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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTEGRATED FIDUCIARY SYSTEMS ASSESSMENT

FOR THE

CHHATTISGARH: ACCELERATED LEARNING FOR A KNOWLEDGE-ECONOMY OPERATION
P179249

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I. Introduction

1.   As part of program preparation, the World Bank carried out an Integrated Fiduciary System Assessment (IFSA) of the program, to determine whether the fiduciary systems provide reasonable assurance that funds will be used for the intended purposes. The IFSA concludes that the capacity and performance of the fiduciary systems of all IAs are adequate to provide reasonable assurance that the program funds will be used for the intended purposes with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability. Based on the IFSA and given the multi-agency engagement for the execution of the Program, the fiduciary risk is assessed as "Substantial". **To strengthen the existing systems of the Implementing Agencies (IA) and to mitigate fiduciary risk, various action items are recommended as part of the PAP.**

II.   Conclusions

A.   Reasonable Assurance:

1.   **The IFSA of the Government of Chhattisgarh's (GoCG) systems, as applicable to the PforR Program, concludes that the present systems together with proposed mitigation measures will meet the requirements of the Bank's Policy for PforR financing dated November 10, 2017, and would be adequate for achievement of the Program objectives.** The IFSA focused on determining whether the systems provide reasonable assurance that Financing proceeds will be used for the intended purpose with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability.

2.   **The CHALK Program is carved out of GoCG's Samagra Shiksha program.** Samagra Shiksha (SS) is the overarching program launched by the Government of India (GoI) through the budget 2018-19 to treat School Education as a continuum from preschool, primary, upper primary, secondary to senior secondary levels and subsumes the earlier three schemes of *Sarva Shiksha Abhiyan* (SSA), *Rashtriya Madhyamik Shiksha Abhiyan* (RMSA) and Centrally Sponsored Scheme for Teacher Education (CSTE). The CHALK Program is carved out of GoCG's SS program for focused attention and enhancements of certain key areas as described through the PDO of the Program. The salient features of the CHALK Program are: (a) the Program uses the GoCG's own procurement and financial management systems, and the Program seeks to strengthen some of these systems, and (b) the value of expenditure and the number of contracts under the Program are relatively small when compared to the scale of the GoCG's program and other operations of the participating departments.

3.   **The IFSA covered FM, Procurement, and Fraud & Anti-Corruption (F&C) aspects.** The IFSA was conducted per the principles governing PforR Programs as set out in the World Bank's internal guidelines. As part of Program preparation, the World Bank carried out the IFSA of the functioning of the SS Program as rolled out by the GoCG. Further, the assessment of Program fiduciary systems integrates findings in three areas:

- The **financial management systems** were assessed to determine the degree to which the relevant planning, budgeting, accounting, internal controls, funds flow, financial reporting, and auditing arrangements provide reasonable assurance on the appropriate use of program funds and safeguarding of its assets;

- The **procurement systems** were assessed to determine the degree to which the planning, bidding, evaluation, contract award, and contract administration arrangements and practices provide a reasonable assurance that the program will achieve intended results through its procurement processes and procedures; and

- The program was also assessed in how its **governance systems** handle the risks of fraud and corruption, including the use of complaint mechanisms, and how such risks are managed and mitigated in light of the government's commitments under the Guidelines on Preventing and Combating Fraud and Corruption in PforR Financing (Anti-Corruption Guidelines or ACGs).

4.   The team has adopted a framework approach because of the multiplicity of implementing agencies, not all of which may be fully identified at this stage, to conclude the IFSA. The fiduciary systems of the Program were assessed based on the counterpart consultations; data and information shared by GoCG; procurement performance-related information, state-specific documents available on various GoCG websites in the public domain, audit reports of the C&AG that are available in the public domain, audit Reports of the SS program as shared by the society; implementation experience of an existing WB financed Program: Strengthening Teaching-Learning and Results for States (STARS) Program, Chhattisgarh Public Financial Management (CGPFM) Program and Central and State level PFM knowledge. Assessment has reviewed the prevailing Acts/Rules and associated notifications/circulars and analyzed the historical performance of implementing entities based on desk reviews and field visits. The assessment has also analyzed the prevailing anti-corruption arrangements in the state to ascertain their adequacy.

B.   Risk Assessment

5.   **The fiduciary risks are considered 'Substantial'**. The IFSA reviewed the existence and adequacy of existing rules, policies, and procedures and the extent of their implementation in gaining assurance that the Program objectives shall be met. The years of school education programs (SSA, RMSA & TE) have resulted in the constant strengthening of systems and procedures. However, considering the multiplicity of spending/executing agencies (States, Districts, and Sub-district levels) and diverse capacity across these agencies, there are persistent implementation challenges. ***The main challenges lie in further strengthening PFM arrangements to make them more efficient and improving compliance with rules and regulations thereby strengthening accountability***. The key areas identified under IFSA for focused attention in the short/ medium term are:

i.   **Strengthened planning to enhance budgetary and fund flow efficiency to strengthen service delivery.** A wide divergence between the approved Annual Work Plan and Budget (AWP&B), GoI's program budget, and actual expenditure at states has been a recurrent theme. The substantial gap between approved AWP&B and actual expenditures appears to be the result of multiple PFM bottlenecks (planning, budgeting, and fund flow arrangements) with a probable impact on the expenditure efficiency under the program. *An operational review of planning and budgeting under the SS program is required to assess the impact of these gaps on program activities and to identify counteractive actions that may be taken to address the mismatch between budget, actual releases, and final expenditures* (DLI)*.*

ii.   **Enhance the Internal Audit function to strengthen systemic bottlenecks affecting service delivery.** While a system of internal audit is present at the SS program level, there remains a lack of adequate focused review by way of an internal audit system. The IFSA assessment reflects that the State Implementation Society for Samagra Shiksha (SIS-SS) needs to augment its Financial Management (FM) team to strengthen the application of internal controls across the program implementation. There is a need to (i) establish an SIS-SS, state office level, internal control monitoring cell; (ii) strengthen the internal audit function; and (iii) establish audit observations review and addressable mechanism on the lines of establishing an Audit Committee. Further, SIS-SS under the guidance of the Department of School Education (DoSE), CoCG should develop a risk-based, thematic area-focused Internal Audit approach, with a well-defined roadmap for compliance (PAP action).

iii. **Large vacancies in financial management staffing at the sub-district level need to be addressed to improve downstream financial management and controls**: On average, SIS-SS is functioning at approximately 70% of the sanctioned strength. There is a probable risk of inadequate accounting functions or inappropriate utilization of technical resources by giving them an additional charge for the finance functions. Further, at the time when the FM staffing norms were defined in the FMP manual, most of the FM functions were manual. After the rollout of TALLY (digitally enabled accounting software) and the introduction of PFMS and Single Nodal Account (SNA) systems, many functions have become automated/electronic. It may also be noted that for ensuring robust FM functions under the SS program, there is a need to augment staff strength to enhance the monitoring and oversight role. Given that the scheme has over 50,000 implementing units[1], it will greatly benefit from strong FM oversight. This calls for the SIS-SS to assess the actual human resource requirement and finalized vacancies to be filled in a time-bound manner with professionally competent personnel (DLI and PAP Action).

iv. **Enhance the accuracy of program financial data by resolving long unaddressed statutory audit observations:** There exist unresolved/addressed statutory observations since FY 2009-10. It is suggested that to ensure the precision of accounting information flowing out of the converged accounts, the statutory audit observations highlighted in the past under the individual schemes must be adequately addressed/resolved (PAP action). A potential way forward is to organize boot camps at district/block levels and address all old outstanding paragraphs and thereby clearing the backlogs. In addition, moving forward for strengthened FM arrangements it is imperative to establish an audit observation review and addressable mechanism on the lines of establishing an Audit Committee.

v. **FM system study:** the radical change in handling the funds and increased reliance on electronic/ automated systems also requires responding to changes in the functions across the FM cycle (planning, budgeting, fund flow, internal controls, accounting, and external review) at each implementation level. It is recommended that a detailed FM system study should be carried out to assess 'As-Is' and 'To-Be' FM arrangements to bring about necessary enhancements in accuracy, timeliness, and efficiency in program accounting (DLI).

vi. **Developing FM Orientation and Training Module (online, self-paced) for providing concurrent need-based training.** It is suggested to be a 4-tier capacity building initiative giving due consideration to the respective roles, responsibilities, and related FM duties: (i) GOI FM team and State Finance Controllers; (ii) state/district/sub-district accounting staff; (iii) SMCs; and (iv) SNA bank (including sub-district branches) (DLI).

vii. **PFMS and SNA Bank MIS integration:** to ensure a smooth flow of data towards IA allocations and fund utilization, at each state the SNA Bank should be asked to develop an MIS for handling the SNA and IA child accounts. Further, to avoid duplication of efforts at each IA level, this MIS should be duly interfaced with the applicable PFMS module.

viii. **Procurement-related risks and mitigation measures:**

Primary Risks	Potential Impact on Program	Key Mitigation Measures
Inconsistency in Procurement procedures	Inconsistency in procurement processes could lead to procurement irregularities relating to Fraud and Corruption (F&C)	SIS-SS shall arrange training for all Implementing Agencies and Procuring Entities before procurement is commenced.

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[1] The CHALK Program does not expect expenditures or procurements at the sub-district and school levels. As a result, the number of implementing agencies involved with the Program are limited. However, with a view to strengthening the overall FM and Procurement systems, the IFSA looks to leverage the Program to help the GoCG in strengthening the overall system.

Gaps in standard bidding documents and inconsistency among documents	Variations in important provisions in the Procurement Documents on account of the absence of Model or Standard Bidding Documents/ RFPs with the Implementing Agencies.	Implementing Agency shall prepare Model/Standard Bidding Documents for Goods, Works, Non-Consulting & Consulting Services (PAP).
Limited skills in Contract Management	Compromise in quality/cost/time etc.	Gaps in contract management skills for goods and civil work contracts are to be addressed through the training of personnel responsible for contract management
No structured audit of procurement	Procurement audit subsumed under larger FM audits (internal and statutory); standalone, in-depth procurement audit not yet in place.	Procurement and contract execution should be part of the program audit which should check the compliance with FMP as well as identify red flags in procurement
The procurement manual needs to be updated	Varying understanding of procurement rules among stakeholders	A procurement manual is to be developed and adopted for the PforR operation after review (Legal Condition for Effectiveness).
Need for an effective Complaint-Handling System (CHS)	Whilst no F&C allegation has been received by the DoSE or SIS-SS over the past decade, the lack of an effective complaint-handling mechanism increases the chances of F&C	A web-based CHS supported by a 24X7 helpline is to be developed which will strengthen the existing systems and make them accessible to all stakeholders. The system will have a time frame for redressal and an escalation/review mechanism. (PAP)
Monitoring tools for procurement are not available/MIS is not being utilized	Lack of proper monitoring	The MIS platform to be developed under the Program must be used and updated periodically to its full potential to generate data to measure the performance of procurement. (PAP)
Non-inclusion of F&C clauses as a standard feature of the bidding documents	Can increase the chances of F&C	F&C clauses to be included in the Standard Bidding Documents (SBD) to be included in the procurement manual to be developed. (Legal Condition for Effectiveness)
Limited disclosure of award of contracts	Gives an impression of limited transparency	All Award of Contracts should be disclosed in the public domain. (PAP)

C.   Procurement exclusions

6.   The Program is not expected to procure any high-value contracts valued at or above Operational Procurement Review Committee (OPRC) thresholds (US$ 75 million for works, US$ 50 million for goods and non-consulting services, and US$ 20 million for consultant services). During Program Implementation, continued compliance regarding the exclusion of high-value contract(s) would be monitored by way of Program audits and during missions.

III.   Scope

7.   The objective of IFSA of the arrangements under the Program is to conclude that the systems for financial management, procurement, and measures for mitigating the risk of fraud and corruption meet the requirements of the Bank's PforR policy and directive and are adequate for achievement of the Program objectives. The IFSA has been conducted per the principles governing PforR programs as set out in the PforR Policy and other World Bank's internal guidelines. The IFSA focused on determining whether the Program systems provide reasonable assurance that financing proceeds will be used for the intended purpose with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability. The Program's financial management systems have been assessed for the effectiveness of planning, budgeting, accounting, internal controls, funds flow, financial reporting, and auditing procedures. The Program procurement systems have been assessed for the effectiveness of the procurement planning, bidding, evaluation, contract award, and contract administration procedures. The IFSA has also assessed how Program systems address the risks of fraud and corruption and have mechanisms to redress complaints. The IFSA reviewed the existence and adequacy of existing rules, policies, and procedures and the extent of their implementation in gaining assurance that the Program objectives shall be met. The IFSA has identified certain risks and mitigation actions have been included in the PAP as appropriate. The performance of the systems was carried out based on discussions with the operational staff, review of documents, and performance of fiduciary systems in the state.

A.   Program Boundary and Framework

8.   **The scope of the IFSA is limited to the boundary of the CHALK Program** (The Program) which is a Program-for-Results (PforR) operation with an Investment Project Financing (IPF) component. The total cost of the CHALK Program is estimated at US$ 558.3 million, of which the IBRD Financing is US$300 million. Here, US$277.5 million will be disbursed under PforR, and US$22.5 will be disbursed under the IPF component. The government reform program converges with the broad umbrella of GoCG's ongoing school education initiative including the State's chapter of SS, the pan-India, centrally sponsored scheme for school education of the GoI.

9.   **The Program Development Objective (PDO)** of CHALK PforR (the Program) is to improve the quality of school education & access to science & commerce senior secondary education. To achieve this PDO, an integrated approach is used, leveraging synergies across the Results Areas. The Disbursement of US$277.5 million by the WB will be linked to the achievement of Disbursement Linked Indicators (DLI).

Table 1: DLI allocation

#	Disbursement Linked Indicator	Allocation (US$ Million)						
		Prior Results	Year 1	Year 2	Year 3	Year 4	Year 5	Total
1	Increase in percentage of Grade 4 students at and above grade level proficiency in Language and Math	0.00	10.00	0.00	8.00	0.00	8.00	26.00
2	Increase in school completion rate at the secondary level	0.00	0.00	0.00	5.00	0.00	5.00	10.00
3	Increase in science and commerce senior secondary education enrolment in government schools	0.00	12.00	0.00	6.00	0.00	6.00	24.00
4	Improved teacher capacity to support the utilization of TaRL and climate change education in the primary grades	0.00	4.50	2.625	2.625	2.625	2.625	15.00
5	Improved provision of need-based in-service training (including climate change education) for Grade 6 to 10 teachers	0.00	1.00	6.00	4.50	0.00	6.00	17.50
6	Increase in the use of diagnostic assessment tools for the provision of remedial support	0.00	3.00	4.00	5.00	3.00	0.00	15.00
7	Increase in the number of model composite schools with disaster resilient and energy efficient facilities and offering science and commerce senior secondary education	50.00	25.00	25.00	25.00	25.00	0.00	150.00

8	Improved leadership competencies of school principals and better capacity in the area of DRM and SRGBV	0.00	1	6.80	3.00	0.00	4.2	15.00
9	Improved, decentralized financial and procurement management capacity	0.00	2.00	2.00	0.50	0.00	0.50	5.00
	Total	**108.500**	**46.425**	**59.625**	**30.625**	**32.325**	**277.5**

10.   **The overall GoCG school education funding initiative comprises the *SS* funding for quality interventions and the State budget that is predominantly earmarked for teacher salaries and student entitlements.** SS funds interventions in areas such as foundational learning, teacher professional development, professional development support for teacher educators, remedial education support for students and other learning enhancement initiatives, learning assessments, technology-enabled interventions (including strengthening of digital infrastructure in teacher education institutions, and schools), school-based vocational education, and special initiatives for out-of-school children (especially residential schools for girls; SS does not currently support any investments in residential schools for boys). About 30 to 40 percent of the SS budget is earmarked for quality interventions. The state budget is mostly used to cover teacher salaries (including subsidies for government-aided private schools), school development and maintenance/operation, scholarships, and student entitlements (textbooks, uniforms, midday meals, and so on). However, about 84.8 percent of the cumulative/consolidated budget (SS and state school education budget) is used to pay salaries, and about 10 percent is for student entitlements. This limits the funds available for improving the quality of school education and for investments in strengthening the network of government schools to enhance access to senior secondary education.

