

**GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA**

UNSTARRED QUESTION NO:4505
ANSWERED ON:20.08.2010
IRREGULARITIES IN HEALTH PROJECTS
Dharmshi Shri Babar Gajanan

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) whether the World Bank has pointed out the cases of irregularities in health projects on eradication/control of tuberculosis, malaria and HIV/AIDS in the country;
- (b) if so, the details thereof;
- (c) whether the Government has conducted any investigation in this regard; And
- (d) if so, the details thereof and the action taken against the guilty persons?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEALTH & FAMILY WELFARE (SHRI DINESH TRIVEDI)

(a) to (d): On 11th January, 2008, the World Bank had shared with Government of India, a Detailed Implementation Review (DIR) report, based on the review of five health sector projects which were being implemented during periods varying from 1997 till 2006 end. One project was under State health sector. The five Health Sector Projects are (1) Revised National TB Control Programme (RNTCP-I) (8 May 1997 to 31 March 2006 (USD 124.8 Million) (2) Enhanced Malaria Control Project (EMCP) (27 Oct 1997 to 31 Dec 2005) (USD 114 Million) (3) Orissa Health System Development Project (OHSDP) (8 Sept 1998 to 31 March 2006) (USD 82.1 Million), (4) National AIDS Control Project-II (NACP-II) (11 Sept 1999 to 31 March 2006) (USD 193.7 Million) and (5) Food and Drug Capacity Building Project (FDCBP) (17 Oct 2003 to 30 June 2008) (USD 54 Million). All projects have already ended. For AIDS and TB successor projects are under implementation.

In this report, the World Bank has mentioned about indicators of deficiencies relating to procurement, oversight and implementation like collusion, bid rigging, deficiency in civil works, equipments not installed because of lack of staff etc. Majority of the deficiencies reported relate to decentralized procurements at the district level, which are implemented at the State level.

The World Bank report suffers from several infirmities. Ministry of Health & Family Welfare has already conveyed its response on the infirmities in the methodology adopted by World Bank emphasizing that the World Bank did not discuss with any of the programme officers either during the review or before finalizing the review report. These discussions would have clarified most of the issues raised in the report. Had this been done, most of the inferences would have been different.

Government of India is committed to eliminate deficiencies or irregularities in all health sector programmes, whether funded domestically or externally. Structural deficiencies which were noted in the earlier programmes have been taken care of in the successor programmes.

Further, after receipt of the report, following actions have been taken:

- (i) To address the systemic deficiencies pointed out in the World Bank report relating to procurement, implementation and oversight a Joint Action Plan has been finalized after intensive discussions with the World Bank keeping in mind specific interventions and timelines.
- (ii) Three new cases pertaining to Chhattisgarh and Karnataka were referred to CBI for further investigation. One of these was identified through an analysis of the audit report. The cases are at an advanced stage of investigation. In a similar case, the Government of Orissa has filed a criminal case and initiated departmental proceedings.
- (iii) The cases of firms mentioned in the DIR for forging the documents have also been referred to CBI for investigation.