



उड़ीसा ORISSA **MEMORANDUM OF UNDERSTANDING**
BETWEEN MOHFW, GOVT. OF INDIA & H&FW DEPTT. GOVT. OF ODISHA 376874

1. Preamble

1.1 Whereas the National Rural Health Mission, herein referred to as NRHM, which was launched in April 2005 and has been extended for a period of five Years under the XIIth Plan Period from April 2012 to March 2017.

1.2 WHEREAS the NRHM aims at supporting the States / UTs in providing accessible, affordable, effective, accountable and reliable health care of quality to all citizens and in particular to the poor and vulnerable sections of the population consistent with the outcomes envisioned in the 12th Five Year Plan and general principles laid down in the National and State policies, including the National Health Policy, 2002 and National Population Policy, 2000.

1.3 AND WHEREAS the 'architectural correction' of the health sector is a key objective for the NRHM, to be carried out through integration of vertical programmes and structures; decentralization of Planning and Management; involvement of Panchayati Raj Institutions; improved and innovative Public Health Management, incorporation of Indian Systems of Medicine, better regulation of healthcare providers and more responsive, efficient and equity sensitive health financing mechanisms and supportive sector wide policy reform measures in the areas of medical, nursing and technical education.

1.4 NOW THEREFORE the signatories to this Memorandum of Understanding (hereinafter referred to as MoU) have agreed as set out herein below.

2. Duration of the MoU

2.1 This MoU¹ will be operative with effect from April 2012 or the date of its signing by the parties concerned whichever is later and will remain in force till March 2017 or till its renewal through mutual agreement whichever is earlier.

3. Scope of MoU

3.1 The MoHFW will provide a resource envelope to support the implementation of an agreed State NRHM Sector Programme Implementation Plan (PIP), hereinafter referred to as Sector PIP, reflecting:-

- a) All sources of funding for the health sector, including State's own contribution.
- b) A plan for action leading to achievements of specific outputs and outcomes and²
- c) Proposals and time frame for policy and institutional reforms³ referred to in para 1.3 above.

3.2 The agreed outlay for the Sector PIP for each financial year and the sources for the funding of the same will be as given at Appendix-I hereto.

3.3 Each State will prepare a PIP in line with guidelines provided by MoHFW. The PIP will be consistent with the general principles laid down in the National and State policies relevant to the Sector and other agreed action plans.

3.4 Based upon its PIP, each State will set annual level of achievement for the programme core indicators in consultation with MoHFW and subsequently, States will have similar arrangements with the Districts.

3.5 The Government of India may issue mandatory core financial and programme indicators as well as institutional process and output indicators, which would need to be adhered to by the States.

3.6 Further, there will be an annual review of both progress on the plan and on the institutional reform by a multi-stakeholder team made up of MoHFW, public health experts, civil society representatives, other partners and stakeholders in the form of a Common Review Mission.

3.7 The Sector PIP will be jointly reviewed by GOI and State to arrive at an agreed Sector PIP for the subsequent year.

3.8 The NRHM contribution to support the Sector PIP will cover, among others, implementation of plans for Reproductive and Child Health including Immunization and Population Stabilization, National Programmes for control of Vector Borne Diseases, Leprosy, Tuberculosis, Blindness, disease surveillance, Iodine deficiency and some aspects of mainstreaming AYUSH services.

3.9 The NRHM would operate as an omnibus broadband programme by integrating all vertical programmes of the Departments of Health and Family Welfare. However, independent sub-budget-lines may be retained to provide independent 'financial' identity till the expiry of existing bilateral agreements.

¹ The NRHM MoUs are to be executed on the basis of a State NRHM Action Plan.

² The Plan of Action should include convergence plan covering water, sanitation and nutrition etc. and should list out specific action points and the time schedule for their implementation.