11.   **The value of the Government program for FY 2023-2028 is estimated at US$ 9.764 billion.** For identifying the size of the GoCG program (Small p) for carving the CHALK Program framework, the expenditure under the GoCG's chapter of the SS scheme has been considered. The Government program boundary is derived based on ongoing associated institutional transformations, ongoing activities, and initiatives for the achievement of the Program results, incremental initiatives, and leveraging influence of the Program's result achievements. Further, the boundary includes the cost of ongoing activities which will potentially be impacted by the achievement of program results in terms of enhanced service delivery. Within the overarching government program, the GoCG envisions the proposed CHALK Program to strengthen: (a) the capacity of the nodal educational institutions to improve in-service professional development support for teachers, (b) learning assessment systems and corresponding remedial education support for students, (c) development and improved management of model composite schools offering science and commerce education at the senior secondary level, and (d) school management via capacity building support for principals, and School Management Committees (SMCs).

12.   **The CHALK program accounts for about 5.7 percent of the overall government program**, and with US$ 258.4 million, approximately 46.3 percent of the CHALK program will be financed using the counterpart finding. An equitable share of counterpart financing and a steady growth of 4.55 percent in the State's school education budget (in the past 3 years, with FY20-21 financial being a COVID-affected year), is expected to enhance the long-term sustainability of the program. The Program expenditure framework composition includes expenditure towards the upgradation and straightening of infrastructure in existing schools, literacy programs for Foundational Literacy and Numeracy, Learning Enhancement programs (LEPs), remedial education, and state and national level assessments. The boundary also includes expenditure focused on professional development initiatives for teacher educators, in-service training of teachers and school leaders, along with training for academic support Block Resource Centre (BRC) and Cluster Resource Centre (CRC) Coordinators. Expenditure made towards project management and strengthening of the ICT infrastructure in the state has also been added to the framework accounting for monitoring and evaluation support required under the program.

13.   All recurring expenditures towards salaries (teachers, head teachers, teacher educators, BRC, and CRC coordinators), school maintenance and operations, along with grants, financial aid, and entitlements earmarked under

multiple state and national schemes have been excluded from the expenditure framework. Expenditure incurred on quality enhancement of vocational education and sports/physical activities has been excluded due to a lack of adequate alignment with the PDO. Further, the Program expenditure framework is derived based on the current baseline and associated estimations for interventions. The expenditure program is based on departmental-level work plans designed to achieve the DLIs and the overall results. The expenditure proposed for individual activities is commensurate with their scale and complexity and facilitates efficient execution. The Program cost primarily comprises associated incremental costs and the essential activity support cost included in the government program. Table 2 shows the overall Program expenditure composition by economic classification of expenditures with estimated yearly expenditure.

Table 2: Program Expenditure Framework for FY 2023-28 by Economic Classification and Annual Projection

Economic Classification	Program Value	Five-Year Expenditure Projection (US$ Million)				
		Y1	Y2	Y3	Y4	Y5
(1) Education Quality Enhancements	$140.50	$26.10	$27.10	$28.10	$29.10	$30.10
(2) School Infrastructure Upgradation & Repair	$334.70	$110.60	$71.40	$63.50	$45.60	$43.50
(3) School Leadership & Management Strengthening	$44.60	$8.20	$8.60	$8.90	$9.30	$9.60
(4) Examinations And Assessments	$16.10	$3.00	$3.10	$3.20	$3.30	$3.50
Total CHALK Program	**$535.90**	**$147.90**	**$110.20**	**$103.70**	**$87.20**	**$86.80**
IBRD Share	**$277.50**	**$100.80**	**$60.90**	**$52.10**	**$33.30**	**$30.40**

* Source: Average State Education Budget for 2019-20 and 2021-22; and SS expenditure for 2019-20 and 2021-22. The year 2020-21 has been excluded due to operational and implicit expenditure getting impacted by the prolonged school closure due to COVID-19.

14. **The IPF Technical Assistance Component will extend capacity-building support** to nodal education institutions through the engagement of technical experts for (a) providing in-service capacity-building support to teachers, (b) developing resource materials for remedial education, and (c) managing student learning assessments. It will also support the hiring of a vendor to develop the State's Education Management Information System (EMIS), and the engagement of a Project Management Consultant (PMC) and an Independent Verification Agency (IVA) for the validation of results achieved under the Program.

15. A preliminary expenditure framework highlighting the direct and implicit leverage for the CHALK Operation, and results area-wise mapping of expected expenditures, and procurement profiles are summarized below[2] in Table 3.

Table 3: Result Area/DLI linked budget lines and nature of projected expenditure and associated procurement profile

Result Area	A broad list of Procurable Activities	Allocation (Refer to Table 2) and CHALK Operation (5 Years) US$ million			
		#	Budget Head	Bank Funds	PforR (P)	IPF
Result Area 1: Improved quality of teacher-student interaction for school education	The proposed operation will focus on the provision of in-service teacher professional development opportunities (from ECE to Grade 12), in blended mode (on-site teacher training, on-site and remote individual coaching, and online repository of training materials) and provision of structured lesson plans and guidebooks to aid the transition to competency-based teaching, and building capacity to handle multi-grade multi-lingual teaching setups	1	Support for Foundational Literacy and Numeracy		129.3	11
		1	Funds for Quality (Remedial Education/LEP, Innovation, and so on)			
		1	Teacher Educators Professional Development			
		1	In-service Teacher Training and Head Teacher Training			
		1	TEI Infrastructure and Maintenance			
		1	Support for Inclusive Education			

[2] The budget heads are based on the major heads of expenditure under the SS initiative. The list of major budget heads is well-defined and has remained consistent over years. This allows for the state budget to be clearly collated and presented together with the SS budget/expenditure. Apart from contributing toward 40 percent of the SS budget, the state budget only funds teacher salaries, school maintenance and operational costs, education boards/councils, and scholarships.

		#	Budget Head	Bank Funds	PforR (P)	IPF
Result Area 2: Improved student diagnostic and assessment systems	The proposed operations will support the design, development, and deployment of state-level student learning assessments (SLAS) to generate data-driven insights to better inform other interventions of the programs. The program shall also build the capacity of the SCERT assessment cell to develop and conduct centralized digitized classroom-based assessments and provide corresponding remedial resources for teachers to provide student-level support in this area.	1	Funds for Quality (Remedial Education)	27.2		2
		4	Assessment at the National and State Level			
Result Area 3: Decentralized school development and management for the efficient and effective operation	The program shall support the strengthening of school-level infrastructure/facilities and focussed quality/management reforms to establish a network of model composite schools, offering primary to senior secondary schooling. The schools will offer science and commerce streams, predominantly addressing access related to issues in these streams among low-income households.	2	School Infrastructure and Strengthening of Existing Schools	334.7		-
Result Area 4: School leadership development	The program shall support SIEMAT in providing in-service academic and administrative leadership training to school principals and head teachers. Further, to bring together and manage all the interventions, the program shall support the development of the State's EMIS	1	Academic support through BRCs and CRCs	44.6		9.5
		3	Community Mobilization			
		3	ICT And Digital Initiatives (including EMIS)			
		3	Project Management, Monitoring, and Evaluation			

#Economic classification corresponding to Table 3

B. Institutional Framework for Program Implementation

16.   **The federal setup in India treats school education as a concurrent list subject, permitting policy formulation at both the Central and the State levels.** The central government provides broad guidelines and facilitates their implementation through a centrally sponsored scheme called *Samagra Shiksha (SS)*, which prioritizes expenditures that can help to enhance the quality of school education. It is a pan-India program and is implemented in all the States and Union Territories of India. SS allows for bottom-up decentralized planning where states have the space to prioritize contextually relevant expenditures aligned with the recommendations of the New Education Policy (NEP) 2020 of the GoI. States are responsible for covering the cost of teacher salaries and regular school operating costs from their budget.

17.   **Institutional arrangements for the Program activities will follow the existing schema for implementing SS by the GoI and GoCG and is reliant on the use of country systems.** In Chhattisgarh, the DoSE, GoCG is responsible for the overall planning and management of school education. The SIS-SS works under the aegis of the DoSE, GoCG to manage interventions. Chhattisgarh has 56,303 schools of which 48,547 (86.2 percent) are government-managed, 431 (0.76 percent) are private government-aided, and the remaining 13.04 percent are private schools. The spread of the SS program is wide and implementation has multiple levels as described below:

- **Centre, GoI Level arrangements:** Samagra Shiksha is governed at the Centre by a Governing Council chaired by the Minister of Human Resource Development, a Project Approval Board, and the Bureau of School Education. The Governing Council provides policy direction and facilitates center-state coordination, while the PAB, chaired by the Secretary, Department of School Education and Literacy (DoSE&L), Ministry of Education (MoE), GoI, maintains full financial power to approve state plans, sanction budgets, and implement the program. The Bureau of School Education chaired by the Additional/Joint Secretary, DoSE&L, MoE, appraises, evaluates, finances, and supervises national, state, and district-level planned interventions.

- **State Level:** Chhattisgarh's SIS-SS is a registered society incorporated under the Societies Registration Act of Chhattisgarh and is duly registered with the Registrar of Firms of Societies, Government of Chhattisgarh vide registration number 122202181431 on 22-05-2021. The SS Program is implemented through SIS-SS that is accountable to a Governing Council, headed by the Chief Minister and an Executive Committee, chaired by the Chief Secretary of the State/UT. Representation of Finance and Planning Departments on the Governing Council and Executive Committee resolves issues of coordination and convergence and facilitates better decision-making. The CGSSS, through the State Project Office and State Project Director, establishes linkages with district and sub-district level structures, NGOs, state government, national bureau, and other concerned stakeholders, and is also responsible for effective monitoring and training and capacity building of personnel. Additionally, the CGSSS is underpinned by a high level of interdepartmental convergence including coordination with the Department of Finance, Public Works Department, Department of Science and Technology, Program for Water and Sanitation, Department for Women and Child Development, and others. Other state-level bodies that comprise the administrative structure and provide technical and academic input at the state level are the State Council of Educational Research and Training (SCERT) and its network of District Institutes of Education and Training (DIETs), and State Institute of Educational Management and Training (SIEMAT).

- **District Level arrangements:** At the District level, the District Project Office (DPO) is responsible for implementing and reviewing the progress of the program. DPO is chaired by the District Collector, and headed by a District Education Officer (DEO) and comprises representatives from the district education departments, NGOs, as well as technical specialists. The DEO, who also performs the duties of the District Project Coordinator (DPC), is responsible for preparing AWP&Bs, liaising with the DIET to jointly oversee the function of the Block Resource Centres (BRCs) and Cluster Resource Centres (CRCs), monitoring progress and status of project implementation, and ensuring regular training of teachers/school heads, SMCs members, BRCs and CRCs.

- **Block level arrangements:** At the Block Level, the administrative structure is headed by the Block Education Officer (BEO) who is responsible for facilitating the creation of a School Development Plan in coordination with the block/cluster resource persons, SMCs, headmasters, teachers, etc. Additionally, the BEO is responsible for capacity building, academic supervision, and onsite support to field-level functionaries, monitoring implementation at the grassroots level through close interaction with field-level officers, and providing information to the District Project Office. BRCs and CRCs provide academic support at the block and cluster levels, respectively and SMCs, comprising of members from the local authority, parents, and teachers, assist with school-level monitoring and implementation through community mobilization, preparing school development plans, conducting Social Audits, and monitoring students' and teachers' attendance.

18. **The CHALK Operation will leverage the State's existing institutional arrangements for Program implementation.** CHALK Program, which is conceptualized as a focused intervention to support school education enhancement under the existing framework of the implementation of SS in the state of Chhattisgarh will be executed by the SIS-SS with the support of district/sub-district offices/ agencies, as applicable. This arrangement operationalized under past Bank-funded projects

with GoI of which Chhattisgarh was a participating State, provides for defined funds flow arrangements, operational guidelines, and demarcated roles and responsibilities for each agency.

19.   **The SIS-SS will be the nodal implementing agency and will be supported by a PMC.** It will be responsible for non-civil works procurement, overall financial management of the Program, results monitoring and reporting, and overall coordination between the various implementing agencies and institutions. SIS-SS will be responsible for the entire PFM cycle of planning, budgeting, budget execution, procurement, accounting/payments, and auditing for the CHALK Program.

20.   **PWD and the RES, GoCG will act as sub-implementing agencies to SIS-SS for civil work** and manage the construction and redevelopment of the large composite schools, and minor repair in the smaller schools located around the large composite schools under a hub and spoke model. The SIS-SS will share with the PWD and RES its requirements. In turn, these two supporting implementing agencies will prepare architectural drawings and building designs with corresponding costings. The same will be used to enter into service-level agreements for civil works which once cleared by the SIS-SS will determine the volume of funds flow for them to plan, execute, manage, and monitor these works.

21.   In particular, the Program will leverage the institutional capacity and decentralized management and monitoring mechanisms of the PWD for civil works across model composite schools, and RES for minor infrastructure works across small schools. Setup as large engineering wings responsible for the development and repair of large buildings, roads, bridges, etc., the PWD and RES have dedicated verticals for 'Buildings' which have staff with expertise in areas such as building plans and architectural drawings, site survey work, site management and monitoring, building safety/fitness assessment and certification, etc. They operate through a decentralized network of engineers at the district and sub-district levels and have the staff strength required to undertake such works. The Program boundary will be limited to covering the school education-related works to be undertaken by these two agencies, and where required the Program will enable the two departments to engage need-based technical support to improve the environmental footprint of the civil works they undertake and to enhance the learning environment offered to students through better integration of aspects such as Building as Learning Aid. However, it may be noted that considering that school-related civil work (Table 4 below) forms a very small percentage of the overall operations of PWD and RES, **the SIS-SS will continue to be responsible for the FM cycle functions (Planning, Budgeting, fund flow, internal controls, accounting, and auditing) for all civil works (through PWD and RES) under the CHALK Program**.

Table 4: Share of School related Civil Works as part of the total function of PWD and RES (in INR Crores)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
PWD: Value of total works	₹	6,218.2	₹	6,410.0	₹	6,362.9
RES: Value of total works	₹	90.5	₹	105.0	₹	96.5
Total	₹	6,308.7	₹	6,515.0	₹	6,459.3
Infrastructure Expense (SIS-SS + DoSE)	₹	51.7	₹	26.1	₹	205.8
Share of work for SIS-SS & DoSE to the total departmental operations of PWD and RES	**0.8%**		**0.4%**		**3.2%**	

22.   In line with the description of the CHALK Program implementation arrangements in the preceding paragraphs, the table below summarizes the implementation responsibilities.

Table 5: Institutional Responsibilities

Institution	Legal Status	Responsibilities
DoSE	Department of GoGC	Policy decisions and overview supervision of the Program
SIS-SS	Society	Key Implementation Agency: Responsible for procurement of all consultancy services, non-consultancy services, and goods under the Program; and corresponding payments/expenditures.

