

REPORT OF VISIT TO BIHAR TO REVIEW IMPLEMENTATION OF IMPORTANT SCHEMES AND PROGRAMMES

Executive Summary

Bihar accounts for 3% of the total area of the country and 8% of the population. The adverse land-man ratio is reflected in the high density of population, which is 880 per sq. km. The decadal growth of population for 1991-2001 is 28.43% which is the highest in the country. According to 2001 census, the literacy rate in the state is 47.53% and is the lowest in the country. The economy of the state is characterized by high incidence of poverty, low literacy rate, unemployment and low per capita income. The human development indicators are also very poor.

Review of Performance of Flagship Schemes/Critical Sectors

- The average persondays of employment under NREGA in 2008-09 was 26 only compared to the National Average of 48 days. This could be improved by generating awareness about the scheme so that demand for employment increases.
- The state receives about 26% of the total national allocation (Rs. 2,240 crore out of Rs.8,495 crore in the current year) under the Indira Awaas Yojana. There is demand for this programme, and the state has to mount all efforts to ensure its proper implementation.
- The Power Sector is an area of concern. The State has almost no generation capacity at present. The state government has been requesting that the coal linkages for the 12th Plan be decided at an early date so that generation in the private sector could be possible. The strengthening of the sub-transmission system is being taken up under the Special Plan. One critical issue here is the management capability of BSEB to take over the created assets and manage them efficiently.
- Given the importance of Agriculture in the economy of the state, the irrigation sector requires special attention. The allocation under AIBP for the current year is Rs. 600 against which an amount of Rs. 18.63 crore has been released so far. Against the overall target of 1699.790 thousand hectares under Bharat Nirman, the physical progress upto July 2009 has been only 526.751 hectares. The state must ensure completion of ongoing projects so that new projects can be taken up. The state has a vast potential for ground water of which only 40% has been tapped, compared to the all India average of 60%. There is also a gap of 41% between potential created and potential utilized which needs to be bridged urgently to maximize the benefits to agriculture.
- The state can capitalize on its demographic dividend only by upgradation of skill sets. It has not yet set up the State Skill Development Mission. The number of ITIs is very small compared to the population size and there are 2000 persons in the age group 15-30 years for every ITI seat. ITIs and other Institutes may be set up in partnership with industrial houses/software companies.

- Under the National Drinking Water Mission, the state has a huge opening balance of Rs. 414 crore. The expenditure in 2008-09 was only Rs. 165 crore against the allocation of Rs. 425 crore.
- The state has made considerable progress under Sarva Shiksha Abhiyan and 98% habitations have primary schools within a radius of one km. However, the drop-out rate at the primary level is 51% compared to the national average of 25%. This programme should be accorded the highest priority of the state.
- The progress of JNNURM has been very slow as the projects took a long time to be prepared and approved. This programme requires greater attention.
- Bihar's Plan performance has improved in the past 4 years and the Plan expenditure has increased from Rs. 4465 crore in 2005-06 to Rs. 12,511 crore in 2008-09.

Issues raised by the State Government

- Kosi Floods Reconstruction and Rehabilitation Package: Bihar's claim for a Package of Rs. 14,800 crore should be considered.
- Handlooms: Not even a single Mega cluster has been given to Bihar even though Bihar has a large number of minority handloom weavers in and around Bhagalpur.
- Agriculture: Bihar has launched an Agriculture Road Map. The Credit Deposit ratio is very poor and hence only 2% of the credit programme will reach Bihar. Hence the credit needs need to be taken care of.
- Food Security: Poor households in Bihar number 1.50 crore which is more than double the GOI estimate of 65 lakh households. Unless the manner in which poverty is measured is sorted out, the food security scheme will leave half of the poor population uncovered.
- FRBM Act: The states should be permitted flexibility of 1.5% over the prescribed target of 4% for fiscal deficit.
- Devolution of Central taxes: As a result of tax reliefs in the budget, Bihar faces a possible reduction of Rs. 4616 crore as its share of Central taxes.
- Coal blocks must be allocated for the Twelfth Plan as investors in the power sector would not come forward without this vital linkage.

Conclusion

- Bihar deserves to be treated on a special footing, in view of its resource base, very low level of human development, and the severe deprivation of majority of its population. Against this context, most of the issues raised by the state government require special consideration.
- If Sarva Siksha Abhiyan(SSA) is one of the better implemented flagship programmes in the state; implementation of JNNURM appears to be on the other end of the spectrum. There is a need for a special Task Force for monitoring the implementation of flagship and other important programmes.

REPORT OF VISIT TO BIHAR TO REVIEW IMPLEMENTATION OF IMPORTANT SCHEMES AND PROGRAMMES

1. INTRODUCTION

In pursuance of Planning Commission U.O. M-13019/3/2009-SP.Coord. dated 23.9.2009, my report on Bihar has been prepared after extensive review of literature/material available, followed by discussion with Chief Secretary, Development Commissioner and other key Secretaries and Heads of the Department of the Government of Bihar and two brief visits by Smt. Indu Patnaik, Deputy Adviser, State Plans (Bihar) and myself. The report has been divided into the following segments:-

- (i) Introduction and basic profile of the state,
- (ii) Implementation of flagship programmes of Government of India,
- (iii) Implementation of other important Centrally Sponsored Schemes in the state,
- (iv) Review of issues raised by the Planning Commission during Annual Plan discussion (2009-10) with the state,
- (v) Any unique problems/issues not covered under the items above, and
- (vi) Conclusion

