayat for every 2 villages.

The department is continuously initiating steps to implement the devolution framework. A directive has been sent by the department to all important stakeholders on the rights, authorities and functions of the PRIs. Activity mapping exercise clearly demarcating planning functions has been completed in 12 departments, as mentioned in the previous JRM report. The department was to complete the activity mapping in remaining departments and issue Gazette Notification which is still pending. The JRM team observes that the more meaningful devolution beyond policy frameworks is yet to materialize.

**Planning Development and Accountability**

The 73<sup>rd</sup> Constitutional Amendment, 1992, was a critical enactment to confer constitutional status to the Panchayat Raj Institutions and thereby it mandatory to involve the community in the process of development and governance. Since then, involvement of community has been taken up as an integral component in most State programmes. The Government has issued guidelines for district planning especially for BRGF and the District Panchayat Representatives and District Planning Committee's have been trained to undertake bottom up planning with the Gram Panchayat's.

District Planning Committees established in 2007 are now in place in all districts. The DPC's currently approve and consolidate the annual plans of the Gram Panchayat's which are then forwarded to the State High Powered Committee for final approval. The DPC's chaired by the District Minister In-Charge is responsible for holding meetings with the Gram Panchayat's for all the planning purposes. The Gram Sabha's are also conducted as prescribed by the mandate and the minutes of the meeting are prepared which are later made available to the public.

Community development blocks are established to primarily engage with the community, as there were no pre-existing policies and programmes on this. Further, it was a challenge to engage



communities in the development process due to high rate of illiteracy - especially among the marginalized groups such as the Scheduled Tribes, Scheduled Castes and Women.

The JRM has observed that the current planning process at the village level is poor as most of the members are not yet aware of the planning processes. It was further observed that many local committee representatives, village community do not participate in the Gram Sabha's. Lack of basic training, awareness and absence of financial resource framework and improper devolution of powers to the Panchayat are some of the factors affecting the poor planning. This underlines the importance of capacity development to stimulate more effective participation in local governance structures at village level.

### **Implementation under EC SPP**

Three year (2010-2013) PIP is prepared and was recently approved by DIF. The PIP consists of workshops on decentralization and devolution which has both state, district and block level workshops for the PRI functionaries. One of the important activities is preparation of 'Roadmap' for PRI which proposes developing a 'Vision' for the department with clear roles and responsibilities. The roadmap is also expected to provide clear devolution strategy for the state and strengthen financial, administrative and accountability structures. Post the development of Roadmap, a comprehensive 'Perspective Plan' is proposed to be developed which will help the department to improve the basic service delivery, capacities of the Panchayat. To continue the implementation of devolution, it is further proposed that the State Support Centre established with 19 coordinators who will conduct the training and awareness building of the functionaries.

The department has initiated steps for implementation of the PIP. The JRM team attended a workshop on decentralization in Raipur in which several Janpad, Block and village level functionaries participated. The main objective of the workshop was to educate the functionaries on their rights and duties as provided under 73<sup>rd</sup> CAA. Few important issues were raised by the public representatives including:

- Lack of information to the public representatives on various development schemes
- Lack of the involvement in the decision making
- Janpad, Block and Village level functionaries limited to only signing
- Development perspective limiting to only infrastructure work
- Need for more interactive training programmes
- Budget sanction is being done at district level and not at block or village level
- Tied funds not being authorized/used by block and zilla panchayats.

The department should note the above issues and issue necessary orders to correct the field level issues. The department should also conduct post training evaluation of the various programmes being conducted and incorporate the lessons.

The procurement methodology for 'Roadmap preparation' is now finalized and limited tender process is being initiated. The perspective plan will be developed post the roadmap is finalized. These two are very important initiatives and the department and the TA team need to expedite the process.

The department has also laid plans to set up State Resource Centres and appoint individual training coordinators. It is proposed that the training coordinators will be recruited who will conduct the training to the elected representatives.

### **Training and Capacity Building**

SIRD is the primary institute responsible for undertaking training and capacity building programmes for Panchayat. Over 98,000 Functionaries of Panchayat have been trained this year. Panchayat Resource Centres established and training is provided through SATCOM/EDUSAT. The facilitators appointed through the PRCs are paid TA and DA for travel and honorarium. It is suggested that the evaluation of such training programme should be conducted and important lessons should be incorporated.