PWD/ RES	Department of GoGC	Support Implementation agency for procurement in school infrastructure and facilities.

23.   **Fiduciary arrangements for SS are laid out in the Manual for FMP[3] for SIS-SS.** To provide guidance and uniformity in respect of the mode of release and utilization of funds, budgeting, financial reporting, accounting and auditing requirements, procurement procedures, etc. under the scheme, MoE has developed an FMP manual for the use of the States/ UT governments and implementing agencies. Hence, the FMP manual establishes a broader uniformity in the implementation of fiduciary arrangements across States. *The CHALK program will also follow the principles laid out in the manual*. The overall implementation of the systems laid out in the FMP is also monitored by DoSE&L, MoE through periodic performance reviews and status reporting.

24.   For Procurement related arrangements, beyond the FMP manual for SS, CHALK Program will follow the GoCG's financial rules known as "Store Purchase Rules, 2002" and subordinate amendments/Government Orders (GOs) issued by the GoCG Finance Department from time to time for procurement of goods, works and services. Further, the PWD and RES will also follow the State PWD codes and Works Manual for procurement and contract management of works contracts.

25.   Results area and budget head-wise mapping of implementing agencies are summarized in Table 6 given below.

Table 6: Mapping of proposed/planned procurement activities and corresponding implementing agency

Description	Result Area	Procurement Activity	Implementing Agency
School Infrastructure and Strengthening of Existing Schools	RA-3	School infrastructure and facilities	PWD/RES
Support for Foundational Literacy and Numeracy	RA-1	Training expenditure including printing of material, stationery, and venue costs. Printing and delivery of teacher guidebooks.	SIS-SS
Funds for Quality (Remedial Education/LEP, Innovation, and so on)	RA-1, RA-2	Teaching learning material, the printing of workbooks and/or learning resources, need-based engagement of technical experts or firms for content and material development	SIS-SS
Teacher Educators Professional Development	RA-1	Training expenditure including printing of material, stationery, and venue costs. Printing and delivery of teacher guidebooks.	SIS-SS
In-service Teacher Training and Head Teacher Training	RA-1		
TEI Infrastructure and Maintenance	RA-1		
Academic support through BRCs and CRCs	RA-4	Training Expenditure including printing of material, stationery, and venue costs	SIS-SS
Community Mobilisation	RA-4	Expenditure including printing of material, stationery, and venue costs	SIS-SS
Assessment at the National and State Level	RA-2	Training Expenditure including printing of material, stationery, and venue costs	SIS-SS
Support for Inclusive Education	RA-1	Training Expenditure including printing of material, stationery, and venue costs	SIS-SS
ICT And Digital Initiatives (including EMIS)	RA-4	Post MIS development, regular operational expenditure through the engagement of individual consultants or a firm	SIS-SS

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[3] Wide letter dated September 12, 2018, MHRD has issued FMP manual for the converged Samagra Shiksha Abhiyan. The manual is developed on the lines of the existing FMP manuals of SSA and RMSA. Web link: *http://samagra.mhrd.gov.in/docs/FMP.pdf*

Project Management, Monitoring, and Evaluation	RA-4	-	SIS-SS

IV.   Program Fiduciary Performance and Fiduciary Risks

A.   Use of Country Systems

26.   **The Fiduciary systems for the CHALK PforR Program are proposed to be predicated on extant country systems for funds flow, payments, accounting, and auditing.** The Program will, therefore, be influenced by the extant GoI/ State fiduciary systems. The GoI/ State's systems (such as the use of GFRs, budget manuals, procurement rules, treasury codes, the delegation of financial powers, and staffing) will also influence the Program systems. Kindly refer to paragraphs 23 and 24 for further details. *Implementation of the fiduciary systems proposed for the CHALK PforR Program following the existing country systems and effective implementation of the mitigating measures will provide reasonable assurance that the overall fiduciary framework is adequate to support the management and achieve the desired results.*

B.   Planning and Budgeting

Part 1: Country Systems Framework

27.   **The framework for planning and budgeting under SS is well established, with prescriptions documented within the overarching mandate enshrined in the scheme's FMP manual.** SS is a pan-India program and is implemented across all States and UTs of India. The fund-sharing (Centre and State government share) pattern for the scheme is in the ratio of 90:10 for North-Eastern and Hilly States, and 60:40 for all other States. For Chhattisgarh the applicable ratio is 60:40. The salient features of the planning and budget framework under SS as applicable to GoCG are briefed below:

- GoCG prepares a single Plan for the entire school education sector and the program is accounted for in the State Budget itself as a separate line. Further, on an annual basis, the State submits an AWP&B proposal for SS to DoSE&L, MoE, GoI. This is a detailed component-wise plan for approval by the DoSE, MoE, GoI's Project Approval Board (PAB). The approved PAB plan is adopted as a detailed budget for SIS-SS, GoCG.

- The budget process at GoI is governed by the General Financial Rules 2017 issued by the Department of Expenditure, Ministry of Finance. Additionally, the Department of Economic Affairs (Budget Division), Ministry of Finance, GoI issues detailed budget circular every year (around September) for uniform application by all Ministries/Departments of the GoI, describing the budget process along with the timelines and formats for consolidation of overall annual budgets.

- At GoCG, State Budget Manual, State Financial Rules, and circulars issued by the Finance Department establish the framework and the process for budget preparation and consolidation, as a whole. The annual State budget is approved by the State legislature before the commencement of the financial year and similarly, the annual GoI budgets are presented before the Parliament of India in the month of February before the commencement of the financial year.

- At the district level, each District prepares its respective AWP&B based on the individual sub-district (school, cluster, and block) annual plans. These district plans are then consolidated at the state CGSSS level laying out the planned expenditure under the program. The consolidated plan is placed before PAB of DoSE&L, MoE for approval.

- At the school level, School Development Plan (SDP), an integrated 'School Improvement Plan' is developed by the school. Under this plan, the SMCs incorporate their vision and the corresponding plan into a Data Capture Format (DCF) that is compiled at the sub-district and district levels before being sent to the State level for developing the AWP&B.

- The general timeline for AWP&B as per norm is as follows:
  o School level planning – July to August
  o UDISE Data collection – September to October.
  o District Plan preparation as per need and Data – November to December
  o GoI letter for Plan preparation – November to December
  o Finalization of State Plan – January
  o EC Meeting and approval of AWP&B – February
  o Submission of AWP&B to GoI – February
  o Appraisal of Submitted Plan by GoI – March to April
  o PAB minutes release date – May to June

Part 2: Performance within System Framework

28.   **The process of annual budgeting at GoI and GoCG including re-appropriations and revisions is well-defined and streamlined, governed by the extant rules and regulations.** The Meeting of the PAB for considering the AWP&B under SS is conducted annually under the Chairpersonship of Secretary, DoSE&L, MoE, GoI. A transparent and iterative process is followed and the minutes of the meeting document discussions about State-specific issues; review of past years' performance against the targets; appraisal of issues/commitments of the last year; new initiatives/approaches proposed by the States; actual releases by GoI against the approved budget of the previous year; total estimated budget for the new financial year presented by the States and the activity wise details and estimated budget as approved by GoI. After the meeting, formal minutes are circulated to an extensive distribution list for required action and or information. These minutes are very extensive and not only formally communicate the approved AWP&B for the year but also provide detailed information on the same.

29.   In the past few years, the SS plan of GoCG has been developed as per the GoI guidelines after incorporating the previous experiences of the State. All Planning data is collected from the Unified District Information System for Education (UDISE). While preparing the plan, the state-specific needs for infrastructure requirements, quality parameters, rural-urban scenario, male-female gap, social constraints, district plan, and many other factors have been considered. As a first step of plan preparation, activities were taken up for preparing of SDPs in the month of July to August. For preparing SDPs the head teachers received capacity-building training on their roles and responsibilities as per the SS context. In the second step, checking of the SDPs and consolidation of needs was undertaken at the sub-district, district, and State levels. In this regard, workshops have also been organized at the district level in the month of November and December. With this, the state completed the next step of the planning process i.e. iteration and analysis of the district plans. As a final step, the State plan (consolidating the district plans) is finalized in January.

30.   A series of meetings, workshops, and training were also organized by the state for the formulation of the AWP&B. The capacity development program on AWP&B is organized for district officials by the state SIS-SS annually and covers areas like (a) the importance of SDP and its long-term effect in school planning; (b) key indicators of SDP; (c) the need and objectives of planning at the school-level; (d) making SDP a progressive long term plan; (e) structuring SDP meetings and preparing workshop minutes for pre-project activities; (f) facilitating the participation of SMC members in developing the

SDP. There are 16 Special Focus Districts (SFDs) in the State (All are ST-concentrated districts). Chhattisgarh's 2022-23 SS AWP&B document reflects focused planning for these districts. These focused plans cover aspects such as (a) strengthening of school facilities; (b) Information Communication Technology (ICT) implementation; (c) vocational education; and opening of New Schools. Table 7 below reflects the annual timelines for SS plan preparation and AWP&B of the same.

Table 7: AWP&B preparations and approval timelines

Details	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Letter for Annual Plan from GOI	15.11.2017	16.04.2019	20.02.2020	24.03.2021	21.01.2022
Letter for District Plan	05.12.2017	29.03.2019	30.03.2020	15.04.2021	30.02.2022
The scheduled date for State Plan submission	03.01.2018	15.04.2019	04.05.2020	01.05.2021	16.02.2022
EC Meeting Date	21.05.2018	27.04.2019	20.05.2020	05.05.2021	15.02.2022
PAB Date	21.06.2018	14.05.2019	27.05.2020	01.07.2021	04.03.2022
PAB Approval Date	09.08.2018	16.07.2019	04.08.2020	20.07.2021	10.06.2022

*Timelines for FY 2022-21 and FY 2021-22 were adversely affected on account of CoVID restrictions.

31.   **Budget estimates get prepared and approved in the State before the start of the financial year. However, the AWP&B gets approved by the PAB only by the third to the fifth month of the financial year.** Hence, at the State-level a budget provision is made for state and central share on estimates based on the expenditure of the previous financial year. However, multiple tiers of planning and implementation and capacity gaps pertaining to the preparation and management of budgets often result in inadequately planned budgets and consequent delays in fund releases and low budget execution rates. **Hence, from a larger PFM perspective the DoSE, CoCG needs to strengthen its resource estimation framework to effectively and efficiently utilize its available resources.**

Table 8: Date of presentation of State budget and enactment

S. No.	Financial Year	Date of Enactment
1	FY 2022-23	March 20, 2022
2	FY 2021-22	March 25, 2021
3	FY 2020-21	March 29, 2020
4	FY 2019-20	February 8, 2019

32.   **Budget Reliability:** The consolidated position of the original and revised budgets and actual expenditures for budget heads forming part of the Program expenditure framework is shown below in Table 9.

Table 9: DoSE, GoCG budget outturns during the last five years (INR Crore)

Year	Budget	Actuals	Budget Outturns
2019-20	₹ 14,075.10	₹ 13,871,03	98.55%
2020-21	₹ 15,517.28	₹ 12,530.59	80.75%
2021-22	₹ 15,406.56	₹ 13,709.96	88.99%
2022-23 (Sept)	₹ 16,442.99	₹ 8,508.46	51.75%

33.   **At an overall State school education budget level, the table above indicates relatively acceptable budget outturn levels,** indicating a reliable planning, budgeting, and expenditure realization system. Further, Table 10 below reflects the outturn calculated for budget heads forming part of the Program expenditure framework. At the SS level, the GOCG's numbers reflect relatively lower outturns. The expenditure projections for the CHALK Program only factor in the actual annual expenditures, and that too only from the State's share. This has been done to ensure that PforR Program expenditure projections are the most reasonable and realizable estimate. Though it may be noted that the outruns were

low in FY 19-20 to FY 2021-22 on account of a slow-down in school-level expenditures due to COVID restrictions. **At an overall SS budget level, this is suggestive of large savings in budget allocations and significant adjustments through revised budgets.**

Table 10: State Performance against AWP&B for Samagra Shiksha (INR Crore)

Financial Year	AWP&B	Funds Received During the Year			Expenditure (INR Crore)	% Expenditure Against Approved Outlay	% Expenditure Against Available Funds
		GoI	GoCG	Total			
2018-19	2,629.97	886.31	636.72	1,523.03	1,654.81	63%	63%
2019-20	2,472.70	1,013.23	675.48	1,688.71	1,075.41	44%	39%
2020-21	1,966.25	350.68	249.97	600.65	958.99	49%	42%
2021-22	1,828.37	332.37	221.58	553.95	1,179.32	65%	59%
2022-23	2,027.32	489.11	326.07	815.18	998.19 (Jan 2022)	49%	68%

34.   **Variation in budget out-turns often results in a reprioritization of required expenditure with an increased focus on program norm-based expenditure with probable impact on actual ground-level needs of the individual program implementing entities beyond these norms.** The divergence between approved AWP&B, MoE/ State budgets, releases, and the actual expenditure has been a recurrent theme. Even though annual and mid-term plans are developed for sub-district levels, AWP&B primarily focuses on program norms with a limited focus on priorities emerging from mid-term program planning. The substantial gap between approved AWP&B and annual actual expenditures may be a result of multiple PFM bottlenecks (planning, budgeting, and fund flow arrangements) with a probable impact on the expenditure efficiency under the program. The impact of short releases on program activities needs to be measured and enhanced procedures should be devised to minimize this mismatch. *Also, as per the discussions on the nature of the appraisal meeting, it is found there is little discussion on strategies and limited analysis to back the plans or the appraisal process. Sufficient detailing has not been done on interventions and strategies, especially for the component of equity & learning enhancement. Hence, indicating a need to strengthen the overall planning & budgeting process with a specific focus on decentralized planning.*

35.   **Budget transparency**: The annual budgets of the GoI and the States are public documents and are accessible on GoI[4]/PS government websites. Additionally, AWP&B is available on the SS central website[5]. At the GoCG level, the State makes public the annual budget allocations and utilizations details of the State Budget on adoption by the State legislature. The annual budget speech details the budget strategies with due emphasis on the State's development focus and fiscal position. The annual 'Budget in Brief' discloses budgetary transactions and graphical splits of outlay by different sectors and departments, and budget trends for the past 3 years. These are accessible on the website of the Finance Department (*www.finance.cg.gov.in*). It provides information on the State's various resources, expenditure on development and non-development activities, and the annual plan outlays earmarked under different sectors such as Agriculture, Education, Industries, Irrigation, and so on. In addition, the outcome-gender-youth-child budget, detailed demand for grants, FRBM disclosures, performance budgets, supplementary budgets, and audited state financial statements are duly made public (www.cag.gov.in/ag/chhattisgarh/en). While initiatives have been taken toward budget transparency, however, for instance, district-level budgets for education are not public. GoCG is yet to adopt a formal framework or policy for the same. The State has developed online systems for departmental budget preparation; however, budget preparation remains an administrative process with very limited decentralized participative planning. Further, no concrete efforts are underway toward citizen awareness and engagement in the budgetary process.

Part 3: The Program Framework

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[4] www.indiabudget.gov.in
[5] *http://seshagun.gov.in/pab-minutes*

36.   **The SS, GoCG framework for planning and budgeting is considered adequate for associated functions under CHALK Program.** The Program expenditure will be budgeted in the annual budget of the SIS-SS operating under its administrative control of DoSE, GoCG with units at the state, district, block, cluster, and school levels. *However, from a larger institutional strengthening focus, the GoCG's school education planning and budgeting will immensely benefit from a system-level review focused on strengthening the overall planning & budgeting process with a specific focus on decentralized planning.*

37.   As part of the Program expenditure framework a set of budget heads supporting the cost of ongoing SS activities and initiatives which are essential for the achievement of the program results across the Program have been identified. In addition, IBRD funding will flow under a separate budget line item under the respective Demand for Grant of funding DoSE, GoCG, earmarking externally aided/ CHALK project for supporting the incremental (new) activities essential for the achievement of the DLI. All Program expenditures will be subject to audit by the appointed auditors of the SIS, CoGG.