1.1 Basic Profile

The state of Bihar with an area of 94,163 sq. km. accounts for about 3% of the total geographical area of the country. It has a population of 82.88 million which accounts for 8% of the population of the country. The adverse land-man ratio is reflected in the high density of population, which is 880 per sq. km. The decadal growth of population for 1991-2001 is 28.43% which is the highest in the country. According to 2001 census, the literacy rate in the state is 47.53% and is the lowest in the country. The Scheduled Caste population comprises 15.47% whereas tribal population constitutes a mere 0.91% of the total population. The economy of the state is characterized by high incidence of poverty, low literacy rate, unemployment and low per capita income. The human development indicators are also very poor. Some of the important developmental indicators of Bihar are given below:

- The Human Development Index for Bihar is the lowest at 0.367 in 2001, which however, is an improvement over the earlier years (1981: 0.237, 1991: 0.308).
- The state's per capita income in 2008-09 is Rs. 12,643 at current prices against the national average of Rs. 37,490.
- The average annual growth rate of Gross State Domestic Product between 2005-06 to 2008-09 has been 13.68% compared to the national average of 8.48%.
- Percentage of population below poverty line in 2004-05 is 41.4 against the national average of 27.5.

- The literacy rate of the state is 47.53% in 2001 compared to the All India average of 65.38% while the female literacy rate is 33.57% (All India 54.28%).
- The birth rate per thousand in the state is 29.4 (2007) compared to 23.1 for the country as a whole.
- The death rate per thousand in the State is 7.5 (2007) compared to 7.4 for the country as a whole.
- The estimated Infant Mortality Rate is 58 per thousand in 2007 compared to the national average of 55.
- The population density in the state as per 2001 census is 880 per sq. km. against the national figure of 324.
- 89.60% of the population lives in rural areas.

1.2 Monitorable Targets of Eleventh Five Year Plan

An overall comparative picture of the monitorable targets fixed at the national level and corresponding targets for Bihar for the Eleventh Plan are given below :

Monitorable Item	Unit	Target for 11 th Plan	
		For India	For Bihar
Infant Mortality Rate	Per 1000 live births	28	29
Total Fertility Rate	No. of children per couple	2.1	3.0
Malnutrition of Children (0-3 years)	Percentage of wt. for age below 2 Standard Deviation	23.5	27.2
Anaemia among women (15-59 years)	In percent	28.3	31.7
Sex Ratio (0-6 years)	No. of females per 1000 males	977	950
Drop-out Rate in Elementary Education	In percent	20	27.85
Literacy Rate	In percent	85.00	64.04
Gender gap in Literacy	In percentage points	10.00	17.40

Eleventh Plan and Annual Plan 2007-08, 2008-09 and 2009-10: Outlays

Planning Commission has indicated a tentative estimate of Rs. 60,631.00 crore for the Eleventh Five Year Plan. An outlay of Rs.10,200.00 crore was approved for Annual Plan 2007-08 against which the State Government has reported an expenditure of Rs.9,652.30 crore which is 94.63% of the approved outlay. For Annual Plan 2008-09, an outlay of Rs.13,500.00 crore was approved and the State Government has reported an expenditure of Rs. 12,510.78 crore. The approved outlay for 2009-10 is Rs.16,000 crore.

2. IMPLEMENTATION OF FLAGSHIP PROGRAMMES OF GOVERNMENT OF INDIA

2.1. National Rural Employment Guarantee Act (NREGA)

During 2009-10, 24.83 lakh households have been provided employment, with a total of 647.71 lakh persondays and 26 average persondays per household. Funds to the tune of Rs. 50,333.69 lakh have been released by the centre, and Rs.3386.71 lakh by the state till date in the current year. A total expenditure of Rs. 93,253.46 lakh has been incurred till date (Source: MORD Website).

Field Visit

Mud road and construction of culvert from NH-30 to railway line in village Maujipur, Fatua:

The work involved a cost of Rs. 3.90 lakh and 3400 mandays. Wage rate is reported to be about Rs. 89/- per day. The quality of mud road was not up to the mark and is likely to be washed away in heavy rain. Only the culvert, made by a labour contractor, seems to be of some quality. Two families with about 7-8 children were found to be working near the site on brick-making. They came from a distant village where the children were reportedly going to anganwadi centre/school. The BDO/PO was directed to ensure that the parents sent their children to the anganwadi centre/school, near the site till they are engaged in brick making work there.

2.2 Indira Awas Yojana (IAY)

Against a central allocation of Rs. 2,24,039.39 lakh, an amount of Rs. 99,535.53 lakh has been released upto 31st August, 2009. State's contribution is of the order of Rs. 33,178.51 lakh. During 2009-10, Rs. 1,33,844.95 lakh have reportedly been utilized.

Against a target of 10,98,001 houses, 3,08,072 houses were constructed during 2009-10. Thus the achievement is 28.06 %. The State gets about 26% of the country's IAY funds. Fund utilisation is 59.46% while in physical terms the achievement is 34.75%. As per an interim report of the study being conducted by CBRI, the quality of construction is a matter of concern.

Field Visit

Village Jaduli, Fatua, Patna:

Smt. Sushma Devi said she had received Rs.20,000 by cheque. As per practice, construction work is completed in two months by a local mason. Normally, the amount is released in two instalments. The first instalment is of Rs.24,000 and the second Rs.11,000. The Junior Engineer was directed to supervise the work. Shri Dagrul Chaudhry complained that bribe of Rs.5,000 was demanded and since he refused to pay, he did not get funding under IAY. Smt. Baby Khatoon complained that Rs. 5,000 is taken as bribe by the Chairperson (Mukhia), Dy. Chairperson and Secretary of the Panchayat while releasing funds. She demanded a hand pump and a latrine. Overall, the quality of

construction was not up to the mark. But there was general awareness of the scheme and widespread complaint about corruption. One factor that is affecting work is the inadequacy of technical staff at the block level to supervise work together with a lack of cluster approach.