³ Institutional reforms would relate to the 'architectural correction' referred to in the NRHM documents such as restructuring and decentralization of cadres, delegation of financial and administrative authority to the PRIs, streamlining and strengthening of support systems (logistics, MIS, IEC etc.) etc

4. Funds Flow arrangements

4.1 This MoU shall be signed during 2012-13 and all subsequent releases of grant in aid shall be linked to the execution of this MoU. Some of the reforms would be jointly termed as mandatory, and must be completed for any fund release. Other reforms are linked to specific fund flows and completion of the reform measure would enable sanction of funds for the appropriately linked activity.

4.2 The releases of funds shall be regulated on the basis of a written report to be submitted by the State indicating the progress of the agreed State Sector PIP including the following:

- Documentary evidence indicating achievement of targets / milestones for the agreed performance indicators referred to in para 5 herein below,
- Statement of Expenditure confirming utilization of at least 50% of the previous release(s).
- Utilization Certificate(s) and Audit reports wherever they have become due as per agreed procedures under General Financial Rules (GFR).

4.3 The state shall not make any change in the allocation among different components of activities without approval of the Government of India. However, within a component, reappropriation is permissible after Governing Body's approval.

5. Performance Indicators

5.1 Release of grants-in-aid will be subject to satisfactory progress of agreed Performance Indicators relating to implementation of agreed State PIP including institutional reforms.

5.2 The agreed Performance Indicators are as given at Appendix-II hereto.

6. Conditionality and Incentives

6.1 Each year, as a part of the state PIP review process, specified conditionality would be enforced. Non-compliance with the conditionality may translate into a reduction in outlay.

6.2 Similarly, initiatives in specified areas would draw additional allocations by way of incentivisation of performance. The releases under the incentive mechanism will be over and above the agreed allocations for supporting the agreed State Sector PIP and will become an untied pool which may be used for such purposes as may be agreed to by the State Health Society referred to in para 8.2 here in below.

7. Institutional Arrangements: National Level

7.1 At the National level, Mission implementation will be steered by a Mission Steering Group (MSG) headed by the Union Minister for Health & Family Welfare and an Empowered Programme Committee (EPC) headed by the Union Secretary for Health & Family Welfare.

7.2 The State Sector PIPs shall be appraised for approval and sanction by the National Programme Coordination Committee (NPCC) chaired by the Additional Secretary and Mission Director (AS & MD), NRHM at GoI level.

7.3 Principal Secretary / Secretary of the State Government as well as Mission Director (NRHM) shall be invited to the meeting of the Committee whenever their proposals are listed for consideration.

7.4 The functions related to monitoring the adherence to the MoU and recommendations for further release of funds under this MoU, against the already approved sector PIP, would be done by a joint committee comprise of Additional Secretary (AS&MD) (as chairperson), Joint Secretaries responsible for programmes under NRHM umbrella, State Health Secretary and the State NRHM Mission Director.

8. Institutional Arrangements: State, District and Hospital Levels

8.1 The State Government has set up the State Health Mission headed by the Chief Minister for providing guidance to State Health Mission activities. The constitution and terms of reference of the State Health Mission are as given at Appendix-III hereto. The State Health mission will meet at least twice in a year.

8.2 At the State level, the State has set up a State Health Society which merges all existing vertical programme societies in the health sector. The fund flow from center to the society shall either be through the treasury route or directly to this society.

8.3 The State Health Society shall have a governing body which has Chief Secretary as the Chair and the Mission Director, NRHM as its Member Secretary. The Executive Committee shall be chaired by the Principal Secretary Health and the Mission Director would be its Member Secretary. The Governing Body of the State Health Society will meet at least once in a six months. The Society shall also provide programme management support for the State Directorate and District Health Administration in the State. The model Rules and bye-laws of the State Society that may be filed with relevant registration authority are as given at Appendix-IV hereto.