38.   **Funding predictability is high, and risks to the Program Expenditure Framework arising out of budget constraints are considered as low.** The CHALK Program cost constitutes a relatively small portion of the overall Samagra Shiksha, GoCG budget and is well aligned with the State's school education vision priorities. Overall funding to Samagra at the GoCG level shows a recovery over the past 3 financial years, with an increase from INR 1,966 Crore (US$ 246 million) in FY20/21 to INR 2,027 Crore (US$ 253 million) in FY22/23, with a matching increase in budgeted commitment at the State level. This is equivalent to an annual increase of over 1.5% percent over the three years considered with the base year being exposed to COVID. Erstwhile, overall funding to Samagra stood at INR 2,473 Crore (US$ 309 million) in FY 2019/20 (pre-COVID year). This growth is very likely to continue in the years to come as school education continues to be both national and Chhattisgarh State's priority.

39.   Further, the State budgeted an allocation of INR 164 billion (about US$2 billion) for the education sector in 2022-23, an increase of nearly INR 10 billion (about US$122 million appx) from the allocations in FY 2021-22. Hence, CHALK's estimated program cost (USD 535.8 million) represents only 5.7 percent of the total estimated budget allocations of US$ 9.487 billion of the GoCG school education reform program budget for the period FY 2023-28. approximately 46.3 percent of the CHALK program will be financed using the counterpart finding. An equitable share of counterpart financing and a steady growth of 4.55 percent in the State's school education budget (in the past 3 years, with FY20-21 financial being a COVID-affected year), is expected to enhance the long-term sustainability of the program. The transversal reform and institutional capacity-building agenda also reflect the priorities of the government at the national level.

40.   The State had a revenue deficit of INR 6,856.66 crore as of the end of March 2021 as compared to a revenue deficit of INR 9,608.6 crore as of the end of March 2020[6]. The fiscal deficit relative to Gross State Domestic Product (4.5 percent) was within the target of 5 percent laid down under the State FRBM Act. Further, the extraneous factors affecting overall government expenditure are unlikely to affect budget allocations to the Program. **There is a high level of commitment and ownership within GoCG. The State is not observed to have cash flow issues and funds are made available for externally aided projects on a priority basis.**

41.   **The Program activities will be pre-financed by the DoSE, GoCG's annual state budget and the Bank funds will be disbursed based on the achievement of annual Disbursement Linked Results (DLRs).** The Program expenditure will be budgeted in AWP&B of SIS-SS across the multiple budget heads identified as part of the Program Expenditure Framework. Annexure I lists the budget heads forming part of the Program Expenditure Framework.

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[6] State Finances Audit Report for the year ended 31 March 2021, Government of Chhattisgarh https://cag.gov.in/ag/chhattisgarh/en/audit-report/details/117901

42.   **The SIS-SS under the oversight of DoSE, GoCG will regulate Program budget planning.** The annual plans and budgets forming part of the Program Expenditure Framework, including management and strengthening of approved infrastructure through PWD and RES, will be reviewed and concurred by DoSE, GoCG before presentation for approval in PAB conducted by GoI. As part of the Program supervision, the following performance standards would be monitored: (a) SS-SIS in consultation with DoSE, GoCG, PWD, and RES will finalize the annual Program Plan for conducting activities for achievement of the Disbursement based indicator under the CHALK Program; and (b) the Program funds will be annually budgeted based on approved Program plan approved.

C.   Procurement Planning and Management

43.   **Applicable procurement framework:** The GoCG has no specific Procurement Law/Act. In the absence of the same, the Chhattisgarh Government Store Purchase Rules, 2002, and subordinate Government Orders (GOs/amendments) are the policy documents for a Procurement Framework in the state. The Finance Department, GoCG is the custodian of these procurement rules. The procurement-related GOs are issued by the Finance Department, GoCG from time to time to regulate and govern the procurement activities in the State. The GoCG has issued the latest amendment to these rules vide GO dated Feb 28 and May 9, 2022, revising the procurement rules[7]. These rules and their amendments do not provide any specific guidelines or instructions for the selection of consultancy services. For procurement of works, the PWD codes and Work Manual is followed. The Delegation of Financial Powers (DoFP) (refer to the book of financial powers Vol I, II and III and Works Department Manual) defines various thresholds/limits for sanctioning the estimates and for providing approvals for the award of contracts based on the hierarchy in the department.

44.   **Available Procurement Methods:** Open Tender is the preferred mode of procurement and shall be used for all procurement with an estimated contract value above INR 300,000. Below this threshold, other methods such as a tender method (below value INR 50,000) for propriety items, Limited tender method (below value INR 50,000 to INR 3 lakhs) is permissible. Single stage two envelope system is the most widely used method for procurement of goods and works contracts using the e-procurement portal of the GoCG.

45.   **Publication of Tender Notice:** Under the open tendering method, (i) for the estimated value INR 3,00,001 to INR 500,000 the tender notice (NIT) is to be advertised in a widely publicized local newspaper, (ii) for the estimated value INR 500,001 to INR 1,000,000, NIT is to be published in two state level newspaper of wide circulation, (iii) for estimated value INR 1,000,001 to INR 2,000,000, NIT is to be published in two state-level newspaper and one national level newspaper of wide circulation, and (iv) for estimated value above INR 2,000,001, it is to be published at state level widely publicized newspapers and two national level newspapers of wide circulation. Moreover, the NITs are also required to be published on the procuring department's website. The bidding period allowed for submission of bids/proposals from the date of publication of NIT under various procurement methods is as per Table 11.

Table 11: Bidding period mapping against various procurement methods

Publication of NIT/Value Thresholds	Number of Days		
	1st Call	2nd Call	3rd Call
Limited Tender	15	10	5
Open tendering method			
(i) Between INR 3,00,001 to INR 10 lakhs	21	14	7
(ii) Above INR 10 lakhs	30	20	10
Global Tender (ICB method)	45	30	20

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[7] https://emanec.cg.gov.in/circulars

46.   **Standard Procurement Documents:** The state does not have a universal suite of Procurement documents/templates for goods, works, and services. The bid documents are customized by the IAs as per the requirement. The bid document/ Request for Proposal document (RFP) [as per the review of sample procurement transaction] is having various sections to enable the potential bidders/providers to submit a responsive bid. It includes the General Conditions of Contract (GCC) and Particular / Specific Conditions of Contract (SCC) clauses. It also comprises an Integrity Pact. However, Fraud and Corruption (F&C) clauses are not made part of the contract agreement, and the same is required to be included in the contract agreements.

47.   **Use of Government e-Marketplace (GeM):** GoCG has mandated the procuring entities of the state to use the e-Marketing Network portal of Chhattisgarh State Industrial Development Corporation Ltd. (CSIDC) *https://emanec.cg.gov.in* for procurement of commonly available and standard goods and services. This arrangement is similar to the GoI's e-Marketplace GeM portal *https://gem.gov.in/* The procuring entities are instructed vide GO date May 9, 2022, to use the e-Marketing Network portal of GoCG *https://emanec.cg.gov.in* for procurement of standard goods and services, and in case the required goods and services to be procured are not available on e-Marketing Network portal of GoCG, the same can be procured through GeM portal. Procurement through GeM is carried out as per the value thresholds defined in the FMP manual of SS [i.e., (i) Up to INR 50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification, and delivery period; (ii) above INR 50,000 and up to INR 30,00,000 through the GeM seller having lowest price amongst the available sellers of at least three different manufacturers, on GeM, meeting the requisite quality, specification, and delivery period. The tool for online bidding and online reverse auction available on GeM can be used by the Buyer even for procurement less than INR 5,00,000; (iii) Above INR 30,00,000 through the supplier having the lowest price meeting the requisite quality, specification, and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided by GeM].

48.   **Use of e-Government Procurement Platform** The Government Order (GO) dated May 9, 2022 (amendment to Store Purchase Rules, 2002) stipulates the use of the e-Government Procurement (e-GP) platform of GoCG *https://eproc.cgstate.gov.in/* Currently, e-GP platform of GoCG is used by the procuring entities for all procurements with an estimated value of INR 3 Lakhs (US$ 3,750 equivalent) and above for procurement of goods and consultancy and non-consultancy services, and INR 20 Lakhs (US$ 25,000 equivalent) and above for works contracts. The Program will use the same e-GP portal of GoCG for procurement i.e. from the publication of tender notice (NIT) to the award of contracts.

49.   **Evaluation of Bids:** The evaluation of bids is conducted manually (offline) by the tender evaluation committee constituted by the procuring entities. The evaluation of bids is carried out strictly based on terms and conditions specified in the bidding documents. In the case of a single-stage two-envelope system, technical bids are opened first and evaluated. Subsequently, financial bids of technically qualified bidders are opened publicly and evaluated, and the lowest evaluated responsive bid (L1) is recommended for the award of the contract. Price negotiations with L1 bidders are not permitted in general. However, under exceptional circumstances, negotiations with L1 are allowed with the approval of the competent authority after duly recording the reasons for such action.

50.   **Disclosure of Contract Award:** The contract award notices are not published/ disclosed in the eGP Platform *https://eproc.cgstate.gov.in/* and/or on the departmental website. The same will be disclosed on the procuring entity's website in the Program.

51.   **Preference Policy:** As per GO dated May 9, 2022 (para 4.7 B), certain preferences are allowed to specified categories of bidders such as MSME registered with Industry Department and valid startups recognized by GoI established in the state. Exemption for payment of EMD to such MSMEs, start-ups, etc. is permissible while participating in the procurement process undertaken by the GoCG.

52.   **Agency-wise Procurement Implementation.** For the Program, the PWD and RES of the GoCG will be responsible for procurement and contract management of construction and redevelopment of the large composite schools, and minor repair works in the smaller schools clustered around the large composite schools respectively. The agency-wise details of the procurement arrangement are given below:

▪   **Public Works Department (PWD):** The State PWD has adequate experience in implementing similar procurement of works contracts envisaged in the Program. The Department has a well-established structure in the State and its presence in all districts. The State Store Purchase Rules 2002 and subsequent amendments/ GOs circulars and guidelines issued by the state from time to time along with Works Department Manuals are followed for procurement. The roles and responsibilities and delegation of financial powers are well defined in Works Department Manual and Book of Financial Powers (Vol II). The office of the Superintendent Engineer has powers to invite tenders for a value below INR 2 crores, and Central Tender Cell headed by CE in Engineering-in-Chief (ENC) office has powers to invite tenders for a value above INR 2 crores. As per GO dated May 1, 2020, for tenders invited by the tender cell, the technical evaluation committee is constituted under the chairmanship of the Chief Engineer. The members of the committee are the Controller of Finance, Superintending Engineer, and Executive Engineer managing/supervising the concerned tender. The *use of the e-procurement portal of the GoCG https://eproc.cgstate.gov.in/* is mandatory for the department for all procurements with an estimated value equivalent to INR 20 lakhs and above and (INR 50 lakhs in Bastar Division of Chhattisgarh i.e., in Naxalite affected area). A single-stage two-part system (technical bid and financial bid) of bidding is followed using the e-procurement portal under the open tendering method. Below this threshold, a manual process is followed for tendering. For bidding, contractors are required to register themselves in a unified registration system called e-Panjeeyan maintained by the PWD department. Contractors are registered under Class A, B, C & D categories based on their capacity and experience. However, for tenders valued above INR 30 crores, tenders are invited without such requirements provided that the successful contractors shall register themselves with the department within 15 days after the issuance of LOA. As per State Stores Purchase Rules 2002, amended 2004 and 2022, the potential opportunities should be published in widely published two state-level daily newspapers for 21 days for tender value from value INR 3 lakh up to INR 10 Lakh and in two state-level, and one national-level daily newspaper for 30 days for tender value above 10 lakhs under open tender process. In the case of a global tender, potential opportunities are published in two widely published national-level daily newspapers and two regional newspapers and 45 days is provided for bid submission. The agency has standard bidding templates for construction and maintenance works i.e., "Form A" for Percentage Contracts and "Form B" for Item Rate Contracts. Bid evaluation is done strictly based on the criteria stated in the tender documents. Various types of tenders are floated as per the requirement e.g., percentage rate tender, lump sum tender, and item rate tender. At the time of financial evaluation market risks are assessed and tenders that are 10% below SOR are sanctioned with additional Performance Security to cover up the risk of non-performance.

▪   **Rural Engineering Services (RES):** The RES is the Government Department of the State of Chhattisgarh mainly responsible for providing technical and implementation support for procurement of low-value construction activities under various Government schemes/ projects carried by Gram Panchayat in the rural areas. The department has experience in implementing 115 schemes and 60,737 contracts approximately. The department has its head office located in Raipur and project offices in various districts. The agency follows GoCG Store Purchase Rules, 2002, and subordinate amendments / GOs, PWD Codes, and Works Department Manual for procurement of works contracts. The agency follows clearly defined roles and responsibilities defined in PWD Works Department Manual (refer to Appendices 1.22 to 1.32 A), and delegation of financial powers vide Government notification dated July 26, 2011. As per the notification, the Executive Engineer has the powers to accept and award the tender up to INR 40 lakhs, Superintending Engineer up to INR 1 crore and Chief Engineer up to INR 4 crores. As per the office circular dated 27 September 2010, for all works contract estimating INR 1 Lakh

and above, a tender committee must be constituted under the chairmanship of Executive Engineer of the concern divisional office with divisional accountant as member secretary and senior sub divisional officer of the division as member of the committee to invite bids and carry out the technical and financial evaluation and acceptance of contract award or its rejection. All procurement and contract execution are carried out at divisional level (i.e., by Executive Engineer, Assistant Engineers and Sub Engineers) and payments are made to the contractors by the same office. As per GO dated June 6, 2020, *use of e procurement portal of GoCG https://eproc.cgstate.gov.in/* is made mandatory for all procurements with estimated value equivalent to INR 20 lakhs and above (INR 50 lakhs for Naxalite affected area). Single stage two-part system (technical bid and financial bid) is followed using e procurement portal under open tendering method. Below the thresholds, manual process of tendering is followed. The department also follows Zonal tendering method (i.e., contracting through empanelled list of contractors for very small value contracts (value up to INR 10 Lakhs) in remote locations. The agency follows the standard bidding templates of PWD for construction and maintenance works i.e., "Form A" for Percentage Contracts. The estimates are based on current SOR, revised on November 1, 2021. The advertising rules as per the Government notification dated March 1, 2019, is followed: (i) if the estimated value of work is below INR 25 lakhs, NIT is published in two state level (Hindi and English) newspapers and two regional level newspapers of wide circulation; and (ii) if above INR 25 Lakhs, NIT is published in two national newspaper (Hindi and English) and in Indian Trade Journal. Bids are invited through eligible bidders registered with the PWD under various classes. As per the Government notification dated June 20, 2017, a minimum of 15 days' time (1st call) is allowed for submission of bids from the date of publication of the tender notice. In case of rebidding, a minimum of 10 days (2nd call) and 7 days (3rd call) is allowed. The contractors registered with PWD department are eligible to bid. The bid security (EMD) of 0.5-2% is taken depending up on the estimated value of the work. 5% of the tender value is deposited as Performance Security prior to signing of the contract, and 5% retention money is deducted from each running bills. As per letter no. 6762/PRD/22/2013 dated September 6, 2022 for construction of Panchayat and Rural Development Department, post tender negotiations with L1 bidders is not permissible under normal circumstances. Only in exceptional conditions, it is permitted with L1 with prior approval of the competent authority.