2.3. National Social Assistance Programme(NSAP)

During 2009-10, against an allocation of Rs.61,680.00 lakh, Rs. 52,836.00 lakh have been released till 5.11.2009 and Rs. 25,499.40 lakh have been utilized. The utilization has been very poor.

2.4. National Rural Health Mission (NRHM)

The status of implementation of NRHM upto 31st August , 2009 is reported as under:

Progress

- 69,246 Accredited Social Health Activists (ASHAs) have been selected out of which 57,362 ASHAs have been trained with first module of training. However, no ASHAs are in position with drug kits.
- Out of total 8,858 Sub-centres, 5,880 are functional with two ANMs. In total, 5,896 ANMs have been appointed on contract at various levels.
- Out of the total of 1641 PHCs, 533 are working 24x 7 as on date, 3 staff nurses have been positioned in 105 PHCs.
- Mobile Medical units are operating in 12 districts.
- Village Health and Sanitation Committees have not been constituted.
- Only 104 specialists are in position at Community Health Centres against a requirement of 280. 381 specialists have been appointed on contract.
- During 2008-09, 11.00 lakh beneficiaries under Janani Suraksha Yojana for institutional deliveries were reported by the state as against 1.14 lakh beneficiaries during 2006-07. In the current year, 3 lakh beneficiaries were reported till 31st August, 2009.
- An amount of Rs.1,707.63 crore (about 67%) was utilized against an amount of Rs.2544.94 crore released upto 31st August,2009 under NRHM.

Issues raised by the State

- The Special Component head under NRHM could be allowed to be utilized for other essential purposes also such as enhancing the salary of Government doctors and other para medical staff; hospital maintenance and provision of facilities such as canteen etc so that PHCs can function 24x7 more effectively.
- Reappropriation of funds in the Programme Implementation Plan(PIP) may be allowed as in the current year additional funds are required for items such as ambulance services, bio-metric system for attendance, etc.
- The number of Auxiliary Nurse Mid-wife(ANMs) needs to be increased.
- The infrastructure fund may be separated from Part(B) in NRHM additionalities as districts are unable to spend funds under infrastructure.
- The provision under Rogi Kalyan Samitis needs to be enhanced in view of the increase in patient load and the need to upgrade facilities.

Field Visit

Primary Health Centre, Saraiganj, Samastipur:

The PHC was relatively neat and clean. However, there is a water channel around the building with no provision for discharge of water as no arrangements have been made for a soak pit. There were basins but no soap in either the OPD or the Operation Theatre. The pipes from the basins did not reach the outlet below. Interview of one of the patients showed that the patients were aware of the Janani Suraksha Yojana. Most of the essential drugs were available. There was, however, a shortage of few medicines as only one supplier has been identified for each essential drug.

Additional PHC, Sabalpur, Patna:

The condition of the additional PHC was dismal. Medicines were not available and no doctor was available at the time of visit in the morning. There is a building with hardly any other infrastructure/medicine. There was one patient waiting for the doctor and one ward attendant present. It was reported that due to 'Chhat' festivities, no medical staff could come.

2.5. Sarva Shiksha Abhiyan (SSA)

As per latest MHRD reports (PAB-2009-10), 98% habitations in Bihar are served with primary schools within 1 km radius. Of the 85,229 habitations eligible for primary school, 1,457 habitations are without primary schools. The state is yet to operationalize 358 PS and 1,318 UPS sanctioned upto 2008-09. Bhagalpur, East Champaran, Kaimur, Munger and Muzaffarpur together have yet to operationalize over 350 primary schools. East Champaran, Madhepura, Aurangabad, Muzaffarpur, Sheohar, Sitamarhi and Vaishali together have yet to operationalize over 800 UPS. A total number of 6,018 habitations do not have UPS within 3 kms.

Dropout Rates, Out of School Children (OoSC) : Selected Educational Statistics (SES) 2006-07 has reported high incidence of dropout at primary (51.63%) and elementary (76.71%). As per latest MHRD reports, the state enrolled 5.28 lakh OoSC children in the 6-14 age-group in schools/EGS/AIE centres during 2008-09. The total number of remaining OoSC is 5.23 lakh, constituting 2.5% of the total child population of the relevant age-group, is targeted to be enrolled in 2009-10. Districts like Darbhanga, East & West Champaran, Nawada, Nalanda, Katihar, Aurangabad and Begusarai have large number of OoSC.

Quality Improvement: As per DISE (2007-08), Pupil Teacher Ratio (PTR) for primary classes has improved to 54:1 (national ratio 46:1), as compared to 65:1 in 2006-07. Similarly, PTR for upper primary classes has increased to 59:1 (national ratio 34:1), as compared to 67:1 in 2006-07. 2.52 lakh teachers posts were sanctioned under SSA upto 2007-08, Against this ,the backlog of teacher vacancies (38,152 under SSA and 47,642 under state budget) is likely to be cleared soon.

A matter of grave concern is the large number of untrained teachers (1.46 lakh). During 2008-09, against 67,721 teachers only 9481 (14%) have been given induction training. The state govt is getting these teachers trained with the help of IGNOU through a 2-year distance education diploma course in primary education. The state govt is planning to enrol about 60,000 teachers in IGNOU in the current year (2009-10).

