

Republic of India

European Union

## STATE PARTNERSHIP PROGRAMME

### JOINT REVIEW MISSION DRAFT REPORT



Chhattisgarh

November 2011

Dr Richard Slater, Dr S.K. Chaudhuri, Dr N.C Saxena, Prabhakar Vanam

*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*

## TABLE OF CONTENTS

1	EXECUTIVE SUMMARY .....	1
2	BACKGROUND.....	4
3	METHODOLOGY .....	5
3.	PROGRAMME STATUS.....	6
4	DETAILED PERFORMANCE APPRAISAL.....	10
5	PRO POOR SERVICE APPRAISAL.....	15
6	TA SUPPORT .....	28
7	PROCESS INDICATORS FOR NEXT JRM .....	34
8	KEY RECOMMENDATIONS .....	35

## **LIST OF ABBREVIATIONS**

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

SIRT: State Institute for Rural Development

SIT: Satellite Interactive Terminal

SPP: State Partnership Programme

UPS: Upper Primary Education

LAKH: Calculation Unit equivalent to 100,000

CRORE: Calculation Unit equivalent to 10,000,000



## 1 EXECUTIVE SUMMARY

The Joint Review Mission of November 2011 examined the overall status of each of the main sectors of Health, Education, NWFP and PRI as well as progress of GoC and respective line departments in the implementation of EC-SPP in relation to improving service delivery in underserved areas of the State as well as the status of the previous JRM process indicators and recommendations.

### ***Update on PFM in the state:***

The fiscal performance of Chhattisgarh continues to be strong and well within the track of sound fiscal planning. On-budget funds utilisation has been satisfactory and demonstrates the credibility of the overall budget estimates by the State. However, the State needs to identify and address the various impediments to off-budget funds utilisation.

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

### ***Progress towards achieving fixed milestones for release of fifth tranche:***

The following observations are noteworthy:

- It is understood that the MTEF of the school education department will be updated by the end of this calendar year. However, the health department has not taken any initiatives to utilise TA support to update its MTEF projections to date.
- The state has so far received Rs. 386.61 crores (€ 62 million) of EC grants and disbursed 91% to the concerned departments.
- The health department has reported 95% funds utilisation for which the department could only produce utilisation certificates for 27% of expenditure during the period from 2006-07 to 2009-10.
- The school education department has reported 73% funds utilisation. The audit reports highlight absence of stock registers, rate contract details for purchase and non-deduction of VAT from suppliers etc.
- CGMFP Federation has reported 81% funds utilisation with 91% of reported expenditure supported by utilisation certificates.
- The on-budget expenditures for the health and education sectors have continuously shown positive real growth over the period from 2006-07 to 2011-12. However, for the forest sector, real growth rates turned into negative growth during 2010-11 and 2011-12.
- There has been no progress in developing an operational plan to implement the recommendations of the PFM study.
- For strengthening DIF, the last JRM recommended recruitment of technical staff including a Chartered accountant. So far DIF has not been able to recruit any technical staff.
- The health department opened a separate bank account in 2008-09 to keep EC funds outside the treasury system. Despite repeated recommendations by the previous JRMs, the account has not yet been liquidated.

## ***Progress towards achieving variable milestones for release of fifth tranche:***

### **Health**

The Department should present performance of health outcome data as well as progress of key initiatives in a district-wise format for the next JRM. This may be supported by TA inputs.

There have been significant improvements in creating health infrastructure over the last 5 years with support from EC-SPP with a decline in IMR to 54% and a rise in institutional deliveries from 21% to 54% there remain many challenges facing the sector. These include the need to address equipment shortages in many health facilities resulting in an absence of minimum facilities as per IPHS standard for 24x7 PHCs, FRUs and district hospitals. At the same time there remain serious staffing shortages with only 50% of doctors and 26% of specialist alongside a substantial number of vacancies for staff nurses. Outcome trend data should be presented district wise for the next JRM.

There has been little or no progress made with regard to SBA training of ANMs/LHVs and IMNCI training for both medical and paramedical personnel. These training programmes are critical for maternal newborn and child survival and appropriate strategies need to be evolved to accomplish the training activities. Many sub divisional hospitals (including 17 civil hospitals) continue to be deprived of specialist positions and are thus unable to offer critical curative interventions and instead have become mere referral units. A review of their administrative alignment may help optimal utilization of these facilities.

The Department should present performance of health outcome data as well as progress of key initiatives in a district-wise format for the next JRM. This may be supported by TA inputs.

### **Education**

The Department should present performance of health outcome data as well as progress of key initiatives in a district-wise format for the next JRM. This may be supported by TA inputs.

There have been steady improvements in the Education sector with increasing enrolment in primary and upper primary education continues with NER of 99.6 per cent for both primary and upper primary level, with an improved annual average dropout rate of 5.5 & 6.2 for PS and UPS respectively, representing a 50% decline in average annual drop-out rates from 2009-10 to 2010-11. While the NER was reported to range between 98-99% indicating significant improvement, Dantewada, Bijapur and Baster districts continue to remain well below this figure with an annual drop-out rate ranging between 14 to 40 percent with the highest drop-out rates amongst dalit and tribal population. 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. Higher drop-out rates are reported for girls as compared to boys. **Outcome trend data should be presented district wise for the next JRM.**

At the same time, whilst there has been an improvement in transition rates from primary to upper primary at 95%, there remains significant inter district variation with the above districts as well as Naryanpur reporting transition rates significantly below the State average. The composite Education Development Index (EDI) is computed from 21 indicators divided into four components: i) Access; ii) Infrastructure; iii) Teachers; and iv) Outcomes. The EDI ranges 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 with the previous year.**

### **Non Wood Forest Products**

The Federation is now seen focusing on consolidation of Micro Enterprises rather than increasing the number. Sustainability of the micro enterprises remains the bigger issue and JRM team recommends enterprises. Another critical area of focus remains the certification and licensing as the Federation failed to obtain a single license during this period. This may have negative impact on the sales at the Sanjeevani outlets.

### **PRI**

The progress in PRI department has been very slow and the department has now initiated steps to operationalize the PIPs. Money is transferred to the districts to set up "support centres" and to recruit



Coordinators and Assistant Coordinators who are expected to conduct training and capacity building programmes at the district and block level. "Development of Roadmap" for decentralization TA is now signed and the department should now be developing perspective plans as originally planned.

### Key Recommendations

- DPHFW and DSE are required to update MTEFs in line with the recommendations made in the previous JRMs. This is one of the milestones that need to be achieved for release of the next tranche of EC funds.
- Health and Education departments should demonstrate positive action on audit observations by next JRM
- The Finance Department must ensure that the health department liquidate the bank account opened since 2008-09 for using EC money outside the treasury system.
- It is recommended that both the departments engage external CA firms or agencies to conduct post-procurement audit for assessing value for money. The audit team should include at least one civil engineer to assess quality of civil works.
- The Finance Department and DIF are required to take adequate initiatives for preparation and rolling out of operational plan for strengthening PFM based on the recommendations of the study.
- The present TA support for updating MTEF and improving PFM is not satisfactory. It is important that necessary steps are taken for strengthening TA support. If necessary, more time may be allocated to the short term consultant.
- Health and Education Departments should initiate action to strengthen outcome and input data analysis and provide district wise break up of main data to next JRM
- Education Dept should fast track actions on teacher training and evaluation of MGML.
- Health Department should operationalise new Health Procurement arrangements and demonstrate action on multi skilled training for expansion of FRUs and SBA training

## 2 BACKGROUND

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

The present Joint Review Mission VI, 2011 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 31<sup>st</sup> of October, 2011 and continued to 11<sup>th</sup> November with a final presentation to the PSC which was also attended by the Head of EU Delegation in Delhi and the Joint Secretary DEA.

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

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

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

### 3 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 field 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 Tribal sub centre in Chapri block of Kawardha district and had detailed discussions with the CM&HO in Damtari district. The team interacted with doctors, RMAs, Nurses and Anganwadi workers. In the education sector, the JRM team visited DIET centre district, primary and upper primary schools, ashram shala, tribal hostels and visited a schools where MGML was being implemented in Kawardha. The team also interacted with Sarpanch, Panch and community in both Kawardha and Damtari district. The team visited Lac cultivation in Badwapatra and Gedra village of Nagri block in Damtari district. The team also visited Aonla processing unit in Gedra village and detailed discussions were held with the Federation Officials, Marketing Executives and Micro enterprises.