- Broadly, the steps followed by the PWD and RES for procurement of works are:

    o Prepare of cost estimate and budget and budget
    o Obtain Administrative Sanction for the works to be undertaken in the Program
    o Prepare Detailed Project Report (DPR) including Drawings and Bill of Quantities (BOQ) with detailed scope and specifications for works
    o Obtain technical sanctions from competent authority
    o Publish Notice Inviting Tender (NIT) in newspaper and on Jansampark portal (Directorate of Public Relation Portal: jansampark.cg.gov.in)
    o Upload tender Press NIT on Jansampark portal
    o Pre -bid meetings, clarifications, etc.
    o Online submission of bids
    o Online public opening of technical bids
    o Conduct technical evaluation of bids by tender evaluation committee (offline process)
    o Notifying the technically qualified bidders
    o Online public opening of financial bids of technically qualified bidders
    o Select lowest evaluated responsive bidder (L1)
    o Issue Letter of Award (LOA) to L1 bidders
    o Submission of Performance Security
    o Contract Signing

- o Contract Management (monitoring and supervision including Quality Control, delivery, inspection, insurance, payments, deduction of retention money, etc.)
- o Completion of the contract

53.   **Procurement Performance Data:** Sample procurements have been analysed based on the data received from the three procuring agencies. The below table reflects the core performance indicators of the main agencies under this program.

Table 12: Agency-wise procurement data analysis

Metrics	SIS-SS	PWD	RES
Performance on procurements value equivalent to INR 10 lakhs (US$ 12,500) and above conducted during last 5 years			
No. of similar contract packages floated (volume)	04	07	67
Use of open tender method (percent)	75%	100%	100%
NIT published in e-procurement portal/ newspaper (percent)	75%	100%	100%
The average number of days for bid submission (Days)	26	18	16
Average procurement cycle time (Days)	112	101	69
Bidder participation (average number of bids/quotations)	04	06	03
Single bid or no bid received (percent)	Nil	Nil	6%
Contract awarded beyond original bid validity period (percent)	Nil	29%	6%
Contracts with cost overrun (percent)	Nil	71%	6%
Contracts with time overrun (percent)	75%	86%	33%
No. of Bids retendered (percent)	Nil	Nil	16%
No. of contracts canceled (percent)	Nil	Nil	Nil
No. of complaints received (no.)	Nil	Nil	Nil

54.   **Key findings from the analysis of procurement performance data:**

a.   Specific to RES bidding, it is observed that there is a lack of competition among bidders i.e., on average, only 2-3 bids are received, and in some cases, a single bid scenario occurred.
b.   In all cases, the time provided to bidders for submission of bids from the date of publication of NIT is not adequate i.e., less than 30 days. This is not as per the state procurement norms.
c.   In the case of PWD, there are cases of cost overrun. However, cost overrun is not more than 10-15% in most cases.
d.   In the case of PWD and RES bidding, there is a substantial number of cases of time overrun. This is mainly due to delays in the release of funds to the departments after the first installment, and hence delays in making payments to the contractors and delay in contract completion.

55.   **Contract Administration:** In India, the Indian Contract Act, of 1872 prescribes the law relating to contracts. Agreements for the sale of goods are governed by the general principles of contract law. A contract for the sale of goods has, however, certain additional aspects such as transfer of ownership of the goods and quality aspects implied under a contract for sale of goods, and so on, which are not covered in the Contract Act. These additional aspects are the subject matter of the provisions of the Sale of Goods Act, of 1930. These two are substantive laws that create or define rights, duties, obligations, and causes of action that can be enforced by law. In addition to these, Indian Arbitration & Conciliation Act 1996 provides for dispute settlement either by a process of conciliation and/or by arbitration. This act is based on a 'United Nation's Commission on International Trade Law Model Arbitration Law' with an objective to minimize the supervisory role of courts in the arbitral process and to provide that every final arbitral award is enforced in the same

manner, as if it was a decree of the court. It covers both international and domestic arbitration and conciliation. This act was first amended in 2015 to clearly spell out provisions related to independence, disqualification, and obligations of arbitrators at the time of appointment; fast-tracking of arbitration cases; simplification of procedural aspects primarily introducing the provision of interim relief. Act was again amended in 2021 to allow for an automatic stay on enforcement of any arbitral awards if the courts find any clear evidence that the award is influenced by fraud or corruption.

56.   In general, contract management is carried out as per the conditions of the contract agreement. For the centralized procurement, contracts are managed and monitored by SIS-SS, and payments are made after satisfactory delivery and installation of required goods at the site and on obtaining delivery challan and confirmation from the respective field offices. For works contracts, the contract execution is done at the decentralized level by the concerned Executive Engineer. The day-to-day contract monitoring and supervision is carried out by the concerned Assistant Engineer and Junior Engineer. The state PWD contract management practices as prescribed in PWD Works Manual are followed. The work progress is recorded in MB and accordingly, payments are released to the contractors based on the progress of works and on achieving contractual milestones. Both construction agencies have a quality control mechanism in place to carry out periodic checks of various construction activities. At the state and district level, PWD and RES have quality control units. RES has Chief Technical Examiner (CTE) under General Administrative Department (GAD) to check the quality for strength, durability, and frequency of tests. At the field office level, department officers inspect the work from time to time. Material testing is done in certified labs and after successful results payments are made to the contractor. PWD and RES use a works & contract management IT application called, 'e-Works'. This application is integrated with the the e-Procurement system (eproc.cgstate.gov.in) of the state. Work Codes (unique ID for Administrative Sanctions) for all the tenders floated on the e-procurement system are validated through e-Works. The result of procurement is shared by the e-procurement system of the state with the e-Works system, thereby ensuring the availability of correct information on tender, and selected bidder on e-works. Award of contracts to contractors is generated through e-works. A unique contract ID is created in the 'e-Works' system for every contract. Details of work undertaken by the contract are maintained in e-Works and payments to the contractors are also made through this system. Physical copy of the contract documents is also maintained at the respective offices of the department.

D.   Funds Flow, Accounting, and Financial Reporting

Part 1: Country Systems Framework

57.   The larger GoCG's school education reform program, and SS (being a Centrally Sponsored Scheme) follows GoI's mandated and regulated fund flow, accounting and transparency systems. The key features of the country systems are as follows:

- **At the Central Level - Fund transfer to States/ UTs: DoSE&L, MoE, GoI release funds through Public Financial Management System (PFMS)[8] under the administrative control of the respective State's nodal department.** On release of central share, state government releases central funds along with matching state share to the designated Bank account of the SIS. Annually, funds are resealed in two – three tranches as detailed out in the FMP manual.

- **The Public Financial Management System (PFMS) is a web-based online software application** developed and implemented by the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance, Government of India. PFMS started during 2009 with the objective of tracking funds released under all Plan schemes of Government of India, and real time reporting of expenditure at all levels of Programme

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[8] *https://pfms.nic.in/NewDefaultHome.aspx*

implementation. Subsequently, the scope was enlarged to cover direct payment to beneficiaries under all Schemes. The primary function of PFMS today is to facilitate sound Public Financial Management System for Government of India by establishing an efficient fund flow system as well as a payment cum accounting network. PFMS provides various stakeholders with a real time, reliable and meaningful management information system and an effective decision support system, as part of the Digital India initiative of Government of India. PFMS has established interface with the treasury systems of all the States and UTs with Legislatures. This facilitates exchange of data regarding budget, allocation and expenditure against the central transfer of funds for Centrally Sponsored Schemes of the GoI. As the backbone of the payment system of the Government of India, PFMS is integrated with the Core Banking system in the Country, and hence, has the unique capability to first validate the account before pushing online payments to almost every beneficiary/vendor.

- **At the State level (as applicable for GoCG), fund transfer to district and sub-district level**: Fund flows and payments are governed by the Treasury Rules/Code and periodic circulars issued by the Finance Department, GoCG. Depending on sanction orders of the Nodal department and MoE, SIS-SS transfers the fund allocations to district and sub-district levels following AWP&B. Post application of SNA guidelines, funds till the last level i.e. till schools are notionally transferred through Zero balance child accounts.
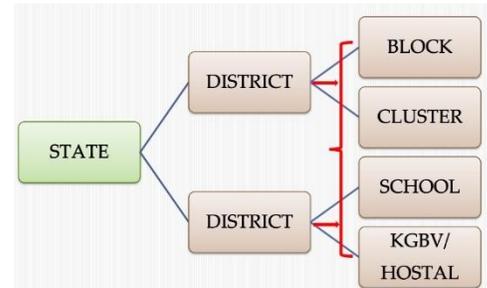
- **Single Nodal Agency (SNA) Model for flow and monitoring of CSS funds:** To reduce float outside the Consolidated fund of India (CFI) and to monitor the flow and utilization of funds under the Centrally Sponsored Schemes (CSS), a new procedure for the flow of funds under CSS was notified by the Department of Expenditure, Ministry of Finance, GoI on March 23, 2021. Under the new procedure, each CSS is to be implemented by a Single Nodal Agency (SNA) having a Single Nodal Account in a scheduled commercial bank. The down the line Implementing Agencies (IAs) use Zero Balance Accounts to draw funds from the SNA account.

Part 2: Performance within System Framework

58. **The treasury systems of the GoCG are robust, well established, and have been used under several World Bank operations.** The Reserve Bank of India is the banker to the GoCG; receipts and expenditures transacted at various treasuries are routed to a single treasury account. At the department level, the GoCG follows a system of Comprehensive Budget Release and Distribution to ensure streamlined flow of cash every month based on the approved work plan to ensure financial control, and accountability. There is no physical movement of funds and all the DDOs draw their bills through the PFMS which has online Bill submission, processing, tracking and payments including enhanced refund management process.

59. **Funds flow under Samagra Shiksha follows the PFMS linked SNA model up till the last point of payment.** For fund flow under Samagra Shiksha (and all other Central Assistance to the State Development Schemes), GoCG has introduced PFMS linked SNA model with zero balance child accounts at the district and the sub-district level. This has facilitated effective cash management and non-parking of idle funds. Further, works departments like PWD and RES follow fully automated payment and contract management systems. PWD and RES are also departments implementing Bank-funded Chhattisgarh Public Financial Management Reform project for end-to-end integration with CoGH state treasury E-Kosh and RBI E-Kuber system. These integrations are at a fairly advanced level and the two departments are effectively contributing towards the achievement of Program DLIs.

60.   **Funds flow analysis**: Delays in the availability of funds were analyzed, based on the data provided. In recent years, it is seen that there are delays in the release of GoI and state share of SS to the SIS.

Table 13: Summary of delay (days) in the release of GoI share and state Share of SS to the SIS

	FY 2020-21	FY 2021-22
Delay in Release of GoI Share by GoCG to SIS-SS	103	86
Delay in Release of GoCG Share to SIS-SS	103	86

*Timelines for FY 2020-21 were adversely affected on account of CoVID restrictions.

Table 14: Details of delay (days) in the release of GoI share and state Share of SS to the SIS

Financial Year	GOI Share in Lakh	Date of Release GOI	Date of Release of GOI Share by GoCG to CGSSS	Delay (In Days)	Average delay in	Go CG Share	Due Date of Release State Share	Date of Release GoCG	Delay (In Days)	% Of State Share
2020-21	4,498	15-Jun-20	28-Aug-20	74		2,999	15-Jun-20	28-Aug-20	74	40%
	3,002	30-Jul-20	4-Dec-20	127		2,002	30-Jul-20	4-Dec-20	127	40%
	16,632	18-Dec-20	26-Feb-21	70	103	11,088	18-Dec-20	26-Feb-21	70	40%
	10,936	31-Mar-21	19-Aug-21	141		7,291	31-Mar-21	19-Aug-21	141	40%
Total	**35,068**					**23,379**				
2021-22	17590.84	20-May-21	28-Aug-21	100		11727.22	20-May-21	28-Aug-21	100	40%
	620.35	30-Nov-21	11-Mar-22	101	89	413.57	30-Nov-21	11-Mar-22	101	40%
	9408.6	16-Dec-21	11-Mar-22	85		6272.4	16-Dec-21	11-Mar-22	85	40%
	5616.99	30-Mar-22	6-Jun-22	68		3744.65	30-Mar-22	6-Jun-22	68	40%
Total	**33236.78**					**22157.84**				

61.   **Delays in releases/ transfers from state treasury are sometime due to multiple reasons like treasury procedures; utilization rate of available funds and change in fund flow system.** Often it is observed that there are substantial large tranche releases by GoI. However, at GoCG state treasury level on account of fund management issues the subsequent releases are made in multiple staggered tranches. Further, in light of the application of SNA regulation in FY 2021-22, there were substantial delays in release of funds on account of implementation challenges. The SNA regulation brings with it nuances which needs to be addressed both at the implementation levels. As of February 2022, SNA account and the associated child accounts have been opened for the whole of SS program up till the school-level. All earlier bank accounts originally opened under the program have been deactivated and only SNA linked zero child balance accounts operates for all Implementing Agencies (IAs) uptill SMC level. All transactions by the IAs are being made using the Receipt, Expenditure Advance & Transfer (REAT) / DBT Modules of PFMS with application of Digital Signature Certificate (DSC) for the payments approving authorities at different levels as decided by the State.

62.   **While the SNA model has substantially enhanced cash management under the program, multiple implementation challenges have also emerged.** Some of the key challenges are: (a) lack of effective information interface between PFMS system and the Banking network, hence not only requiring duplication of efforts but also resulting in errors at each level; (ii) increased reliance on banking network has become a bottleneck due to limited knowledge and efforts at the banking end; (iii) the radical change in handling the funds and increased reliance on systems also requires responding changes in the accounting practices at each level. Lack of attention to this area has led to increase in accounting inefficiencies and confusion at the sub-district levels; (iv) network issues in access to PFMS system; (v) limited trainings at all levels.

63.   **No direct cash transfers/ payments occur under the SS program.** All payments under the program are made through electronic mode and are mapped through the PFMS. Only few pretty cash transactions, only at remote locations got highlighted as part of IFSA analysis. The same are also on reducing trend after roll-out of SNA.

64.   **Accounting is done on cash basis using government systems. Accounting, book-keeping and financial reporting at SIS-SS is primarily guided by the FMP Manual, Treasury Rules, Financial Rules and Budget Manual etc.** Books of accounts for the program are maintained following 'double entry method based on mercantile system' of accounting. Head of Expenditure (Chart of Accounts) are the same as per the approved AWP&B. The financial statements are prepared as per heads approved in AWP&B. This is used by all implementing entities (up to district level) to ensure consistency in recording/ reporting of information. The program FMP manual rules lay down policies and procedures for the entire FM cycle, from budgeting to accounting/internal controls and prescribe formats for reporting and record keeping. Accounts are maintained electronically as well as manually at state and district offices. TallyPrime software has been used since 2005 and the software is also implemented at block offices. At the school level, accounts are maintained manually.

65.   **Samagra Shiksha accounts are prepared broadly on time but with continuing independent review observations.** SIS-SS consolidates the Samagra Shiksha accounts for all the program implementing agencies. The district implantation units are responsible for consolidating accounts for the Blocks, Clusters and Schools under their jurisdiction and submit the same to the State society office. SIS-SS thereafter consolidates the program accounts and submits the same for audit. While the accounts are prepared largely on time with some delays (refer Table 15 below for timeline of annual accounts preparation), there continues to be accounting inconsistencies being highlighted by independent auditors. The same shall be summarized in the subsequent sections. However, on analysis it is observed that the nature of these observations are not material enough to render the accounts unreliable. Hence, the existing accounting system along with suggested mitigations measures is deemed adequate for accounting under the Chalk Program.

