

## **Project Brief – District Planning DP 2008-12**

### **1. Situational Analysis**

India has experienced considerable and sustained growth in the recent past and there has been substantial reduction of poverty (to around 27% in 2004-5). However, India faces stiff challenges in achieving several MDGs (as listed in the India MDG Report 2007 by MoSPI, GoI). There are significant inter-regional variations, with the UNDAF states being the poorest from all consideration. Even within these states, poverty is concentrated in specific disadvantaged social groups<sup>1</sup>. Gender disparities persist and there is also a significant urban-rural divide. The impressive growth has not created enough livelihoods or increase in income/ purchasing power for poor workers and households.

The Indian XI Five Year Plan (FYP) places strong emphasis on decentralized and outcome-based planning. It expects decentralised planning to improve effectiveness of development programmes and to facilitate inclusive growth, the latter by ensuring equitable participation and benefit sharing by disadvantaged social groups. Currently, PRIs/ULBs are largely engaged in implementing individual programmes as agencies of state governments. The XI FYP expects them to evolve as local self governments<sup>2</sup> to perform their roles in district planning. The Planning Commission issued Guidelines in 2006 to establish the district plan process as an integral part of preparation of state plans.<sup>3</sup>

Experience with Planning Commission's Guidelines for District Planning is recent<sup>4</sup>. Some weaknesses are becoming evident<sup>5</sup>, such as a) inadequate capacity in the DPC to deliver its mandate b) lack of clarity on DPC mandate: is the district plan merely an aggregation of PRI/ULB and department plans? Or is the DPC expected to play the role discussed by the Second Administrative Reforms Committee (sec 3.7.5) wherein a two-way iterative process is visualised which ensures consolidation, convergence and the reflection of local needs/resources as well as a macro view on issues and problems? c) limited reliance on bottom-up processes d) the planning process at the GP level is not sufficiently participatory e) there is limited opportunity for disadvantaged groups to influence allocation and utilization of resources and f) devolution of functions to PRIs is neither clear nor consistent,

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<sup>1</sup> Such as the Scheduled castes, the scheduled tribes and Muslims

<sup>2</sup> The Indian Constitution provides for preparation of plans for economic development and social justice by Panchayati Raj Institutions (Article 243G) and Urban Local Bodies (Article 243W).

<sup>3</sup> District Planning is the process of preparing an integrated plan for the local government sector in a district taking into account available resources (natural, human and financial), and covering the sectoral activities and schemes assigned to the district level and below. The District Plan is to be prepared by the District Planning Committee and is to include development plans of rural and urban local bodies and line departments. In addition, the District Plan is expected to take into account expected activities of the private and other non-government agencies. The District plan will also include a vision document which would address three aspects of development, namely, human development, infrastructure development and development in the productive sector.

<sup>4</sup> There are some positive trends in district planning particularly in Kerala, Karnataka and West Bengal. Amongst the UNDAF states, Madhya Pradesh has displayed some strength in district planning, but progress has been inconsistent. In other states, district planning has been very weak.

<sup>5</sup> The State of Panchayats: 2007-8, Volume One, IRMA, pp119-127

and fiscal transfers are not inline with the functional domain. The role of state governments is critical particularly in fiscal transfers and devolution of funds as well as the institutional design and capacity building of PRIs.

The India-United Nations Development Assistance Framework (UNDAF) 2008-12 recognises that the national development agenda is now looking beyond growth at social inclusion and effective implementation. UNDAF response to these priorities forms the basis for the proposed UNDP project to support district planning. District planning is of relevance to two UNDAF Outcomes: Outcome 2 (.....accountable and responsive local governments..... are in place in selected districts.....which promote equitable and sustainable development.....with special attention to the needs of disadvantaged groups..') and Outcome 3 ('By 2012, 11<sup>th</sup> Plan targets related to the MDGs are on track in at least one district in each of the 7 priority states'). UNDAF outcome 3 requires convergence among departments and agencies at the district level.

