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European Union

STATE PARTNERSHIP PROGRAMME

JOINT REVIEW MISSION DRAFT REPORT

Chhattisgarh

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The JRM team 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

PESA: Panchayat (Extension to Scheduled Area) Act

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

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). This 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 which 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 VII, 2012 has been undertaken by Dr. Richard Slater, Team Leader, Dr. N.C. Saxena, Dr. S.K. Chaudhuri and Prabhakar Vanam. The Mission began work in Raipur, Chhattisgarh on the 9th April, 2012 and continued to 20th April 2012. The draft report was submitted to DIF and the final presentation to the PSC which is scheduled on 2nd May, 2012.

The EC-SPP is a budget support programme that comprises sector budget support and technical assistance to the Government of Chhattisgarh's reform processes in education, health, forest based livelihood sectors and decentralization. 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 JRM VII has been to assess progress in the respective sectors covered under the programme since the previous JRM of November 2011. Since there was a 5th and final tranche release scheduled this year, the main focus of the mission has been to review the expenditure against the PIPs planned and need for further financial assistance. This has included examining the current position in relation to:

Fixed Milestones for the 4th 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..

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.

Identification of constraints and limitations at programme or sector level and recommendations for corrective measures where required

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.

1 METHODOLOGY

The methodology adopted by the JRM Nov 2011 follows previous JRM reviews. The mission was divided into three phases comprising: a) preliminary departmental discussions and information collection; b) field visits and investigations; c) follow-up meetings with departments analysis of findings and report preparation.

The first phase consisted of interactions with the Director, DIF, Nodal Officers of Health, Education and Federation to obtain a rapid perspective on fund utilization, project progress and compliances against the JRM V recommendations. Detailed status reports were given by the health, education and the Federation. This phase helped the JRM team to get a broad view of progress and most importantly to establish a collaborative platform for further discussions. The team conducted field study to 2 diverse districts of Kawardha and Dantewara. Kawardha district is one of the underserved districts which provided an important relative benchmark while Dantewara was one of the progressing districts. The filed study included numerous focus group discussions and individual interviews. 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.

The mission visited the Resource Centre established by the Panchayat department in Kurud Block of Damtari District and held detailed discussions with the faculty, coordinators. The team also visited Tarasgaon and Govindpur Panchayats of Charama block which has been selected for the national award as the best panchayat. The team interacted with the villagers on various issues including health, education, PDS, MGNREGS, and panchayat. One of the primary school and sub centres were also visited in the Tarasgaon GP. The team also visited CSC in Charama Block and held detailed discussions with the Medical Officer among other staff. The team conducted detailed discussions with the CMO, Kanker district during the visit to the District Hospital and Anganwadi Training Centre. Upper Primary School and Traibal Ashram Sala of Bagoda Block of Kankerdi were visited and the team had detailed discussions with the DEO of Kanker District. The team also visited the DIET centre of the Kanker district along with the review of the EMIS centre. The team also held detailed discussions with the Chief Conservator of Forest in Kanker range and also visited a Sanjeevani outlet. The team visited the lac cultivation in the remote villages of Silpat and Bahanapani of Banupratappur block.

The post fieldwork phase consisted of further discussions with departments to clarify data and information and analysis and report preparation. The JRM team spent considerable time collating, reconciling and analysing financial data from departments and auditors during the course of the week as well as holding high level discussions with Director SCERT and Director Health. This period also included a detailed de briefing with the Director, DIF, Secretary Health and Education The team had detailed discussions with the TA team.

3. PROGRAMME STATUS

Progress against Fixed Milestones for release of 5th Tranche

Milestone 1: MTEF updated and the multi-year budgeting process institutionalized
Observations
MTEFs of the Health and Education departments have been updated *albeit* there remains scope for improving aspects of the medium term projections. The institutionalisation of MTEF process should be the next logical step to follow. TA support to the departments needs to be strengthened.
Milestone 2: At least 75% disbursement of previous year's approved allocation based on PIP to the concerned line departments
Observations
The State has so far received four tranches of EC grants adding up to € 62 million, equivalent to Rs. 386.61 crores. Out of this amount, the Finance Department (FD) has released grants to the tune of Rs. 365.13 crores (94%) to the concerned departments. The milestone is therefore achieved. However, as of 31 March 2012, the total unutilized EC grants stand at Rs. 106.64 crores (28% of the total receipt of EC grants), which includes bank balance of Rs. 44.71 crores.
Milestone 3: Increase in real sector expenditure against 2009-10 baseline
Observations
The on-budget expenditure for the health, education, and forest sectors has shown positive real CAGR over the period from 2009-10 to 2012-13. The average real growth rates during this period are estimated to be 16.3%, 18.6%, and 6.6% for health, education, and forest sectors respectively.
Milestone 4: Concerned line departments updated the multi-year action plan
Observations
All the departments have prepared multi-year PIPs. Given the unutilized EC grants of Rs. 106.64 crores, the departments need to review the activities that could not be completed so far and revise their respective PIPs accordingly.
Milestone 5: Implementation of remedial action plans for the concerned line departments based on the PFM assessment
Observations
There has been no progress against this milestone. The Health and Education departments have not yet prepared any operational plan to implement recommendations of the PFM study. Neither the departments have taken remedial measures to address the various PFM issues raised by the auditors. TA assistance needs to be strengthened. TA Finance is requested to support in this area.

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 average is 0.6
- NER 95.5% / 99%; Retention 85%
- PTR 1:26/ 1: 10-15 Not clear
- Major new initiative for Teacher Training via distance learning
- Interactive teaching methods introduced ALM & MGML
- Strengthening school-DIET linkage with D.Ed students
- CCE resource materials designed

Issues

- High EDI variation in outcomes (.07-.72) & teachers (.20-.70)
- High variation in retention
- 50% teachers untrained
- 60% schools with all teachers present (20% decline) & 10% decline in teacher attendance
- Decline in pupil achievement level in last 3 yrs ; maths - 50%; reading 30% (ASER 2010)

HEALTH:

- Significant improvement in Institutional Deliveries from 21% to 54% & steady decline in IMR/ MMR in last 3 yrs
- 5108 SHC & 741 PHCs (76 24x7)
- RMAs in every PHC & select SHC
- ANMs partially trained on SBA
- 26 fully functional FRUs
- 108 in 4 districts & MCH e-tracking/ sms
- Recruitment to Medical Services Corp in process
- EC SPP strengthening priority health progs (family welfare, malaria, TB, leprosy etc)

Issues

- No decline in early neonatal/ neonatal
- % low birth weight babies – high
- Persistent child malnutrition & nutrition anaemia

- Knowledge & skills of ANMs weak
- Need for 148 FRUs
- Severe shortage of anathesists gynaeacologists & nurses
- Lack of integration with DWCD database for MCH
- HMIS not analysed for optimising services

FOREST LIVELIHOODS:

- 118 Micro enterprises established generating livelihoods for 15,000 population
- Salaries of executives enhanced by 10%
- 43 Sanjeevani outlets established
- 20,133 people trained (15,908 beneficiaries & 4225 staff) in various NWFP activities

  Issues

  - Sustainability of the micro enterprises still very dependent on Federation
  - Sanjeevani outlets have declining product range & turnover
  - Need for strategic tie ups to expand market coverage, improve packaging & sales

PRI:

- Established 6 district resource centres and trained over 7,000 personnel
- Inception phase of Decentralisation Road Map completed
- Agreed to establish model panchayats in 4 districts by March 2013.

  Issues

  - Lack of effective coordination between multiple agencies conducting training and capacity building programmes on decentralization.
  - Department to ensure that the district resource centres are optimally used.

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

- Initiate support for Education MIS
  - Efforts for developing comprehensive MIS are underway
- MGML Evaluation completed and recommendations formulated
  - No action so far (Agency identified, rates negotiated, preliminaryfield visit and ToR developed, funds earmarked from next PIP for this study)
- ALM roll out
  - On going
- Residential schools and hostels upgraded in at least 3 districts
  - Underway
- Expanded placements for talented students from remote areas
  - Underway

Health

- MPW recruitment completed and 10% Class 3 vacancies filled
    - State is currently recruiting all vacant positions of Male MPWs, post which additional ANMs will be recruited.
- 10% MBBS vacancies filled
    - Two rounds of appointments already completed
- Implement enhanced rural bond for doctors
    - Completed
- Medical services Corp operational with key staff in place
    - Senior staff being recruited now
- Min 20 CHCs functioning as FRUs
    - 28 FRUs functioning

NWFP (Federation)

- Clear focus on the sustainability of the SHGs
    - No clear focus other than training
- Impact evaluation on the benefits of all the TA interventions
    - Completed

PRI

- State Support Centre established with district coordinators
    - Completed
- One model panchayat office in place
    - To be completed by March 2013.
- Gazette notification issued based on the Activity Mapping conducted.
    - Activity mapping part of TA on Roadmap and is yet to start
- Preparation of 'Roadmap Map for Panchayat' TA commissioned.
    - Inception phase completed. TA to be completed by July 2013.
- Perspective Plan for the capacity building of functionaries completed.
    - Terms of reference prepared to engage STE.

2 DETAILED PERFORMANCE APPRAISAL

1.1 Progress against fixed milestones

Updating MTEF of health/ education departments and process of institutionalization

MTEF of the health and school education departments have been updated. The draft MTEF for education was shared with the department and subsequently finalized after incorporating the feedback from different officials. In case of health department, the draft MTEF is yet to be finalized.

The present versions of MTEF update for both the departments show some gaps which need to be addressed. For instance, the MTEF projections are made by extrapolation of past trends based on simplistic assumptions about the growth rates. It is imperative that MTEF develop both 'resource based' and 'need based' projections and highlight critical areas of resource gap. Another missing element is the lack of integration of the 'on-budget' and 'off-budget' expenditure so as to develop MTEF as multi-year, sector level budget.

Given the fact that the central government is now in the process of amending Fiscal Responsibility and Budget Management (FRBM) Act to introduce three year rolling MTEF as a part of fiscal planning, it is only matter of time that all the states amend their respective FRBM Act and prepare multi-year state budget based on MTEF approach[1]. In view of this, it is in the interest of the Government of Chhattisgarh (GoC) that the health and school education departments take lead initiatives under EC-SPP for institutionalizing MTEF process.

With the support of short term and long term PFM experts, some initiatives have already been taken for institutionalization of MTEF process (e.g. setting up a core team for preparation of MTEF for education department; organizing orientation workshops), but more needs to be done. Technical assistance may be provided to the health and education departments for setting up a MTEF cell within the department, development of MTEF manual, and capacity building at the state and district levels for preparation of multi-year budget based on the guidelines. (TA support in MTEF is requested)

Disbursement and utilization of EC funds

Overall utilization of EC grants: The State has so far received four tranches of EC grants adding up to € 62 million, equivalent to Rs. 386.61 crores[2]. Out of this amount, the Finance Department (FD) has released grants to the tune of Rs. 365.13 crores (94%) to the concerned departments (*Table 1*). Directorate of Institutional Finance (DIF) is now required to arrange for allotment and disbursement of the balance amount of Rs. 21.48 crores.

As against the release of EC grants of Rs. 365.13 crores by FD, the concerned departments have drawn Rs. 324.68 crores (89%) from the treasury (*Table 1*). The balance amount of Rs. 40.46 crores (11%) represents un-drawn and/or surrendered funds. Furthermore, out of the amount drawn by the departments, a total of Rs. 44.71 crores is still lying in their respective bank accounts. Thus, as of 31

[1] See Budget Speech (2012-13, Para 19) of the Finance Minister at Centre.
[2] Details of EC grants received by the State are as given under:

Tranche	Funds release 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

March 2012, the total unutilized EC grants stand at Rs. 106.64 crores (Rs. 40.46 + Rs. 44.71 crores + Rs. 21.48 crores).
The unutilized portion of EC funds (Rs. 106.64 crores) is quite substantial, accounting for 28% of the total grant amount received by the State so far. Such a low fund utilisation is a matter of great concern, especially in view of the fact that only 18 months left for completion of the EC programme and one more tranche of € 10 million (equivalent to Rs. 68 crores at an exchange rate of 67.828 INR/EUR) is due for release during the current fiscal year.

Table 1: Utilization of EC funds (2006-07 to 2011-12)

Rs. crores	Grants released by FD	Grants drawn by depts.	Grants not drawn or surrendered	Bank balance as on 31-03-12	Funds not disbursed by FD	Total unutilized EC grants
(1)	(2)	(3)	(4)= (2) – (3)	(5)	(6)	(7) = (4)+(5)+(6)
Health	164.49	156.49	8.00	29.09		
School Education	163.15	130.69	32.46	4.52		
Federation	21.21	21.21	0.00	5.23		
Other depts.	16.29	16.29	0.00	5.87*		
Total	365.13	324.68	40.46	44.71	21.48**	106.64

*This is an estimated figure and may represent cash or bank balance. DIF needs to verify the figure.
** The amount represents the difference between grants received by the State (Rs. 386.61 crores) and the amount released by the Finance Dept. (Rs. 365.13 crores)

Another disquieting fact is that the concerned departments together earned an interest income of Rs. 2.62 crores on their bank balance of EC funds during the period from 2006-07 to 2011-12. This proves beyond doubt that they could not implement activities as per Programme Implementation Plan (PIP) and therefore had to park money in bank accounts.