The post fieldwork phase consisted of further interactions with departments to clarify data and information and analysis and report preparation. This period also included a detailed de briefing with the Director, DIF, Secretary Health and Education and Managing Director, Federation. The team had a detailed discussions with the TA team. The team examined further departmental information during this phase and prepared the draft final report.

### 3. PROGRAMME STATUS

#### Progress against Fixed Milestones for release of 5<sup>th</sup> Tranche

<b>Milestone 1: MTEF updated and the multi-year budgeting process institutionalized</b>
<b>Observations</b>
MTEFs projections of the health and education departments have not yet updated. TA support needs to be strengthened.
<b>Milestone 2: At least 75% disbursement of previous year's approved allocation based on PIP to the concerned line departments</b>
<b>Observations</b>
GoCG has so far received Rs. 386.61 crores (€ 62 million) of EC grants and disbursed 91% to the concerned line departments.
<b>Milestone 3: Increase in real sector expenditure against 2009-10 baseline</b>
<b>Observations</b>
The health and education sectors have shown year-on-year positive real growth over the years. However, for the forest sector, the real growth rates turned into negative during 2010-11 and 2011-12.
<b>Milestone 4: Concerned line departments updated the multi-year action plan</b>
<b>Observations</b>
All the departments have approved multi-year PIP.
<b>Milestone 5: Implementation of remedial action plans for the concerned line departments based on the PFM assessment</b>
<b>Observations</b>
There has been no progress against this milestone. Based on the audit reports of the health and school education departments, this JRM has recommended some basic measures for strengthening PFM, which must be addressed. TA support needs to be strengthened.

## 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
- 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 anesthesists gynaecologists & nurses
- Lack of integration with DWCD database for MCH
- HMIS not analysed for optimising services

**FOREST LIVELIHOODS:**

- 120 Micro enterprises have been established to date providing livelihoods to 15,000 population
- 50 Herbal Hospital established and number of patients visiting increased.
- 30 Sanjeevani outlets established,
- 17,017 people trained (12,837 beneficiaries & 4,180 staff) in various NWFP activities
- 47 formulations identified for further research

**Issues**

- Protection of the area covered by the SHG group against theft and taking legal action against found guilty
- Sustainability of the micro enterprises remains a concern
- Timely technical training to the beneficiaries and micro enterprises on the process of processing, cultivation and collection should be provided
- Product testing, certification and licensing taking time and needs State govt. intervention
- High attrition rates of Federation of Mktg Executives is serious risk to all aspects of operations GoC and Federation need to agree increments and devise a mainstreaming plan for such Executives

**PRI:**

- Money transferred to six clusters covering all districts to establish support centre and to recruit coordinators and assistant coordinators who would impart training at the district and block level
- Preparation of Roadmap for decentralization TA has been signed and work to be initiated
- Selected Kanker as a pilot district to complete decentralization workshops at district, block and village level; One workshop held at district level and two at block level

**Issues**

- The implementation of PIPs has been very slow and requires immediate attention of the department in the funds to be spent on time
- Department to have a clear strategy of implementation of capacity building programmes in the absence of engaging SIRD
- Lack of effective coordination between multiple agencies conducting training and capacity building programmes on decentralization.
- Lack of effective participation from the allied department in the workshops
- Many 'standing committees' are not functional and not aware of their role.

**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
- 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)**

- Increased number of Herbal Hospitals
  - 50 sites identified and 24 construction completed
- No. of SHGs becoming more self sustaining
  - Training to 12,837 SHG members on enterprise management
- Establish atleast one pilot Sanjeevani Outlet outside the State
  - To be taken up post increasing the production capacity
- Marketing of products beyond NWFP marts
  - Stocks being sold by production units directly and rest by Sanjeevani outlets

**PRI**

- State Support Centre established with district coordinators
  - Not yet completed; Money transferred to districts to initiate the process
- One model panchayat office in place
  - No progress.
- Gazette notification issued based on the Activity Mapping conducted.
  - No progress; It is now expected that the Roadmap TA will bring facilitate this process
- Preparation of 'Roadmap Map for Panchayat' TA commissioned.
  - Done
- Perspective Plan for the capacity building of the functionaries completed.
  - No progress

## 4 DETAILED PERFORMANCE APPRAISAL

### Update on Public Financial Management in the State

There has not been very much change with regard to Public Financial Management in the State since the previous JRM of April 2011 and thus the text below is largely based on the previous discussion with some financial data being up dated where relevant.

#### *Fiscal planning and performance*

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

However, trend analysis shows that revenue surplus declined and the fiscal deficit increased during 2008-09 and 2009-10 relative to 2007-08<sup>1</sup>. The main reason for fiscal deterioration was relatively faster growth of revenue expenditure (due to pay revision based on the Sixth Pay Commission's recommendations) vis-à-vis the revenue receipts. According to revised estimates of 2010-11 and budget estimates of 2011-12, fiscal deficits are showing a rising trend although revenue surpluses are marginally up<sup>2</sup>.

Turning to the overall debt position, the fiscal liabilities as a percentage of GSDP has steadily declined from 26% in 2005-06 to 15% in 2009-10. But, as per revised estimates of 2010-11 and budget estimates of 2011-12, liability-to-GSDP ratios are showing an increasing trend *albeit* the ratio would remain well below the limit of 28% as recommended by the Twelfth Finance Commission.

#### *Credibility of the state budget*

Aggregate state expenditure out-turn compared to original budget estimates stood at 94% in 2008-09 as well as in 2009-10<sup>3</sup>. The scrutiny of some important fiscal parameters of 2009-10 shows that actuals were quite close to the budget estimates, except in the case of capital expenditure and fiscal deficit estimates<sup>4</sup>. The capital expenditure was lower than the budget estimate by 23% mainly due to

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

Indicators	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (RE)	2011-12 (BE)
Revenue surplus/GSDP (%)	2.71	4.10	3.83	1.96	0.82	0.88	0.98
Fiscal deficit/GSDP (%)	-0.85	0.06	-0.16	-1.08	-1.63	-2.31	-2.78
Primary surplus/GSDP (%)	1.03	1.64	1.27	0.05	-0.62	-1.34	-1.83
Fiscal liabilities/GSDP (%)	26.03	21.81	18.27	15.52	14.77	15.27	16.16

Note: Source of data for the period from 2005-06 to 2009-10 is CAG report (2009-10). The figures for 2010-11 and 2011-12 are obtained from FRBM statements.

<sup>2</sup> *Ibid*

<sup>3</sup> The year-wise out-turn of aggregate state expenditure:

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

<sup>4</sup> Selected fiscal parameters (2009-10) – actuals vis-à-vis budget estimates

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

Source: CAG Report (2009-10)



less capital expenditure on civil aviation, medical and public health, roads and bridges, and village and small scale industries<sup>5</sup>.

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<sup>6</sup>. Over the period from 2005-06 to 2009-10, actual expenditure under SSA accounted for 86% of the available funds. In contrast, funds utilisation under NRHM during the period 2005-06 to 2009-10 was only 60%.

#### *Fiscal transparency*

The budget document of Chhattisgarh is quite comprehensive and displayed in the website for public access. It also presents in prescribed format "budget at a glance", "outstanding liabilities", and "outstanding guarantee"<sup>7</sup>.

#### *On-line computerisation of treasuries (e-kosh)*

An important area of PFM reform in Chhattisgarh has been on-line computerisation of the treasury system, known as 'e-kosh'<sup>8</sup>. Under e-kosh, the state budget is allotted electronically to 107 budget controlling officers, who re-allot it through the central server directly to 3,000+ nos. of Drawing and Disbursement Officers (DDOs) in the entire state. Based on the budget allocations, funds are drawn at 17 treasuries and 46 sub-treasuries. The entire process of treasury/sub-treasury functions including reports and compilation and transmission of accounts to AG office are automated. The web-enabled software provides access to other web-enabled modules viz. budget allotment and communication system, employee data base, pension management system, and CPS administration and LoC system. The e-kosh system has eliminated 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<sup>9</sup>.

#### *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<sup>10</sup>. The AG also undertakes audit certification of externally aided projects if it is being directed by C&AG, GoI. In 2009-10, the AG issued audit certificates for the projects funded by the World Bank and ADB. In addition to this the AG maintains the General Provident Fund Accounts of the state government employees who joined prior to Nov 2004<sup>11</sup>.