Planning Commission has been implementing the 'Rural Decentralisation and Participatory Planning for Poverty Reduction' (RD) project<sup>6</sup> with support from UNDP during the 2003-2007 programme cycle. The RD project was launched before the District Planning Guidelines were issued by the Planning Commission. It focused on the Gram Panchayat and supported a process of inclusive, participatory planning. It strengthened the role of Gram Sabhas and underscored the need to align village micro-planning processes with mainstream planning processes. The project has delivered strong results in enabling poor/disadvantaged communities to influence resource allocation by PRIs. This was done through a lengthy process including confidence building measures, creating a favourable environment for discussions on development, facilitating community based organisations and a leadership to emerge from the people belonging to the disadvantaged groups. This was especially evident among women where they were empowered to articulate their concerns. The precise methodology adopted by partners included several variants to adapt to local conditions. The project also established that the planning process needs to be backed up by GP capacity to execute plans and an improvement in accountability. The provision of untied funds to GPs in the project was a critical element in delivering good results since it enabled GPs to respond to priorities of the poor and it demonstrated the utility of Gram-Sabha-based planning to disadvantaged groups.

To strengthen the district planning process, the Planning Commission (PC) is currently designing a scheme, at the national, state and district levels, for provision of technical support. The BRGF Guidelines also state that the district plan must be derived largely from participatory plans drawn up by PRIs and ULBs. This becomes important to ensure inclusion of people belonging to the disadvantaged groups. Participatory bottom-up planning is an important strategy for inclusion.

To ensure that district planning is based on an informed situation analysis, both the District Planning and BRGF Guidelines require districts to prepare baseline surveys or situation analysis. Experience in preparing District Human Development Reports has been gained through the PC-UNDP Strengthening State Plans for Human Development project

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<sup>6</sup> The RD project (2004-8) was launched before the Planning Commission guidelines (2006) for district planning. The RD project supports participatory and integrated planning at the GP level, improves their capacity to mobilise resources, increases transparency and accountability and strengthens devolution. It covers nine district in the four states of Orissa, Chattisgarh, MP and Rajasthan.

(SSPHD) in over 50 districts. These DHDRs are being viewed as excellent tools for situation analysis/ baseline surveys envisioned in the planning guidelines and attempts are being made by PC and Ministry of Panchayati Raj to institutionalise DHDRs in the district planning process.

The proposed Planning Commission-UNDP District Planning project builds on the experience of the RD and SSPHD projects and is centrally placed to respond to the above context<sup>7</sup>. The outcome of the District Planning project is 'Elected representatives and local functionaries performing their role in formulation, execution and monitoring of integrated district development plans and budgets, ensuring participation and inclusion of poor women and men from the SC and ST groups and minorities.' (CPAP Output 2.1). As part of the Joint GOI-UN programme on Convergence, the project will also contribute to CPAP Output 3.1.1 'Clarity achieved in roles of government, NGOs, civil society and private sector in reaching the MDGs', Output 3.1.2 'Capacities of district level officials strengthened to establish partnerships (with civil society including private sector and CBOs) and carry out convergent/coordinated development planning, implementation and review at the district level', and Output 3.1.3 'Effective mechanisms in place to work with partners for integrated and multi-sectoral planning, management and monitoring of various programmes to achieve convergence'.

UNDP support to District Planning will be one of the cornerstones for the Joint GOI-UN programme on District level Convergence to meet MDGs. This will be done by developing district capacity for results-based planning, resource convergence, implementation and monitoring. During capacity development, emphasis will be to introduce tools and methods that will ensure that women, especially from the disadvantaged groups have an important role to play in the envisioning process as a whole for the plan preparation. The project will be linked closely with the activities and outputs supported by other UN agencies related to decentralized planning (such as UNICEF, ILO and UNFPA), in terms of common geographical location (30 districts in the 7 UNDAF states), complementary work planning and a common National Steering Committee. It is expected that the DP project will support the operationalisation of the Planning Commission guidelines and will contribute to fine-tuning of the manual for District Planning. Further, lessons from interventions will contribute to better implementation of BRGF and the Planning Commission scheme on District Planning. The project will support state governments to build capacity for district planning at all levels. This is also an opportunity for the Planning Commission to work with project states on state-specific policy in decentralised planning, functional and fiscal devolution and PRI institutional issues.