8.4 At the district level, there is District Health Mission chaired by Chairperson, Zila Parishad and co-chaired by District Collector. The District Health Mission shall guide the District Health Society, chaired by District Collector, in policy and operations. The District Health Society shall meet at least once every quarter. The member secretary of the District Health Society is the Chief Medical Officer of the district. The (model) Rules / bye-laws of the District Health Society as notified through Resolution / Notification are as given at Appendix-V hereto.

8.5 State has agreed to constitute District Level Vigilance & Monitoring Committees (DLVMCs) at district level under the chairmanship of Member of Parliament to monitor the implementation of the Mission.

8.6 The State Government has also created Hospital Management Society called Rogi Kalyan Samiti. The society will meet at least once in a Quarter. The model Rules / bye-laws of the Hospital Management Society to be registered / filed with relevant registration authority are as given at Appendix-VI hereto⁴.

9. Performance Review

9.1 The Ministry of Health & Family Welfare shall convene national level meetings to review progress of implementation of the agreed State Sector PIP.

9.2 The Ministry of Health and Family Welfare may also organize a State level review⁵.

9.3 The review meetings may lead to proposals for adding to or modifying one or more Appendices of this MoU. These will always be in writing and will form part of the minutes of meetings referred to herein above.

⁴ Specific State level arrangements will have to be specified in the draft State Sector PIP and certified copies of the rules / bye-laws appended to the MoU.

⁵ Especially in the high focus States.

10. Government of India Commitments

10.1 The Sector Health Programme Implementation Plan, which has been jointly agreed to under NRHM institutional framework would be financed by Government of India in accordance with the approved budget and within an agreed timeframe.

10.2 The funds committed through this MoU may be enhanced or reduced, depending on the pace of implementation of the agreed State PIP and achievement of the milestones relating to the agreed performance Indicators including the conditionalities.

10.3 The Ministry of Health & Family Welfare (MoHFW) also commits itself to:

- (a) Ensuring that the resources available under the State Partnership Programmes outside the NRHM/ MoHFW budgets are directed towards complementing and supplementing the resources made available through the NRHM/ MoHFW budget.
- (b) Ensuring that multilateral and bilateral development partners co-ordinate their assistance, monitoring and evaluation arrangements, data requirements and procurement rules etc. within the framework of an integrated State Health Plan.
- (c) Facilitating development of District Action Plans and state PIPs through such means as may be mutually agreed.
- (d) Assisting the States in mobilizing technical assistance inputs to the State Government.
- (e) Developing and disseminating protocols, standards, training modules and other such materials for improving implementation of the programme.
- (f) Consultation with States, at least once a year, on the reform agenda and review of progress.
- (g) Prompt consideration and response to requests from states for policy, procedural and programmatic changes.
- (h) Release of funds on attainment of agreed performance indicators, within an agreed time.
- (i) Holding joint annual reviews with the State, other interested Central Departments and participating Development Partners; and prompt corrective action consequent on such reviews.
- (j) Dissemination of and discussion on any evaluations, reports etc., that have a bearing on policy and/or have the potential to cause a change of policy.

11. State Government Commitments:

11.1 The State Government commits to ensure that the funds made available to support the agreed State Sector PIP under this MoU are:

- (a) Used for financing the agreed State Sector PIP in accordance with agreed financing schedule and not used to substitute routine expenditures which is the responsibility of the State Government.
- (b) Kept intact and not diverted for meeting ways and means crises.

11.2 State shall contribute 25 %⁶ State Share of the funds to be released to all programmes under NRHM by the Ministry of Health & Family Welfare.

⁶ The state share will be 25% in all States/UTs except for Jammu & Kashmir, Himachal Pradesh, Uttarakhand and North-Eastern States where the state contribution will be 10%.