Department-wise utilization of EC funds: At the department level, funds utilization is determined using (a) audited financial data for the period 2006-07 to 2010-11 and (b) un-audited data for the year 2011-12. For the purpose of calculating year-wise funds utilization ratio, expenditure during the year is divided by the funds available during the year. Total expenditure consists of two components, namely (i) 'expenditure recognized by auditor or by the department' and (ii) 'advance given to the spending unit' against which expenditure details are not received by the department. The availability of funds for spending is computed by adding three components *viz*. (i) opening balance, (ii) EC grants drawn from the Treasury, and (iii) interest earned on bank deposits.

The department-wise details of EC funds utilization during the period **2006-07 to 2011-12** are shown in *Annex A, Table A1*. A brief discussion now follows based on the figures given in the table.

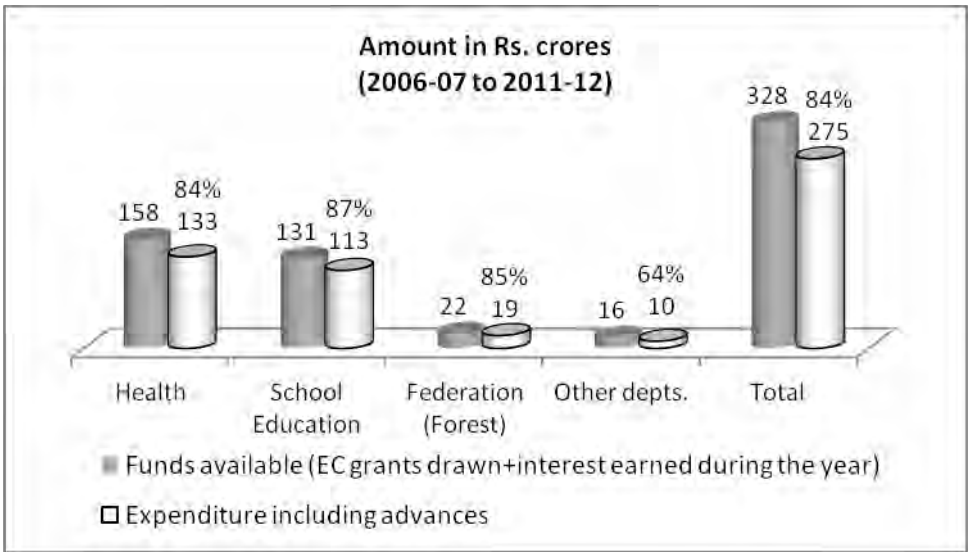
DPHFW: During the period under consideration, the health department received grant release order for Rs. 164.49 crores of which drawl of funds was Rs. 156.49 crores (95%). Taking into account the drawl amount, interest earning of Rs. 1.96 crores, and the total expenditure of Rs, 132.75 crores, funds utilization by the department works out to be 84% (*Figure 1*).

Though funds utilization appears satisfactory, the following points are worth noting:

- The total expenditure of Rs. 132.75 crores includes advance amount of Rs. 98.97 crores (74.5%) given to the spending units. This advance amount may represent expenditure, or committed expenditure, or simply uncommitted funds - but the department does not have details and/or supporting documents. Prevalence of a sizeable advance amount is a pointer to poor control and monitoring of expenditure by the department.
- According to the update provided by the department, about Rs. 75 crores was released by the departments for construction/renovation works (e.g. construction of 70 sub-centres, two MPW training centres, one B.Sc. nursing college at Jagdalpur, three ANM training centres, 15 district training centres, etc.) of which Rs. 20 crores (27%) not yet committed for any civil works. For the balance funds, claimed by the department to be 'utilized and committed, physical progress of civil works are not known. It is understood that many construction works have not yet begun.

- The health department has parked the unutilized EC grants in bank account. As of 31 March 2012, the department has bank balance of EC funds to the tune of Rs. 29.09 crores, which represents 65% of the total deposits of EC funds in bank accounts.

Figure 1: Department-wise utilization of EC funds



DSE: Over the period from 2006-07 to 2011-12, the school education department received grant release order for Rs. 163.15 crores of which drawl of funds was Rs. 130.69 crores (80%). Thus, the undrawn fund of the department stands at Rs. 32.46 crores. Taking into account interest earning of Rs. 0.12 crores and total expenditure of Rs, 113.16 crores, funds utilization was 87% (*Figure 1*). The funds utilisation is satisfactory and unlike the health department unsettled advance amount is negligible (1.8%). However, well over 50% of the expenditure pertains to procurement (furniture and equipment, computers, books and periodicals, materials and supplies, and civil construction) for which there are some audit observations. These are discussed separately.

CGMFP Federation Ltd: During the period under consideration, Federation received EC grants of Rs. 21.21 crores. Taking into account interest earning of Rs. 0.87 crores and total expenditure of Rs, 18.68 crores, funds utilization was 85% (*Figure 1*). The funds utilisation looks satisfactory and about 85% of the expenditure is supported by utilisation certificates.

Federation had been parking the unutilized EC grants in savings bank account as well as in fixed deposit account. As of 31 March 2012, the fixed deposit amount was Rs. 5.2 crores, representing 24.5% of the total grants received so far. A scrutiny of PIP activity-wise spending further reveals that one major area of under spending has been 'non-wood forest product based livelihood' activities; the unspent amount is Rs. 2.88 crores. The other areas of under spending have been: resource inventory and herbal health care; marketing; R & D; MIS; certification; and capacity building. It is quite clear from above that Federation needs to complete on-going activities and utilize fully the funds lying in the bank account before it decide to seek further allocation of EC grants.

Maintenance of real sector expenditure

The on-budget expenditure for the health, education, and forest sectors have shown positive real CAGR over the period from 2009-10 to 2012-13. The average real growth rates during this period are estimated to be 16.3%, 18.6%, and 6.6% for health, education, and forest sectors respectively. However, analysis of year-on-year growth rates shows that the health and forest sectors exhibited negative real growth rates in some years. *Annex A, Table A 2* presents the growth rate estimates.

Preparation of multi-year PIP

As mentioned in the last JRM report, all the departments have prepared multi-year PIPs. Given the unutilized EC grants of Rs. 106.64 crores, the departments need to review the activities that could not be completed so far and revise their respective PIPs accordingly. The key guiding factor should be to undertake only those activities which could be completed within eighteen months left for closure of the present partnership programme.

Updating PFM at the State level

Fiscal position: In 2010-11 (the latest year for which actual fiscal figures are available), revenue surplus improved substantially, fiscal and primary deficits turned into surplus, and liability-to-GSDP declined over the previous year[3]. Increase in revenue surplus was mainly due to increase in the State's own resources and its share of Union taxes/duties. The revised estimates for 2011-12 and budget estimates for 2012-13 are showing some deterioration in the key parameters, but fiscal performance would remain well within the track of medium term fiscal plans under FRBM Act.

Credibility of the state budget: In the recent past, year-wise out-turn of aggregate state expenditure had remained at 93% to 94% of the budget estimates[4]. This reflects high credibility of the state budget. The scrutiny of some important fiscal parameters of 2010-11, however, shows considerable difference between actuals and budget estimates of capital expenditure and fiscal deficit[5].

As far as expenditure out-turns against off-budget funds allocations are concerned, the position with respect to Sarva Shiksha Abhiyan (SSA) and National Rural Health Mission (NRHM) is as follows[6]. Over the period from 2002-03 to 2011-12, actual expenditure under SSA accounted for 75% of the available funds. In contrast, funds utilization under NRHM during the period 2005-06 to 2011-12 (up to Jan 2012) was only 47%.

[3] The trend in fiscal performance:

Indicators	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12 (RE)	2012-13 (BE)
Revenue surplus/GSDP (%)	4.10	3.83	1.96	0.82	2.59	1.49	1.70
Fiscal deficit/GSDP (%)	0.06	-0.16	-1.08	-1.63	0.32	-2.79	-2.82
Primary surplus/GSDP (%)	1.64	1.27	0.05	-0.62	1.24	1.87	2.00
Fiscal liabilities/GSDP (%)	21.81	18.27	15.52	14.77	12.87	14.71	14.72
Note: Source of data for the period from 2005-06 to 2010-11 is CAG report (2010-11). The figures for 2011-12 and 2012-13 are obtained from FRBM statements (2012-13).							

[4] The year-wise out-turn of aggregate state expenditure:

Rs. Crores	2006-07	2007-08	2008-09	2009-10	2010-11
Budget estimate (BE)	12,310	15,510	18,286	22,211	24,685
Actual expenditure (AE)	11,773	14,473	17,226	20,910	22,876
AE/BE (%)	96	93	94	94	93

[5] Selected fiscal parameters (2009-10) – actuals vis-à-vis budget estimates

Rs. Crores	Tax revenue	Non-tax revenue	Revenue receipts	Revenue exp	Interest payments	Capital exp	Revenue surplus	Fiscal deficit
BE	7,505	4,321	20,526	19,667	1,208	4,068	860	-3,180
Actual	9,005	3,835	22,720	19,356	1,198	2,952	3,364	410
AE/BE	120%	89%	111%	98%	99%	73%	391%	

[6] GoI 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''.

On-line computerization of treasuries (e-kosh): An important area of PFM reform in Chhattisgarh has been on-line computerization of the treasury system, known as 'e-kosh'. The e-kosh system has eliminated the 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[7].

Compilation and audit of state accounts by AG: As in other states, the Accountant General (AG) in Chhattisgarh, which functions under the Comptroller & Auditor General (C&AG) of India, does the compilation of government accounts and conducts audit. In the recent period, the AG has taken several initiatives for strengthening the audit process *viz.* extensive use of statistical sampling methods, setting up of a State Audit Advisory Board, and greater interaction with an auditee through entry/exit conference in case of performance audit.

Financial management and budgetary control: The recent C&AG reports have revealed several weaknesses in financial management and budgetary control by government departments such as persistent savings (i.e. non-utilization of funds); non-surrender of savings; surrender of savings on the last working day of the year; surrender of funds in excess of the actual savings; inadequate provision of funds; rush of expenditure etc.. According to the latest C&AG report (2010-11), school education and health departments, among others, surrendered funds persistently over the past five/six years[8].
The state government is taking initiatives to address the systemic weaknesses as highlighted in the CAG reports. For instance, the Finance Department has recently issued guidelines to the line departments for streamlining internal allocation of departmental budget by the respective budget control officers so as to avoid rush expenditure in the last quarter of the year. In another circular, the Finance Department has given instruction for drawl of central assistance by the department through website so as to minimize procedural delays.

Financial reporting and internal control: C&AG test checked 17,200 UCs corresponding to grants of Rs. 5,880.59 crores for the period from 2007-08 to 2009-10 and found that 10,888 UCs (63.3%) amounting to Rs. 4,264.71 crores were not submitted as of 31 March 2011. The list includes the cases of pending UCs of health department (121 pending UCs amounting to Rs.4.40 crores). Apart from delays and non-submission of UCs, the C&AG reported instances of losses/theft and misappropriations of funds.

PFM issues at department level

Following the submission of PFM study, successive JRMs had emphasized preparation of an operational plan to implement recommendations of the study (*Box 1*). The PFM expert of the TA team held several discussions with the key officials of the education and health departments as well as with DIF and Budget Section of FD. Apart from this, there has been no real progress on PFM front. The health and education departments have not yet prepared any operational plan to implement

[7] 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

[8] Year-wise savings (unutilised funds) were as given under:

Rs. crores	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Average
DPHFW	46.77	86.12	99.97	106.10	53.15	na	78
School Education	82.51	52.88	82.57	197.58	64.28	531.80	167

recommendations of the PFM study. Neither the departments have taken remedial measures to address the various PFM issues raised by the auditors (*Box 2*).

The previous JRM reports successively raised the issue of the health department having a bank account to park EC funds outside the treasury system. The department opened this account in 2008-09 violating CG Treasury Code, Section V and Rule 9. After repeated recommendations by the JRMs, this account has been closed and the bank balance transferred to the existing bank account of the Directorate of Health Service, as a result of which it would be now difficult to track movement of EC funds, especially to determine interest earned on the outstanding balance.

There is another matter of concern. For strengthening DIF, successive JRMs recommended recruitment of technical staffs including a Chartered accountant. So far DIF has not been able to recruit any technical staffs for variety of reasons.

Box 1: Recommendations of the 5th JRM

The 5th JRM recommended that the Finance Department and DIF take initiatives to prepare an operational plan with specific focus on the following:

- Computerization 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

Box 2: Audit observations

DSE

- None of the DIETs furnished head-wise approved budget, stock registers, or UCs to the audit teams for verification.
- In general, offices of DEO did not furnish rate contract details or quality inspection certificates to the audit teams for verification. Besides, the auditors noted that DEO offices did not deduct VAT from the suppliers.
- In case of SERT, the audit team observed cases of direct purchase without calling tender. SERT did not produce stock register for verification. The audit report also mentioned about cases where TDS were not deducted as well as cases where TDS were deducted but SERT could not produce supporting challan/return for verification.