Table 15: Timeline for preparation of annual accounts of Samagra Siksha scheme

Financial Year	Preparation of Annual Accounts*	No. of months from end of FY*
2018-19	August 30, 2019	5 months
2019-20	June 30, 2020	3 months
2020-21	June 30, 2021	3 months
2021-22	August 31, 2022	5 months

Part 3: The Program Framework

66.   **The CGSSS Accounting and SNA framework and functioning is considered adequate for associated functions under CHALK Program.** Further, system strengthening reform have been suggested to form part of the DLIs and PAP actions. The expenditure under the program will be incurred both at the SIS-SS and at support implementing units (PWD and RES) including district and sub-district offices. All the Program units will follow Samagra Shiksha-SNA and CHALK-SNA channel for incurring expenditure along the Program expenditure framework.

67.   **The Program activities will be pre-financed by the GoCH's annual state budget and the Bank funds will be disbursed based on the achievement of annual Disbursement Linked Results (DLRs).** The Program Expenditure will be budgeted in the AWP&B of SIS-SS across the multiple budget heads forming part of the Program Expenditure Framework. The Program budget allocation and fund flow system will follow dual approach, and thereby ensure adequate fund availability for the Program activities:

- **SNA for Samagra Shiksha program**: The existing AWP&B heads forming part of the SS program and presently funded though SS SNA account will receive allocations, based on work plans and activities approved by CGSSS, CoCG. The incremental allocations based on the scaling up of activities on account of CHALK result agreements under these existing heads shall be duly provided based on work plans and activities approved.

- **SNA for CHALK Program**: The incremental Program funds will flow under a separate budget line earmarking Externally Aided/ CHALK Program funding both at DoSE, GoCG and GCSSS. The incremental Program funds shall flow from DoSE, GoCG through the state treasury route and shall then be released in tranches into the Chalk SNA account opened specifically for the CHALK Program. This separate SNA account is being opened as under the directions of Department of Expenditure, GoI dedicated SNAs are opened for each scheme and funds for only that respective scheme source can flow through a dedicated SNA. The funds from CHALK-SNA shall be devolved to the implementing agencies through the following approach:

  o SIS-SS will directly access funds through CHALK-SNA at state level and shall further open district and/ or sub-district level zero balance child accounts, if so required, under the approved annual CHALK work Plan.

  o The PWD and RES are also implementation agencies under the program as they would be undertaking key procurement activities, servicing the infrastructure strengthening component of the program. PWD will look after brown-field construction of ~300 model schools and RES will take undertake minor repair works for select schools. PWD/RES may operationalize the same via their district / divisional level units undertaking the procurement activities at a local level as per State norms. However, for all functions across the PFM cycle (planning, budgeting, accounting and audits) related to the incremental activities these departments will undertake under CHALK Program, PWD and RES will follow Samagra Shiksha procedures under supervision of SIS-SS, GoCG with oversight of DoSE, GoCG. Both PWD and RES will open zero balance, child bank accounts linked to CHALK – SNA and all payments related to budget heads falling under CHALK Program Expenditure Framework shall be processed through these accounts.

68.   **CHALK Program accounting will be on a cash basis with accounts maintained electronically.** Expenditure will be recorded and reported at the time of final payment for works, goods, services, and other expenditures. Accounting will be guided by the Samagra Shiksha FMP Manual. The implementation of rules lay down policies and procedures for the entire FM cycle, from budgeting to accounting/internal controls and the prescribe formats shall be monitored through regular internal and statutory audits. Adequate records will be maintained at accounting locations and will include vouchers, invoices, cashbooks, ledgers, and asset registers. A separate entity in Tally will be opened to do accounting for expenditures incurred through CHALK SNA account. PWD and RES have well operational online contract management systems well integrated with the GoCG Integrated Financial Management Information System (IFMIS) with monthly reporting to State Accounting. The CHALK Program related contracts shall be separately accounted and monitored in the respective contract management system with monthly reporting to CGSSS. In addition, PWD and RES will roll-out Tally module to maintain accounts for expenditures incurred through CHALK SNA linked zero balance child bank account. Further, PWD and RES will send monthly accounts to CGSSS for overall monitoring.

69.   As part of the Program supervision, the following performance standards would be monitored:

- CHALK SNA Balance report, to ensure that adequate funds are maintained at all times for the substantial incremental activities required to achieve Program results;

- Monitoring of incremental works payments through CHALK SNA linked zero balance child bank account with PWD and RES. The Bank will also follow up on the status of vendor payments for Program Expenditures on a bi-annually basis during the program life. Report on program expenditure outstanding payments will be shared quarterly by the PWD and RES with CGSSS in a format agreed with the Bank.

E.   Financial and Procurement Management, Staffing, and Capacity Building

70.   **The financial management staffing in the State follows FMP manual norms.** At SIS-SS, the state finance controller is responsible for implementation of Program financial management arrangements as well as for monitoring the FM systems at district/sub-district levels. Further, at district and sub-district level appropriate staffing structure has been laid out in the FMP manual. Table 16 and 17 below reflects staffing position under SS.

Table 16: Level-wise details of sanctioned posts and vacancies

Level	Sanctioned	Filled	Vacant	Percentage Vacant
State	5	5	0	0%
District	56	19	37	66%
Block	900	649	261	29%
Total	**961**	**673**	**298**	**31%**

Table 17: Post-wise details of sanctioned posts and vacancies

Name of Post	State			District			Block		
	Sanctioned	Filled	Vacant	Sanctioned	Filled	Vacant	Sanctioned	Filled	Vacant
Finance Controller	1	1	0	0	0	0	0	0	0
Assistant Account Officer	1	1	0	0	0	0	0	0	0
BRC	0	0	0	0	0	0	150	160	0
BRC-CWS	0	0	0	0	0	0	300	164	136
Auditor	1	1	0	0	0	0	0	0	0
Accountant	1	1	0	56	19	37	150	130	20
Data Entry Operator	1	1	0	0	0	0	150	150	0
MIS Co-Ordinator	0	0	0	0	0	0	150	45	105
Total	**5**	**5**	**0**	**56**	**19**	**37**	**900**	**649**	**261**

71.   **On an average, SIS-SS is functioning at approximately 70% of the sanctioned strength.** There is cause for concern since there are many vacancies at district and sub district levels. Vacancies at the District level need to be filled at priority since these staff play a leadership role in supervising the field level activities. If unattended, there is an underlying risk of impact on internal control applications like segregation of duties or may result in in-appropriate utilization of technical resources through additional charge for finance function, specifically at sub-district level. Further, the time when the FM staffing norms were defined in the FMP manual, most of the FM functions were manual. Subsequent to TALLY roll outs and introduction of PFMS and SNA systems, many functions have become automated/ electronic. This calls for the SIS-SS to assess the actual human resource requirement on the ground and subsequently draw a time bound requirement plan. It may also be noted that for ensuring robust FM functions under the SS program, there is a need to augment staff strength to enhance the monitoring and oversight role. Given that the scheme has over 50,000 implementing units, it will greatly benefit from strong oversight (PAP action). However, from the CHALK Program implementation standpoint, this does not pose a high fiduciary risk, as individual since expenditure at individual sub-district level (Block/ Cluster/ School) is around INR1,25,000/ annum (less than USD 2,000).

72.   **The existing FM staff strength needs to be augmented to support the FM aspects of the Program.** The existing CGSS FM staff is currently managing the FM aspects of SS. However, with the scale up of activities as envisaged under the Program there would be a need to strengthen the existing FM staff strength at SIS-SS. Under the Program, a PMC will be engaged to support SIS-SS in the day-to-day functioning under the Program. It is agreed an FM specialist shall be engaged as part of this PMU to support the fiduciary functions under the Program both at SIS-SS. The Terms of Reference (ToR) of the said resources shall be drafted in consultation with the Bank. Also, the arrangement of functional responsibilities of existing finance and accounts staff for supporting SS needs to be clearly established for supporting the CHALK Program.

73.   **As per the program norms, a minimum of 5 days of training is to be provided to all accounts and audit staff.** The accounts staff so trained at the district level is expected to provide training to block level staff, who in turn are expected to provide training to staff at the cluster and the school level. The table below reflects the status of training conducted during the past few years.

Table 18: Details of financial management training conducted

Financial Year	Name of Training	Mode of Training	No. of Training Days	Number of Participants
2019-20	Training of APC (Fin.) & Accountants regarding Advance adjustment	Online	1	36
	Training of KGBVs Superintendent & Accountant for Bookkeeping	Online	1	153
	Training of APC (Fin.) for Costing & Budgeting	Online	1	40
	Total		**3**	
2020-21	Training for Advance adjustment	Online	1	204
	Training of APC (Fin.) & Accountant for expenditure Analysis	Online	1	54
	Training of APC (Fin.) for Costing & Budgeting	Online	1	40
	Total		**3**	
2021-22	Training of State Officials for PFMS	Online	0.5	10
	Training for Account Closure & Preparation for PFMS	Online	1	231
	Training for implementation of PFMS	Online	0.5	54
	Training for PPA Generation & Account Mapping in PFMS	Offline	1	54
	Training by CA for GST/ TDS return filing	Offline	1	204
	Training of APC (Fin.) for Costing & Budgeting	Offline	1	54
	Total		**5**	
2022-23	Training for strengthening of finance person on PFMS	Offline	1	81
	Training of CAC's and other ground staff for preparation of Digital Signature	Offline	1	5540
	Training cum Meeting of DMCs & ADPOs for Expenditure Analysis	Offline	1	54
	Total		**3**	

74.   **FM training is limited to addressing issue-based approaches.** Analysis of the training content highlight that there is a need to evolve the training practices to enhance the effectiveness of these trainings. Hence, it is essential that need based, thematic area wise training should be conducted. The training plans should take cognizance of the observations highlighted by in independent reviews including internal and audit observations. Further, given that there is constant change in financial management personals it is suggested that GoCG should take the initiative of developing FM Orientation and Training Module (on-line, self-paced) for providing concurrent need-based training. It is suggested to be a -tier capacity building initiative giving due consideration to the respective roles, responsibilities and related FM duties: (i) GOI FM team and State Finance Controllers; (ii) state/district/sub-district accounting staff; (iii) SMCs; and (iv) SNA bank (including sub-district branches). This module shall be rolled out in addition to the physical trainings on thematic areas.

75.   As part of the Program supervision, the following performance standards would be monitored:

- FM staff vacancies at all levels under Samagra Shiksha Program.

- Engagement and continuation of FM consultants as part of PMU.
- Timelines and content of training imparted to FM staff.

76.   **Procurement management capacity:** There are several vacant positions at various levels of operation. With procurement management expected to be an area restricted to the State and district levels, there is a need to fill these vacancies. The State and the procuring entities should hire/deploy an adequate number of staff at the district level to ensure effective contract monitoring and supervision and for timely contract implementation. In the case of PWD and RES, with the work under the CHALK Program being a relatively small subset of their overall work, the focus would need to be on ensuring that sufficient staffing is assigned for procurement management. To monitor and support the overall procurement management under the CHALK Program, the SIS-SS plans to engage a dedicated procurement specialist as a part of the PMC it will onboard for supporting Program implementation.

Table 19: Status of Sanctioned, Filled and Vacant staffing responsible for procurement and contract implementation

Agency	Procurement and Contract Management		
	Sanctioned	Filled	Vacant
SIS-SS	61	24	37 (39%)
RES	822	594	207 (25%)
PWD	3,498	2,342	1156 (33%)

F.   **Internal Controls and Internal Audit**

77.   **The Samagra Shiksha internal control framework is well defined in the FMP Manual**. At the national level, these are detailed in GFR 2017, the Government Accounting Rules, 1990, and the Central Government (Receipts & Payments) Rule. At GoCG, these are detailed in the budget manuals, financial rules, treasury code, delegation of powers etc. At central level, computerized treasury system supports generation of budget head linked expenditure reports on a real-time basis and mechanism is prescribed for periodic reconciliations of transactions and accounts with State treasury and AG (A&E). Oversight over compliance with internal controls is vested with the head of the department and the Finance Department and is also reviewed by the C&AG during annual audits. At states, oversight over compliance with internal controls is largely vested with the Executive Committee and the project director at the States and is also reviewed by the C&AG during performance audits of the societies.

78.   **In Chhattisgarh, internal controls at CGSSS are well defined, though there are deviations in their applications.** *Hence, internal controls remain an area of concern both from compliance and review perspective.* Not only does the statutory/ independent audit review continues to highlight systemic discrepancies, there also remains lack of adequate focused review by way of internal audit system. The IFSA assessment reflects that SIS-SS needs to augment its FM team to strengthen the application of internal controls across the program implementation. These is a need to (i) establish a SIS-SS, state office level, internal control monitoring cell; (ii) strengthen the internal audit function; and (iii) establish audit observations review and addressable mechanism on the lines of establishing Audit Committee.

79.   The IFSA analyzed the internal and external audit reports of the previous years to assess the internal control environment under the program:

- Unreleased funds with State Government
- Procurement procedure 'Not Produced' / 'Not Followed' at certain units
- Certain expenses not provided for in AWP&B
- Non-Closure of Bank Account in few remote district and sub-district units even after opening of SNA.
- Bills / Supporting document of expenses not produced
- Non-Compliance of Statutory provisions

- Expenditure through bank account of staff at sub-district level
- Cheque in transit pertaining to earlier year/s
- Certain payments made otherwise than by account payee cheques.
- Balance standing in Suspense Account waiting for resolution.

80.   Program arrangements will include the following arrangements for internal controls: (a) processing of all payments through PFMS-SNA linked bank accounts; (b) no use of commercial bank accounts at any level or cash payments excepts for small petty cash transactions in remote areas; and (c) periodic financial reporting and reconciliation. **With the internal controls described earlier and the internal and external audit by a firm of Chartered Accountants, there is a reasonable assurance that adequate controls are in place for all transactions/payments.** However, the Internal Audit and External Audit Reports have provided significant and pertinent information about working of the PFM cycle and areas for strengthening. Based on the dialogue, the Bank team is aware that the CGSSS, in addition to the suggested mitigation actions, is taking specific corrective actions to strengthen the identified FM weaknesses.

81.   **For Samagra Shiksha Program, GoCG Internal Audit has been initiated recently, are well functioning but can benefit from enhancements.** From Financial Year 2020-2021, the State Implementing Society has introduced proper internal audit system to ensure proper utilization of funds approved in the AWP&B. The State does not have an in-house internal audit team and it has hired the services of qualified Chartered Accountant (CA) firms for carrying out internal audit also as per the TOR provided in Annexure IX of the framework for implementation of the SS scheme. For the financial year 2021-2022, a total of three firms have been appointed to conduct the internal audit. The work of 27 districts is dividend five divisions, with two firms conducting the work in two divisions each and the third firm conducting work of one division. The internal audit is conducted on half yearly basis and the CA firms do the work by making visits to the field. For the financial year 2021-2022, the audit work is duly complete and reports received. For 2022-2023, the appointment has been recently made and the work of first six months has already commenced.

82.   The scope of internal audit includes: (a) payment audit as well as independent appraisals of the financial, operational and control activities of the program; (b) reporting on the adequacy of internal controls; (c) All funds have been used in accordance with the condition of the relevant financial norms and financial regulations; (d) Goods, works and services financed have been procured in accordance with relevant provisions of the Procurement Procedure; (e) All necessary supporting documents, records and accounts have been kept in respect of all program expenditure etc.