## **2. Scope and Strategy**

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<sup>7</sup> The Outcome Evaluation of the UNDP Governance portfolio by Mr Meenakshisundaram notes that 'The 15-year old 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments that set the stage for deeper democracy, stronger local governance and bottom-up planning for sustainable and contextually appropriate development are yet to be fully realized. It is now well understood ..... local economic and social development is strongly correlated with decentralized planning and governance, and therefore the latter must be energized and adequate capacity developed. Simultaneously, specific attention must be paid to including and empowering currently marginalized groups, of whom women are arguably the largest.'

This project is an integral part of the UN Joint Programme on Convergence, designed as a framework to provide comprehensive support from the United Nations to decentralized planning, budgeting, implementation and monitoring at the district level.

This UNDP-financed project supports the implementation of decentralised planning, which is a key mandate of the government at all levels. Interventions will be implemented at several levels, with components at the national, state, district and sub-district levels. At all levels, the thrust will essentially be on strengthening government policies (focussing on gender equality and inclusion), processes (emphasising effective participation from women and men belonging to the excluded groups) and capacity to undertake integrated district planning.

The project will focus on developing capacity at the district and sub-district level on gender sensitive, inclusive and integrated planning. Consistent with this approach, the project will support state-level training institutions so that they are able to develop capacities at the district level to plan towards achievement of national development priorities, MDGs and gender equality.

It will also provide relevant technical expertise within the Technical Support Groups of the DPC envisaged under the Planning Commission Scheme, working with the District Leverager provided by UNICEF's Plus One Programme. Selection of methodologies for implementation will be driven by the overarching objective to devise methods that are easily replicated by other districts, under state and national resources.

At the national level, the project will work with the Planning Commission and UN Country Team in drawing lessons from project experience as well as other good practices in UNDAF states. It is expected that these lessons will feed into guidelines and manuals of district planning, and will inform the proposed Planning Commission scheme for support to district planning. Further the project will provide feedback to the Ministry of Panchayati Raj on issues related to the Backward Regions Grant Fund. The BRGF supports preparation of participatory district plans, has provisions for additional funding for capacity building and untied funds for critical gaps to meet pressing local needs. BRGF also has detailed guidance to ensure participation of women in the planning process. There is a close fit between this project and the BRGF and Planning Commission's scheme to support District Planning.

The project will be implemented in all seven UNDAF states (Rajasthan, Madhya Pradesh, Chhattisgarh, Orissa, Jharkhand, Bihar and Uttar Pradesh). In these states, the project the nodal department in the respective states (Planning Department, State Planning Board, Panchayats and Rural Development Department) will be the implementing agent. Other key departments such as the women and child development and social justice development department will also be brought on board for guidance and strengthening the process. The state government is a key player in decentralised planning, with state-level legislation, policies and rules governing district planning. In this capacity, the nodal agency will coordinate activities at the state level and enable policy dialogue with related departments. The agency will guide state training institutions to play an effective role in developing capacity on district planning. The nodal department for district planning will also test effectiveness of project support in improving the quality of district planning. The project will set up a state-level steering committee which will discuss policy issues and derive

inputs for policy validation or revision. On a continuing basis, the committee will identify state-level strategies and priorities in convergent, bottom-up district planning. These will be addressed by the project through inclusion of appropriate activities in its workplan. The state-level steering committee will also play a problem-solving role. The project will document lessons and prepare gender sensitive communication material which will help in advocacy. Emphasis will be to create messages on gender equality and inclusion. The project will also support state-level knowledge sharing events which will draw upon good practice from the project and other interventions to support district planning. In addition, there will be resources for immersion, peer learning and exchange visits. Voices and articulation of the concerns of the women and people belonging to disadvantaged groups in the committees and coordinating bodies at all levels will be ensured.