DPHFW

- The auditors avoided making specific qualification of accounts. However, in discussion with JRM, auditor mentioned several issues such as
    - Lack of reconciliation and confirmation to which advances are made
    - Non-submission of purchase documents for audit verification (a case in point is the purchase of 148 vehicles for mobility of BMOs.

3 PRO POOR SERVICE APPRAISAL

Health Sector

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. The NRHM coupled with EC-SPP support has helped the state to move ahead in realizing the goals and targets set in the state health policy 2007.The decline in IMR from 79 (SRS 2000) to 53 per 1000 live births (AHS 2010-11) and similar decline in maternal mortality ratio from 407 (SRS 2001) to 275 per 100000 live births (AHS2010-11) has been noteworthy, reflecting improved access to health care services. However, marked Inter district variations in IMR i.e. highest (65 per 100 LB) in Raigarh and lowest (43per 1000LB) in Durg as well as lowest MMR of 243 in Raipur Division and highest MMR of 312 in Baster division suggest need for strategizing outreach of critical medical intervention in difficult to reach segment of population. Whilst the proportion of institutional deliveries is reported to have risen from 21% to 54% and health seeking behavior improvements such as the registration of pregnant mothers, antenatal care, breast feeding and other RCH related practices have shown improvements, there still remains a challenge to increase the rate of institutional deliveries well above the present 54%. At the same time there is an urgent need to increase the proportion of such births attended by a skilled birth attendant trained in newborn care and emergency obstetrics besides strengthening the institutional facilities in order to address the persistently high levels of neonatal mortality.

The State health policy 2007 sets out more ambitious goals for realization by 2016 that include reduction in IMR to 30 per 1000 live births, MMR to 100 and U5 child mortality rate to 60 per 1,000 live births as well as near universal ANC coverage, institutional deliveries, child immunization including vitamin A supplementation and use of ORS in management of childhood diarrhea. Another important goal is the reduction of API to below 2 from the current level of 10.2 which calls for more focused malaria control strategies

Access

While access to primary health care services continue to improve by providing health facility in place as per the population norms, however the given health facility often remained ill equipped/deficient to provide some of the stipulated services critical enough to have desired public health impact. EC-SPP support has been used for construction of SHCs and refurbishing PHCs/CHCs including Labor rooms, blood storage units and other essential services in order to meet the infrastructural requirements. The construction of drug storage units at the district hospitals and at selected CHC/FRU blocks with computerization and linkage to the district computerized drug inventory and control system is being established through EC-SPP support.

Significant inter district variations in population to be covered by a given health facility were observed. For example, in case of establishment of SHCs when population norms are fulfilled, the required population coverage ranged between 2500 (Naryanpur) to over 5500 (Kawardha) in ECSPP focus districts, similarly in case of PHCs, the coverage ranged between 20000 (Naryanpur) to over 35000 (Kawardha). It has been further observed that the population to be covered by CHCs was almost 1.5 times higher than the norms in 7 (except Bijapur & Dantewada) out of 9 ECSPP focused districts. Similar may be the case in other Districts including the newly created nine districts.

Only 15% of the SHCs have been conducting deliveries with a number of SHCs ranging from ‘nil’ (Dantewada &Bijapur) to 30% (Kawardha). Further, it was however alarming to note that only 30 to 50 percent PHCs had facilities to conduct deliveries in ECSPP focus districts.

It has been reported that there are currently 27 functional First Referral Units (FRUs) and 4 out of 149 CHCs have received ISO certification. A total of104 newborn care corners, 18 newborn stabilization units and 2 sick newborn care units have been established concentrating its efforts to address neonatal mortality, particularly the critical newborn survival interventions under ‘Navjaat Shishu Suraksha Karyakram. Although the number of NBCCs and NBSUs established so far are limited as per the requirement, each facility catering to over 2.5 lakhs population, there number has been even distributed in the 9 focus districts under ECSPP. Further, twenty Nutritional Rehabilitation Centre have been established in the district hospitals to address acute severe malnutrition amongst U5 children.

As a part of ECSPP support a number of constructions and refurbishments as mentioned above have been undertaken. Since most of the newly constructed and refurbished facilities have been handed over to the DPHFW for their intended use, it will be useful to conduct a post procurement/ construction public health audit to assess its impact as well usefulness in DPHFW's attempt to improve access and/or proposed value addition on the quality of services rendered through these services. The procurement audit therefore should attempt to address public health issues and the impact of improvisation in the infrastructure.

Outreach and emergency transport services

Significant number of ambulances/ vehicles has been made available under the delivery of health care services including the mobility support under various National health programs facilitating access and outreach of services. The number of ambulances has doubled since 2007-08 with 146 being procured through EC-SPP support. In addition 146 Mahatari Express has been provided to all the blocks. It is however, important that adequate provisions are made available for their upkeep and maintenance as one of the ambulance provided under ECSPP remained unutilized for long for want of repairs.

A total of 172 108-GVK EMRI Ambulance Services have been launched across all18 districts in the state during janaury2011 to janaury2012. On an average the ambulances are catering to 3.2 emergency trips per day which is projected to increase to 4 trips per day in the current year. A total of 95,430 emergencies, of these 89,229 (93.5%) medical emergencies, have been handled with an average response time of 25 minutes. The analysis of medical emergencies handled so far reveled that almost 45% of medical emergencies handled by the 108-GVK EMRI ambulances were pregnancy related. *It is intriguing to understand such an excessive use of this facility for a single most reason like pregnancy related emergencies, especially when other provisions like Mehatari Express and adequate financial provisions for transportation of mother for pregnancy related emergency under JSY, already exist to address safe motherhood initiatives under NRHM.*

Quality

Staffing and Skills

Whilst the State has 2,365 sanctioned posts of medical officers (allopathic doctors), about 50% of these (1138) reported vacant. Attempts are being made by the department to directly recruit MBBS doctors on a rolling basis throughout the year to avoid delays in recruitments through the State Public Service Commission; however, this process has also not yielded desired results. PHCs are the most affected health facility in the chain of primary health care service delivery due to this shortage as well as DPHFW policy to withdraw all the MBBS doctors from the PHCs and localize them at the level of CHC/other higher levels of care.

At the same time there remains an acute shortage of specialist doctors with only 26% of the total sanctioned strength of 215 in place with the most acute shortages being found amongst anesthetists and gynecologists. Dantewada, Bijapur, Bastar, Naryanpur and Sarguja are the most affected districts with regards to availability (as low as 10%) of specialist doctors as well as allopathic doctors. The main strategy to address this problem has been the promotion of multi skilling training for doctors with 44 having been trained in emergency obstetric care (EmOC) and 25 in Life Saving Anesthetic Skills (LSAS) to date. The department has approached FOGSI for certification of EmOC training imparted by the Medical College Raipur and the JLN hospital Bhilai and has also introduced a bridge course to upgrade those previously trained in EmOC to meet newly introduced training criteria. Whilst this is a welcome strategy to address the problem it is not clear whether post training deployment has been targeted at areas in greatest need nor is it clear what quality of service such multi skilled doctors are able to deliver. There remains a critical need for optimal rationalization of postings of specialists so that they do not remain under utilized.

There is a shortage of 5,000 ANMs and 5,000 qualified staff nurses as well as a shortage of paramedical staff including lab technicians and pharmacists. The Department is seeking approval from Finance Dept for sanctioning of additional posts of ANMs under NRHM as well as an 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.

Only 76 out of 741 PHCs are currently functioning on a 24x7 basis. The Department has appointed 445 staff nurses on contractual basis in order to provide 24x7 BeMOc services at the CHCs and PHCs. Further 1282 rural medical assistants for all the CHCs and PHCs and 347 ANMs for the remote SHCs have also been recruited. Similarly 686 medical doctors and staff nurse have been

contracted toprovide health care services to difficult- to- reach areas under Chhattisgarh Rural Medical Core scheme.

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 FRUs and provide EmOC services in the State. These efforts have been complemented by training programs for multi-skilling in EmOC and LSAS as noted above. However, the majority of functional FRUs report an absence of critical human resources (e.g. specialist doctors, particularly anesthetists and gynecologists). Newborn care services are virtually nonexistent at the FRUs as newborn corners have not yet been properly established. Radiant warmers when available are often not functional, ambo-bags and mucus extractors were either not available or when available staff were not conversant with their use. However under JSSK initiatives the post natal stay in the facility has been extended to 48 hrs to have some positive impact on newborn care and puerperal morbidity/ advice

Mainstreaming of AYUSH

This has been attempted through the co-location of AYUSH doctors at all tiers of health care i.e. DH, CHCs and PHCs. There are 15 AYUSH wings at District Allopathic Hospitals, 22 specialized therapy centers in CHCs and 24 specialty clinics in CHCs/ PHCs.

Seventeen Ayush Deep Committees at the district level and Ayush Deep sub- committees for 7 district Ayurved hospitals as well as 693 dispensaries have been constituted to strengthen the AYUSH services through EC-SPP support. Further construction of 61 specialized Ayurvedic clinics and specialty centres has also been supported through ECSPP as well as 18 vehicles for District Ayurvedic officers to improve mobility have also been provided through EC_SPP.MOU has been done for the development of one Eye Hospital & Panchkarma centre under Public-Private partnership.

Conducting health camps in 292 villages every month, health examination of school children in the villages, creating awareness amongst Self Help groups/ Mitanins including Aganwadies for the home-based treatment with local herbs as well as plantation of medicinal plants in the villages are some of the ongoing activities under AUYVED GRAM program. There has been appreciable increase in the number of patients seeking health care under AYUSH during last three years.

Mother and Child Tracking system

This has been established under EC-SPP support. The exercise was initiated some time during the end of the last year when an attempt was made to computerize individual continuum of care data post registration of pregnancy and making it online to facilitate service delivery and effective monitoring. The piloting of an SMS based alert system is also being undertaken in Dhamtari district, It is unclear from the reports as well JRM visit to the health facility whether the piloting of SMS based alert system and/or the ongoing MCT exercise has in any way helped to improve the delivery of stipulated health care services to the enrolled mother and children and making the health care provider accountable for any care gap. It appears that the use of MCT has been limited only to compile district and block-wise MCH service statistics without even ensuring full coverage and timely computer data entry & validation.

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 EC-SPP. Four ANM training centers are proposed to be established at Kanker, Jagdalpur, Mahasamund and Koriya. One BSc college is under construction at Jagdalpur. The construction of ANM training centre at Kanker is almost complete and the building may be handed over to the department in the next 4-5 months. It is important at this stage to prepare for the prerequisites for a training centre as listed below.

The JRM team has interacted with a number of ANMs in the sub-centers during successive JRM visits including the most recent field visit in Kanker district as well as with potential ANMs in the ANM training institutes. The team has observed critical gaps in the knowledge and skills of ANMs, particularly relating to midwifery and new born care. Since in-service training of the existing ANMs in SBA and IMNCI remains a challenge, augmenting training facilities to improve 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

Mitanin Programme

The Department has over 60,000 Mitanins working as community based female health volunteers deployed in all parts of the State facilitating people's access to public health services at the village and hamlet level. The Mitanins have been appropriately trained as CHWs particularly in areas relevant to RCH programs and thus serve as a critical link between the formal health providers and patients. Mitanins have also been actively engaged in National Disease Control programmes e.g. Malaria, Leprosy, TB, HIV/AIDs in rural areas. Over 18600 village health and sanitation committees are being steered by the Mitanins including support to nutrition security initiatives to reduce malnutrition amongst U5 children.

58824 Mitanins have been provided Dawa Peti (Drug kit) and BCC kits through EC-SPP support. Further 506 eligible Mitanins have been selected for ANM training. It has been reported that certain welfare schemes for Mitanins have been launched to encourage the cadre e.g. life insurance of 61117 Mitanins with the support of ECSPP, benefits of RSBY, incentives for improving education, other economic assistance in emergencies etc. In order to sustain such welfare programs for the Mitanins the state has plan to setup Mitanin Kalyan Kosh (Welfare fund).

Enhancing Civil Society Engagement

Village Health & Sanitation Committees (VHSC)

Community participation in the decentralized planning and monitoring of primary health care services is evident from the fact that there are 17,733 village health and sanitation committees (VHSC) out of a total of 20,000 villages in the State. The Swasth Panchayat Scheme, supported through EC-SPP funds, provides information on 32 health indicators for computing a 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. EC-SPP support is being used to train Master Trainers at block level in the 85 ST/SC blocks and other non performing panchyats as a part of an integrated and long term support in developing village health plans

Jeevan Deep Samitis

The Jeevan Deep samitis (JDS) are patient welfare committees meant to supervise and facilitate better public health facility management. They represent public participation committees in hospital management and are chaired by the elected panchyat member. These committees have been reconstituted at each PHC and CHC to increase the functionalities of these facilities. EC-SPP funds have been used to support JDS at health centers at block level, targeting 26 poorest performing centers in ST/SC blocks.

A social assistance cell has been set up in each district with the help of the District Health Society to address the problem of women employees and health care providers in Health, Women & Child Care and Education as well as grievance redressal in relation to services provisions and entitlements.

Strengthening Health Programme Approaches

EC-SPP funds have also been made available to strengthen a number of national and State programs such as:

- Operationalizing cataract surgery units under blindness control program

IOL centers have been established in each district with all essential staff as well provision of special allowances and incentives to the existing ophthalmic assistance. Vehicles procured for each district to improve mobility. This has resulted in impressive increase (14%) in the number of cataract operation conducted during the year.