Allocations and Expenditure under SSA

(Rs. Crore)

Year	Outlay Appd. by MHRD	Allocation (Central Releases)	Expenditure (includes GOI and state share)
X Plan			
2002-03	238.85	79.15	34.52
2003-04	771.66	195.16	79.80
2004-05	884.83	319.71	341.32
2005-06	900.02	324.00	466.76
2006-07	2414.08	1081.73	1557.09
XI Plan			
2007-08	3339.30	1377.48	1984.30
2008-09	3664.16	1861.58	2263.82
2009-10	4294.55*	450.00 (upto 31.10.2009)	227.18 (upto 30.9.2009)

* Includes Rs.938.15 cr. spill-over.

Annual Plan 2008-09/2009-10: Approved outlay during 2008-09 was Rs 3664.16 crore. The GOI released Rs.1861.58 crore. Approved outlay during 2009-10 is Rs.4294.55

crore, an amount of Rs. 450 crore has been released so far and the expenditure till 30.9.09 is Rs. 227.18 crore.

Special Focus: A total number of 34 out of 38 districts in the state are special focus districts identified by the MHRD, including 17 districts with more than 25,000 out of school children. Araria, Darbhanga, Katihar, Purnea, Sitamarhi and West Champaran are the 7 minority-concentration districts with their population above 20%.

Kasturba Gandhi Balika Vidyalaya (KGBV): Out of 391 KGBVs (residential upper primary schools for girls) sanctioned, 369 are operational with 27,963 girls enrolled (SC-49%; ST-7%; OBC-25%; Minority-16%; and BPL-4%). The progress of construction of hostels has been very slow, as only 57 are completed, 285 are in progress, and 56 are yet to start. The availability and acquisition of land has been a problem, so hostel buildings were hired on rent. Low resource absorption capacity in the state was also reflected in the expenditure under KGBV during 2007-08. Out of an outlay of Rs.130 crore, only Rs.41 crore (32%) could be spent amounting to a shortfall of Rs.89 crore. Similarly, spill over during 2008-09 amounted to Rs.73.12 crore.

Civil Works: The spill-over amount under civil works is Rs.837.52 crore in the current year. In the past four years spill-over amounts have been high (Rs.166.06 crore in 2005-06, Rs.163.46 crore in 2006-07, Rs.466.09 crore in 2007-08, and Rs.614.70 crore in 2008-09). It reflects the constraint in the capacity of the state to execute and complete sanctioned civil works in time. The state has to complete a large number of civil works which have been sanctioned so far. Since the state has shown constraints in capacity to execute large amount of civil works, this component was limited to 21.54% (Rs.1209.46 crore) of the outlay in 2008-09. Further, 6286 school buildings carry forward a deferred liability of 75% funds (Rs.421.85 crore) for 2009-10, and also for 541 NPS buildings sanctioned as new schools in 2008-09 for which construction is to take place in 2009-10. Thus an amount of Rs.470.08 crore is already a deferred liability for civil works in the State for 2009-10. Therefore, the state needs to complete all pending civil works. The state has also not undertaken third party evaluation of civil works despite a specific commitment in this regard.

EDI Ranking and Basic Educational Infrastructure Indicators of Bihar:

- Bihar is ranked 35th in the country in EDI ranking. Most of the districts of Bihar are in the bottom quartile for the country.
- Ratio of Primary to Upper Primary Schools -3.73.
- Average Student Class Room Ratio -96 (National Average: 35).
- Single Teacher Schools -6.37%
- Schools having Drinking Water Facility -80.55%.
- Schools having common toilets (48.52%); 21.62% of schools have toilets for girls.
- Percentage of female teachers -36.50% (National average 42.72%)

Issues in Elementary Education:

- Transition rate from Primary to upper Primary is 62.92% as against the National Average of 81.83%
- Retention rate at Primary level is 53.40% as against the National Average of 73.71%.
- 51.63% children enrolled drop out in Classes I-V; 20% of children enrolled drop out in Classes I & II; Attendance is around 66%
- Teacher absenteeism is over 25%
- Slow pace of teacher training for professionally untrained teachers.
- The state must ensure that the share of enrolment of Muslim minority children would reflect their share in the population. As per Census 2001, the percentage of Muslim population in the state is 16.53 and the enrolment of Muslim children is 11.27% at PS and 8.22% at UPS, as per DISE 2007-08.

Issues raised by the State Government

- There is a gap of 2,08,367 classrooms for classes I-VIII against which, only 1,39,236 classrooms have been sanctioned under SSA. The large number of classrooms is also required as the number of out of school children has been reduced from 45,75,692 in 2001-02 to 10,10,730 in 2008-09.
- The sliding scale of central share has been an issue of concern. The state government's budget for elementary education in the last 4 years has registered an increase from Rs.4260 crore to Rs.8061 crore. This problem will be compounded with the coming into force of the Right to Education Act which would further increase the financial burden on the state. Hence, the sharing pattern under SSA needs to be reconsidered for a state like Bihar.

Field Visits

Primary school, Gulmahiya Chawk, Sabalpur, Patna Sadar:

Regular mid-day meals were not available and the food is often of sub-standard quality. The school has only one hall in which about 100 students are taught. There is a drain passing outside the hall which has to be crossed by the students and the students feel unsafe. The students were found to be intelligent. Parents complained about the teacher who is habitually late and often found in drunken condition. (The concerned official was advised to enquire and take immediate action). There was also complaint about the quality of food served under Mid Day Meal Scheme.

The adjoining middle school in Sabalpur, however, is reportedly running well.