The Panchayat elected representatives and the officials also visited Kerala for a 9 day exposure visit on "Local Government System and Participatory Planning Process in Kerala" which included visiting the gram, block and zilla panchayat office.

## **Recommendations**

- Evaluation of training conducted through SATCOM/EDUSAT
- Establishing 'Model Panchayat Office' in the current year may help the department in effectively demonstrate the important and advantage of decentralization.
- Roadmap and Perspective Plan should be given utmost attention
- State Support Centre operational.

## **Devolution and Local Government**

As part of strengthening the Decentralization Framework in the State, EC-SPP has been funding the PRI Department and related institutions as the main focal area of budget support in the Governance sector. The main area support includes development of capacities to implement devolution. The main areas of progress in the PRI sector relate to the statutory and fiscal frameworks for devolution as well as planning and capacity development.

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The department is continuously initiating steps to implement the devolution framework. A directive has been sent by the department to all important stakeholders on the rights, authorities and functions of the PRIs. Activity mapping exercise clearly demarcating planning functions has been completed in 12 departments, as mentioned in the previous JRM report. The department was to complete the activity mapping in remaining departments and issue Gazette Notification which is still pending. The JRM team observes that the more meaningful devolution beyond policy frameworks is yet to materialize.

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The 73<sup>rd</sup> Constitutional Amendment, 1992, was a critical enactment to confer constitutional status to the Panchayat Raj Institutions and thereby it mandatory to involve the community in the process of development and governance. Since then, involvement of community has been taken up as an integral component in most State programmes. The Government has issued guidelines for district planning especially for BRGF and the District Panchayat Representatives and District Planning Committee's have been trained to undertake bottom up planning with the Gram Panchayat's.

District Planning Committees established in 2007 are now in place in all districts. The DPC's currently approve and consolidate the annual plans of the Gram Panchayat's which are then forwarded to the State High Powered Committee for final approval. The DPC's chaired by the District Minister In-Charge is responsible for holding meetings with the Gram Panchayat's for all the planning purposes. The Gram Sabha's are also conducted as prescribed by the mandate and the minutes of the meeting are prepared which are later made available to the public.

Community development blocks are established to primarily engage with the community, as there were no pre-existing policies and programmes on this. Further, it was a challenge to engage communities in the development process due to high rate of illiteracy - especially among the marginalized groups such as the Scheduled Tribes, Scheduled Castes and Women.

The JRM has observed that the current planning process at the village level is poor as most of the members are not yet aware of the planning processes. It was further observed that many local committee representatives, village community do not participate in the Gram Sabha's. Lack of basic training, awareness and absence of financial resource framework and improper devolution of powers to the Panchayat are some of the factors affecting the poor planning. This underlines the importance of capacity development to stimulate more effective participation in local governance structures at village level.

## **Implementation under EC SPP**

A three year PIP (2010-2013) has been prepared and approved by DIF. The PIP consists of workshops on decentralization and devolution which includes State, district and block level workshops for PRI functionaries. One of the important focal activities is the preparation of a 'Roadmap' for PRI which proposes developing a 'Vision' for the department with clear roles and responsibilities. The roadmap is also expected to provide a clear devolution strategy and strengthen financial, administrative and accountability structures. Once this has been completed it will be possible to formulate a comprehensive 'Perspective Plan' which will help the Department to improve basic service delivery as well Panchayat capacities.

The department has initiated steps for the implementation of the PIP. The JRM team attended a workshop on decentralization in Raipur in which several Janpad, Block and village level functionaries participated. The main objective of the workshop was to educate the functionaries on their rights and duties as provided under 73<sup>rd</sup> CAA. The following issues were raised by the representatives including:

- Lack of information to the public representatives on various development schemes
- Lack of the involvement in the decision making
- Janpad, Block and Village level functionaries limited to only signing
- Development perspective limiting to only infrastructure work
- Need for more interactive training programmes
- Budget sanction is being done at district level and not at block or village level
- Tied funds not being authorized/used by block and zilla panchayats.

The Department should note these points and initiate action to address these issues.

The procurement approach for the 'Roadmap preparation' is now finalized and a limited tender process is being initiated. The perspective plan will be developed once this is complete. The Department has also made plans to set up State Resource Centres and appoint individual training coordinators. It is proposed that the training coordinators will be recruited who will conduct training to the elected representatives.