- Establishing Technical Resource Units for the leprosy control programme

Technical Resource Units have been established, office renovated and equipped. Block Medical officers Block program managers, District program managers as well as Ayush officers have been given technical training under leprosy control program. Extensive IEC campaign has been launched through health camps, rallies, leprosy related stalls in local markets and mass contact programme through Mitanins and SHGs to detect new cases. Reconstructive surgery has been conducted in 145 leprosy patients. Significant decline has been achieved in the leprosy cases (total number of cases were 4953 in 2009-10 which has reduced to 4562 in 2012)

- Support for the Family Welfare Programme :

Service providers were given special incentives for motivation and service provisions in order to achieve improved family planning targets. However performance statistics when compared with previous year achievements did not show any improved performance under the programme. The scheme of special incentives is continuing to observe long term performance.

Chhattisgarh Medical Services Corporation (CGMSC)

The State has established a Medical Services Corporation as a registered public company with a business certificate. The company will be staffed with professional procurement personnel. Recruitment of senior level positions is being undertaken at present and it is expected that the CGMSC will begin working very shortly. This is an important initiative that will help to streamline drug and equipment purchases and to ensure more effective procurement procedures are in place. The progress onthis initiative is rather slow after obtaining approval from govt. of Chhattishgarh.

The JRM team have expressed concern over the scale of funds drawn from Treasury but not utilised within the Health sector to date. The exact nature of this problem has now become more clearly apparent in the light of the audits that have been conducted to date in line with previous JRM recommendations. The Department has also set up an EC-SPP cell to help strengthen the management and monitoring of EC-SPP funds which is a welcome initiative in the circumstances as this unit has a full time nodal officers supported by a Finance and Administration Officer to ensure improved planning, management of monitoring of all EC-SPP expenditure. This team may be supplemented with additional support for data entry and analysis on contract as and when required from using programme funds.

As in the case of Education, the Department of Health has agreed to prepare a streamlined sub plan, comprising a sub set of approved PIP activities, to ensure that all non utilised funds to date are spent as far as possible within the next 6 months. This sub plan will be compiled with assistance from the TA team and presented at the forthcoming PSC in May 2012. The sub plan will prioritise those areas of expenditure that are most practical, feasible, manageable, strategically important and sustainable and should not represent a proliferation of too many activities that will become difficult to manage and monitor.

Compliance against previous JRM recommendations:

Sl. No	Recommendations (VI th JRM)	Compliance
1.	A comprehensive HR policy for medical personnel that addresses cadre structure, transfers & postings and several other related issues needs to be formulated in order to improve availability of doctors at the periphery (e.g. FRUs) - improved intake and retention.	The existing HR policy and regulation will be brought in one place to make them comprehensive and implementable. Modified HR policy is under consideration towards the retention of doctors and health worker.

2.	Training of ANMs/LHVs for SBA & IMNCI should be completed ideally with pre and post evaluation and linked to on-the-job performance assessment	Pre and post evaluation both are in place and it is being done in identified institutions. Site assessment and continuous monitoring has been started with the support of UNICEF TA.
3.	There is an urgent need to increase intake for multi-skilling training of doctors with proper certification and linked to targeted postings	This is being done on the basis of GOI guideline.
4.	Develop mechanisms to ensure completeness and reliability of the RCH data base to support ICDS and strengthen data analysis capacities for policy formulation and service provisions. Similarly HMIS needs to be strengthened.	HMIS system is being strengthened as compare to previous years. At state level HMIS consultant under NRHM is in place and functioning. TA, from NHSRC and UNICEF Almost 560 persons have been trained on HMIS and e –Mahatari system across the state.
5.	Sector data on outcomes & achievements to be disaggregated by district should be made available prior to next JRM.	Sector data on outcomes and achievements disaggregated at district and block level provided.

Education Sector

Chhattisgarh has given high priority to implementing its education policy in a planned manner which has helped the State to achieve improved education indicators as compared to the national average. Literacy levels in Chhattisgarh have increased from 64.66% (2001) to 71.04% (2011) with an almost 10% point increase in gender specific literacy rates which now stand at 81.5% male and 60.6% female. The Department of School Education has taken important steps to operationalise the RTE benchmarks with a focus on ensuring optimum delivery standards in remote and conflict affected areas. The department has also initiated activities under the new centrally sponsored RMSA programme designed to universalise secondary education by upgrading secondary school infrastructure and facilities, establishing new schools, improving the quality of teaching and learning, establishment of model schools and teacher training.

EC-SPP support over the last four years has further helped to build institutional capacity, innovate new strategies such as teaching and learning and strengthening the devolution policy. Through EC-SPP support, the State has managed to become a change agent by piloting programmes such as Multi-grade Multi-level teaching (MGML), Early Child Care Education (ECCE) to further strengthen pre-school education being provided under ICDS, and Community-driven programs such as CIMP alongside Capacity building in different areas of teaching and learning. The multiyear PIP under EC-SPP has now been further realigned to address emerging issues on quality of elementary education.

Outcomes

Based on the new 2011 denominator it can be seen that the overall NER stands at 94.74% and 84.27% for primary and upper primary level respectively, with an annual dropout rate of 3.56% (rising to 17% in tribal areas) at primary level. The NER for primary level ranged between 76--98% and 61-93%for primary and upper primary level indicating significant variation between the remote/ conflict affected districts and others especially Dantewada, Bijapur and Narayanpur which remain well below the State average on NER and well above on drop-out rateswhich were as high as 43% in Dantewada, 34% in Bijapur and 11% in Narayanpur as compared to the average of 3.5%. Higher dropout rates were reported amongst tribals and dalits, however no significant difference in dropout rate was observed between boys and girls across districts.

Whilst there has been an improvement in transition rates from primary to upper primary at 98%, there remains significant inter district variation with remote districts reporting transition rates significantly below the State average.Interestingly, the 1,540 Gyan Jyoti schools set up in every small tribal habitation have reported enrolment of 21,000 tribal girls which is a positive trend in the remote districts.

The composite Education Development Index (EDI) computed from 21 indicators divided into four components: i) Access; ii) Infrastructure; iii) Teachers; and iv) Outcomes ranged between 0.60-0.68 for access; 0.22-0.90 for infrastructure; 0.20-0.70 for teacher; and 0.07-0.72 for outcomes; implying once again a high degree of variation between districts with no district achieving the desired score of 1. In fact the EDI has shown a decline in almost all EC-SPP focal districts as compared with the previous year EDIs.

Access

The State has 41,903 habitations out of which 40,820 are covered with a primary school and 40,478 with an upper primary school. A total of 37386 primary and 16,364 upper primary schools have been established meeting the RTE criteria of at least one PS within one Km and one UPS within 3 Km, representing an expansion of almost five times the number of schools that existed in 2001. 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). A 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 ratio of primary to upper primary schools stands at 2.4:1 for the State as a whole but has declined to 3:1 in the remoter districts (Dantewara 3.08, Naryanpur 3.56, Jaspur 3.57, Bijapur 4.5). Almost 10% of all 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.

A total of 64,860 Out Of School Children in the age group of 6 to 14 years have been reported to be mainstreamed during the current academic year (2012-13) as part of a backlog of previous academic years up to 2010-11. This number may further increase significantly if we account for school dropouts in 2011-12 as well as the current academic year. Mainstreaming these children would mean locating and counseling as well as creating space in a grade appropriate to his/ her age in the ashrahshlas/ hostels for bridge courses, appropriate work plan and resource provisions would have to be made to clear up the backlog, which has been piling up during each successive year..

Whilst the overall number and coverage of schools is improving with a few exceptions, there are still many gaps in school infrastructure including buildings, class rooms, toilets (especially for girls) as well as water, electricity and furniture. The RTE norms have further highlighted such requirements which need to be addressed through state and SSA resources. Panchayats are major stakeholders in the overall management and monitoring of schools in rural areas and mandated to address construction and repair of school buildings and hence greater efforts will need to be made to encourage them to utilize grants for such purposes.

EC-SPP support has helped in a limited way to address some of infrastructural gaps particularly in the selected TWD schools and Ashramshalas. The schools and ashramshalas/ hostels under tribal welfare departments were provided funds for construction of girls' toilets, furniture, electrification in UPS, water coolers and purifiers, washing machines and developing model UPS in educationally backward block as well as establishing English laboratory in selected schools. Further, tribal girls of ninth standard have been provided bicycles which have helped in improving the retention rates. Several other such initiatives supported through ECSPP have provided value addition to improve the quality of education and helped in the retention and school performance.

Quality

Although the State has a satisfactory teacher pupil ratio for primary 1:31 and upper primary 1:24, it is important to mention that 29% of primary and 16% of upper primary schools have adverse PTRs. Almost 57% of primary schools in Kawardha and 30% upper primary schools in Rajnandgaon reported adverse PTRs. On the other hand, there are schools with 3-4 teachers for just 15-20 children. Around 10% of all primary schools across the State have only a single teacher. The number of such schools rises to over 20% in Bastar, Dantewada & Narayanpur and 30% in Bijapur. The State will need to take steps to rationalise teacher deployment to reduce the number of schools with excess teachers and increase the number with an inadequate establishment of teachers.

The degree of teacher's presence in school will have a significant impact on learning outcomes. The ASER 2011 reveals that average teacher's attendance at any given point of time is 82.9% and only 55% of schools had all teachers present - a further decline from ASER 2010 survey indicating no serious efforts have been made to contain the absenteeism.

The composite performance index for Indian States for all classes and subjects (elementary education) computed in the student learning survey conducted in 17 states shows Kerala, Maharashtra, Orissa, and Karnataka report above average performance whereas J&K, Madhya Pradesh, Rajasthan and Chhattisgarh were among the poorest performing States. Moreover, Chhattisgarh's score is substantially lower than the national average in all classes and subjects. These results show that there has been a decline in school performance at primary and upper primary level with particular reference to mathematics and text reading ability. The school performance in other subjects such as English including text reading, Social Studies and Hindi have also not been very encouraging. The overall decline since 2007 has been significant and needs a critical review of all factors that might be contributing to this.

The DIETs have, on pilot basis, conducted school performance assessment of school standards which include Physical, Social, Cognitive and Organizational dimensions as proposed under Advancement of Educational Performance Through Teacher Support (ADEPTS) programme. As an example data from Kanker DIET visited by JRM team, revealed that only a quarter of the PS and UPS could achieve 'A' grade through this exercise indicating great deal of efforts are needed to improve the school performance level. Since this tool provides great insight in to the school performance and would facilitate evolving strategies for improvements, it is essential that periodical assessment is conducted on regular basis and information shared with the schools and with the department.

The JRM team visited a few schools and tribal ashramshala in Kanker District along with the DIET team The school visited was a upper primary school and the annual examination was underway. It was observed that number of children enrolled for class vii and class viii had declined, almost 20-25% surprisingly all amongst boys, and the reason given was another UPS has been opened in the near vicinity (within 2km). No attempts have been done to cross check the migration of children as it could be due to school drop-out. Further the school library and science room/lab presented a dismal picture as these were deficient on all counts e.g. books/ reading materials, instruments/ models/posters etc and it appears that students are not encouraged to use these facilities. Although CCE has been implemented there were records showing regular assessment of students on various dimensions as specified under CCE the action points were missing e.g. extra coaching, sharing with parents, SMCs etc. It is unclear that all the steps under CCE have been implemented in the class room assessment. In general, the system reveals a somewhat neglectful attitude on the part of many teachers and supervisors towards the learning needs of the students and particularly those from the poorer and marginalized communities that will have an impact on quality and performance. This implies the urgent need to address the training of teachers as well as the institutionalization of a better supervisory and mentoring system to ensure that the teachers are able to provide quality and equitable education to the children in their care.

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.

EC-SPP support was also provided to teacher's training institutes (IASE/CTE/DIETS/SIEMAT) for augmenting training capacities which included procurement of computers and furniture besides deputing the training faculty for exposure visits. The JRM team during their field visit observed that strengthening of the District Office under EMIS, District Education Officer and District computer centres have been done through EUSPP support as a step towards EMIS streamlining.

SCERT has also organized a series of workshops on Continuous & Comprehensive classroom Evaluation (CCE) though EC-SPP support. A team of 50 teachers has been oriented on this technique and detailed guidelines for the implementation of CCE as per RTE provisions has been printed through.EC SPP support (material for teaching and text book writing). 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.

School Management Committees (SMC)

As per the RTE guidelines a School Management Committee (SMC) should be constituted in every school with 75% of its members from amongst parents or guardians and the remaining to include teachers, elected members of the panchayat etc. The SMCs have been assigned specific responsibilities and mandates, most critical of which includes the preparation of the school development plan (SDP). Since the State has 37,193 PS and 16,224 UPS, a large number of such committees will have to be constituted and trained in addition to the training of teachers. The SSA has initiated this activity.