Primary schools (Rajkiya Prathmic Kanya Vidyalaya Wajitpur, Vaishali district; Middle school, Harpur, Samastipur; and Middle school, Vishambhar Ailat, Samastipur):

Learning levels were relatively satisfactory, copies had been checked, and the schools were generally neat. The girls were in school uniform and many had been taught judo as well. There was general satisfaction about the mid day meal scheme.

Kasturba Gandhi Balika Vidyalaya, Saraiganj, Samastipur :

The hostel is run by an NGO and the girls attend the nearby middle school. The rooms/beds/luggage were neat. The girls seemed to be very well adjusted. On three days of the week, vocational training is imparted in tailoring, mat making, computers etc. On the other three days extra classes are taken by the teachers. The students are also taught to sing and play the tabla and the harmonium. The visit was extremely satisfying as the girls seemed to be well disciplined and happy at the same time. One major problem is what these girls would do after they pass class VIII as the scheme is only up to class VIII.

2.6 Mid Day Meal Scheme (MDMS)

MDMS was initially launched in the state on 1st September, 2004, with an initial coverage of about 1 lakh children. The cooked mid-day meals are being served in all the primary schools of the state from January 2005. Coverage under the scheme increased gradually and all children in classes I-V, including those in EGS / AIE centres, were covered from April 2005. The MDMS was introduced in UPS in all the 530 EBBs since March 2008. The state government is paying @60 paise per child and the Central Govt. gives Rs.1.50 per child per day. From 2008-09, the scheme is covering UPS in all blocks of the State.

The scheme is implemented by Vidyalaya Shiksha Samiti (VSS), a 15-member body of parents for school development and community participation, constituted under the Bihar VSS Act 2000. At least one third of the members of the Samiti are mothers. The state govt. has delinked the procurement of foodgrains and cooking tasks from teachers and handed them to Panchayat workers and Mata Samitis/ Self-Help Groups.

Sl.	Mid Day Meal Scheme in Bihar (2009-10)	Details
1	Nodal Department for the Scheme	Deptt. of Human Resources Development
2	Implementing agency at local level	Vidyalaya Shiksha Samiti (VSS)
3	State level Nodal Transport agency for Foodgrains	State FCI
4	Year since when cooked meal Universalised	April, 2005
5	No. of children of Classes I-VIII covered in 2009-10	86.21 lakh (PS) + 24.88 lakh (UPS)=111.09 lakh
6	No. of institutions covered during 2009-10	All Govt/aided schools & EGS/AIE centres.
7	No. of schools days to be covered during 2009-10	231
8	Central assistance released for 2009-10 (upto 4.9.2009) (i) Cost of Foodgrains paid to FCI (ii) Cooking cost (iii) Transport Subsidy (iv) MME @ 1.8%:	Total allocation- 2009-10: Rs.467.80 cr. Releases: Rs.159.48 cr. (i) Rs.42.53 cr. (ii) Rs.108.84 cr. (iii) Rs.5.35 cr. (iv) Rs.2.76 cr.
10	Total Central allocation for cooking cost for 2009-10: Minimum Mandatory State Contribution for cooking cost:-	Rs.435.35 crore. Re.0.50 paise per child per school day
11	Calorific Value	PS: 450 calories with 12 gm. of protein. UPS: 700 calories with 20 gm of protein.
12	Weekly menu	Sabji/Rajma/Rice/Dal/Rice-Dal-Sabji, Khichri-Chokha, Daliya, Egg Curry
13.	Constitution of Steering-Cum-Monitoring committees at State level / District level / Block level	Yes / Yes / Yes. But their functions seem to be ineffective.

Field Visits

During field visits, it was observed that MDMS is popular and widely known. All the children spoken to informed that food is served in their schools - although there were general complaints about quality.

2.7 National Horticulture Mission (NHM)

The opening balance as on 1.4.2009 was Rs. 1,932.13 lakh. An outlay of Rs. 3,825.00 lakh was approved in AP 2009-10. An expenditure of Rs. 417.33 lakh was incurred during 2009-10 till 26.8.2009, leaving an unspent balance of Rs. 1,514.80 lakh for the remaining part of AP 2009-10.

General Comments/ Issues are :-

- The states agencies continue to be ill equipped in terms of availability of extension staff, technical manpower and other infrastructure . The extension staff was neither trained to handle a mega project like the NHM.
- In the field, there is lack of coordination between the agriculture and horticulture staff. Agriculture Technology Management Agency (ATMA) which is the forum at district level should ensure coordination of the line departments. NHM would stand to benefit by better coordination with research , food processing ,industries and expert agencies like the Agricultural and Processed Food Products Export Development Authority(APEDA).
- Lack of strong market link-up continues to riddle NHM. Efforts at loosening the grips of the regulated markets by amending the APMC Act and opening to larger private participation have not met with much enthusiasm, as was envisaged.
- There is need for concurrent evaluation of NHM in order to obtain a feedback on its implementation. The outcome of NHM should be assessed in order to know the economic benefits that accrue to a farmer and not get carried away by the mere hype of increasing coverage by NHM in the country.