## **Training and Capacity Building**

SIRD is the primary institute responsible for undertaking training and capacity building programmes for Panchayats. Over 98,000 functionaries have been trained this year. Panchayat Resource Centres have been established and training is being provided through SATCOM/EDUSAT. The facilitators appointed through the PRCs are paid TA and DA for travel and honorarium. It is suggested that the evaluation of such training programme should be conducted and important lessons should be incorporated. The Panchayat elected representatives and the officials also visited Kerala for a 9 day exposure visit on "Local Government System and Participatory Planning Process" which included visiting the gram, block and zilla panchayat office.

## **Recommendations**

- Undertake an evaluation of training conducted through SATCOM/EDUSAT
- Establish a 'Model Panchayat Office' in the current year in 1-2 focal districts to demonstrate efficient working arrangements and effective and accountable functioning
- Formulate the planned Devolution Roadmap and Perspective Plan
- Establish and operationalise State Support Centres

## **TA Support**

### **Staffing**

TA support has progressed with the deployment of an additional Key Expert for PFM in March 2011 to work alongside the existing team comprising Team Leader and Deputy Team Leader/Decentralisation Expert. Based on the recommendations of the last JRM the TA team has identified,

pre-selected and proposed 2 candidates for National Experts for Health and National Expert Education approved by the respective departments. In addition the Capacity Building Expert has been identified and proposed to the EU and is currently under approval. Once these experts are approved and deployed the TA team will be complete.

### **TA Outputs**

This existing team has in the meantime been continuing to advise and support all Departments in coordination with DIF. One of the main focal areas of activity has been to identify ST inputs and review outputs. A summary of all ST activity to date is presented in the table below. Here the TA team has been working closely with the Health Department on the Mitadin Evaluation through its final stages of completion. This has entailed reviewing and supervising the outputs and report preparation of the study which included a quantitative and qualitative assessment of the Mitadin programme entailing structured questionnaires for around 12,000 respondents. The TA team organized several meetings to discuss how the results would be analysed and presented in consultation with the Department and reviewed the first draft and provided extensive support for the revision of the final draft. The TA team has also provided output review support for the preparation of the final MTEF report and PFM study including the organizing of dissemination workshops and presentation on each of the major ST reports. TA team has also further provided assistance to CGMFP Federation and School Education Department on current assignments and new request for supporting of EC SPP implementation.

In addition, the TA team has spent considerable time on supporting initiatives for decentralization. This has included: inputs to an EC workshop on a national level workshop on decentralization in collaboration with the PRI Department; planned and conducted a national study tour to Kerala for 13 members including elected panchayat members, mainly women, government officials including EC-SPP nodal officers of all departments. The TA team is now assisting the preparation of an international study tour on decentralization practices in Europe (Germany, Netherlands and Austria) for 15 participants of all EC-SPP departments.

### **Working Arrangements (with DIF and Line Depts)**

The TA team continues to hold bi monthly meetings with DIF and undertake frequent visits and communication with partners departments on implementation and follow on the programme as a whole as well as follow up to STEs/ TAs. Health and the Federation have demonstrated capacity to follow up on current TAs however in the Education Department, frequent changes of senior management has impacted on poor utilization proposed TAs and preparatory activities required for implementing new PIP priorities. There is an opportunity with new experts joining the TA team to undertake more in-house technical support in Health and Education and with DIF.

**Short Term Experts support provided for the smooth implementation of the EC SPP programme in Chhattisgarh by GTZ IS TA team**

<b>Governance and Institutional Development</b>				
<b>SI no.</b>	<b>Name of the assignments</b>	<b>Duration</b>	<b>Name of the Experts</b>	<b>Present Status</b>
1.	Facilitation of the State Level workshop on Decentralization	10 days	Mr. Somen Chakrabarty	Completed July 10
2.	MTEF preparation for health and Education	60 days	Dr. G. Bala	Completed Dec 10
		60 days	Mr. V. Selvaraju	Terminated Sep 10
		60 days	Mr. Jagdish - Economist	Completed Sep 10
		60 days	Mr. Nielsen	Withdrawn July 10
3.	PFM Study	72 days	Mr. Amitava Basu & Mr. Vinod Sharma	Completed Dec 10
<b>Health</b>				
4.	Mitanin Evaluation	45 days	Mr. J. P. Mishra	Completed March 11
		50 days	Ms Pratibha LS	Completed Dec 10
5.	Documentation of health best practices	30 days	Paromita Ukil	Completed April 11
<b>Education</b>				
5.	Competency Mapping for senior officials	50 days	Mr. Raju Rao & Mr. Vijay Jain	Postponed
<b>Livelihoods</b>				
6.	Documentation of NTFP Livelihood component	74 days	<u>BAIF</u>	Completed