Training and Capacity Development

The State has 39,000 untrained teachers which is another major factor affecting quality and contributing to declining performance and this may be exacerbated with the recruitment of new teachers to meet RTEs norms on the number of schools. To meet this substantial training requirement the State proposal for two year D.Ed. course through distant education mode has been approved by NCT recently, paving the way for training the untrained teachers with in a period of two years from now. A Teacher Eligibility Test is also being conducted and EC-SPP funds are being used to develop model test papers and conduct examinations.

Another strategic component of EC-SPP support has focused on strengthening the District Institutes of Education and Training (DIET) to enhance the quality of teaching and learning. The DIETs continue

to play a pivotal role in innovating newer strategies of learning, conducting rapid surveys on school functioning and monitoring of SMC activities etc through D.Ed. students, counseling and mainstreaming 'Out Of School' children, as well as in-servicing training a teachers beside conducting D.Ed. courses. The resource centre established at each of the DIET through EC-SPP support has been providing value addition to teaching and learning methods as well as a resource to D.Ed. students.DIET-school linkage has been another focus in improving quality parameters at the school level.

Focused attention has been given in capacity building of the SCERT and the DIETs on mother tongue based education; particularly in the districts where the gap between home-language and school language is an issue. Efforts are on to create district-level resource groups to address language issues which has district-specific connotations. Language mapping is under way.

A group of 72 school girl children who stood first on several state level debates on community initiatives on girl child education were sent to education tour to Delhi and Agra to further promote girl child education through EUSPP support.

Early Child Care Education

Early Child Care Education (ECCE) supported through EC-SPP for last three years has helped in the enrichment of the Pre- School Education (PSE) program of ICDS as well as raising a cadre of resource faculty in ECCE. The department provided handholding to about 20,000 Aganwadi centres through resource faculty jointly drawn from ICDS and BRC. There were plans to expand the program to all the AWCs in the state, however could not be pursued further and it is unclear as to whether the program has been shelved or handed over to DWCD.

Administrative Actions Required

As seen from the financial analysis of EC-SPP support in the Education sector, the Department has drawn a total of around Rs 130 crore out of a total allocation of Rs 160 crore resulting in around Rs 30 core of funds available for the sector that has not been committed or spent to date. In discussion with the Department it was agreed that there is an urgent need to re-examine the expenditure plan for education with a view to drawing up an immediate sub plan for utilising unspent funds from within the approved PIP. It has been agreed that this sub plan should contain no more than 4-5 major heads and around 20 activities that will broadly address the following strategic needs including: improving capacities; improving quality; research and innovation; infrastructure support

The department has further committed to preparing the sub plan for approval at the forthcoming PSC in May so that there is no delay in taking forward the plans and budgets to utilise the available expenditure.

Compliance against previous JRM recommendations:

Recommendations	***Status***
The Dept needs to conduct an in-depth review of declining class room performance for immediate remedial measures	DIETs are given small scale studies on various such issues. NCERT achievement study is also being done in selected districts through DIETs.
Identify ways of optimizing and enhancing planned teacher training programme with value addition on quality	SCERT has planned to complete all teachers training during summer vacations and at cluster level. To improve the quality of RPs, draft material is also prepared.
Evaluation of MGML pending & must be expedited	Advertisement through newspaper and on internet released and agencies shortlisted. UNICEF is supporting this program. The work is entrusted to TISS. Work will be completed by 2012.
CCE needs to be properly operationalised	CCE designed, operationalised, guidelines printed and delivered. Teachers trained.
Initiatives on Eng Learning Labs to be assessed & expanded	ELTI is asked to work on this. Assessment is yet to be done.
Sector data on outcomes & achievements to be disaggregated by district prior to next JRM	Disaggregated sector outcome data has been presented through SSA support.

Forest Livelihoods

Forest Livelihood

Non Timber Forest Products (NTFPs) play a crucial role in securing livelihoods of poor forest dwellers in Chhattisgarh, where 44 per cent of the geographical area is under forest cover. The Chhattisgarh State Minor Forest Produce Co-operative Federation Limited (CGMFP Federation) is responsible for the NTFPs and has taken various initiatives for organizing production, collection, processing and marketing of non-nationalised NTFPs in order to provide additional employment and livelihoods opportunities to nearly one Million poor forest produce gatherers.

In Chhattisgarh, where 11,185 villages out of a total of 19,720 villages are forest fringed, the importance of NTFPs in the livelihood security of the rural population has led the State government declaring seven NTFPs such as tendu leaves, saal seed, harra, gum, khair, dhawara, kullu& babool as designated and has established the CGMFP Federation with the objective of promotingthe trade and development of these products. The remaining minor forest products (MFPs)have been outside the purviews of the nationalized products As a result, villagers get an assured minimum price for the designated NTFPs. Over 625 NTFP species exist in the States's forests with an annual potential of around Rs 1,000 Cr. It is estimated that 100 million person days of employment are generated by NTFP collection and tradeper annum.

The development of MFPs 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 upgrading. 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 technology upgrading, training, marketing and research.

Field visit to Lac cultivation units:

Chhattisgarh accounts for 42 per cent of India's total lac production. Lac cultivation has been accorded top priority status in many districts and the Federation is increasing the coverage of Lac especially in the underserved areas. Lac cultivation is one of the important secondary sources of income for villagers and this is particularly so in tribal districts. The most important Lac producing areas in the state are Kanker, Korba, Rajnandgaon and Bilaspur. The Federation has made concerted efforts to promoteLac cultivation including capacity building and financial support to carry out agronomic practices, provision of kits and essential instruments, supply of good quality brood Lac etc. Chattisgarh ranks second in the country interms of lac production with nearly 5,000 tonnes.

Lac Cultivation in Silpat, Banupratpur Block
The JRM team visited the Lac Cultivation in the village of Silpat of Banupratappur block of Kanker village. Two SHG groups consisting of 32 villagers are involved in lac cultivation. The group sold 12.5 quintals of lac in the previous season resulting in a turnover of Rs. 3,75,000 and a profit of Rs. 11,000 per individual. Lac cultivation is providing much needed income to the families of this village.

The JRM visited Lac cultivation in three villages of Kanker district namely Silpat (Banupratappur Block), Sarona and Bahanapani (Narharpur block). The villagers expressed their interest to increase the area under cultivation as it is proving to be a profitable activity. In Bahanapani village, the turnover on lac production was Rs. 2,00,000 from just 40 trees with an average turnover of Rs. 5,000 per season. If a farmer owns 5 trees, the income per individual is around Rs 25,000 per season.

Issues:

- It was reported in all the three villages visited that there are instances of theft which are posing a continuous threat to cultivation and is reducing returns by atleast 20%. The Federation should consider options for helping to reduce the scale of this problem
- Payments to villagers are often delayed due to administrative procedures. The Federation may consider streamlining the payments process to the villagers.
- Lac cultivation is supported by the Federation as well as the Panchayat department with little coordination between the two departments.The two departments should consider how best to increase the percentage of land covered under lac cultivation.

Micro Enterprises

The Federation has established 118 micro enterprises to date with a total value of Rs. 1,227 lakh and has surpassed its target of approving 120 enterprises which cover a wide range of activities from production, collection, processing and marketing. Each enterprise is run by a Self Help Group typically comprising 15-25 members with a total current membership of 3,000 benefiting over 15,000 population. Given that the overall target for establishing micro-enterprises has now been met, the Federation plans to focus on consolidation rather than further expansion through provision of training to the SHG members along with ensuring market support through NWFP.

Marketing and Packaging

There are currently 6 NWFP Marts in the State which provide assured marketing of herbal produce/ products of micro enterprises. The Federation has established 43 Sanjeevani retail outlets and district and block level which sell 45 herbal products and 49 raw herbs. Although, the federation is taking a number of steps to improve the branding of their products, the sales from these outlets have declined. It is also observed that the batch number, date of manufacturing and expiry date is still not printed on the packaging of the products and the packaging style of many products needs improvement. The Federation may also like to review its advertising policy to promote the brand Chattisgarh Herbals in an effective manner.

Case:The decline of Sanjeevani outlets
The JRM team visited the Sanjeevani outlet of Kanker district. This was established at a cost of Rs. 12.50 Lakh of which Rs. 7.50 Lakh was provided under EU SPP. The outlet is currently retailing 49 products and is managed by 10 SHG members. The monthly sales of the unit are currently Rs. 5,000 having declined from Rs 20,000 in the past, resulting in a decline in salary of the SHG members of just Rs 100 per month. A major reason for the decline is a decrease in number of products that are being retailed which has declined from 100 to the present 49 products. It was informed that the unit is unable to increase the number of products due to lack of certification. The outlet is also facing intense competition from “Patanjali Brand”. There is an urgent need to rethink its strategy for the Sanjeevani outlets, else to ensure these do not decline further.

Capacity Building:

Capacity Building is critical for sustaining the micro enterprise initiatives. A total of 4,692 beneficiaries and 498 staff have been trained on various subjects in the current year, of which 1,671 beneficiaries and 458 staff were trained in raw herbs collection. The total beneficiaries and staff trained to date is

15,908 and 4,225 respectively. The Federation has organized many seminars and around 300 staff and over 150 beneficiaries have participated in various workshops covering project implementation, herbal health care strategy, accounting procedures, documentation process, marketing etc. The Federation has also organized exposure visits for 58 staff and 100 beneficiaries to understand herbal product manufacturing, cashew production and processing, marketing of raw herbs, mahul leaf processing etc. Such exposure visits have been made to CFTRI, Himalaya co., Indian Institute of Packaging, New Delhi, Botanical Survey of India, Allahabad etc.

Certification:

The Federation has not been able to obtain any new certifications since the last JRM and the overall process of certification continues to be very slow. CGCERT has increased the number of operators from 12 to 17 in the current year and has intensified its efforts to get the products certified. The total registered operators with CGCERT are currently 33.

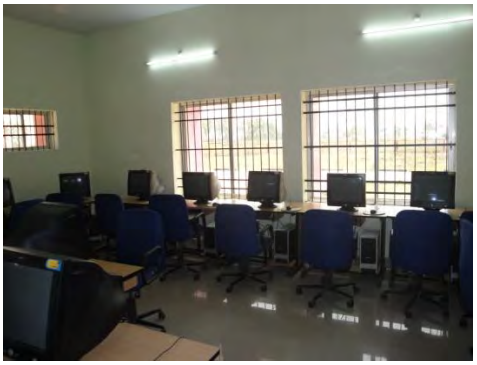
Compliance against the recommendations and process indicators of 6th JRM Review

Sl. No	Recommendation / Process Indicator	Progress
Recommendations		
1.	Need to address the attrition of the Marketing Executives through financial and non financial measures	• Salaries of the executives and other contract staff of EC have been increased by 10%.
2.	Setting up model park where all the livelihood activities can be demonstrated	• The Federation is of the opinion that setting up a model park may not be possible due to availability of the raw materials.
3.	Licensing should be aggressively taken up with time bound monitoring	• License for drug manufacturing has been issued to 6 units
4.	Expansion of product range in the Sanjeevani Outlets	• Currently retailing 75 licensed ayurvedic formulation and 49 products,

Panchayat Raj Department

As part of strengthening Decentralization, EC-SPP has been funding the PRI Department and related institutions as the main focal area of budget support in the Governance sector. This support lagely focuses on the 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. The formulation and implementation of the PIP has been good in the last year with the department taking steps to implement planned activities in an efficient and effective manner.

District Resource Centre and Capacity Building



The department has established 6 “District Resource Centre” in Ambikapur, Sarguja, Raigarh, Bilaspur, Jagdalpur and Damtari and plans toe stablish such centres in all 27 districts. The JRM team visited the district resource centre in Kurud block of Damtari district. The centre is well equipped with training halls and the capacity to train more than 300 persons per day. Facilities include meeting rooms, hostel facilities, audio, video aids etc. The centre also has a computer lab with 30 computers for hands on training. Coordinators and assistant coordinators have been recruited to conduct and facilitate training programmes for elected representatives of each district. The department has deputed 3 full time faculty members to impart training. The resource centre which was established in Nov 2011 with a target to train 10,000 personnel, has already trained 7,122. The department should examine ways of maximizing its use for internal training and as a facility for other departments on a semi commercial basis to help sustain operations.

Preparation of Roadmap for decentralization

A TA contract for the preparation of a Roadmap for Decentralisation is currently being implemented and the inception report has been completed. The study is being conducted by PRIA with the objective of: assessing the current situation, formulating a vision and developing strategies for strengthening devolution. Eight Gram Panchayats in two districts namely Bastar (PESA) and Mahasamund (non PESA) have been selected for conducting a detailed situational analysis. It is expected that the study will be completed by end July 2012.

Perspective Plan

The department has sought the assistance of the TA team to prepare a capacity building plan as part of the PIP to map all capacity building initiatives and their impact, prepare an approach paper for PRIs capacity development and strengthen the institutional capacities of the training institutions as well as the department. The TA team has prepared the Terms of Reference and the study is to be commenced.

Model Panchayat

The department has selected four districts for setting up Model Panchayat Offices in Rajnandgaon, Sarguja, Raigarh and Kanker. The department has requested short term TA (STE) to assist with the establishment of a Model Panchayat by March 2013.

Decentralization campaign in Kanker

Short term TA has been used for promoting a decentralization campaign in Kanker district based on organizing and conducting orientation and training at State, Zilla and Panchayat levels covering 122 public representatives and staff. The workshop covered the broad areas on Gram Sabha, Awareness creation and role of Standing Committees.