Issues raised by the State Government

- Revision of schedule of rates for Sprinkler and Drip irrigation system under centrally sponsored Micro Irrigation scheme: Government of India decides the schedule of rates for Sprinkler and Drip irrigation system and on that basis 50% subsidy (Central share 40% and 10% State share) is provided under provisions of the scheme. State government has decided to provide 10% additional subsidy from its own resources. However, the scheme is still not popular. One of the important reasons for its slow progress is the low and unrealistic schedule of rates for the above irrigation systems. The current market rate for laying Drip Irrigation system in one hectare area at 1x1 meter spacing is around Rs. 88,000 whereas Government of India schedule rate is only Rs. 57,600. For the sprinkler irrigation system current market rate is around Rs. 27,500 for one hectare area whereas Government of India rate is only Rs. 14,270. These rates should be realistically revised upwards.
- Under the Rashtriya Krishi Vikas Yojana, the methodology used for calculating the amount of grant under the scheme as percentage of plan outlay is not suited to Bihar. The plan size of the state is increasing at a very fast pace and it would be better if the Ministry of Agriculture could base the calculation of grant on the absolute amount of funding for the agriculture sector.

2.8 Rajiv Gandhi Grameen Viduyutikaran Yojana (RGGVY)

The progress of RGGVY in Bihar as reported by the Ministry of Power is given below:

As per 2001 Census Total districts in Bihar	38
Total Blocks	510
Total inhabited villages	39,015
Total unelectrified villages	19,764
Total unelectrified Rural Households	12,010,504

No. of projects approved in 10th Plan = 26

No. of projects approved in 11th Plan = 17

No. of projects sanctioned by REC

(covering districts)

10th Plan = 26 (25)

11th Plan = 17 (13)

Total cost of projects sanctioned

(including service charges of CPSUs, if any) = 10th Plan Rs 1495.80 Crore

11th Plan Rs.1480.09 Crore

Funds released = Rs. 2387.41 Crore

11th Plan

No. of un-electrified villages to be electrified under the project = 6086

No. of electrified villages to be covered (for household elec.) = 6651

Rural households to be electrified under the project 11th Plan

No. of rural households (non-BPL) to be electrified under the project = 32,59,581

No. of rural households (BPL) to be electrified under the project = 19,18,956

Total no. of rural households to be electrified under the project = 51,78,537

Status of progress

- (i) Notice Inviting tenders issued : 42 projects
- (ii) No. of projects for which contracts awarded: 42 projects
- (iii) Physical achievements so far: 17,085 unelectrified villages were electrified. Free electricity connections were provided to 6,92,370 BPL households.
- (iv) In August, 2005 and July, 2006, Quadripartite and Tri-partite agreements had been signed.
- (v) Notification of rural areas is done by the state. This is required as per Section 14 of Electricity Act 2003.
- (vi) Franchisees are deployed in the state to cover 5250 villages so far as required under RGGVY conditionality.

Issues raised by the State Government

- The uniform benchmark of Rs.4 lakh per village was too small to cover the large sized villages in Bihar. They would require at least Rs. 7-8 lakh more per village.
- RGGVY provisions need to be amended to include three-phase connectivity

2.9 Pradhan Mantri Gram Sadak Yojana (PMGSY)

Year-wise Allocation, Release & Expenditure under PMGSY : 2006-07 to 2009-10 (upto May, 2009)

(Rs. in crore)

2007-08			2008-09			2009-10	
Allocation	Release	Expenditure	Allocation	Release	Expenditure	Release	Expenditure
337.00	701.15	580.68	337.00	1022.62	1067.54	308.34	162.03

Physical Progress of Bharat Nirman-Rural Roads

Item	Target	2007-08		2008-09		Cumulative Achievement
	2005-09	Target	Ach.	Target	Ach.	
New connectivity, Habitations (Nos.)	9956	3214	174	1120	842	2199 (22%)
Upgradation, length in km.	9295.21	3510.64	704.81	3600.00	1186.35	2671.84 (29%)
New Connectivity length in km.	18946.31	6121.43	235.70	7230.31	1458.93	2529.87 (13%)

Note: - All India cumulative achievement is 58%, 80% and 58%, respectively.

The progress under PMGSY in the state has been slow. The programme was being implemented by five Central Agencies. The state government has now strengthened its own agencies and the works being approved in the last few years are being implemented by the state government's agencies.

2.10 Integrated Child Development Services(ICDS)

Out of the 545 ICDS projects sanctioned, 394 are operational. 91,968 anganwadi centres have been sanctioned of which 80,211 are operational. Field visits and discussions with villagers gives the impression that there is awareness about Anganwadis. It appears that this is one of the better implemented flagship programmes in the state.

2.11 Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

Patna and Bodh Gaya are the two Mission Cities. Under the bus funding, a fleet of 100 buses has been sanctioned for Patna and 25 for Bodh Gaya at a total cost of Rs. 39.90 crore and Rs. 6.75 core respectively. ACA of Rs. 19.95 core is admissible in the case of Patna and Rs. 5.40 core in the case of Bodh Gaya. The first instalment of 50% has been released but orders for the buses have not yet been placed. The state government has informed that the procurement and the system of plying of buses need to be worked out and, therefore, the buses would be obtained in phases over a two-year period. They have recently written to the Ministry for in principle approval to operate the buses in PPP mode. On the whole, the progress under JNNURM has been very slow.

2.12 Accelerated Irrigation Benefits Programme (AIBP)

The allocation under AIBP for the current year is Rs. 600 against which an amount of Rs. 18.63 crore has been released so far. As is evident, the progress is poor.

2.13 Drinking Water Mission (ARWSP)

The State has a huge opening balance of Rs. 414 crore. The Department of Drinking Water will release the second instalment if the state furnishes the reports online. The state needs to take urgent action in this regard.

2.14 Total Sanitation Campaign

The achievement is 358,263 latrines (this is a demand driven programme and no targets are fixed). No releases had been made in the current year till August, 2009. Expenditure of Rs. 2,912 lakh has been incurred in the current year. This programme is most needed for Bihar. Unfortunately, the progress has not been satisfactory.