			Ms Joyti Desai- Upadhyay Ms Vahunnavar & Ms Jyoti Patel	Dec 10
7.	Capacity Building for the NTFP Livelihood component	72 days	<u>BAIF</u> Ms Jyoti Desi- Upadhyay Ms Meena Gokhale Ms Joshi Rajshree	To be Completed
8.	Marketing Strategy for NTFP Livelihood component	60 days	<u>BAIF</u> Mr. H. Gaur	Completed March 11
9.	Technology up gradation for processing of NTFP	30 days	<u>BAIF</u> Mr. Girish G Sohani Mr. M Sapate Ms Joyti Desai	Completed March 11
10.	Promoting Cashew Processing	33 days	<u>BAIF</u> Mr Sunil Sabale	Completed Dec 10
11.	Technology up gradation for NTFPs	15 days	<u>BAIF</u> MR. Girish G Sohani, Mr. Megha Sapate & Ms Jyoti Desai	Completed 09-10
12.	Marketing study for NTFPs under the mandate of CGMFP Federation	20 days	<u>BAIF</u> Mr Girish G Sohani Mr. Meghraj Sapate	Completed 09-10
13.	Capacity building and documentation needs assessment	20 days	<u>BAIF</u> Mr. Girish G Sohani & Ms Jyoti Desai	Completed 09-10
<b>Programme Management</b>				

14.	Preliminary Support to Depts for preparation of MTEF	40 days	Mr Nielsen	Completed 2010
15.	Poverty Impact Assessment	60 days	Ms R. Gebert	On going

<b>.Pipeline</b>				
1.	MGML Evaluation		Institutional	
2.	Roadmap for PRI		ToR completed bidding to start	
3.	Capacity building Plan for PRI		Not initiated	
4.	Technical Support for Improving Service Delivery in 3 Selected Backward Districts		CVs submitted to the Dept	
5.	Facilitation for decentralisation campaigns		CVs submitted to the Dept	
6.	Support to mainstream mission mode and donor funded health initiatives		Dropped	
7.	Quality management and quality improvement in health		To be taken over by TA team national expert	
8.	Technical Support for health PPPs		To be supported by TA team	
9.	Implementation of PFM recommendations for DIF		To be supported by TA team	

### **Additional Areas of Support**

#### **PFM**

#### **Internal Audit**

The PFM study has highlighted several weaknesses in the financial systems which have also been identified in the CAG Audit report which has found a high level of audit queries generated and remaining unanswered on the part of Departments. To address this issue there is a need for more emphasis on internal audit which is distinct from the on-going exercise with the independent auditing

of accounts. The TA team may consider what support could be given to DIF and focus departments to address this issue.

#### Procurement

At the same time there is a lack of capacity in DIF and sector Departments in undertaking procurement, especially in areas related to services and equipment rather than physical works. The TA may consider if this is a requirement to engage short term TA to supplement in-house capacity to support the development of an updated procurement guideline for equipment and services.

#### PPP

Finally, there is a lack of capacity in DIF to assist Departments in undertaking PPP arrangements for the provision of services (Health and Education). The TA may consider if this is a requirement to engage short term TA to supplement in-house capacity to support the development of guidelines and a framework for PPP as well as supporting the document preparation and evaluation of any proposed PPP project/s.