11.3. The State Government also commits to ensure that:

- (a) The state is committed to implement the programme/activities envisaged under the mission as per the Framework of Implementation of NRHM.
- (b) The share of public spending on Health from state's own budgetary sources will be enhanced at least at the rate of 10% every year.
- (c) Its own resources and the resources provided through this MoU flow to the districts on an even basis so as to ensure regular availability of budget at the district and lower levels. Further, high focus districts are allocated at least 30% more than the amount due on the basis of population.
- (d) Structures for the programme management are fully functional with sufficient manpower and the key personnel engaged in the design and implementation of the agreed State Sector PIP, and other related activities at the State (including Directorate) and district level are retained in their present positions at least for three years.
- (e) Representative of the MoHFW and/or development partners providing financial assistance under the MoU mechanism as may be duly authorized by the MoH&FW from time to time, are allowed to undertake field visits in any part of the State and have access to such information as may be necessary to make an assessment of the progress of the health sector in general and the activities related to the activities included under this MoU, subject to such arrangements as may be mutually agreed.
- (f) That the accounts are maintained and audit is conducted as per the rules and utilization certificates are submitted within the period stipulated under General Financial Rules. Further the State shall undertake to ensure that District Health Society accounts are also duly audited and audit reports acted upon.
- (g) The State shall take steps for decentralization and promotion of District level planning and implementation of various activities, under the leadership of Panchayat Raj Institutions.

11.4 The State Government agrees to abide by all the existing manuals, guidelines, instructions and circulars issued in connection with implementation of the NRHM, which are not contrary to the provisions of this MOU.

11.5 The State Government also commits to take prompt corrective action in the event of any discrepancies or deficiencies being pointed out in the audit. Every audit report and the report of action taken thereon shall be tabled in the next ensuing meeting of the State Health Mission and Governing Body of the State Society. The State Government should also table the audit report in the house of State Legislative Assembly.

11.6 That the State shall endeavor to implement all the activities as indicated in the plan and take such other action as is needed to achieve the plan objectives.

11.7 State shall plan completion of all activities related to construction of buildings including new constructions and renovations/up-gradations sanctioned under NRHM within agreed to the time-lines.

11.8 State shall make effort in filling up vacant posts as per the agreed institutional reforms.

12. Bank Accounts of the Societies and their Audit:

12.1 State and district society funds will be kept in interest bearing accounts in any Scheduled Commercial Bank as may be specified by the State Health Society. However, State agrees to follow the directions of MoHFW, if any, issued in this regard during the period of MoU.

12.2 The State will organize the audit of the State and district societies after close of every financial year. The State Government will prepare and provide to the MoH&FW, a consolidated statement of expenditure, including the interest that may have accrued. Hospital Management Society audit shall be conducted as directed by the ministry and the state shall consolidate audit reports of all programmes viz. Reproductive Maternal Neonatal Child Health + Adolescent Health Programmes (RMNCH+A), activities under Mission Flexi pool, Immunization Programme, National Iodine Deficiency Disorder Control Programme, Integrated Disease Surveillance Project, National Vector Borne Disease Control Programmes, National Leprosy Eradication Programme, National Programme on Control of Blindness, and Revised National TB Control Programme, covered under NRHM and submit to the Ministry.



12.3 The funds routed through the MoU mechanism will also be liable to statutory audit by the Comptroller and Auditor General of India.

12.4 The State Governments shall comply to the financial guidelines issued to the states by the Financial Management Group established under National Rural Health Mission by the Ministry of Health and Family Welfare. In addition, states shall have to follow State Finance Rules related to procurement and General Finance Rules in relation to furnishing of Utilization Certificate and other related Matters.

13. Suspension

Non compliance of the commitments and obligations set hereunder and/or upon failure to make satisfactory progress may require Ministry of Health & Family Welfare to review the assistance committed through this MOU leading to suspension, reduction or cancellation thereof. The Ministry commits to issue sufficient alert to the State Government before contemplating any such action.

Signed this day

For and on behalf of the Government of Odisha	For and on behalf of the Government of India, Ministry of Health & Family Welfare
 Principal Secretary (HFW) Government of Odisha Date: _____	 Joint Secretary, Ministry of Health & Family Welfare Government of India Date: _____