Issues:

There are multiple departments that are providing training on devolution to the PRI functionaries. It is observed that there is little coordination among these departments and a focused approach towards capacity building will improve overall effectiveness.

The Department has only managed to recruit 8 of the 18 coordinators so far. It is suggested that coordinators recruited should also cater to the remaining 10 districts until such time as these posts have been filled.

The district support centres should be optimally utilized and an annual training calendar should be prepared for this purpose.

The decentralization campaign in Kanker district represents as important step but it is vital that the department provides further handholding support to the Gram Panchayats which are crucial in achieving the wider objectives of devolution

Compliance against previous JRM recommendations:

Sl. No	Recommendations (VIth JRM)	Compliance
1.	Roadmap TA to be given top priority	The study commenced and inception report submitted. It is expected that the study would be completed by July 2012.
2.	Perspective Plan to be initiated	Terms of Reference prepared to engage STEs through TA support
3.	Establishing support centres and recruitment of coordinators and assistant coordinators to be completed	Six support centres established and Coordinators and Assistant Coordinators recruited
4.	ToT modeule to be prepared and ToTs to be completed for the coordinators and assistant coordinators	Training module prepared and is to be printed post which the training will be conducted
5.	Training in all blocks to be completed in pilot district of Kanker	The STE have completed the decentralization campaign in Kanker district
6.	Recruitment of functionaries should be considered by the department to strengthen the devolution framework	Not yet initiated.

4 TA SUPPORT

Staffing

The TA team is fully staffed covering with Experts covering the positions of Team Leader, Deputy Team Leader/ Decentralisation Expert, Public Financial Management Expert, Capacity Building Expert plus two additional positions as recommended by the JRM (2010) of Education Expert and Health Expert. The previous Health Expert has been replaced with a new National Expert (Dr Swapna) in Jan 2012 and has been approved as a long term key post. There are currently 10 Short Term Expert contracts on-going which are proving inputs in specified areas across all departments.

Key Experts and National Experts

Key Experts	***Designation***	***Joining Dates***
Dr. Dagmar Baer	*Team Leader*	*Sep-09*
Dr Tapan Ku. Gope	*Deputy Team Leader*	*May-10*
Dr. Rajni Kant Juyal	*Public Finance Key expert*	*04-08-2011*
Dr. Rajat Ku. Das	*Capacity Building Key Expert*	*01-06-2011*
Dr. Uddalak Datta	*National Education Expert*	*16-05-2011*
Dr. Swapna Jambhekar	*National Health Expert*	*09.01.2012*

TA Role and Outputs

The previous JRM report noted that there was a critical need for TA team to provide greater handholding support to departments to assist with the implementation of key reforms, over and above the task of procuring STEs identified by the departments and assisting with workshops, study tours and documentation.

The TA team has now become more effectively engaged in handholding the departments to support implementation of select pilot activities in the PIPs primarily aimed at improving the quality of service provision across the respective SPP sectors in health, education and PRI. This hasincluded:

- Initiatives on quality improvement in Community Health Centres
- Inputs to draft policy on tribal language in education and multi-lingual mapping and upgrading of teaching materials,
- Orientation of of DIET staff on language issues
- Training of Educational Administrators at district and block level on quality issues
- Implementation of decentralisation agenda in one pilot district

Whilst these represent a useful step towards improving the quality of service delivery of the departments, the TA should actively pursue the scale up and replication of these initiatives with the respective departments through continuous handholding and active engagement.

Since the last JRM of Nov 2011, there have been a few workshops to assist in up-dating MTEF for the School Education and Health departments although there remains a need for continuous and intensive support as expressed by the departments to the JRM team. Initial steps have been taken by the TA to help institutionalize the process of MTEF with Planning, Finance and Implementation officers of the two departments (Health and Education) in preparation for the possible wider adoption of MTEF in the State in line with the Union Finance Minister's proposal of GoI. There have also been orientation sessions at district level with accounts and finance staff in Health on compliance with accounting rules and procedures including increasing awareness of the need to produce utilisation certificates for all expenditure. This will be repeated for the Education Dept in due course. TA inputs have also been provided to assist with the introduction of modified cash management arsisng from the PFM recommendations where TA Finance Expert has undertaken an analysis of the MCM system

at central and State level (Odisha) elsewhere in India as well as comments on two new GoC circulars on streamlining the funds flow process in the State.

The main TA support in PRI to date has been concerned with overseeing the on-going contract for the preparation of a Road Map for the PRI institutions with assistance of PRIA. The methodology has been prepared through a series of consultations and PRIA is currently assessing the functioning of PRI having completed a situation analysis, field study and will continue with a detailed review of functions for activity mapping. The road map will be completed by June 2012. In addition, two STEs havecompleted the decentralization campaign in Kanker district. Two further STEs will begin mapping of the entire capacity building initiatives for the PRI members and an assessment of the impact of these initiatives, conduct TNA and prepare an approach paper for a capacity building perspective plan.Districts have been selected for a model panchayat and PRI has requested support from the TA team to provide 4 facilitators.

In Education the main TA inputs have been associated with continuous follow-up on the re-strategizing of the PIP to provide a more focused plan and budget for the remaining project period with the a view to utilising all unspent funds as a priority. This will now be presented to the PSC on May 2nd. Support to date has emphasized the need to focus on initiatives that will help to address declining classroom attainment including teacher development and training, strengthening DIET School linkage, Continuous and Comprehensive Evaluation, language bridging and MIS. Other inputs have include preparation of a study tour to Nagaland to examine approaches to bridging tribal language with a planned visit in April/ May. The procurement of STEs in language mapping and mother tongue based education and facilitation of orientation workshops for DEOs and BEOs, There have also been a series of PFM related initiatives in the Education sector including MTEF updating and education sector audits. TA inputs have also assisted with the preparation of disaggregated data analysis of education outcomes by districts to provide more accessible access to performance in the 9 focal districts.

During the last months the contact with Tribal Welfare department has intensified as TWD is planning to strengthen its skill development scheme and to upgrade existing Training Centres. The TA team has also organized a study visit to examine Vocational Training on a PPP mode under the Tribal Development Department of Gujarat with visits to several training initiatives supported by industries such as Larsen and Toubro, Maruti Suzuki and Atul industries. TWD has also requested TA to support further exposure visits to New Zealand and Thailand to examine policies to support indigenous education and training.

The main areas of TA support in the health sector haveincluded further support for the updating of the Health PIP especially to eliminate completed and/ or terminated work and priortise activities that could be easily completed within the next 18 months. TA inputs have also been provided to formulate the ToRs for a post construction and procurement audit and ToRs for a blood safety assessment across the State. TAhas also provided comments on the GoI draft PPP rules which have been highly appreciated by both GoI and GoC. TA has also revised and elaborated the State PPP policy to include structures at district level with financial authority limits and inputs from the State. TA has also provided further technical support to the procedures in the RfP for private medical colleges and super speciality hospitals. TA has advised on a management outsourcing model, especially with the NGO and NPA sector as a more appropriate model to conflict and remote areas. The TA has prepared an approach paper for the costing analysis of centres in remote areas and will undertake a detailed analysis for the Health department. The Department has now set up a PPP cell and TA has provided options for capacity development for the cell through study visits and tours. TA has also supported a state visioning and planning workshop in response to the 12th Plan Approach Paper. TA has also supported the recruitment process through guidance paper and procedures for the recruitment process for establishing the Chhattisgarh Medical Services Corporation.

TA has implemented a client focused service improvement pilot to develop optimal modalities and practices that will result in improving health service delivery at CHC and PHC levels. This has been undertaken in 2 CHCs in two districts and based on a series of workshops and monitoring support. This has already generated substantial improvements in delivery such as improved staff behavior and service levels and facilities assessed through photo monitoring. This model will be presented to the department for potential roll-out.

Short Term Experts 2012						
S. No.	***Short Term Experts***	***Tasks undertaken***	***EU Approved Days***	***Period***	***Approval Received from EU on***	***Remarks***
1	*Mr. Ranjith Menon*	*Quality of Health Service*	*90*	*15th June to 31st Dec 2011, till 31st March 2012*	*30-05-2011, 16.12.2011*	**Completed in March 2012**
2	*Mr. Amitav Basu*	*Implementation of Medium Term Expenditure Framework for Health and Education Department*	*30*	*August 2011 to 31-December 2011, till 31st March 2012*	*25-08-2011, 19.12.2011*	***Completed in March 2012***
3	*Dr. Swapna*	*Short Term Health Expert*	*30*	*till 31st March 2012*	*16th Dec 2011*	**Completed in March 2012**
4	*Ms. Swarupa Pandit*	*Documentation of the workshop proceedings on Decentralization & Devolution*	*60+30*	*15th July to 31st Dec 2011, 2nd Jan to 30th June 2012*	*22-06-2011, 16.12.2011*	**on going**
5	*Mr. Dilip Banrjee*	*Facilitation of the workshop on Decentralization & Devolution*	*60+40*	*18th July to 31st Dec 2011, 2nd Jan to 30th June 2012*	*22-06-2011, 16.12.2011*	**on going**
6	*Ms. Sonali Jha*	*CFSI Facilitation*	*25+45*	*Oct. 2011 to June 2012, 2nd Jan to 30th June 2012*	*21-09-2011, 19.12.2011*	**on going**

7	*Mr. Deepto Roy*	*Legal Expert PPP in Health*	*40*	*Oct. 2011 to June 2012*	*21-Sep-11*	**on going**
8	*Mr. Mahendra Mishra*	*Client Focused Service Improvement*	*40*	*Till 31st July 2012*	*8th Dec 2011*	**on going**
9	*Julian Boyle*	*Client Focused Service Improvement*	*20*	*Till 31st July 2012*	*8th Dec 2011*	**on going**
10	*Mr. Rajendra Kumar Kabra*	*Costing Analysis In Health*	*30*	*01.02.2012. till 30.06.2012.*	*9th Feb 2012*	**on going**

5 PROCESS INDICATORS FOR NEXT JRM

Health

- Improvement in MBBS vacancies filled
- Medical Services Corporation operational with key staff in place
- Progress in multi-skilling training to increase number of functioning FRUs
- Increased staff trained in SBA
- Health MIS data being used for planning

Education

- MGML evaluation completed and policy recommendations formulated
- ALM rolled out to larger number of schools
- Actions initiated for roll out of quality teacher training programme
- Education MIS data being used for planning

NWFP (Federation)

- Strategy for strengthening Sanjeevani outlets including increasing the product range and holding special camps (roadshows)
- Increasing the coverage of the Lac cultivation

Governance/ PRI

- Roadmap TA completed by July 2012
- Work initiated on establishing Model Panchayat office
- Capacity building perspective plan should be completed by July 2012.

6 KEY RECOMMENDATIONS

Fixed Milestones

- MTEF of the health and school education departments have been updated. This meets the requirement of the fixed milestone. The present versions of MTEF update for both the departments show some gaps which need to be addressed as discussed earlier. It is imperative that DPHFW and DSE institutionalize MTEF process with TA support.
- The PIPs need to be reviewed and re-appropriated wherever necessary to ensure that unutilized EC grants of Rs. 106.64 crores are absorbed within the period left out for closure of the current partnership programme. The most important step would be to draw up plans for micro management of activities. The PIP should also identify activities that would be undertaken when 5th tranche is released. It is extremely important that PSC takes cognizance of funds absorption capacity of the concerned department while deciding about allocation of 5th tranche.
- As mentioned earlier, the departments have not yet prepared any operational plan to implement recommendations of the PFM study. Neither the departments have taken remedial measures to address the various PFM issues raised by the auditors. The health and education departments are required to identify and implement measures to address the audit observations on one hand and PFM study recommendations on the other. TA assistance should be more of handholding support rather than advisory. If necessary, short term TAs may be appointed who have practical experience of working with governmental systems.
- In general, the health department should avoid the practice of drawing the EC money from the treasury and then park in a bank account. But if it is necessary to avoid administrative delays in release of funds, then the department may keep the funds in a separate non-NRHM sub-account and spend money as per approved PIP. In any case, it is not desirable that unspent EC funds are kept in DHS account along with other funds. EC funds along with any interest earning should be clearly traceable.
- Audited statement of accounts for the financial year 2011-12 should be completed within a maximum period of six months from the closure of the year. The health department has significant amount of outstanding advances which should be reconciled with proper UCs before the next JRM.
- Given that a significant part of EC funds have been used for civil construction and procurement of goods, DPHFW and DSE are now required to conduct a post-procurement audit for assessing 'value for money'. It is recommended that both the departments engage external CA firms or agencies to conduct a post-procurement audit on the basis of carefully drawn sample. The audit team should include at least one civil engineer to assess quality of civil works.
- The JRM team strongly recommends recruitment of technical staffs including a Chartered accountant for strengthening DIF.