### **6. PROCESS INDICATORS FOR NEXT JRM (VARIABLE TRANCHE MILESTONE-5)**

#### **Education**

- Initiate support for Education MIS
- MGML evaluation completed and policy recommendations formulated
- ALM rolled out to larger number of schools
- Residential schools and hostels upgraded in at least 3 focus districts
- Expanded provision of placements for talented students from remotest areas

#### **Health**

- MPW recruitment completed and 10% Class 3 vacancies filled
- 10% of MBBS vacancies filled
- Implement enhanced rural bond for doctors
- Medical Services Corporation operational with key staff in place
- Min of 20 CHCs upgraded and functioning as FRU

#### **NWFP (Federation)**

- Increased number of Herbal Hospitals
- No. of SHG's becoming more self sustaining
- Establish one pilot Sanjeevani Outlet outside the State
- Marketing of products beyond NWFP Marts

#### **Governance/ PRI**

- State Support Centre established with district coordinators
- One model panchayat office in place
- Gazette notification issued based on the Activity Mapping conducted.
- Preparation of 'Roadmap Map for Panchayat' TA commissioned.
- Perspective Plan for the capacity building of the functionaries completed.



## **7. KEY RECOMMENDATION**

Given the overall performance against the revised Fixed and Variable Milestones it is recommended that the 4<sup>th</sup> Tranche funds release may be made in full.

### **Other Recommendations**

#### **Fixed Milestones**

Finalisation of draft MTEF by the health and school departments is a step forward. Further initiatives are required for improvising MTEF and institutionalisation of the process. Both the departments are required to update and align MTEF projections with the Twelfth Five Year Plan. In addition, contents, details, and report presentation format of MTEF should be improved in line with the recommendations made by the Fourth JRM (see Box 1). For institutionalisation of multi-year budgeting process, the departments must use MTEF for annual budget preparation. The PFM expert of the TA team is required to provide necessary support to both the departments for updating, improvising, and institutionalisation of MTEF.

Audited statement of accounts are bringing out information which otherwise would have not been available on the basis of SOE/UC. It would be worthwhile therefore to continue with the system of accounting through external CA firm until the end of EC-SPP.

Utilisation of EC funds by Federation is found to be significantly low. As a result, Federation has been keeping substantial amount of EC funds in savings account and in short term deposit. It is imperative to ensure that donor's money does not remain unused and yield interest income. There is a need to review the existing budget allocations to Federation and prune it down to match with its budget absorption capacity.

The health department has also kept EC funds in bank account, which was opened in 2008-09 in complete violation of CG Treasury Code, Section V and Rule 9. The department should liquidate this account and follow the treasury route for using EC funds.

The findings and recommendations of the PFM study are accepted by the government but operational plan to implement the recommendations has not yet been developed. It is recommended that the Finance Department and DIF take initiatives to prepare an operational plan with specific focus on the following:

- Computerisation of accounts of the school education department (at the moment accounts are maintained manually)
- Develop simple/standardized format for streamlining timely preparation and submission of Monthly Statement of Expenditure
- Conduct periodically PETS/Performance Evaluation study of the health and school education departments by external agency
- Capacity building of the spending units of the respective departments as suggested in the PFM report

PFM operational plan also needs to include measures to strengthen DIF for better co-ordination, and monitoring and evaluation of EC-SPP. JRM team strongly recommends recruitment of technical staffs including a Chartered accountant for DIF.

#### **Variable Milestones**

##### **Health**

The training of ANMs/LHVs on Skill Birth Attendant (SBA) modules is undertaken on priority basis.

Newborn corners established at every CHC and associated personnel trained in essential newborn care

##### **Education**

CE SPP support could be used to strengthen convergence with education initiatives being undertaken by Tribal Welfare

More concerted efforts are needed to expand the CIMP activities. The ongoing pilot needs to be strengthened on 'concurrent monitoring' and 'convergence with other stake holders'.

An Education Management Information System (EMIS) needs to be developed on priority basis. Earlier attempts have not been successful so far

The ECCE program needs to replace PSE instead of add-on ICDS activity. Further attempts should now focus on 0 to 2 years children including pregnant and lactating mothers in collaboration with health and ICDS

**PRI:**

DPC and the SHPC's role should change from approval to guidance, coordination and support to the local planning process.

Convergence of all training activities and development of a comprehensive devolution training module involving all state agencies should be developed.

**Federation:**

A self sustainable revenue model to be developed for the Herbal Hospitals

Need to address the attrition of the Marketing Executives through financial and non financial measures

More focus and efforts needs to be on on Sustainable management of Forests and promote the use of Non Destructive Farming. Federation should prepare a comprehensive action plan for the same.

**TA**

The TA team should be supplied with additional resources of two long term consultants with expertise in health and education respectively. The primary responsibility of these new resources will be to work alongside each of the two nodal officers in Health and Education under the responsibility of the TA team.