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 (as mentioned earlier) greater interaction with an auditee through entry/exit conference in case of performance audit.

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<sup>5</sup> The under-utilization of funds for capital expenditure explains 31% lower fiscal deficit as compared to budget estimate.

<sup>6</sup> 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.

<sup>7</sup> The other non-special category states who provide all these documents are Haryana, Madhya Pradesh, Maharashtra, Rajasthan, and Tamil Nadu.

<sup>8</sup> The 'e-kosh' project was carried out on a turn-key basis by NIC/NICSI at an estimated cost of Rs. 11.54 crores over a period of three years. The project cost excludes software development cost, which was provided free of cost.

<sup>9</sup> The available statistics reveal that:

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

<sup>10</sup> The functions of C&AG are derived mainly from the provisions of Article 149-151 of the Constitution of India.

<sup>11</sup> For further details refer to 5<sup>th</sup> JRM Report (April 2011)

### *Financial management and budgetary control*

The C&AG report 2008-09 revealed several weaknesses in financial management and budgetary control by government departments (e.g. persistent savings i.e. non-utilisation of funds; non-surrender of savings; surrender of savings on the last working day of the year; surrender of funds in excess of the actual savings; inadequate provision of funds; etc.). According to the latest C&AG report for the year 2009-10, GoC is still grappling with all these weaknesses.

It may be mentioned here that, in case of seven demands for grants, there were persistent savings (unutilised funds) over the five year period 2005-2010. These seven demands include demand for grants of the Department of Public Health and Family Welfare (DPHFW) and the Department of School Education (DSE). According to the data furnished by C&AG report 2009-10, the average savings per year were Rs. 78 crores and Rs. 96 crores for DPHFW and School Education Department respectively<sup>12</sup>.

### *Financial reporting and internal control*

C&AG test checked 11,849 UCs corresponding to grants of Rs. 4,054.19 crores for the period from 2007-08 to 2008-09 and found that 11,553 UCs (97.5%) were not submitted as of 31 March 2010<sup>13</sup>. The list includes the cases of pending UCs of health and education departments<sup>14</sup>. Apart from delays and non-submission of UCs, the C&AG reported instances of losses/ theft and misappropriations of funds.

### *Response to AG audit*

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

It is quite evident from the that GoC needs to develop a comprehensive operation plan to deal with multi-facet weaknesses in PFM.

## **Progress towards achieving fixed milestones for release of fifth tranche**

### *MTEF reports of health and education departments*

The 5<sup>th</sup> JRM report noted the preparation of draft MTEF by the health and school departments which had been a long overdue and recommended that both departments should update and align MTEF projections with the Twelfth Five Year Plan with the support of TA consultants. Alongside this, the JRM also highlighted some gaps in the existing MTEF reports<sup>15</sup>. A short term consultant has been appointed to update the MTEF of both the departments. It is understood that the MTEF of the school

<sup>12</sup> Year-wise savings (unutilised funds) were as given under:

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

<sup>13</sup> The Chhattisgarh State Financial Code (Rule 182, 229 F) provides that Utilisation Certificates (UCs) for grants provided for specific purposes should be obtained by the department from its various spending units and forwarded to AG after verification within 18 months from the date of their sanction unless specified otherwise.

<sup>14</sup> During 2007-08 and 2008-09, the health department and general education department received grants worth Rs. 61.30 crores and Rs. 828.74 crores from different grantee institutions. As of 31 March 2010, both the departments did not submit UCs for the aforesaid amounts.

<sup>15</sup> For instance, MTEF projections did not take into account budget absorption capacity of the departments. Another missing element was the lack of integration of the on-budget and off-budget expenditure so as to have a better understanding of how different heads of expenditure were funded from different on-budget and off-budget resources. Furthermore, the MTEF reports did not provide any clue about how EC-SPP funding would complement/supplement the existing resource pool of the state. See 5<sup>th</sup> JRM Report (April 2011).

education department will be updated by the end of this calendar year. However, the health department has not taken any initiatives to utilise TA support to update its MTEF projections to date.

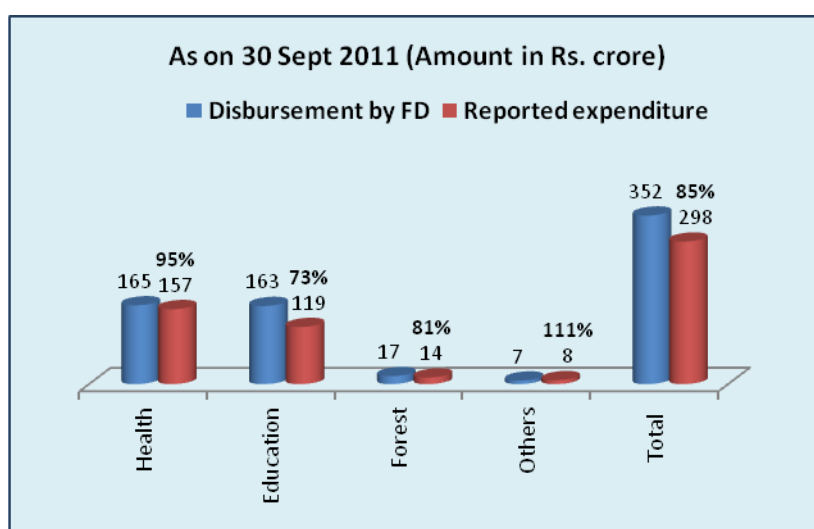
#### Disbursement and utilization of EC funds

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

The department-wise disbursements and utilisation of EC funds **as of 30 September 2011** are as follows (*Figure 1*):

- **At the state level:** In cumulative terms, the state received a total of Rs. 386.61 crores (€ 62 million) of which Rs. 351.93 crores was released by the Finance Department to the concerned departments, representing 91% disbursement.

**Figure 1: Utilisation of four EC tranches**



- **DPHFW:** The health department received Rs. 164.52 crores (47% of the total disbursement by Finance Department) of which reported expenditure was Rs. 156.52 crores, representing 95% funds utilisation. However, the reported expenditure does not necessarily mean that the department has actually spent the money - the reported expenditure may represent advances, as well as amounts lying in the bank account. To illustrate the point it may be mentioned here that during the period from 2006-07 to 2009-10 the department reported expenditure to the tune of Rs. 106.34 crores but it could furnish utilization certificates to the auditor for only Rs. 28.63 crores, accounting for 27% of the reported expenditure.
- **DSE:** The school education department received Rs. 163.14 crores (46% of the total disbursement by Finance Department) and reported expenditure of Rs. 119.16 crores, representing 73% funds utilisation. The audited statement of accounts for office of District Education Officer (DEO), District Institute of Educational Training (DIET), and SERT are completed up to 2009-10. The audited statement of DEO is available for 2010-11 while the audit of Tribal Welfare Department (TWD) has just started; the process got delayed due to non-cooperation of TWD. Among others, the audit reports highlight the following:
  - 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.

- **CGMFP Federation Ltd. (Forest):** The federation received Rs. 16.83 crores (5% of the total disbursement by Finance Department) of which reported expenditure was Rs. 13.65 crores, representing 81% funds utilisation. This represents an improved funds utilisation as compared to utilisation rate of 69% as of February 2011. Furthermore, about 91% of the reported expenditure of the Federation is supported by utilisation certificates.

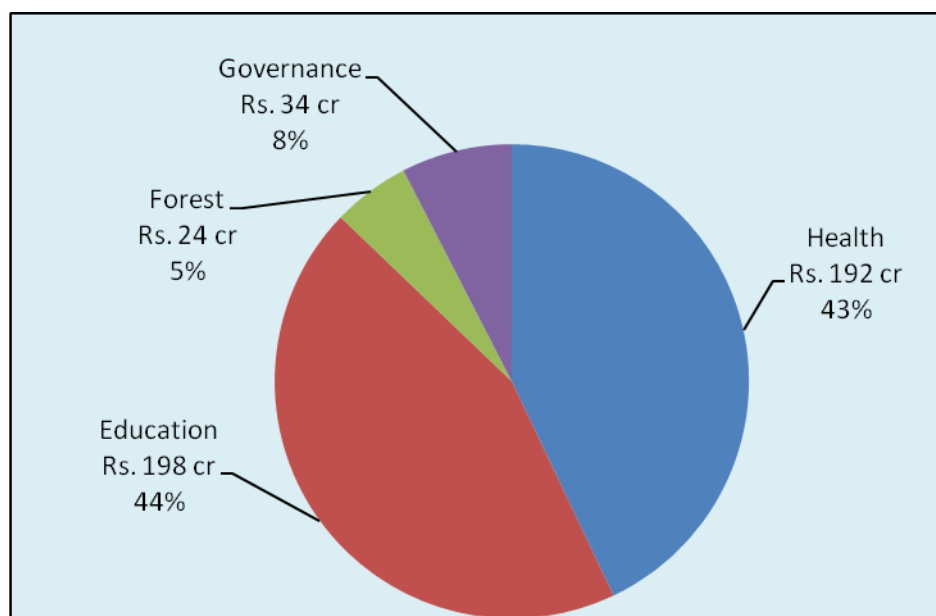
#### *Maintenance of real sector expenditure*

The on-budget expenditure for the health and education sectors have continuously shown positive real growth over the period from 2006-07 to 2011-12 (*Annex I, Table 2*). However, growth of on-budget expenditure for the forest sector did not keep pace with the increasing inflations rates during 2010-11 and 2011-12; real growth rates in these two years therefore turned into negative.