Variable Milestones

Health

- A comprehensive HR policy for medical personnel that addresses cadre structure, transfers & postings and several other related issues needs to be formulated in order to improve availability of doctors at the periphery (e.g. FRUs) - improved intake and retention.
- Training of ANMs/LHVs for SBA & IMNCI should be completed ideally with pre and post evaluation and linked to on-the-job performance assessment
- There is an urgent need to increase intake for multi-skilling training of doctors with proper certification and linked to targeted postings

- Develop mechanisms to ensure completeness and reliability of the RCH data base to support ICDS and strengthen data analysis capacities for policy formulation and service provisions. Similarly HMIS needs to be strengthened.
- Sector data on outcomes & achievements to be disaggregated by district should be made available prior to next JRM.

Education

- The Dept should draw up a short term plan to allocate and spend all unutilised funds to date within the framework of the PIP
- Identify a small number of focal areas within the PIP for all future fund allocations that address the strategic priorities of the Dept in relation to declining classroom pupil achievement, teacher training and quality enhancement, especially in 9 focal districts
- The Dept should identify the implementable recommendations of the XLRI Report and prepare a plan to take these forward especially those recommendations relating to school level improvements to address declining performance.
- The Dept should provide handholding to DWCD to ensure ECCE is implemented

Federation:

- The Federation should draw up a plan to allocate and spend unutilized funds to date within the framework of the PIP
- Federation should develop modalities to speed up the payment process to lac cultivators
- There is a need to promote improved marketing and branding of Chhattisgarh Herbals and to explore strategic tie ups with private firms that could contribute to expanding coverage and sales.
- Develop an advertising campaign for wider brand promotion.

PRI:

- The Panchayat dept should prepare a plan for spending the unutilized funds and savings as a priority through a revised PIP
- The 8 district coordinators already appointed should also cater to the other ten districts as a temporary measure until such time as the respective coordinators are appointed.
- The capacity building perspective plan should be commenced and completed within 4 months
- A comprehensive study of all Panchayats in the State with a focus on women members as approved in the PIP should be commissioned as soon as possible

Annex: Analysis of Educational Data for 9 Focus Districts

NER

Against the state average of 94.7 percent at primary level, following is the scenario for the 9 focused districts

Table 1A: NER Primary Level (2011-12)

S. No.	Name of District	NER		
		B	G	T
1	Bastar	93.42	91.84	92.63
2	Bijapur	82.69	69.47	76.19
3	Dantewada	82.33	76.07	79.32
4	Kawardha	95.83	96.53	96.18
5	Korea	98.36	94.21	96.29
6	Narayanpur	92.82	82.28	87.42
7	Raigarh	93.68	93.15	93.42
8	Rajnandgaon	99.25	97.96	98.61
9	Surguja	98.65	96.08	97.37
	Total	95.62	93.84	**94.74**

Source: SSA- Chhattisgarh

It is evident in Table 1A that while some of the focused districts are above state average, the situation is not encouraging in three districts –Bijapur (76.19%), Dantewada (79.32%) and Narayanpur (87.42%).At upper primary level, the state average of NER is 84.27% and the figures for 9 focused districts are as follows:

Table 1B: NER Upper Primary Level (2011-12)

S.No.	Name of District	NER		
		B	G	T
1	Bastar	70.86	72.10	71.47
2	Bijapur	60.25	62.43	61.20
4	Dantewada	64.65	65.82	65.18
10	Kawardha	79.59	84.72	82.02
12	Korea	78.40	84.17	81.17
14	Narayanpur	76.65	74.63	75.70
15	Raigarh	84.49	87.32	85.88
17	Rajnandgaon	86.94	90.20	88.55
18	Surguja	90.69	96.07	93.29
	Total	83.03	85.57	**84.27**

Source: SSA- Chhattisgarh

As reflected in Table 1B, out of 9 focused districts, 3 districts show better NER status – Sarguja (93.29%), Ranjanadangaon (88.55%) and Raigarh (85.88%). On the other hand, rest 6 districts are below state average; lowest being Bijapur (61.2%), Dantewada (65.18%). The figures for Bastar and Narayanpur are also not satisfactory (71.47% and 75.70% respectively).What is interesting to note that some of the better off districts show discouraging figures – Dhamtari (79.46%) and Durg (78.76%). It is equally significant to find better performance of girls across.

Drop-out Rate

The over-all drop-out rate at primary level is 3.56% while the drop-out scenario is abysmal in regard to tribal students (16.40%). As evident from Table 2, two districts show appalling figures – Bijapur with 34.40% and Dantewada with 43.23%; while figures are well below state average for Narayanpur (10.74%) and Sarguja (7.50%).

Table 2: Annual Average Dropout Rate (Primary Level)

	District	2011-12		
		Boys	Girls	Total
1	**Bastar**	4.60	4.40	4.50
2	**Bijapur**	34.52	34.24	34.40
3	**Dantewada**	43.03	43.49	43.23

4	**Kawardha**	2.10	1.73	1.91
5	**Korea**	1.82	2.50	2.15
6	**Narayanpur**	9.92	11.61	10.74
7	**Raigarh**	-0.26	-0.17	-0.22
8	**Rajnandgaon**	2.28	1.81	2.05
9	**Surguja**	7.61	7.40	7.50
	STATE	3.81	3.31	3.56

Source: SSA- Chhattisgarh

Transition Rate

Out of 9 focused districts, Dantewada shows a dismal figure of 61.33% as transition rate against state average of 97.99% in 2011-12. Although data for Bijapur and Narayanpur not available in Table 3, the scenario was not encouraging during 2010-11 either (58% and 66.5% respectively).

Table 3: Transition Rate (Primary to upper primary)

	District	2011-12		
		Boys	**Girls**	**Total**
1	**Bastar**	97.22	98.75	97.98
2	**Bijapur**	-	-	-
3	**Dantewada**	60.23	62.75	61.33
4	**Kawardha**	91.59	93.64	92.6
5	**Korea**	100.17	99.67	99.92
6	**Narayanpur**	-	-	-
7	**Raigarh**	101.44	99.57	100.51
8	**Rajnandgaon**	97.6	98.04	97.82
9	**Surguja**	92.57	91.65	92.11
	STATE	**98.07**	**97.91**	**97.99**

Source: SSA- Chhattisgarh

PTR

There are 26.71% of schools at primary level in the state with PTR more than 1:30. Out of the 9 focused districts, 7 districts show they have schools lesser in number than the state average, while two districts show very high number of schools with PTR of 1:30 – Bijapur (84.74%) and Kawardha (48.25%). Interestingly enough, Dantewada shows a better situation than state average (12.29%).It is also notable that few of the better off districts show higher number of schools with high PTR – Bilaspur (47.34%), Durg (34.70%, Raipur (35.35%).

At upper primary level, the average number of schools with high PTR (more than 1:35) stands at 19.78%. Eight out of nine focused districts show lesser number of schools with high PTR than State average; Rajnandangaon being the district with relatively substantially higher number of schools with 37.10%. In case of upper primary level too, some of the better off districts show number of schools with high PTR higher than State average – Bilaspur (31.07%), Dhamtari (23.46%), Durg (25.36%), Raipur (36.55%), Mahasamund (24.75%).

Table 4: Percentage of schools with adverse PTR (Govt. schools)
2011-12

SN	District Name	Primary	Upper Primary

		% of Schools having PTR > 30	% of Schools having PTR > 35
1	Bastar	23.08	10.80
2	Bijapur	84.74	3.13
3	Dantewada	12.29	2.88
4	Kawardha	48.25	17.74
5	Korea	24.85	17.10
6	Narayanpur	20.37	6.78
7	Raigarh	13.09	12.82
8	Rajnandgaon	19.53	37.10
9	Surguja	17.68	13.03
	Total	**26.71**	**19.78**

Infrastructure

Table 5: RTE Infrastructure Compliant Schools – Primary (2011-12)

SN	District	Percentage of schools							
		Girls Toilet	Boys Toilet	Water	Ramp	SCR	Boundary Wall	Play Ground	Library
1	BASTER	47.9	56.0	86.6	14.9	70.3	50.5	30.4	51.4
2	BIJAPUR	15.0	18.0	66.2	4.4	48.6	57.2	12.8	41.4
3	DANTEWADA	36.8	37.4	83.2	4.0	71.9	49.1	10.2	38.7
4	KAWARDHA	33.1	34.9	90.8	62.3	60.7	37.9	39.6	82.6
5	KORIYA	95.7	95.4	94.0	67.8	79.3	64.9	43.6	66.0
6	NARAYANPUR	12.0	8.8	76.1	6.9	62.7	59.9	30.0	14.8
7	RAIGARH	40.4	35.4	92.3	54.3	79.9	40.3	31.3	94.7
8	RAJNANDGAON	39.7	72.1	92.8	44.5	74.7	51.6	31.8	92.5
9	SURGUJA	42.0	26.4	87.3	44.5	79.6	42.1	37.7	78.9
	State Averages	**46.7**	**44.8**	**89.7**	**41.7**	**70.9**	**49.9**	**31.4**	**79.8**

7 Progress Against Logical Framework

	Intervention Logic	Objectively Verifiable Indicators	Progress
Overall Objectives			
	To contribute to a more equitable delivery of and access to quality health and education services as well as improved forest based tribal livelihoods through governance and institutional reform and capacity development at State and decentralized levels.	• Sector Policies translated into Action • Quality and access of Health and Education Service • Living conditions of tribal populations	– Assistance to Sector policies in Health and Education – Quality improvement concepts in Health and Education Dept. are developed – Improvement of living conditions of tribal population increased through assistance provided to Federation
Specific Objective			
To provide expertise, advice and assistance to the Government of Chhattisgarh (GoCG) in the implementation of the SPP as outlined in the Financing Agreement (FA). The specific areas of support of this EC TA contract are as follows:			
a)	Support Directorate of Institutional Finance (DIF), as the nodal department in coordinating the SPP and assist the DIF and individual department/agencies in managing the various SPP components, including the preparation of annual working plans and budgets	• Annual Plans/Work Plans and budget adopted and implemented by the government	Provided assistance for reviewing and updating PIPs of the different departments. TA team met regularly Director DIF and briefed him about the progress of the different components of the EC SPP.
b)	Support internal and external coordination of departments/agencies involved in the SPP	• Improved coordination will help to improve the functioning of specific services related to SPP in that dept. Frequency and efficiency of communication	Series of meetings conducted with the different departments- TA team met Nodal Officers, Directors and other program officers of the different departments including Director, DIF. Field visits were conducted by the TA team and feedback of the progress of the implementation of the EC SPP was given to the departments.
c)	Support to financial and planning reforms across the sector with emphasis on the finance & planning, health and education departments, specifically in the implementation of the recommendations of the Public Finance Management Assessment (PFMA) including Medium Term Expenditure Framework	• Increase in planning and MTEF skills	i) Workshops and introductory meetings on implementation MTEF conducted for Education and Health Department. ii) MTEF for Health and Education are revised & updated. iii) Training on proper audits and bookkeeping is on-going for both departments. iv) Focussed workshops are being planned for concerned key officials of the two departments.

	Intervention Logic	Objectively Verifiable Indicators	Progress
d)	Facilitate change, processes in administration and governance through intensive capacity building activities in the priority sectors	• Number of quality Trainings, Workshops, Exposure Visits organised • Follow up to the above activities done	– Numerous trainings are conducted on Decentralisation, Health and Education referring to devolution – Study visits on Decentralised service delivery are organised by TA team (Education, PRI, TWD, Federation/livelihood).
e)	Support in preparation a comprehensive Multi Year Programme Implementation Plan (PIP) detailing all components	• Comprehensive Multi Year PIP prepared and approved by PSC	TA support was provided to all the departments for the preparation of multi-year PIPs, which were approved by the PSC in 2010-2011. This year extensive. **However, PIPs still not sufficiently focused and resemble a shopping list**
f)	Support in organising of Steering Committee meetings and to the preparation for Joint Review Missions and the preparation for tranche releases	• Number of steering committee meetings and review missions organised • Quality of inputs provided	Regular assistance is provided for organizing JRMs.and TA inputs to JRM are prepared **but departments not able to provide updated progress reports and accurate financial information in time for JRM**
g)	Support the setting up of advisory bodies/ Technical cells in different departments or sourcing of expertise from within the national and international context	• Advisory body/ Technical cells established and functioning	Recently Health Dept. established EC SPP cell.
h)	Support in design and implementation of different studies for monitoring purpose	• Number and quality of studies designed and implemented	i) PIA was completed last year ii) A study on the functioning of the PRI is on progress iii) In education, language mapping is being carried out under the guidance of TA. In addition to that SCERT has been supported in finalising thematic areas for action research for quality improvements in schools. iv) Mitanin evaluation study report was completed in 2010. v) Mapping of different capacity buildings initiatives for the PRI members are in the pipe line.
i)	Support individual departments/agencies in monitoring the indicators agreed in the results framework for the SPP	• Submission of quality reports	Key Experts- Health & Education, Decentralization Expert, Capacity Building Experts and PFM Experts are working closely with the departments with TL for monitoring the SPP. Few field visits were conducted and reports submitted to the departments.
j)	Plan and coordinate national/international exposure trips and courses and plan and coordinate special studies to be financed	• Number of trips, exposures visits, studies and courses	Study visits on Decentralised service delivery are organised by TA team for Education, PRI, TWD, Federation/livelihood