The TA team may also consider the need and/ or utility of converting some short term TA inputs into longer term inputs if required and an appropriate request may then be submitted to EC for consideration and approval.

## Annex 1: Tables Referred in the Text

**Table 1: Release of tranches to the state**

Tranche	Funds released by GOI		
	Date	€ million	Rs. crores
1st Tranche	18-01-2007	10	58.57
2nd Tranche	5/02/2008 & 29/01/2009	20	120.29
3rd Tranche	09-02-2010	18	123.86
Sub-total		48	302.72
4th Tranche	07-01-2011	14	83.89
Total		62	386.61

**Table 2: Break-up of expenditure by health department  
(1<sup>st</sup>/2<sup>nd</sup>/3<sup>rd</sup> tranches up to Dec 2010)**

Rs. crores	Amount	Share (%)
Devolution strategy	4	3
Sector policy, planning, and management	6	6
Infrastructure	66	62
BCC	6	6
Drugs and Supplies management	3	3
Tribal health	2	2
Bal Hriday Yojana programme	5	5
Strengthening blood bank unit	10	9
Support for better health services, management & control of contagious and non-contagious diseases	6	5
Total	106	100

**Table 3: Break-up of expenditure by school education department  
(1<sup>st</sup>/2<sup>nd</sup>/3<sup>rd</sup> tranches up to Dec 2010)**

Rs. crores	Amount	Share (%)
Policy & research	613	5
MGML	1383	12
Library	2596	23
Subject-based work & training	1915	17
ICT	490	4
Girls education	1285	11
Civil works	2234	20
others	900	8
Total	11416	100

**Table 4: Year-end bank balance of CGMFP Federation**

Rs. crores	As at				Average
	31.03.2007	31.03.2008	31.03.2009	31.03.2010	
Savings A/C (SBI)	3.0	3.0	1.6	4.4	3.0
FDR (SBI)	0.0	2.5	1.0	0.9	1.1
Total	3.0	5.5	2.6	5.3	4.1
SBI: State Bank of India					

**Table 5: Real growth rates of on-budget sector expenditure**

Rs. Crores	2005-06 (RE)	2006-07 (RE)	2007-08 (RE)	2008-09 (RE)	2009-10 (RE)	2010-11 (BE)
Health	421.71	546.40	648.00	819.51	963.98	1081.45
Education	1504.51	1761.10	2248.80	3048.29	4144.28	4906.79
Forest	422.39	489.49	555.60	646.59	704.96	671.94
Aggregate	2348.61	2797.00	3452.40	4514.39	5813.23	6660.19
<b>YoY nominal growth rate (%)</b>						
Health		29.6	18.6	26.5	17.6	12.2
Education		17.1	27.7	35.6	36.0	18.4
Forest		15.9	13.5	16.4	9.0	-4.7
Aggregate		19.1	23.4	30.8	28.8	14.6
<b>Rate of inflation* (%)</b>						
		6.51	4.77	8.07	3.57	7.75
<b>YoY real growth rate (%)</b>						
Health		21.6	13.2	17.0	13.6	4.1
Education		9.9	21.9	25.4	31.3	9.9
Forest		8.8	8.3	7.7	5.3	-11.5
Aggregate		11.8	17.8	21.0	24.3	6.3

**Table 5: Availability of EC-SPP funds for financing multi-year PIPs**

<i>Particulars</i>	Rs. Crores
Total EC-SPP funds	447
Received by GoC	303
Amount to be received (A)	144
Funds released by FD	277
Balance funds with FD (B)	26
Funds available for PIPs (A+B)	170

1. The year-wise out-turn of aggregate state expenditure:
2. Selected fiscal parameters (2008-09) – actuals vis-à-vis budget estimates
3. The other non-special category states who provide all these documents are Haryana, Madhya Pradesh, Maharashtra, Rajasthan, and Tamil Nadu.
4. During the interaction with the Health Department, the JRM members were shown bundles of papers received from the spending units in various districts that presumably contained SOE/UC. It is understood that these papers will be processed now to estimate actual expenditure of EC-SPP funds. Regarding the spending status in education, the School Education Department did not provide information regarding the submission of SOE/UC by different spending units.
5. The funds utilisation figures are estimated based on available data and information.