83.   **On Review on the reports, it is observed that the Internal audit function can be made more effective** by strengthening the ToR of audit in line with good industry practices, such as increase in the scope and coverage through risk-based audits, specialized review in the functional areas of asset procurement, inventory/stock audits (by providing detailed checklist on important aspects to be covered), and an effective compliance and follow-up mechanism it is observed that the approach of audit needs to be further strengthened to incorporate risk based, thematic area focused Internal Audit approach.

84.   Program arrangements will include the following arrangements for internal controls: (a) Annual Internal audit of Samagra Shiksha will also cover functions under CHALK Program, specifically flowing out of CHALK SNA account. The internal audit ToR shall be expanded in consultation with the Bank. (b) PWD and RES are covered under CoGH state internal audit mandate. However, for CHALK Program functions, internal audit will be conducted by the internal auditor of Samagra Shiksha program as per the Bank agreed ToR.

85.   As part of the Program supervision, the following performance standards would be monitored:

- Timelines of Annual Internal Audit.

- Internal Audit ToR enhancements.
- Internal Auditor extension, rotation and engagement process.
- Internal Audit Observation Review and Resolution.

G.   External Audit and Oversight

86.   The audit of the state accounts is conducted annually by the Supreme Audit Institution—CAG of India—and reports are generally issued 12-15 month after the completion of the respectively financial year. The reports are tabled before the State Assembly and are made publicly available on the website of the CAG. The audit paras are reviewed by the Public Accounts Committee and recommendations are made to the GoCG. The CAG of India also carries out performance and compliance audits of the 'General and Social Sector' each year, that include operations of the DoSE&L, GoI and such reports are issued together with the state accounts. A review of audit report for FY 2019-20[9] has not reported any serious accountability issues on budget execution, misappropriation of funds, and fraud- and corruption-related areas.

87.   **The audit of Samagra Shiksha is conducted annually by a firm of Chartered Accountants and reports are generally issued in the month of December/January each year.** There is also a provision of a supplementary audit by the CAG after the statutory audit is completed by an external audit firm. In accordance with Chapter 6 of Manual on Financial Management and Procurement of Samagra Shiksha (FM&P Manual), the Statutory Audit is conducted by firm of Chartered Accountants. The audit reports of Chartered Accountant firm are shared with DoSE&L, MoE annual. The audit report, entity financial statements, and forming schedules are exhaustive and provide detailed financial information on the use of funds. For ensuring compliance, MoE has also linked releases of due fund tranche to submission of timely audit report.

88.   For SIS-SS, GoCG, M/s Ajay Sindhwani and Co., Chartered Accountants is presently appointed to conduct the audit of program. Audit is conducted as per the terms of reference and scope of work provided in Annexure of FM&P Manual and the auditors are rotated once in every three years. The audit for financial year 2021-2022 is complete and report submitted by the Auditors, which has also been shared with the Government of India. The audit covers state project office, district and sub-district units, SCERT, DIETs etc.

Table 20: Signing date of Samagra Shiksha Audit Reports

Financial Year	Submission of Audit report	No. of months from end of the FY.
2018-19	3-Dec-19	8
2019-20	14-Jan-21	9
2020-21	1-Feb-22	10
2021-22	27-Jan-23	10

89.   On review of the statutory observations for the past few years (summarized under internal control section), it is observed that many of the observations highlighted are getting gathered on over a period of time due to inadequate addressal/ resolution. Samagra Shiksha, an amalgamation of SSA, RMSA and TA is implemented from FY 2018-19. The books of accounts of the three schemes were duly integrated but the audit observation continues to remain unaddressed. **It may be noted that there exist unresolved/ addressed statutory observations since FY 2009-10.** The IFSA highlighted that, in-order to ensure precision of accounting information flowing out of the converged accounts, it is imperatively that the statutory audit observations highlighted in the past under the individual schemes are adequately addressed/ resolved (PAP action). In addition, moving forward for strengthened FM arrangements it is imperative to establish audit observations review and addressable mechanism on the lines of establishing Audit Committee

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[9] As a part of its audit process, the CAG issues various reports including State Finance Audit Report, Audit Report on Government Sector, audit Report of Government and Social Sector etc. The operations of DoE are covered under the audit report General and Social Sector. The most recent report available in the website of CAG (*https://cag.gov.in/en*) for the General and Social Sector is for FY 2019-20. The report on state finances is issued till 2020-21.

90.   **The Program audit will follow the exiting audit arrangements at States.** Audits of SIS-SS is conducted by firms of Chartered Accountants empanelled with the CAG. Selection of the firm of Chartered Accountants is based on criteria (specified in the Manual), which assess the size of the firms in terms of the number of staff and relevant experience. The audit covers the program financial statements, including a statement of receipt and expenditure and a balance sheet. The audit covers all SISs/ District Offices and sub-district units on a sample basis. Audits are carried out in accordance with TORs documented in the Manual and which meet requirements of the Bank. *For the CHALK Program, the annual audit report of the SIS-SS. The said audit will cover all payments/ expenditures through the CHALK-SNA account including the transaction by PWD and RES and shall also include a separate schedule for reporting the expenditure against the AWP&B heads forming part of the CHALK Program Expenditure Framework.* The report will be submitted to the Bank within nine months of the close of the Financial Year i.e. by December 31st.

Table 21: Audit arrangements

Implementing Agency	Audit	Auditors	Timeline
SIS-SS	SIS Audited Financial Statements & Audit Reports	Private Audit firms	December 31

H.   Program Governance and Anti-Corruption Arrangements

91.   **Applicability of the World Bank's Anti-Corruption Guidelines to the Operation.** The PforR Program will be subject to 'Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing' dated February 1, 2012 and revised on July 10, 2015. These guidelines shall apply to all activities within the Program scope. As there is no distinction between World Bank-financed activities and government-financed activities within the Program, these guidelines shall be applied in an unrestricted manner on all activities within the Program boundary. Requirements under these guidelines include, but are not limited to, (a) borrower's obligation to inform the World Bank about all fraud- and corruption-related allegations and investigations, (b) the World Bank's right to conduct administrative enquiries with regard to fraud and corruption allegations, (c) the ineligibility of World Bank-debarred firms for contract awards, and (d) avoidance of conflicts of interest between contracts procured under PforR and IPF components.

92.   **Procurement Complaint Handling Mechanism:** GoCG has a toll-free number 1100, called Chief Minister Help Line number and Public Grievances Redressal Portal of CoCG https://cggrievance.cgg.gov.in/ for all complaints including procurement related complaints. Complaints received through the portal are sent to the respective department to be addressed following the administrative procedure prescribed by the GoCG and adequately maintains written records of all procurement and contract documents. The bidder if not satisfied, may approach the Court of Law for seeking redress. However, there is no dedicated mechanism in place to treat procurement-related complaints promptly. To address this critical gap, a comprehensive online complaint redressal system should be developed to receive procurement complaints with clearly defined protocols, timelines, and authorities to redress the complaints and their disclosure on the website. This would help in developing confidence in the Bidders' community and in turn would improve Bidders' participation.

93.   **Debarment Process:** The PWD notification dated September 13, 2013 prescribes the rules of cancellation of registration, demotion, suspension and the blacklisting of contractors. The same is also applicable to RES vide their notification dated September 27, 2013.

94.   **World Bank "Guidelines on Preventing and Combating Fraud and Corruption** in PforR Financing dated February 1, 2012 and revised on July 10, 2015 (*https://ppfdocuments.azureedge.net/3682.pdf*)" shall apply to this Program. Requirements under these guidelines include but not limited to (a) borrower's obligation on informing the World Bank about all Fraud & Corruption related allegations and investigations, (b) the World Bank's right to conduct administrative inquiries, and (c) Ineligibility of debarred firms for contract awards. It is clarified to implementing agencies that these

guidelines shall be applicable to all activities within the Program boundary and not the parts of the government program that are outside these boundaries. As an action item under the resulting Program, it is required that a) all bidding documents refer to the World Bank's Anti-Corruption guidelines and the bidders must agree to these clauses and b) at the time of bid opening each procurement agency shall ensure that none of the participating bidders is listed in the Bank's latest online list (*https://www.worldbank.org/en/projects-operations/procurement/debarred-firms*) of debarred firms.

95.   **Procurement-related complaints lodged, resolved, and reported (Nos.).** The SIS-SS will periodically (every six months) report (in an agreed format) to the World Bank information on any procurement-related complaints using the format given in Annexure II.

96.   **Para to be included in all bidding documents:** This tender is covered under World Bank "Guidelines on Preventing and Combating Fraud and Corruption in Program for Results Financing dated February 1, 2012, and revised on July 10, 2015 (*https://ppfdocuments.azureedge.net/3682.pdf*). Requirements under these guidelines include but are not limited to (a) the borrower's obligation on informing the World Bank about all Fraud & Corruption related allegations and investigations, (b) the World Bank's right to conduct administrative inquiries, and (c) Ineligibility of debarred firms for contract awards. The latest list of the Bank's debarred firms is available *https://www.worldbank.org/en/projects-operations/procurement/debarred-firms*.

I.   Disbursement Arrangements

97.   The key principles guiding the World Bank disbursement of DLIs are as follows:

- GoCG will pre-finance expenditures for the Program using its own budgetary resources through the identified budget lines of the Program Expenditure Framework.
- The SIS-SS will prepare technical reports to document the status of achievement of DLIs. The technical reports will be verified by an IVA, appointed by GoCG as per terms of reference agreed with the World Bank.
- On validation of DLIs by an IVA, SIS-SS will communicate the achievement of DLIs and corresponding DLI values to the World Bank along with supporting documents. In case, the DLI target set out in any year is not achieved, it will be rolled over for future years till such time the DLI target is achieved.
- In the case of non-scalable DLIs, the World Bank will disburse the DLI value only upon full achievement of the DLI target. In the case of scalable DLIs, if partially achieved, the World Bank may authorize withdrawal of an amount lesser than the DLI value allocated to the said DLI target. The remaining amount of the DLI will be disbursed once the DLI target value is fully achieved.
- In case the of non-achievement of any DLI target (scalable or non-scalable), the World Bank may reallocate the proceeds of the Loan to another DLI, in consultation with DoSE, GoCG and SIS-SS.
- The World Bank will issue an official letter to SIS-SS and DoSE, GoCG endorsing the achievement of the DLI target and value.
- The SIS-SS will submit the disbursement claim of the DLI value to the CAAA in the GoI.
- The CAAA will submit the disbursement claim to the World Bank and the funds will be disbursed by the World Bank to the GoI under IBRD loan terms.
- In the last year of the Program, SIS-SS in coordination with the World Bank, will reconcile the audited program expenditure (incurred under identified budget lines) with the DLI amounts disbursed by the World Bank. Any shortfall in the Program expenditure in relation to DLI disbursement will be adjusted from the final DLI claim.
- Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made under Categories (1) to (9):

(a) on the basis of DLRs achieved prior to the Signature Date, except those withdrawals up to an aggregate amount not to exceed $50,000,000 may be made on the basis of DLRs achieved prior to this date but on or after June 30, 2022; or/and

(b) for any DLR, until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved.

V. Program Fiduciary Systems and Capacity Enhancement

98.   Based on the IFSA, mitigation actions to address the weaknesses identified in the Program fiduciary systems and to effectively establish the fiduciary framework for the Program have been identified. These actions are proposed to be implemented as activity under the Program Action Plan. Certain activities have also been identified that if implemented would strengthen the systems for the entity as whole for the long-term and hence a Disbursement Linked Indicator to strengthen financial management and procurement have been proposed.

Risk	Mitigation action	Timing	Type of action (PAP, DLI, etc.)
Need for strengthened planning & budgeting	An operational review of program planning & budgeting	12 months from project effectiveness	DLI
Need to enhance FM functions under SS program	A detailed FM system study should be carried-out to the assess 'As-Is' and 'To-Be' FM arrangements to bring-about necessary enhancements accuracy, timeliness and efficiency in program accounting	12 months from project effectiveness	DLI
Need for robust Internal Audit system and compliance system.	Develop a risk-based, thematic area focused Internal Audit approach for SS program, with a well-defined roadmap for compliance.	12 months from project effectiveness	PAP
Need to address old open statutory observations to assess the impact of the same on SS program expenditure.	Set-up District and Block level camps to address unresolved statutory audit observations since FY 2009-10, close these observations and assess the impact on SS reported expenditures of the respective years.	24 months from project effectiveness	PAP
Need to establish a statutory audit compliance mechanism.	Finalize audit observations review and addressable mechanism on the lines of establishing Audit Committee with well-defined roadmap for compliance.	12 months from project effectiveness	PAP
Lack of adequate financial management and procurement staffing at State, district and sub-district level	State to re-assess FM and Procurement staffing requirements including vacancy status and prepare a time-bound plan for addressing the same.	12 months from project effectiveness	PAP
(i) Multiple Government Orders [GOs]/ circulars related to procurement and contract Management, and (ii) absence of comprehensive procurement manual for all category of procurement (goods, works and consultancy services) make	Prepare a Procurement Manual for the Program which consolidates all Government Orders/circulars and applicable procurement methods/ procedures for goods, works and services.	Before Program Effectiveness Date	Effectiveness Condition

it difficult to retrieve necessary procurement provisions and create ambiguity in procurement transactions.			
There is no Standard Procurement Documents for goods, works and services in the state. The bid documents are customized by the procuring entities as per the requirement. This brings inconsistency and inefficiency in procurement system and its implementation. Further, there are no Fraud and Corruption clauses.	Develop model procurement documents for goods including goods, works and services to be used in the Program. The model procurement documents shall be based on the applicable Financial Rules/ Manual/ Guidelines and shall include Fraud and Corruption clauses (ACGs of the Bank) applicable to the Program. Include the model procurement documents in the Procurement Manual for the Program	Before Program Effectiveness Date	Effectiveness Condition
Audit Reports of the Internal Auditor do not make any specific observations on the review of Procurement activities of the Implementing Agencies or bring out any non-compliances in its reports.	Procurement and contact Management should be part of independent Procurement audit which should check the compliance to FMP as well as identify red flags in procurement	Annually, starting from end of Year 2 of Program implementation	DLI
(i) Lack of competition among prospective bidders (on an average, only 2-3 bids are received in the bidding process), (ii) Further, it is noticed that insufficient time has been provided to bidders for bid submission (i.e., average time allowed to bidders for bid submission is less than 21 days), (iii) There are delays in contract implementation due to delay in making payments to the contractors.	To encourage better competition, following measures shall be taken during the procurement cycle and contract implementation period: (i) Packaging and slicing approach of procurement should be adopted for bidding to maximize bidder's participation, (ii) Minimum time allowed to bidders for bid submission should be is in line with the provisions of State Store Purchase Rules i.e., minimum 21 days for contracts estimated value above INR 10 lakhs. Above this thresholds, minimum 30 days' time should be provided for bid submission, and (iii) timely payments to be released to the contractors as per the conditions of the contracts.	Continuous during Program Implementation; Linked to KPI reporting PAP below	PAP
Key Performance Indicators (KPIs) on procurement and contract management are not measured and monitored.	To bring in efficiency in the procurement cycle and timely completion of contracts, fiduciary Key Performance Indicators (KPIs) will be monitored/measured for procurement contracts such as (i) Procurement process cycle time (i.e., time taken from advertisement to contract signing).	Continuous Share monitoring report with the Bank semi-annually	PAP

	(ii) Disclosure of contract award on the respective websites of the agencies within 15 days of the award of the contract. (iii) Procurement-related complaints lodged, resolved, and reported (percent resolved) (iv) Bidders' participation (i. e. average number of bidders submitting a bid in each bid process) (v) Time and Cost overrun for tenders/contracts (vi) First Procurement Plan prepared and published by the agency (specific to DoSE) on their respective websites within six months from the Program effectiveness and update periodically (at least bi-annually), and (v) any other key parameters, if required, during the procurement cycle.		
Absence of inadequate and comprehensive procurement complaints handling mechanism for bidders	An online system for procurement complaint handling should be developed for bidders to lodge their complaints on the websites of the DoSE, GoCG and/or with procuring entities. The system should have the mechanism for acknowledging the complaint and for its tracking by the complainant and also by the nominated officials, reviewing the redressal periodically, escalation to higher levels in case of delays beyond a specified time period, ultimate disposal of complaints and communication of the outcome to the complainant within an agreed timeframe. Further, all complaints should be dealt as per GoCG norms and guidelines.	Within 6 months of Program Effectiveness	PAP
Compliance with anti-corruption guidelines of the Bank	Every six-months, the State will provide to the World Bank a status report on compliance with the anti-corruption guidelines using a format agree upon with World Bank. Refer to Annexure II for format	Continuous Share monitoring report with the Bank semi-annually	PAP

VI.   Implementation Support

99.   The World Bank team will carry out regular implementation mission to support the implementing agencies to monitor implementation progress and address underperforming areas identified in the PAP. Fiduciary support includes:

- Reviewing implementation progress and working with the task teams to examine the achievement of Program results and DLIs that are of a fiduciary nature.
- Helping the borrower resolve implementation issues and carry out institutional capacity building.
- Monitoring the performance of fiduciary systems and audit reports, including the implementation of the PAP.
- Reviewing key documents generated by the implementing agencies such as terms of reference, procurement progress, contract management, procurement complaints, adherence to Anti-Corruption Guidelines etc. and give its suggestions for improvement.
- Monitoring changes in fiduciary risks to the Program and, as relevant, compliance with the fiduciary provisions of legal covenants.