#### *Preparation of multi-year PIP*

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

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



#### *PFM Issues*

There has been no progress in developing an operational plan to implement the recommendations of the PFM study (*Box 1*). This is a matter of great concern especially in view of the fact that a long term PFM expert has been engaged under TA support quite for some time.

#### **Box 1: Recommendations of the 5<sup>th</sup> JRM**

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

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

For strengthening DIF, last JRM recommended recruitment of technical staffs including a Chartered accountant. So far DIF has not been able to recruit any technical staffs.

Another disquieting PFM issue is the continuity of the bank account that the health department opened in 2008-09 to keep EC funds outside the treasury system. The department opened the account in complete violation of CG Treasury Code, Section V and Rule 9 and despite repeated recommendations by the previous JRMs the account has not yet been liquidated.

## **5 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 54 per 1000 live births (SRS 2009) has been noteworthy however, as pointed out in the previous JRM report (April 2011), the rate of decline during last three years has not been that significant i.e. 59 to 54 per 1000 live births. 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 which constitute almost two-thirds of all infant 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 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. Since the public health and nutrition status in the State continues to be characterized by high levels of neonatal and infant mortality, under-five mortality, maternal mortality, low birth weight babies, under-five malnutrition (underweight, stunting, wasting) and anemia among children and pregnant mothers, it is imperative to evolve strategies that ensure inter sector convergence, particularly with DWCD, education, PRI besides the expansion of health care infrastructure.

## **Access**

### **Infrastructure**

The Department of Public Health and Family Welfare (DPHFW) has been able to address gaps in primary health care infrastructure in relation to population projection norms. There are now 5,076 SHCs, 741 PHCs and 148 CHCs across the State. However many of these buildings remain inadequate in terms of space, infrastructure and equipment. Fifteen percent of CHCs, for example, do not have their own building whilst the non availability of labor rooms in some of the PHCs is also a constraint. The DPHFW has given high priority to the construction of new buildings and renovation of existing facilities with inadequate space and EC-SPP support has been used for construction and refurbishing of facilities at different levels. Labor rooms in 208 PHCs have been sanctioned of which 145 are under construction whilst 39 blood storage units have been sanctioned and 18 are now functional.

It is reported that there are currently 26 functional First Referral Units (FRUs) of which 14 are District Hospitals (the state has a total of 17 district hospitals and 17 civil hospitals) and 12 are CHCs out of the 148 total CHCs. 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. Similarly, additional space has also been created in 39 CHCs for mainstreaming the AYUSH in the system.

Whilst there has been progress in improving access to health care facilities it appears from reports and observations that a good number of such facilities remain underutilized including front line facilities such as SHCs and PHCs in remote communities that need these services the most. This problem could result from a number of reasons including prevailing access problems but a likely reason for low demand in many cases most probably stems from the poor quality and quantity of services available at such centres resulting in patients preferring to seek assistance from alternative health providers (formal and non formal).

### **Outreach and emergency transport services**

A total of 20 nutrition rehabilitation centers have been established in the state since last year treating over 600 severely malnourished children. The number of ambulances has doubled at 412 since 2007-08 with 146 being procured through EC-SPP support. In addition 146 Mahatari Express facility has been provided to all the blocks

The Emergency Transport Services freephone number 108 linked to a Sanjeevani Express Ambulance has now been expanded to 7 districts after successful piloting in 2 districts (Baster and Raipur) in January 2011. This service is available free of cost in case of emergencies including maternity cases. The ambulance is equipped with essential critical first aid and trained technicians. A total of 47,787 emergencies have been handled with an average response time of 25 minutes. The number of EMRI ambulances (all BLS) has risen to 92 from 36 in January 2011.

## **Quality**

### **Staffing and Skills**

Whilst the State has 2,365 sanctioned posts of allopathic doctors, around 50% of these (1,193) remain vacant. Attempts are being made by the department to directly recruit MBBS doctors on a rolling basis as earlier process of recruitment through the State Public Service Commission resulted in inordinate delays and limited intake. However, this process has also not yielded desired results as the department is unable to offer regular appointments to potential aspirants. Nevertheless, the department has been able to post one AYUSH doctor at every PHC, and of late every PHC has been provided with at least one resident RMA ensuring some coverage of a medical professional at every PHC. Only 76 PHCs out of 741 PHCs however are currently functioning on a 24x7 basis.

The move to post a medical professional in every PHC has been accompanied by a rationalization and pooling of medical officers at the CHC (block level) to ensure improved availability of skilled staff at the block level as a potential FRU. Whilst this move has meant the withdrawal of some doctors at PHC level, it has not necessarily resulted in a better service delivery from the CHC which often remain underutilized and subject to high levels of absenteeism as doctors make arrangements amongst themselves to provide minimal coverage.

At the same time there remains an acute shortage of specialist doctors with only 26% of the total sanctioned strength of 245 in place with the most acute shortages being found amongst anesthetists

and gynecologists. The main strategy to address this problem has been the promotion of multi skilling training for doctors with 32 having been trained in emergency obstetric care (EmOC) and 15 in Life Saving Anesthetic Skills (LSAS) to date and a further 25 (15 in EmOC and 10 in LSAS) undergoing training. 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.

With a view to long term staffing reform, the Department is considering introducing a mechanism that will allow post graduate doctors to be recruited directly as junior specialists and deployed at FRU level (CHCs or district hospitals).

The Chhattisgarh Rural Medical Corps (CRMC) scheme that provides varying degrees of incentives for serving in remote areas has been operating for the last three years but it remains unclear as to how beneficial this has been in terms of health outcomes.

Whilst State has a substantially higher number of Mitans working as village health volunteers (ASHAs) as compared to NRHM norms 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.

Action is being taken by the Department to obtain approval from Finance Dept for sanctioning of additional posts of ANMs under NRHM as well as 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.

In the light of the overall staff problem it is imperative that a focused study be conducted to examine staffing gaps and requirements, cadre position, transfer policy and several other related issues to improve availability of doctors at the periphery.

#### 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. In many cases it was observed that the post natal stay in the FRU facility was too short to have any 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. Patients are being treated under the AYUSH system of medicine whilst in-patient services are also provided at secondary AYUSH health facilities and other special therapies such as Panchkarma, Ksharsutra, Leech application and Rakta Makshakan are also made available. There are 15 AYUSH wings at District Allopathic Hospitals, 22 specialized therapy centers in CHCs and 24 specialty clinics in CHCs/ PHCs.

#### 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.

#### 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 JRM team has interacted with a number of ANMs in the sub-centers during successive JRM visits including the most recent field visit in Kawardha district in November 2011 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 also provide first level curative care under the Mukhyamantri Dawa Peti Scheme. EC-SPP funds have been used to provide BCC kits to all the Mitanins and it has been reported that all the Mitanins have been imparted 10 days training in Home Based Newborn care based on the ASHA module.

#### 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 panchayats 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 panchayat 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.

The sensitization of legislators continued through EC-SPP support. Regional workshops were organized to consolidate the ground work undertaken in previous years and initiate other innovative approaches to improve health care services.

#### Strengthening Health Programme Approaches

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



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

#### 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 with improved value for money and greater transparency in all health procurement matters.