	Intervention Logic	Objectively Verifiable Indicators	Progress
	out of EC TA funds	organised • Follow up to the above activities done	
Results (aggregated to date)			
1	Drawing up a comprehensive Multi Year Programme Implementation Plan (PIP) detailing all components including the most effective use of the Technical Assistance component	• Comprehensiveness of Multi Year PIP prepared and is implemented	• Multi-year PIPs for all the departments are prepared with the TA assistance in 2010. TA assisted in review and realignment of Multi-year PIP for Education and Health**but PIPs still not sufficiently focused on a few strategic priorities**
2	Setting up institutional arrangements for the management and execution of the SPP including the organisation of Steering Committee meetings, the preparation for Joint Review Missions, the preparation for tranche releases and sourcing of expertise from within the national and international context	• Quality of institutional arrangement • Rate of compliance with arrangements	• Assistance provided for organizing MTR & JRMs and for preparing JRM compliance reports of the different departments. • **Departments not able to provide updated progress reports and accurate financial information in time for JRM**
3	Capacity building of Directorate of Institutional Finance (DIF) and of individual departments/agencies responsible for planning, implementation and reporting on SPP Components improved with plans, budgets and reports presented timely and meeting quality standards agreed between GoCG, GoI and EC Delegation, as advised by the JRM	• Quality of strategies developed and implemented • Number of Capacity Building Events Organised • Specific capacities improved	• **Financial data and reporting from Depts in incomplete** • **Physical progress reporting from Depts is also incomplete and not disaggregated as per several JRM recommendations** although TA has assisted JRM with disaggregated data in Education and Health.
4	The systems in Directorate of Institutional Finance are in place and its capacity to operate and manage the internal and inter-departmental coordination are established	• Monitoring Cell established in DIF – Number of inter departmental meetings conducted	• **DIF: Two rounds of advertising for staff unsuccessful. TA: MIS Experts pre-selected and proposed, yet to be approved. (Change of management in between).** • **Interdepartmental meetings have been proposed several times to DIF as Nodal Dept. but not yet conducted.**
5	Public Expenditure Management systems are made effective and transparent, with Medium Term Expenditure Frameworks (MTEFs) including for health and education sector prepared and periodically updated	• Updating MTEF takes place for Health and Education and multi-year budgeting done	• Updating MTEF for health and education completed in March 2012 • **Interdepartmental meetings have been proposed several times to DIF as Nodal Dept. but not yet conducted**.

	Intervention Logic	Objectively Verifiable Indicators	Progress
6	GoCG has enabling framework for devolution in place, capacity of State institutions to manage devolution policies enhanced, capacity of local Government bodies built to assume responsibilities for local self-governance, and framework is implemented for the health and education sectors	• Quality of devolution framework • Capacity development plans for local government bodies developed and implemented	• PRIA is conducting study on actual system of decentralization in CG. Based on the results they will update the activity mapping and Road Map will be prepared • STEs are selected and ToR prepared for mapping the capacity building activities, impact assessment, TNA and preparing an approach paper for the capacity building for the PRI members. • Cap. Building Activities for the PRI and Education and Health Department are on-going.
7	Policy on regulation of standards of services (public and private sectors) at least for health & education is established	• Quality of policy documents • Degree of implementation	• Roadmap for the quality management of health services prepared and submitted to the health department.
8	Role of apex and primary tribal institutions- Chhattisgarh State Minor Forest Produce (Trading and Development) Cooperative Federation Limited (CGSMFPF), co-operative societies, Joint Forest Management (JFM) groups, Self Help Groups, Panchayati Raj Institutions- in forest based livelihood options improved and the capacities required for exercising this role and a pro-poor policy developed	• Number of institutions involved • Quality of policy documents • Micro-enterprises established • Number of beneficiaries	• 200 Primary Forest Produce Cooperative Societies have been identified by the CGMFP Federation for capacity building and different capacity building measures are conducted. 124 Micro enterprises are established by the CGMFP Federation. Total number of beneficiaries is more than 18000 women SGH members.
9	Ensure the establishment of monitoring systems to which its experts contribute are designed for timely, comprehensive, broad-based and strategic feedback on implementation progress and to provide the GoCG with a sound basis for strategic decision-making on Health, Education and Forest Based Livelihood sector policy reform implementation	• Quality of monitoring systems developed and actioned	• **Little or no strengthening of Depts internal MIS to date**
10	Ensure that factors impeding the effectiveness of provided expertise and the achievement of the above results and the sector reform milestones are immediately and without fail reported to the GoCG, the European Commission (EC) and remedial measures on recommendations are taken.	• Quality of reporting mechanisms • Frequency of usage of reporting mechanisms • Number and distribution of users	
Activities (Since Nov 2011)			

	Intervention Logic	Objectively Verifiable Indicators	Progress
1	Assistance to the DIF and other Departments directly involved in the SPP	• Regular meetings with the Director, DIF, Directors Health, Education, PRI & Federation • Support for updating of MTEF for Health & Education Departments • Prepared work plan for the implementation of PFM. • Review & updating of multiyear PIP	
2	Support to Decentralisation • Preparation of Roadmap for the PRI • Promoting devolutions • Capacity Building prospective plan for the PRI • Training, Workshops and Exposure Visits for the PRI	• TA for the implementation of the multi-year PIP • Roadmap for the PRI was given to PRIA. They will complete the task by July 2012 • Decentralization campaign carried out in Kanker districts • ToR / STEs prepared for capacity building perspective plan for the PRI • Preparation for study tour to Rajasthan	
3	Support for Planning and Finance • Organisation of Workshops on MTEF • Organisation of Exposure Visits • Preparation of Modified Guidelines • Awareness about receipts and disbursement • Ensure timely submission of Utilisation Certificate • Establishment of monitoring and evaluation cell/ system • Studies on Public Expenditure Tracking System	• 2 one day workshops for the introduction MTEF organized for health and education departments. • 1 workshop for training on audit and accounts • PFM study completed by STE follow up of recommendations is on-going	
4	Support to Human Resource Management • Support to Creation of Personnel Database • Support to assessment of Job Responsibilities and develop suitable Job Descriptions	• STE study by IIM Ahmedabad completed for GAD in 2011 – no follow up action since	
5	Provide support to the School Education Department • Implementation of the Multi Year PIP • Introduction of New Student Friendly Teaching Techniques (ALM/MGML) • Implementation of RTE • Documentation of the Best Practices • Workshops, Training and Exposure Visits	• TA for realigning PIP but this is not yet done • MGML and ALM initiated and intensive supports are provided by the TA team (No support in these areas are requested from TA) • Assistance provided for the implementation of the RTE. • TA provided for organizing workshops and trainings on different thematic areas. (Workshops only for MLE) • One preparation visit for Study tours to Nagaland	
6	Provide support to the elaboration of policy and vision documents • Support to development of State PPP Policy • Support to development and implementation of State Decentralisation Policy	• Support provided for state PPP policy and Health PPP policy. • Draft Roadmap completed • Health Sector Quality Assurance Roadmap prepared and submitted to the Health Department.	

	Intervention Logic	Objectively Verifiable Indicators	Progress
	• Support to development and implementation of State Health Sector PPP Policy • Support to Preparation of Health Sector Quality Assurance Roadmap		
7	Support to other involved institutions • Support to State Health Resource Centre • Support to State Institute of Rural Development	• TA provided to SHRC for the evaluation of the Mitanin Program • TA under preparation for the preparation of capacity building plan for the PRI members.	
8	Preparation and execution of relevant research study in one block in each district • PIA Study • Public Finance Management Study • Mitanin Evaluation • Support to Health Impact Study	• PIA Study, Public Finance Management Study, Mitanin Evaluation completed • Documentation of Best Practices in Health prepared	
9	Support to capacity building within the health sector • Quality Assurance at State and District Level • PPP at State and District Level • Quality Improvement at Primary Health Care • Workshops, Training and Exposure Visits	• STE is provided for the quality assurance at the state and district level • STE is provided for the quality improvement at Primary Health Centre. • 5 workshops with TA inputs conducted.	
10	Support to enhance citizens awareness and participation • Sensitise Civil Society on EC SPP issues	• May be reflected in PRIA Road map preparation.	
11	Assist the CGSMFPF • Preparing and conducting a resource inventory of Minor Forest Produce (MFPs) • Evolving strategies for the promotion of herbal health • Capacity building	• in preparing and conducting a resource inventory of Minor Forest Produce (MFPs) • in capacity building • in developing marketing strategies • study tour on best practices in marketing of minor forest produces is under preparation by TA team	
12	Identify and mobilise STEs	• STEs identified and STEs mobilized as per the requirements of the departments.	
13	Coordinate bi-annual JRM and PSC meetings	• April JRM and PSC meetings	
14	Reporting - Monthly Progress Reports - Bi-annual Interim Reports including Financial Reports	• Monthly Progress Reports and Bi-annual Interim Reports are prepared and submitted to the EU Delegation to India.	

	Intervention Logic	Objectively Verifiable Indicators	Progress

Justification

Specific Objective
Objective 8: *support in design and implementation of baseline and endline studies for the monitoring purpose was removed due to the following reasons-*
i) EC SPP started already in 2006 but due to administrative delays EC SPP TA started only in June 2008.
ii) Instead of conducting a delayed baseline survey, a comprehensive Poverty Impact Assessment study was carried out in 2010/2011 to assess the poverty situation of the state.PIA should also serve as reference for the final evaluation of EC SPP.

Results
Result 11: Proactively ensure that recommendations on remedial measures are provided to the GoCG and the EC to allow the services provided under this contract to contribute effectively to the timely and full achievement of SPP objectives
Is removed for the following reason-
i) Unrealistic proposition for TA.

Annex A: Tables Referred in the Text on Fixed Milestones Achievement and PFM Issues

Table A1: Department-wise utilization of EC grants

Rs. crores	Funds available during the year				Expenditure			Funds utilization (%)	Adjustments	Cash/bank balance as on 31st March
	Opening balance	EC grants drawn	Interest earned	Total	Recognized by auditor/reported by dept.	Advance	Total			
Health & FW										
2006-07 to 2010-11 (audited)*	0.00	130.73	0.87	131.61	19.06	87.29	106.36	80.8	-0.33	24.92
2011-12 (unaudited)	24.92	25.76	1.08	51.76	14.72	11.68	26.39	51.0	3.72	29.09
Cumulative up to 31st March 2012	0.00	156.49	1.96	158.45	33.78	98.97	132.75	83.8	3.39	29.09
School Education										
2006-07 to 2010-11 (audited)**	0.00	99.69	0.12	99.81	93.76	2.03	95.79	96.0	0.00	4.02
2011-12 (unaudited)	4.02	31.00	0.00	35.02	17.37	0.00	17.37	49.6	-13.13	4.52
Cumulative up to 31st March 2012	0.00	130.69	0.12	130.81	111.14	2.03	113.16	86.5	-13.13	4.52
Forest										
2006-07 to 2010-11 (audited)	0.00	16.83	0.44	17.27	12.44	0.58	13.02	75.4	1.18	5.43
2011-12 (unaudited)	5.43	4.38	0.43	10.24	3.49	2.18	5.66	55.3	0.65	5.23
Cumulative up to 31st March 2012	0.00	21.21	0.87	22.08	15.93	2.75	18.68	84.6	1.84	5.23
Total of three departments										
2006-07 to 2010-11 (audited)	0.00	247.25	1.43	248.69	125.27	89.90	215.17	86.5	0.85	34.37
2011-12 (unaudited)	34.37	61.13	1.51	97.02	35.58	13.85	49.43	50.9	-8.75	38.84
Cumulative up to 31st March 2012	0.00	308.38	2.95	311.33	160.85	103.75	264.60	85.0	-7.90	38.84
Other departments										
As on Dec. 2011	0.00	16.29	0.00	16.29	7.47	2.95	10.42	63.97	0.00	5.87
Grand total										
Cumulative up to 31st March 2012	0.00	324.68	2.95	327.62	168.32	106.70	275.02	83.94	-7.90	44.71

*For 2010-11, the auditor submitted the report to the EC nodal officer in presence of the JRM member which will now be reviewed and then signed by the auditor.
**For 2010-11, the auditors have submitted reports for all the recipient of EC funds except for SCERT. However, the auditor has provided summary figures for SCERT for 2010 to

the JRM member.

Table A 2: Real growth of on-budget sector expenditure

Rs. crores	2008-09 (A)	2009-10 (A)	2010-11 (A)	2011-12 (RE)	2012-13 (BE)	**Nominal CAGR**
Health	624	792	849	1,452	1,525	24.4
Education	2,488	3,327	4,349	6,318	6,791	26.9
Forest	591	689	745	919	1,022	14.0
Aggregate	3,703	4,808	5,944	8,688	9,338	24.8
YoY nominal growth rate (%)						
Health		27.1	7.2	71.0	5.1	
Education		33.7	30.7	45.3	7.5	
Forest		16.5	8.2	23.3	11.2	
Aggregate		29.9	23.6	46.2	7.5	
						GM
Rate of inflation (%)	8.05	3.8	9.56	9.11	6.95	6.9
YoY real growth rate (%)						**Real CAGR**
Health		22.4	-2.2	56.7	-1.8	16.3
Education		28.8	19.3	33.1	0.5	18.6
Forest		12.3	-1.3	13.0	4.0	6.6
Aggregate		25.1	12.8	34.0	0.5	16.7