Annexure I: List of Budget Heads Forming Part of the Program Expenditure Framework

#	Economic Classification	Main Budget Head	Sub budget lines	PAB Reference
1	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Funds for Quality (LEP, Innovation, Guidance etc)	13 (a) (b)
2	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Learning Enhancement Programme	13 (a) (b)
3	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Learning Enhancement Programme (LEP)	13 (a) (b)
4	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	LEP (Class I - II) & LEP (Class III - V)	13 (a)
5	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Project - Innovative Activities (Secondary & Sr. Secondary)	13 (m)
6	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Project Innovation (Elementary)	13 (m)
7	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Project kala utsav	13 (r)
8	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Quality component (School safety)	13 (l)
9	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Quality Components	13
10	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Quality Components (Elementary)	13 (l)
11	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Quality Interventions	13
12	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Rashtriya Aaviskar Abhiyan	13 (k)
13	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Rastriya Aavishkar Abhiyan	13 (k)
14	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Rastriya Aavishkar Abhiyan (Elementary)	13 (j)
15	Education Quality Enhancements	Funds for Quality (Remedial Education/LEP, Innovation, and so on)	Support to SCPCR	12
16	Education Quality Enhancements	In-service Teacher Training and Head Teacher Training	In-Service Training (I - VIII)	13 (n)
17	Education Quality Enhancements	In-service Teacher Training and Head Teacher Training	Special Coaching Program	17 (e)
18	Education Quality Enhancements	In-service Teacher Training and Head Teacher Training	Teacher Exchange Program	17 (e)
19	Education Quality Enhancements	In-service Teacher Training and Head Teacher Training	Teacher Motivation Progr5rn	17 (e)
20	Education Quality Enhancements	In-service Teacher Training and Head Teacher Training	TLM and equipment including library books	2
21	Education Quality Enhancements	In-service Teacher Training and Head Teacher Training	TLM Kit	2
22	Education Quality Enhancements	In-service Teacher Training and Head Teacher Training	Training	13 (n)
23	Education Quality Enhancements	In-service Teacher Training and Head Teacher Training	Training for In-service Teacher and Head Teachers	13 (n)
24	Education Quality Enhancements	Support at Pre-Primary Level	Early Childhood Care and Education (ECCE)	1
25	Education Quality Enhancements	Support for Foundational Literacy and Numeracy	Foundational Literacy and Numeracy LEP (Class III - V) & LEP (Class VI - VIII)	13 (a)
26	Education Quality Enhancements	Support for Foundational Literacy and Numeracy	NIPUN Bharat Mission	2
27	Education Quality Enhancements	Support for Inclusive Education	Inclusive Education (Student Oriented Components)	16
28	Education Quality Enhancements	Support for Inclusive Education	Inclusive Education (up to Highest Cass VIII)	16
29	Education Quality Enhancements	Support for Inclusive Education	Inclusive Education (up to Highest Class VIII)	16
30	Education Quality Enhancements	Support for Inclusive Education	Project- Girl's empowerment (Secondary)	15 (e)
31	Education Quality Enhancements	Support for Inclusive Education	Provision for Children with Special Needs (CWSN)	16
32	Education Quality Enhancements	Support for Inclusive Education	Special Projects for Equity	15
33	Education Quality Enhancements	Teacher Educators Professional Development	Annual Grants for TEIs (DIETs)	17 (f)
34	Education Quality Enhancements	Teacher Educators Professional Development	Annual Grants for TEIs (SCERT)	17 (f)
35	Education Quality Enhancements	Teacher Educators Professional Development	Capacity Building and Training	17 (e)
36	Education Quality Enhancements	Teacher Educators Professional Development	Program & Activities (DIET)	17 (e)
37	Education Quality Enhancements	Teacher Educators Professional Development	Program & Activities (SCERT)	17 (e)
38	Education Quality Enhancements	Teacher Educators Professional Development	Program & Activities including Faculty Development of Teacher Educators	17 (e)

39	Education Quality Enhancements	Teacher Educators Professional Development	SCERT	17 (e)
40	Education Quality Enhancements	TEI Infrastructure and Maintenance	Annual Grant for TEIs	17 (d)
41	Education Quality Enhancements	TEI Infrastructure and Maintenance	Capital Work in Progress reported under TE	17 (d)
42	Education Quality Enhancements	TEI Infrastructure and Maintenance	Civil Work	17 (d)
43	Education Quality Enhancements	TEI Infrastructure and Maintenance	Civil Work: Strengthening of physical infrastructure in TEI (SCERTs/DIETs/BITEs)	17 (d)
44	Education Quality Enhancements	TEI Infrastructure and Maintenance	Total for Residential Hostel - NR (New) (Capacity 100)	17 (d)
45	Grants And Aid to Private-Aided Schools	Grants and Aid to Private-Aided Schools	Annual Grant (up to Highest Class VIII)	13 (d)
46	Grants And Aid to Private-Aided Schools	Grants and Aid to Private-Aided Schools	Annual Grant (up to Highest Class X or XII)	13 (e)
47	Grants And Aid to Private-Aided Schools	Grants and Aid to Private-Aided Schools	Composite School Grant	13 (d)
48	School Infrastructure Upgradation and Repair	School Infrastructure and strengthening of Existing Schools	Capital Work in Progress	NA
49	School Infrastructure Upgradation and Repair	School Infrastructure and strengthening of Existing Schools	Fixed Asset	NA
50	School Infrastructure Upgradation and Repair	School Infrastructure and strengthening of Existing Schools	Opening New school /Upgraded School - Recurring (Secondary)	3
51	School Infrastructure Upgradation and Repair	School Infrastructure and strengthening of Existing Schools	Opening of New / Upgraded Schools	3
52	School Infrastructure Upgradation and Repair	School Infrastructure and strengthening of Existing Schools	Opening of New / Upgraded Schools - Recurring (Secondary)	3
53	School Infrastructure Upgradation and Repair	School Infrastructure and strengthening of Existing Schools	Solar Panel For School (Non-recurring)	15 (ii) (iii)
54	School Infrastructure Upgradation and Repair	School Infrastructure and strengthening of Existing Schools	Strengthening of Existing Schools	15 (ii) (iii)
55	School Infrastructure Upgradation and Repair	School Infrastructure and strengthening of Existing Schools	Strengthening of Existing Schools (Non-recurring)	15 (ii) (iii)
56	School Infrastructure Upgradation And Repair	School Infrastructure and strengthening of Existing Schools	Strengthening of Schools - NR (up to Highest Class VIII) - Civil Work & Other	15 (ii)
57	School Leadership and Management Strengthening	Academic support through BRCs and CRCs	Academic support through BRC/URC/CRC	17 (o)
58	School Leadership and Management Strengthening	Academic support through BRCs and CRCs	Provision for BRCs/URCs	17 (o)
59	School Leadership and Management Strengthening	Academic support through BRCs and CRCs	Provisions for CRCs	17 (o)
60	School Leadership and Management Strengthening	Community Mobilization	Community Mobilization	11
61	School Leadership and Management Strengthening	Community Mobilization	Media & Community Mobilization	11
62	School Leadership and Management Strengthening	Community Mobilization	Media & Community Mobilization (Elementary)	8
63	School Leadership and Management Strengthening	Community Mobilization	Shagunotsav (Elementary)	8
64	School Leadership and Management Strengthening	Community Mobilization	Shagunotsav (Secondary & Sr. Secondary)	11
65	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	DIKSHA (National Teacher Portal)	17 (c)
66	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	ICT & digital initiatives	19
67	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	ICT (Non-recurring)	19
68	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	ICT and Digital Initiatives	19
69	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	Monitoring Information System (MIS)	20
70	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	Project- IT/e-governance	NA
71	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	Recuring Components (Digital Hardware & Software up to Highest ClassXII)	19 (i)
72	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	Shala Shidhi	13 (l)
73	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	Teacher ID	19
74	School Leadership and Management Strengthening	ICT And Digital Initiatives (including EMIS)	Technology Support to TEIs	17 (c)
75	School Leadership and Management Strengthening	Project Management, Monitoring, and Evaluation	MMER	21
76	School Leadership and Management Strengthening	Project Management, Monitoring, and Evaluation	Monitoring of the Scheme	21
77	School Leadership and Management Strengthening	Project Management, Monitoring, and Evaluation	Program Management	21
78	School Leadership and Management Strengthening	Project Management, Monitoring, and Evaluation	Program Management (MMER)	21
79	School Leadership and Management Strengthening	Project Management, Monitoring, and Evaluation	Program Management (MMER) (I - XII)	21
80	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Bedding	4
81	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Furniture/Equipment (including kitchen)	4

82	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Girls Hostel Expenditure	15 (a)
83	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Girls Hostels Exp.	15 (a)
84	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Kasturba Gandhi Balika Vidyalaya (KGBVs)	15 (a)
85	School Maintenance and Operation Cost	School Maintenance and Operation Cost	KGBV - Type - I(Recurring) (Previous Year) (Classes VI -VIII)	15 (a)
86	School Maintenance and Operation Cost	School Maintenance and Operation Cost	KGBV(NR)	15 (a)
87	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Netaji Subhas Chandra Avasiya Vidhyalaya	4
88	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Porta Cabin (Hostels) (Nonrecurring)	4
89	School Maintenance and Operation Cost	School Maintenance and Operation Cost	RESIDANTIONAL SCHOOL (POTA CABIN) EXPENSES	4
90	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Residential Hostels - Recurring (Previous Year) (Capacity 100)	4
91	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Residential Hostels - Recurring (Previous Year) (Capacity 50)	4
92	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Residential Schools - Recurring (Previous Year) (Capacity >100)	4
93	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Residential Schools -Recurring (Previous Year) (Capacity 100)	4
94	School Maintenance and Operation Cost	School Maintenance and Operation Cost	Residential Schools -Recurring (Previous Year) (Capacity 100) KGBV	15 (c)
95	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Free Text Books	7 (b)
96	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Free Textbooks	7 (b)
97	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Free Uniforms	7 (a)
98	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Library	13 (g)
99	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Library (up to Highest Class VIII)	13 (f)
100	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Library Grants	13 (g)
101	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Project Unnati	NA
102	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Reimbursement expenditure incurred for 25% of Admission under 12 (1)(c)	7 (c)
103	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Reimbursement of Fee	7 (c)
104	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Reimbursement expenditure incurred for 25% of Admission under 12 (1)(c)	7 (c)
105	Student Entitlements	Scholarships, Transport Allowance, and Entitlements	Transport / Escort	NA
106	Teacher And Teacher Educator Salary	Teacher, Teacher Educator, and BRC and CRC Salaries	DIETs	17 (b)
107	Teacher And Teacher Educator Salary	Teacher, Teacher Educator, and BRC and CRC Salaries	DIETs (Salary)	17 (b)
108	Teacher And Teacher Educator Salary	Teacher, Teacher Educator, and BRC and CRC Salaries	Financial Support for Teacher Educators (TEIs)	17 (b)
109	Teacher And Teacher Educator Salary	Teacher, Teacher Educator, and BRC and CRC Salaries	Financial Support for Teachers (HMs/Teachers)	14
110	Teacher And Teacher Educator Salary	Teacher, Teacher Educator, and BRC and CRC Salaries	Other salary	NA
111	Teacher And Teacher Educator Salary	Teacher, Teacher Educator, and BRC and CRC Salaries	Other Salary from State Fund	NA
112	Teacher And Teacher Educator Salary	Teacher, Teacher Educator, and BRC and CRC Salaries	Teacher Salary - (Elementary)	14 (a)
113	Teacher And Teacher Educator Salary	Teacher, Teacher Educator, and BRC and CRC Salaries	Teachers Educators Salary in TEIs (Academic Posts)	17 (b)
114	Teacher And Teacher Educator Salary	Teacher, Teacher Educator, and BRC and CRC Salaries	Teachers Salary	14
115	Vocational Education	Vocational Education	Introduction of VE in schools (non-recurring)	18
116	Vocational Education	Vocational Education	Introduction of Vocational Education at Secondary and higher Secondary	18
117	Vocational Education	Vocational Education	Recurring Support VE -Non-Recurring	18
118	Vocational Education	Vocational Education	Recurring Support VE -Recurring	18
119	Vocational Education	Vocational Education	Vocational Education	18
120	Others	Others	Bank Charges	NA
121	Others	Others	Equipment (From Spill Over)	NA
122	Others	Others	Library (up to Highest Class XII)	13 (f)
123	Others	Others	Open Schooling System	6
124	Others	Others	Other Expenditure	NA
125	Others	Others	Other Expenses	NA

126	Others	Others	Project Kala Utsav (Secondary) & Band Competition	13 (m)
127	Others	Others	Rani Laxmibai Atma Raksha Prashikshan	15 (d)
128	Others	Others	Self Defense	15 (a)
129	Others	Others	Self Defense Training (Upto Highest Class X & XII)	15 (c)
130	Others	Others	Self Defense Training for Girls	15 (d)
131	Others	Others	Special Training for OoSC - Non- Residential(Fresh)	13 (d)
132	Others	Others	Special Training of Out of School Children (OoSC)	13 (d)
133	Others	Others	Sports & physical education	13 (h)
134	Others	Others	Sports & Physical Education (up to Highest Class VIII)	13 (h)
135	Others	Others	Sports & Physical Education (Up to Highest Class XII)	13 (i)
136	Others	Others	Suspense Account (Dr)	NA
137	Others	Others	Yoga	13 (m)

Annexure II: Draft Format for Periodic Reporting of Data from Anti-Corruption Complaints Handling Mechanism

1.   Credible and Material Allegations of Fraud and Corruption under the Program

S.No	Complaint Summary	Complaint Date	Who received the complaint	Manners of complaint submission	Status	
				(e.g. phone, e-mail, writing, verbal)	Interim Action	Final Action taken

2.   Suspension and Debarment: This is to confirm that none of the contract awards under the Program are made to any of the Bank debarred or suspended persons or entities.