#### Challenges

Although there have been significant improvements in creating health infrastructure over the last 5 years with support from EC-SPP, there has been a decline in IMR to 54% and a rise in institutional deliveries from 21% to 54% there remain many challenges facing the sector. These include the need to address equipment shortages in many health facilities resulting in an absence of minimum facilities as per IPHS standard for 24x7 PHCs, FRUs and district hospitals. At the same time there remain serious staffing shortages with only 50% of doctors and 26% of specialist alongside a substantial number of vacancies for staff nurses.

There has been little or no progress made with regard to SBA training of ANMs/LHVs and IMNCI training for both medical and paramedical personnel. These training programmes are critical for maternal newborn and child survival and appropriate strategies need to be evolved to accomplish the training activities.

Many sub divisional hospitals (including 17 civil hospitals) continue to be deprived of specialist positions and are thus unable to offer critical curative interventions and instead have become mere referral units. A review of their administrative alignment may help optimal utilization of these facilities.

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

#### Compliance against previous JRM recommendations:

Sl. No	Recommendations (Vth JRM)	Compliance
1.	It is suggested that the governance issue of civil hospitals may be revisited and appropriate strengthening done to better utilize these facilities.	Some progress but further strengthening required to ensure that civil hospitals are well utilized
2.	PPP models may be explored to further augment training and skill development requirements of all category of health personnel including training need assessment.	Good progress with PPP policy and framework in place

## Education Sector

The Sarva Siksha Abhiyan (SSA) is Government of India's flagship programme for the universalization of elementary education through a time bound integrated approach in partnership with the State. SSA aims to provide quality education to all children in the 6-14 age group by 2010. This has recently been reinforced by the Right of Children to Free and Compulsory Education, (RTE 2009) which mandates all State Governments to comply with certain specific parameters on the delivery education. The Department of School Education has taken important steps to operationalise the RTE benchmarks with a focus on ensuring minimum 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.

The EC-SPP support during last three years has further helped the state to build institutional capacity, innovating newer strategies on 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 the pre- school education being provided under ICDS, and Community-driven programs such as CIMP alongside Capacity building in different areas of teaching and learning. Most of these programmes are now ready to be absorbed by the department for scaling up. The multiyear PIP under EC-SPP has now been further realigned to address emerging issues on quality of elementary education.

### Outcomes

The trend of increasing enrolment in primary and upper primary education continues with NER of 99.6 per cent for both primary and upper primary level, with an improved annual average dropout rate of 5.5 & 6.2 for PS and UPS respectively, representing a 50% decline in average annual drop-out rates from 2009-10 to 2010-11. While the NER was reported to range between 98-99% indicating significant improvement, Dantewada, Bijapur and Bastar districts continue to remain well below this figure with an annual drop-out rate ranging between 14 to 40 percent with the highest drop-out rates amongst dalit and tribal population. 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. Higher drop-out rates are reported for girls as compared to boys.

At the same time, whilst there has been an improvement in transition rates from primary to upper primary at 95%, there remains significant inter district variation with the above districts as well as Naryanpur reporting transition rates significantly below the State average. The composite Education Development Index (EDI) is computed from 21 indicators divided into four components: i) Access; ii) Infrastructure; iii) Teachers; and iv) Outcomes. The EDI ranges 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 with the previous year.

### 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 36,855 primary and 16,160 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.

The team visited a number of hostel and residential school facilities (Ashramshalas) in Kawardha district which provide access to schooling for those from marginalised communities and tribal areas that are otherwise excluded. EC-SPP funds have been used for the construction of three Ashramshalas by the TWD. **One of the Ashramshala visited presented a dismal picture with regard to**

basic amenities such as water, sanitation, security, cleanliness, boarding and lodging. It was recently constructed to provide facilities for 50 students but there were only 7-8 students present, whereas the attendance register showed full capacity with attendance appearing to have been marked once for each day of the entire month. The warden was on leave and no teaching activity was visible. It is quite likely that such a scenario may be observed elsewhere in the remote areas of the districts and keeping in mind the disadvantages of tribal and dalit children, such a scenario can only have a negative impact on the attitude of the community towards formal education.

According to education norms, all children in the age group of 6 to 14 years should be enrolled in school and any child in this age group found out of school must be enrolled in a grade appropriate to his/ her age. The State has a target of 1.59 lakh out-of-school children, and of these, about 63% have been mainstreamed through ashrahs/ hostels/ bridge courses and into schools with the assistance of a child tracking system being supported under EC-SPP. About 60,000 children identified as out-of-school in 2010-11 remained uncovered.

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 girl's) as well as water, electricity and furniture. Panchayats are major stake holders 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.

### 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 2010 reveals that average teacher's attendance declined by 10% and only 60% of schools had all teachers present at any one time representing a decline of 20% as compared to 2007.

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 JRM team visited a few schools in Kabirdham along with the DIET team present in the class and had to be called and there appeared to be no timetable, no reading activities and no class work that students were aware of. The MGML and radio learning program in one . In one of the sites visited both the primary and the upper primary school were located in the same campus. About 80 class VIII students (both boys and girls) were crammed into one class room (two sections were combined) which could hardly accommodate 25-30 students. The teacher was not of the primary sections was not functional in spite of training materials being available. Discussions with the teachers reflected the inadequacy of their preparation and gaps in their knowledge, pedagogy and skills. The team also found it impossible to identify and meet cluster and block resource persons who are supposed to be available to support the school and repeated attempts to locate such persons met with failure. Overall, the system reveals a somewhat neglectful attitude on the part of many teachers and supervisors towards the needs of the poorer and marginalised 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 institutionalisation 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.

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

### **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 department has assigned this activity to the State Literacy Mission (SLM) for orientation of head teachers and EC-SPP will support the preparation of school development plans.

### **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 has devised a distance learning programme to be coordinated by SCERT through 16 DIETS and 2 BTCs. 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, counselling and rehabilitating 'out of school' children, as well as training a large number of untrained teachers and 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.

### **Compliance against previous JRM recommendations:**

<b>Sl. No</b>	<b>Recommendations (Vth JRM)</b>	<b>Compliance</b>
3.	CE SPP support could be used to strengthen convergence with education initiatives being undertaken by Tribal Welfare	Complied in process
4.	More concerted efforts are needed to expand the CIMP activities. The ongoing pilot needs to be strengthened on 'concurrent monitoring' and 'convergence with other stake holders'.	
5.	An Education Management Information System (EMIS) needs to be developed on priority basis. Earlier attempts have not been successful so far	Slow progress
6.	The ECCE program needs to replace PSE instead of add-on ICDS activity. Further attempts should now focus on 0 to 2 years children including pregnant and lactating mothers in collaboration with health and ICDS	

## Forest Livelihoods

Chhattisgarh has 44% of its total area under forest cover and accounts for 12% of India's forest resources. Non Timber Forest Products (NTFPs) play a crucial role in securing livelihoods for poor forest dwellers and is the second largest contributor (23%) to household economy. The Chhattisgarh State Minor Forest Produce Co-operative Federation Limited (CGMFP Federation) is responsible for the NTFPs in Chhattisgarh and has taken various initiatives for organizing production, collection, processing and marketing of non-nationalised NTFPs in order to provide additional employment opportunities and thereby livelihoods to nearly one Million poor forest produce gatherers. The importance of NTFPs in the livelihood security of the rural population has led the state government to declare seven NTFPs such as tendu leaves, saal seed, harra, gum (khair, dhawara, kullu & babool) as nationalized products. Over 625 NTFP species are available in the 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 trade.

The development of minor forest produce and livelihood models has shown significant progress over the past 4 years as result of a comprehensive approach covering research, capacity building, diversification and technological 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 technological upgrading, training, marketing and research.

### Field visit to Lac cultivation units:

The JRM team visited Lac cultivation units in Badwapatra and Gedra villages in Damtari district. Chhattisgarh accounts for 42 per cent of India's total lac production. For the last four years, the State has been the primary lac producer and this year's production is around 7,000 tonnes. LAC insects, are used to produce various products such as resin, dye and wax. Lac cultivation is one of the main secondary sources of income for many tribal villagers.

Lac cultivation has been initiated in 7 villages in Damtari district using EC funds benefitting 396 villagers. A total of 3,856 trees are currently covered under Lac cultivation. The federation maintains records of each village including tree wise beneficiary data. The villagers have been provided with training and are supported by 'Field Facilitators' who provide oversight and advice on various issues concerning lac cultivation.

Lac cultivation is not labour intensive and each villager spends no more than 10-15 days per 6 month season. The average profit earned by each group is generally around Rs. 8000 providing them with a useful source of secondary income.