3. IMPLEMENTATION OF OTHER IMPORTANT CENTRALLY SPONSORED SCHEMES

3.1 Backward Regions Grant Fund

The Backward Regions Grant Fund (BRGF), launched in August, 2006, has been designed to address the issues relating to reduction in regional imbalance more holistically than the standard Government programmes and has replaced the Rashtriya Sam Vikas Yojana (RSVY), launched in the beginning of the Tenth Plan.

Two components of BRGF are being implemented in Bihar. These components are: (a) Special Plan for Bihar (being handled by the Planning Commission); and (b) Districts Component covering 36 districts of Bihar (being handled by the Ministry of Panchayati Raj).

3.1.1 Special Plan for Bihar

The Special Plan has been formulated to bring about improvement in sectors like power, road connectivity, irrigation, forestry and watershed development.

An allocation of Rs.1000 crore per annum was being made for the Special Plan during the Tenth Plan period. The same allocation is being made during the Eleventh Plan period.

The details of the projects included in the Special Plan for Bihar showing the estimated cost and the funds released till date are as follows:

(Rs. in crore)

Name of the Project		Estimated Project Cost	Funds released up to 2008-09	Funds released in 2009-10	Total Fund released till date
1. Million Shallow Tubewell Programme (MSTP) (Subsidy Component)		544.64*	544.64	0.00	544.64
2. Restoration of Eastern Gandak Canal		294.00	51.98	48.00	99.98
3. Development of Horticulture (Subsidy Component)		Dropped	18.18	0.00	18.18
4. Integrated Watershed Development Programme		60.00	10.00	0.00	10.00
5. Development of State Highways		3075.00@	1923.63	570.76	2494.39
6. Rail cum road Bridge		554.00	125.00	0.00	125.00
7. Integrated Community Based Forest Management		51.04	36.06	5.24	41.30
8. Strengthening of sub-transmission system (Phase-I)		470.72	552.40	0.00	552.40
9. Strengthening of Sub-Transmission System in South Bihar (Phase-II)	Part I	1005.72	809.66	220.79	1030.45
	Part II	1240.86			
10. Renovation and Modernization of Barauni and Muzaffarpur Thermal Power Station		506.20	212.53	155.21	367.74
11. Reorganization of Power Sector (PFC)		1.57	1.57	0.00	1.57
Grand Total		7803.75	4285.65	1000.00	5285.65

* Includes ACA of Rs. 55.50 crore released prior to RSVY. This scheme has now been recast as the Bihar Groundwater Irrigation Scheme.

@ Recommended by the Technical Committee for approval.

3.1.2 Districts Component

The Districts Component of the BRGF covers 36 districts including 21 districts covered by the erstwhile RSVY. In addition, Arwal district is also covered as part of

Jehanabad district. The allocation for the State and the funds released under BRGF from 2006-07 to 2009-10(till 11.11.2009) are as under:

(Rs. crore)		
Year	Allocation	Funds released
2006-07	522.48	246.96
2007-08	638.99	639.28
2008-09	638.99	721.55
2009-10(till date)	638.99	0.00

4. REVIEW OF ISSUES RAISED BY THE PLANNING COMMISSION DURING ANNUAL PLAN DISCUSSIONS (2009-10) AND LATER:

- 4.1 The average persondays of employment under NREGA in 2008-09 was 26 only compared to the National Average of 48 days. This could be improved by generating awareness about the scheme so that demand for employment increases.
- 4.2 The state receives about 26% of the total national allocation (Rs. 2,240 crore out of Rs.8,495 crore in the current year) under the Indira Awaas Yojana. There is demand for this programme, and the state has to mount all efforts to ensure its proper implementation.
- 4.3 The Power Supply position is very erratic and small towns reportedly receive power for less than 10-12 hours a day. Large scale upgradation of infrastructure is being carried out under the Special Plan and RGGVY. The state needs to ensure that BSEB takes over the assets and the lines are charged, otherwise expensive equipment and lines may be stolen.
- 4.4 Planning Commission has recently approved the revised cost estimates of Rs. 1053 crore for the Barauni and Muzaffarpur Thermal Power Stations under the Special Plan for Bihar under the Backward Regions Grant Fund.
- 4.5 The state can capitalize on its demographic dividend only by upgradation of skill sets. It has not yet set up the State Skill Development Mission. The number of ITIs is very small compared to the population size and there are 2000 persons in the age group 15-30 years for every ITI seat. ITIs and other Institutes may be set up in partnership with industrial houses/software companies. The state should be geared up to take full advantage of the Centre's initiative in this regard.
- 4.6 Under the National Drinking Water Mission, the state has a huge opening balance of Rs. 414 crore. The expenditure in 2008-09 was only Rs. 165 crore against the allocation of Rs. 425 crore. In the current year, against the allocation of Rs. 372.21 crore, an amount of Rs. 186.11 core has been released so far.

- 4.7 The state has made considerable progress under Sarva Shiksha Abhiyan and 98% habitations have primary schools within a radius of one km. However, the drop-out rate at the primary level is 51% compared to the national average of 25%. This programme should be accorded the highest priority of the state.
- 4.8 The progress of JNNURM has been very slow as the projects took a long time to be prepared and approved. This programme requires greater attention.
- 4.9 Bihar's Plan performance has improved in the past 4 years and the Plan expenditure has increased from Rs. 4465 crore in 2005-06 to Rs. 12,511 crore in 2008-09.