### Constraints:

1. It was reported in Gedra village that there are instances of theft which are posing a continuous threat to cultivation. The Federation is considering taking appropriate legal action to address this problem.
2. In response to theft, many farmers are harvesting the lac prematurely which results in reduced yields and earnings.
3. There is limited technical awareness on optimal cultivation and harvesting techniques amongst cultivators.
4. The conveyance allowance given to the field facilities is very low preventing them from making the required number of field visits.

### Field visit to the Aonla Processing Unit:

The JRM team also visited an Aonla processing unit in Gedra. The entire processing unit is run by an SHG group to 10 members, each receiving a salary of Rs. 75 per day. The unit processes Aonla and other herbal based products and produces Aonla juice, Aonla candy, Aonla powder. By the end

October, the unit had processed Rs. 40,960 worth of Anola as well as Rs. 99,750 worth of other herbal products.

#### **Constraints:**

1. It was observed that the book keeping and accounts were maintained by Federation executives rather than SHG members who were mostly confined to specific manual tasks
2. The SHG members lacked confidence in operating the entire process and remain highly dependent on the Federation executives for all business management

#### **Micro Enterprises**

The Federation has set a target of establishing 118 micro enterprises by end 2011-12 with a total value of Rs. 1120 lakh at a cost of Rs 260 lakh. It has already surpassed this target by 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. There has been a decline in the average annual number established over the programme period. Whilst 75 micro-enterprises were established in 2007-08, this declined to 24 in 2008-09, 14 in 2009-10, 5 in 2010-11 and only 2 to date in 2011-12. Two micro enterprises have been established so far in 2011-12 in herbal product manufacturing at a cost of Rs. 10 lakh each.

In addition, a total of 30 Sanjeevani outlets have been established with EU support and 16 Micro enterprises have been sanctioned specifically for lac cultivation and raw herbs collection and 11 for mahul leaf processing. The Federation has also established a total of 32 temporary storage centres across the State to store both raw material and finished products more systematically.

#### **Sustainability of Micro Enterprises:**

The JRM has continuously raised the issue of the sustainability of the micro enterprises once established and it would appear to be a prudent step to focus on consolidation rather than any further expansion in the immediate future. Only a small handful of units such as the medicine plant established in Khatgora, have reached a point sustainability where banks are prepared to provide loans based on the underlying viability of the unit. The Federation should document such practices on achieving sustainability and unit members could be encouraged to impart advice to other micro enterprises.

#### **Marketing and Packaging**

There are currently 6 NWFP Marts in the State with no new Marts being established this year. The Federation has established 43 Sanjeevani retail outlets and district and block level which sell 45 herbal products and 49 raw herbs. The Federation has started to retail other brands to increase the sales from the outlets. Continuous brand promotion activities have yielded substantial results which have led to an increase in Tamarind exports and revenues and an increase in the production and sales of honey, kulla-gum, harra and Lac.

#### **Capacity Building:**

Capacity building of both beneficiaries and staff is critical to sustain the activities of micro enterprises. A total of 3,292 beneficiaries and 279 staff have been trained on various subjects during 2011-12, out of which 1671 beneficiaries and 152 staff were trained in raw herbs collection. The total beneficiaries and staff trained to date is 12,837 and 4,180 respectively. The Federation has also organized many seminars for over 220 staff to date. Almost all training programmes are designed to impart techniques to make SHGs more enterprising and to assist them to manage units on their own.

#### **Certification:**

The Federation could not obtain any new certifications since the last JRM and the overall process of certification continues to be very slow. The protocols for organic certification of honey, aonla, tamarind

and other herbs have not yet been developed. Due to a lack of certification, the Sanjeevani outlets are now only able to sell a few powders rather than packaged products. This is likely to have an impact on overall sales. Concerted efforts now need to be taken up by the Federation and the Government of Chhattisgarh to speed up the pace of certification. CGCERT has identified 12 different operators in the State for organic certification and has earmarked specific parcels of land and products for each provider to cultivate.

**Promotion of Herbal Health Care:**

This year the Federation has given a major focus to the promotion of Herbal Health Care products and 3,401 herbal formulations have been documented. A team of Ayurveda experts, Anthropologist and Botanists have validated 2,359 formulations. The Federation has also established 50 Herbal Hospitals to date and has taken initiatives to help these hospitals become self sustaining. Traditional healers in the hospitals are being paid Rs 100 per day and each healer has been provided with a Rs 10,000 as a revolving fund. There has also been a substantial increase in the number of people visiting these hospitals, with one such hospital in Badgaon experiencing a 6 fold increase in patients in a single month from 28 to 170 patients.

**Compliance against the recommendations and process indicators of 5<sup>th</sup> JRM Review**

<b>Sl. No</b>	<b>Recommendation / Process Indicator</b>	<b>Progress</b>
1.	A self sustainable revenue model to be developed for Herbal hospitals	<ul style="list-style-type: none"> <li>• Daily wages of traditional healers increased from Rs. 80 to Rs.100.</li> <li>• Revolving fund of Rs. 10,000 given to Traditional Healers.</li> </ul>
2.	Need to address the attrition of the Marketing Executives through financial and non financial measures	<ul style="list-style-type: none"> <li>• No progress made.</li> </ul>
3.	Federation should prepare a comprehensive action plan for sustainable management of forests and to promote use of non destructive farming	<ul style="list-style-type: none"> <li>• Technical guidance and training were provided to beneficiaries and the staff.</li> <li>• Research &amp; Development work on sustainable harvesting of few select species has been assigned to TFRI.</li> </ul>

## Panchyat Raj Department

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

Overall progress in this sector since the last JRM of April 2011 has been slow and confined largely to the completion of the PIP itself and the completion of initial steps required for implementing the main PIP priorities. This includes finalization of the Multi-Year PIP and the completion of preparatory steps for implementing the main PIP activities. This also includes: the completion of the tendering process for the development of a comprehensive Roadmap for decentralization; conducting initial pilot workshops and documentation on PRI training in Kanker district; the preparation of job descriptions and preliminary arrangements for the establishment of district support centres and recruitment of 18 coordinators and assistant coordinators in 6 districts and a State centre. Overall, this represents poor progress on the part of the department with 2 of the 3 completed processes having been largely undertaken largely by the TA team.

The department has now finalized its multi-year PIP (2010-2013) which has been approved by DIF. The main activities in the PIP relate to capacity building and training on decentralisation and service delivery for PRI functionaries at State, district and block level. One of the more important initial activities of the PIP is the development of a 'Roadmap' on decentralisation. This will include the development of a 'Vision' for the department with clear roles and responsibilities as well as the formulation of a Devolution Strategy for greater financial and functional autonomy and accountability structures. The Roadmap will be followed by a 'Perspective Plan' which will help the department to provide the necessary support to PRIs to improve basic service delivery. It is also proposed that a State Support Centre be established to deliver capacity building through 19 coordinators who will conduct training and awareness building for PRI functionaries.

The main area of progress since the last JRM of April 2011 relate to the completion of preparatory activities for implementing the PIP. One of the key proposals of the PIP is the establishment of Panchayat support centres to conduct capacity building and training workshops for staff and elected representatives. The department has planned to set up a State level support centre in Raipur and district level support centres in Raipur, Jagdalpur, Rajnandgaon, Bilaspur, Sarguja and Raigarh. It has issued formal orders to these districts to establish the centres and recruit 3 coordinators/assistant coordinators per district. The department is in the process of finalizing the job descriptions for the coordinators and assistant coordinators, which once approved, will be shared with the districts to guide the recruitment process. Funds have been transferred to districts for the establishment of the centres.

The tendering process for the preparation of a Roadmap has now been completed including the preparation and issuing of the tender notice (Request for Proposals) and the evaluation of bids. The contract is now in the process of being signed. The ToR includes:

- Developing a methodology for the preparation of the Roadmap with consultations with representatives from the department and other stakeholders
- Undertaking an assessment of the present status of the department functioning
- Reviewing and modifying the activity mapping of the Govt.

Once the roadmap is prepared, a perspective plan for capacity building will need to be developed and implemented.

Initial pilot training activities have begun in Kanker district for conducting workshops at district, block and village level. The STCs engaged through TA have now completed a one day district level



workshop and two block level workshops in Charama and Narharpur. It is further planned to complete block level workshops in Kanker district by end November.

**Issues:**

The PIPs have not yet been operational fully and the department has to take necessary steps to implement the PIPs in a time bound manner.

There is no clear strategy from the department as to how the decentralization agenda will be implemented. Even though, the department plans to do it by recruiting the coordinators and assistant coordinators and establishing support centre, the department has to prepare quarter wise plans of such programmes and should be monitored periodically.

Department was seen reluctant to engage SIRD to conduct the training programmes. The department should have a clear strategy and implementation plan if they plan to conduct trainings on their own.

There are multiple agencies including Dept., SIRD, CDLG etc. are conducting training programmes to the PRI functionaries. Effective coordination and integrated planning among these agencies is vital for the decentralization agenda and should be pursued by the department.

The decentralization workshop being conducted at the district and block level has only seen 'token' participation from the allied departments. Effective participation from the allied department is very critical for the decentralization agenda.

Many 'standing committees' are not functional and not aware of their role.

The primary agenda of the 'Gram Sabhas' seems to be MGNREGS. The department needs to ensure that 'Gram Sabhas' discuss on all important issues pertaining to the village.

**Compliance against previous JRM recommendations:**

Sl. No	Recommendations (Vth JRM)	Compliance
7.	Evaluation of training conducted through SATCOM/EDUSAT	Not complied
8.	Establishing 'Model Panchayat Office' in the current year may help the department in effectively demonstrate the important and advantage of decentralization.	Not complied
9.	Roadmap and Perspective Plan should be given utmost attention	<ul style="list-style-type: none"> <li>• Roadmap TA contract signed and work to be initiated</li> <li>• Perspective plan not yet initiated</li> </ul>
10.	State support centre operational	Not complied.

## 6 TA SUPPORT

### Staffing

The TA team now has a full complement of staff covering the 4 original positions of Team Leader, Deputy Team Leader/ Decentralisation Expert, Public Financial Management Expert and Capacity Building Expert and the two additional positions as recommended by the JRM (2010) for an Education Sector Expert and Health Sector Expert (see table below). The Capacity Building Expert and Education Expert have increased the level of engagement with both the Health and Education departments respectively on a technical level for the first time in the last 3 years. The PFM Expert has made some headway in promoting financial reforms (MTEF and PFM) based on interactions with DIF and line departments but faces the challenge of a general lack of demand for financial reform at departmental level.

### Key Experts and National Experts

<b>Key Experts</b>	<b>Designation</b>	<b>Joining Dates</b>
<i>Dr. Dagmar Baer</i>	<i>Team Leader</i>	<i>Sep-09</i>
<i>Dr Tapan Ku. Gope</i>	<i>Deputy Team Leader</i>	<i>May-10</i>
<i>Dr. Rajni Kant Juyal</i>	<i>Public Finance Key expert</i>	<i>04-08-2011</i>
<i>Dr. Rajat Ku. Das</i>	<i>Capacity Building Key Expert</i>	<i>01-06-2011</i>
<i>Dr. Uddalak Datta</i>	<i>National Education Expert</i>	<i>16-05-2011</i>
<i>Ms Nehal Jain</i>	<i>National Health Expert</i>	<i>10-10-2011</i>

Over the period since April 2011 the TA input has suffered from the unavoidable absence of the Deputy Team Leader in Sept and Oct. Meanwhile the Team Leader also lost 10 days due to illness over the same period. However, the implications of these absences was mitigated by the presence of the two new national Experts in Capacity Building and Education and the STE Health, all of whom have developed rapid and effective links with the respective line departments. The main implication of these absences has been the slow pace of implementation of the contract for the preparation of the PRI Road Map and the deployment of the National Expert Health.

### TA Outputs

All previously on-going STE contracts have been completed as per schedule since the last JRM resulting in the completion of all TA activity with BAIF for the Federation. The poverty impact assessment (PIA) has been completed since the last JRM and provides a potential baseline for any poverty reduction initiatives in the State. The study has been well received by departments and appreciated that it provides a systematic comparison of the status of Chhattisgarh in relation to other States.

The main TA support activity in PRI has been to assist the Department float the tender documents (Request for Proposal) for a Rs 36 lakhs contract to prepare a road map for PRI following the EU and GIZ procurement guidelines and regulations and supported the process of tendering, evaluation and contracting. This contract has been awarded to PRIA and is due to run from Nov 2011 to June 2012. Two STEs have also been appointed to facilitate and document the various activities happening under the PIP on decentralisation.

The main TA support activity in the education sector has been in assisting with the re-strategizing of the PIP to provide a clearer focus and prioritization on addressing the issue of teacher training along with inputs into the updating of MTEF with the PFM expert.

The main TA support in the health sector has been to provide inputs into the development of the State PPP policy and Health PPP Policy. This has included a review of the overall State policy on PPP which entailed identifying gaps and increasing the overall coherence of the draft policy. This was

followed by supporting the development of the PPP policy for the Health Sector in the same manner, both of which have now been approved and are in the process of translation. Another major output has consisted of the development of a draft RFP cum concession agreement for the establishment of medical colleges under PPP. The TA team has been fully involved in the development and assisting in the pre bid meeting and an STE legal Expert is now assisting to refining the RFP and concession agreement. It is intended the TA will assist the subsequent stages of evaluation and contracting. The TA team has also developed a capacity building road map on PPP which is broader than developing agreements etc. This will include sensitizing District Health managers who will review and monitor the contracts and the establishment of a PPP cell and an overview of all external training programmes on PPP at national and International levels. The TA team has also taken the initiative to improve management procedures at block level selecting two pilots to achieve more client focused service improvement with exit interviews. Another output through this period has been the documentation of health best practices.

## **TA Outputs**

Although it is recognized that in a budget support programme TA is not intended for supporting day to day implementation of department activities, there is a critical role for TA to support the implementation of key reforms. Whilst the current TA has been responsive to department's requests to provide short term expert inputs to assist certain priority activities, it needs to be more proactive in assisting departments operationalize reform steps in an incremental manner and ensuring the requisite structures are in place to oversee and guide the implementation. This implies TA team follow up closely with depts. On JRM recommendations and process indicators.

Whilst the TA team has provided a substantial amount of input days over the programme period to date, this has not readily translated into assisting Departments to achieve a number of the critical fixed milestones and related recommendations where there remains a considerable amount of work to do. At the same time TA support to assist departments in implementing institutional and organizational improvements has also been rather limited with much of the focus of TA remaining on supporting programme procedures and processes as highlighted in the logframe.

Whilst this is now happening in areas such as the development of a PPP strategy in health, there remains an urgent need to speed up support on operationalising the key reform actions in education and financial management. In PFM, for example, the financial inputs under TA need to provide very clear guidance and support on how to go about operationalising the PFM recommendations with the Finance Department, DIF and respective line departments.

## **TA Workplan**

In order to optimize the effectiveness and impacts of TA in the remaining programme period, the TA team has developed a draft logframe as a management tool to identify specific tasks/ activities and monitor progress in support of the main priorities and anticipated reforms. The draft plan includes the main objectives, results and activities for each of the main components of the programme along with indicators and assumptions.

It would appear that the poverty focus needs to be strengthened in the overall objectives of the logframe. The specific objectives should be the key interventions required to achieve the overall objective and thus reflect the purpose of the TA. In the current draft there are too many objectives many of which are routine project management and support tasks such as supporting coordination meetings and organizing steering committee meetings and JRMs. These do not reflect the underlying purpose of TA and are simply periodic activities and should be seen as a means to achieving the main objectives and not objective in themselves. Some of the results, for example 1 and 2 have already been achieved (such as preparation of a multi year PIP and administration arrangements for SPP) and should be presented in terms of the subsequent results arising from the PIPs and the operation of the administration and management arrangements. Some results are expressed in a very general manner such as Result 6 on PRI and needs to be made much more specific in terms of tangible improvements expected in the sector and the OVIS should relate to a measurable improvement.

Many of the OVIs are not easily measurable as they relate to quality of output without any further criteria. There are no OVIs for achieving improved PFM and the MTEF OVI is weak. In order to guide

and manage the TA over the remaining period it would be helpful to unpack the OVIs in key reform areas so that they represent achieving incremental improvements and steps in the process of implementing the reform. This would provide clearer focus and direction for the expert inputs.

Finally, many of the activities listed relate to workshops, orientation, awareness, documentation and studies. Whilst we do not deny that these activities are important these alone will not achieve the anticipated results and objective. The activities need to be disaggregated into specific tasks that will be undertaken in a logical sequence. For example, ensuring UCs requires the specification of the step by step tasks in a logical sequence with the various responsible agencies. In the light of these observations it would be helpful to revise the plan and resubmit so that the overall TA provision can be managed in an optimal manner with clear focus on key priorities.