5. OTHER ISSUES

5.1 Special Task Force on Bihar

A Special Task Force on issues relating to the state of the economy of Bihar, its finances, governance and possible development strategies was constituted on 4th January, 2006 under the Chairmanship of Dr. Satish C. Jha. The terms of reference included inter alia analyzing issues related to the state of the economy of Bihar and sources of finances to fund the development of the State; outlining measures for expeditious implementation of on-going and news schemes; examination of issues pertaining to governance; identifying constraints and suggesting improvements for effective implementation, recommending possible development strategies and developing a mechanism for effective dialogue between Government of India and Government of Bihar. The task force has done a thorough job and produced the following reports:

- (i) Bihar's Agriculture Development: Opportunities and Challenges
- (ii) Bihar: Road Map for Development of Health Sector
- (iii) Bihar Road Sector Development-New Dimensions
- (iv) Road Map for Water Resources Development in Bihar
- (v) Bihar's Exposure to Innovative Governance Practices
- (vi) Bihar's Exposure towards the Banking Sector
- (vii) Road Map for Development of Power Sector in Bihar
- (viii) Information Technology Led Growth in Bihar- A Road Map
- (ix) Road Map for Rural Industrialisation in Bihar
- (x) Resurgent Bihar- A Development Vision

This Task Force was wound up on 20th July, 2009. The findings of the Reports of the Task Force are being integrated into the normal work of the State Plan division of the Planning Commission. The state and the concerned Central Ministries should work together to examine the roadmap prepared for various

sectors for the timely approval and effective implementation of the schemes/projects contained in the reports.

5.2 Special Category Status

Special Category status has been granted to some states that are characterized by a number of features necessitating special consideration. These features include: i) Hilly and difficult terrain, ii) Low population density and/or sizeable share of tribal population, iii) Strategic location along borders with neighboring countries, iv) Economic and infrastructural backwardness and v) Non-viable nature of state finances. States under this category have a low resource base and are not in a position to mobilize resources for their developmental needs even though the per capita income of some of these states is relatively high. Moreover, a number of these states were constituted out of former small Union Territories or districts of some other states, necessarily involving creation of overheads and administrative infrastructure that was out of proportion to their resource base.

At present there are 11 Special Category States namely, Arunachal Pradesh, Assam, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand.

Bihar has made a claim for Special Category status.

5.3 Irrigation and Power Sectors

The Power Sector is an area of concern. The State has two thermal power plants namely, Muzaffarpur and Barauni. Muzaffarpur had been shut down in 2003, while Barauni was operating at about 10% PLF. The renovation and modernization of these Power Stations is being carried out under the Special Plan for Bihar and the revised cost estimate has recently been approved. The state government has been requesting that the coal linkages for the 12th Plan be decided at an early date so that generation in the private sector could be possible. The strengthening of the sub-transmission system is also being taken up under the Special Plan. One critical issue here is the management capability of BSEB to take over the created assets and manage them efficiently. The average cost of supply was estimated to be about Rs.6.33 per unit in 2008-09 as compared to the average tariff of Rs.3.06 per unit. The T&D losses are projected to be about 35% in 2009-10. The reasons for high cost of supply are the high level of AT&C losses and the higher cost on establishment. This has adversely affected the financial viability of the sector. The commercial losses of BSEB are projected to be Rs.1818.36 crore in 2009-10.

Given the importance of Agriculture in the economy of the state, the irrigation sector requires special attention. The allocation under AIBP for the current year is Rs. 600 against which an amount of Rs. 18.63 crore has been released so far. Against the overall target of 1699.790 thousand hectares under Bharat Nirman, the physical progress upto July 2009 has been only 526.751 hectares. The state must ensure completion of ongoing projects so that new projects can be taken up. The state has a vast potential for ground water of which only 40% has been tapped, compared to the all India average of 60%. There is also a gap of 41% between potential created and potential utilized which needs to be bridged urgently to maximize the benefits to agriculture. The old million shallow tube well scheme under the Special Plan has been replaced with the Bihar Ground Water Irrigation Scheme. NABARD has to work in close conjunction with the banks and the district authorities to ensure that the farmers receive the benefits of the programme. Continuous monitoring is required by the state government and NABARD.

5.4 Other Issues Raised by the State Government

- Kosi Floods Reconstruction and Rehabilitation Package: Bihar's claim for a Package of Rs. 14,800 crore should be considered.
- Handlooms: Not even a single Mega cluster has been given to Bihar even though Bihar has a large number of minority handloom weavers in and around Bhagalpur.
- Agriculture: Bihar has launched an Agriculture Road Map. The Credit Deposit ratio is very poor and hence only 2% of the credit programme will reach Bihar. Hence the credit needs need to be taken care of.
- Food Security: Poor households in Bihar number 1.50 crore which is more than double the GOI estimate of 65 lakh households. Unless the manner in which poverty is measured is sorted out, the food security scheme will leave half of the poor population uncovered.
- FRBM Act: The states should be permitted flexibility of 1.5% over the prescribed target of 4% for fiscal deficit.
- Devolution of Central taxes: As a result of tax reliefs in the budget, Bihar faces a possible reduction of Rs. 4616 crore as its share of Central taxes.
- Coal blocks must be allocated for the Twelfth Plan as investors in the power sector would not come forward without this vital linkage.

6. CONCLUSION:

- Bihar deserves to be treated on a special footing, in view of its resource base, very low level of human development, and the severe deprivation of majority of its population. Against this context, most of the issues raised by the state government require special consideration.

- If Sarva Siksha Abhiyan(SSA) is one of the better implemented flagship programmes in the state; implementation of JNNURM appears to be on the other end of the spectrum. There is a need for a special Task Force for monitoring the implementation of flagship and other important programmes.