## Short Term Experts 2011

<b>Short Term Experts</b>	<b>Tasks undertaken</b>	<b>EU Approved Days</b>	<b>Period</b>	<b>Approval Received from EU on</b>	<b>Remarks</b>
Mr. H. Gaur	Marketing strategy for NTFP Livelihood component	60	2010 extended to March 2011	16 June 2010, 08 Dec 2010	Completed in March 2011
Ms. Jyoti Desai-Upadhyay	Capacity Building for NTFP Livelihood component	72	2010 extended to March 2011	25-06-2010, 08 Dec. 2010	Completed in April 2011
Ms. Meena Gokhale					
Ms. Joshi Rajshree					
Ms. Jyoti Desai-Upadhyay	Documentation for NTFP livelihood component	74	2010 extended to March 2011	25-06-2010, 08 Dec. 2010	Completed in March 2011
Ms. Vanaja Vahunnavar					
Ms. Jyoti Patil					
Mr. J.P. Misra	Lead Expert of Evaluation of "Mitanin Programme" in Chhattisgarh	45 and 17	extended till 31.12.2010, 2010 extended to March 2011	25-08-2010, 08 Dec 2010	Completed in March 2011
Dr. Rita Gebert	International Lead Expert of Poverty Impact Assessment	60	from October 2010 till January 2011	4-Oct-10	Completed in May 2011
Ms. Annie Namala	National Experts for the Poverty Impact Assessment Study	20	November 2010 till March 2011	25-Nov-10	
Mr. Jayant Kumar		20			
Ms. Paromita Ukil	Document based Practice of the Health Dept.	30	February to June 2011	25-Jan-11	Completed in March 2011
Dr. Rajni Kant Juyal	Public Finance expert to assist the implementation of	60, 30	1.03.11 to 15.06.11, End	10-Feb-11, 21-june-11	Completed in August and joined

## Short Term Experts 2011

<b>Short Term Experts</b>	<b>Tasks undertaken</b>	<b>EU Approved Days</b>	<b>Period</b>	<b>Approval Received from EU on</b>	<b>Remarks</b>
	<i>SPP</i>		<i>on 30th August</i>		<i>as a Key Expert PFM</i>
<i>Mr. Ranjith Menon</i>	<i>Quality of Health Service</i>	<i>90</i>	<i>15th June to 31st Dec 2011</i>	<i>30-May-11</i>	<i>on going</i>
<i>Ms. Swarupa Pandit</i>	<i>Documentation of the workshop proceedings on Decentralization &amp; Devolution</i>	<i>60</i>	<i>15th July to 31st Dec 2011</i>	<i>22-Jun-11</i>	<i>on going</i>
<i>Mr. Dilip Banrjee</i>	<i>Facilitation of the workshop on Decentralization &amp; Devolution</i>	<i>60</i>	<i>18th July to 31st Dec 2011</i>	<i>22-Jun-11</i>	<i>on going</i>
<i>Ms. Sonali Jha</i>	<i>CFSI Facilitation</i>	<i>25</i>	<i>Oct. 2011 to June 2012</i>	<i>21-Sep-11</i>	<i>on going</i>
<i>Mr. Deepto Roy</i>	<i>Legal Expert PPP in Health</i>	<i>40</i>	<i>Oct. 2011 to June 2012</i>	<i>21-Sep-11</i>	<i>on going</i>
<i>Mr. Amitav Basu</i>	<i>Implementation of Medium Term Expenditure Framework for Health and Education Department</i>	<i>30</i>	<i>August 2011 to 31-December 2011</i>	<i>25-Aug-11</i>	<i>on going</i>



## **7 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)**

- Clear focus on the sustainability of the SHGs
- Impact evaluation on the benefits of all the TA interventions

### **Governance/ PRI**

- Support Centre established with coordinators and assistant coordinators recruited
- TOT module prepared and training completed for coordinators and assistant coordinators
- One model panchayat office in place
- Roadmap TA completed
- Perspective Plan for the capacity building initiated



## 8 KEY RECOMMENDATIONS

### Fixed Milestones

- It is imperative that DPHFW and DSE update MTEFs in line with the recommendations made in the previous JRMs. This is one of the milestones that needs to be achieved for release of the next tranche of EC funds. *This is a Fixed Milestone*
- Audited statement of accounts are bringing out information which otherwise would have not been available on the basis of SOE/UC. It would be worthwhile therefore to continue with the system of accounting through external CA firm until the end of EC-SPP. *This would strengthen the PFM Fixed Milestone*
- The JRM team would also like to recommend some basic measures to strengthen financial management system as follows: *This is a Fixed Milestone on PFM*
  - DPHFW and DSE must take all the measures to rectify various areas of weaknesses as revealed in the audit reports, such as
  - Clearance of backlog of UC submissions
  - Maintenance of stock registers
  - Maintenance of all purchase records, documents, etc.
- The Finance Department must ensure that the health department liquidate the bank account opened since 2008-09 for using EC money outside the treasury system. *This is a recommendation from JRM IV*
- 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. *This is a new Recommendation*
- In addition to the above, the Finance Department and DIF are required to take adequate initiatives for preparation and rolling out of operational plan for strengthening PFM based on the recommendations of the study (see Box 1). *This is a Fixed Milestone*
- The present TA support for updating MTEF and improving PFM is not satisfactory. It is important that necessary steps are taken for strengthening TA support. If necessary, more time may be allocated to the short term consultant. The JRM team strongly recommends recruitment of technical staffs including a Chartered accountant for strengthening DIF. *This concerns TA support*

### 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 needs to conduct an in-depth review of declining class room performance for immediate remedial measures
- Identify ways of optimising and enhancing planned teacher training programme with value addition on quality
- Evaluation of MGML pending & must be expedited
- CCE needs to be properly operationalised
- Initiatives on Eng Learning Labs to be assessed & expanded
- Sector data on outcomes & achievements to be disaggregated by district prior to next JRM

### **Federation:**

- There is an urgent need to increase the motivation of these executives through improved financial and non financial rewards as suggested in the previous JRM report.
- The Federation should place a strong focus on consolidation rather than expansion of micro enterprises and successful enterprises could be role models for business training
- The Federation may consider setting up a “Model Park” where all the livelihood activities can be demonstrated to the villagers
- Licensing should be aggressively taken up by the Federation with time bound monitoring
- Whist Sanjeevani outlets have expanded their product range a complementary effort is required to strengthen Brand Chhattisgarh Products to maintain local product sales
- The Federation may consider conducting an impact evaluation of the various TAs it has received

### **PRI:**

- Roadmap TA to be given top priority
- Perspective plan to be initiated

- Establishing support centres and recruitment of coordinators and assistant coordinators should be completed.
- Training of trainers module to be prepared and ToTs to be completed for the coordinators and assistant coordinators
- Training in all the blocks to be completed in pilot district of Kanker
- Recruitment of functionaries should be considered by the department to strengthen the devolution framework

Annex 1: Tables Referred in the Text

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

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

**Table 2: Real growth rates of on-budget sector expenditure**

<i>Rs. Crores</i>	2005-06 (A)	2006-07 (A)	2007-08 (A)	2008-09 (A)	2009-10 (A)	2010-11 (RE)	2011-12 (BE)
Health	340	431	480	624	792	1,069	1,389
Education	1,318	1,537	1,991	2,488	3,327	5,124	6,036
Forest	336	410	492	591	691	811	887
Aggregate	1,995	2,378	2,962	3,703	4,810	7,004	8,312
<b>YoY nominal growth rate (%)</b>							
Health		26.6	11.4	30.0	27.1	34.9	29.9
Education		16.6	29.5	25.0	33.7	54.0	17.8
Forest		22.2	19.8	20.3	16.8	17.5	9.4
Aggregate		19.2	24.6	25.0	29.9	45.6	18.7
Rate of inflation (%)		6.51	4.77	8.07	3.57	9.89	7.29
<b>YoY real growth rate (%)</b>							
Health		18.8	6.3	20.3	22.7	22.8	21.1
Education		9.5	23.6	15.6	29.1	54.0	17.8
Forest		14.7	14.3	11.3	12.8	-4.3	-9.7
Aggregate		11.9	18.9	15.7	25.4	-5.4	0.7