The responsibility of building capacities of district officials and PRI members is vested in state-level support institutions such as the State Institutes of Rural Development (SIRDs) and Administrative Training Institutes (ATIs). The Planning Commission Guidelines on Decentralised planning in 2006 strengthened the decentralised planning process in the UNDAF states and with such recent experience, there may exist several gaps in capacity at the district level and below. There will be similar gaps in the capacity of state-level training institutions to address these needs. The project will work with these institutions to enable them to deliver on capacity building for decentralised and integrated planning. Apart from horizontal and vertical integration, district plans are expected to take into account expected activities of the private and other non-government agencies. The DP project will build on the ground created by the Planning Commission-UNDP Public-Private-Community partnerships (PPCP) initiative and pilot inclusion of profit-driven private sector investment in the district plan.

The project will work closely with the proposed GoI-UNDP project 'Capacity Development of Local Governments' (CDLG). It will ensure that the capacity assessment and design of curriculum undertaken under CDLG cover aspects related to integrated and decentralised planning at the district level. It will help in devising an appropriate capacity development strategy and in preparing training material for district planning.

The project will work in 30 UNDAF districts selected in consultation with state governments. These districts are backward districts on several criteria, including human development indicators, proportion of population belonging to people belonging to SC/ST, high environmental risks, poor opportunities for inclusive growth, etc. In these districts, the project will work closely with other UN agencies to deliver on the joint UN convergence agenda. As visualized by the 2<sup>nd</sup> Administrative Reforms Committee and as laid down in states through legislation and policy, the District Planning Committee (DPC) will facilitate and lead an iterative process of planning. This will involve local needs assessment based on the participation of women and people belonging to SC/ST and prioritization based on available local, state and national resources. The district planning process will facilitate panchayats (gram, block/intermediate panchayats) and urban local bodies to plan for activities that will lead to the desired results in a specified period of time, rather than submit plans for specific schemes/programmes. Thus the ideal convergent plan will be a matrix of desired results, specific activities and those who will be responsible for the same, the source (including state government allocations, centrally sponsored schemes, special component budgets such as the Tribal sub-plan, and local revenue) from which resources will be tapped, all set within specified time limits. The project will build capacity for identification

and mapping of resources, budget allocations and facilitate the process of matching needs with resources.

UNDP support will be aimed at building capacity of the DPC through delivery of training by state-level institutions, hiring in services of experts, institutionalising DHDRs and commissioning background studies to facilitate informed decision making. Of particular interest will be themes such as inclusion, environmental risk, HIV/AIDS, climate change, skill development and decent work. Across all themes, gender will be treated as a cross cutting issue. The project team working with the UNICEF District Leverager will identify capacity gaps and select activities to fill these gaps. The gaps will emerge from the DPC's own assessment of capacity needs. The project will orient DPC members to inclusive development and participatory planning. This will prepare the DPC to absorb technical assistance. The Planning Commission (PC) provides for a Technical Support Group for each DPC, and the PC scheme as well as BRGF allocates funds for such TSGs. This project will provide capacity development to the DPC through the TSG. Recognising that gender inequalities and social exclusion has been a basic cause for constraints in participation and unequal development outcomes for women and people belonging to SC/ST, the project will support TSGs and also enable districts to use BRGF funds to engage individual/agencies to focus on gender sensitive and inclusive planning and implementation.

One of the major causes for districts to lag on achieving development goals is lack of meaningful convergence. Agencies (departments, PRIs, ULBs, parastatal bodies, user groups) do not work together even where they are addressing common goals. Initiatives to overcome barriers to joined-up working have been infrequent and have often relied on the individual efforts, which have collapsed once that person was no longer involved. Instances of convergence have demonstrated results but have not been sustained. This project intends to support a change management process at the district level, involving officials from line departments and local bodies. In the selected district within each state, the project will create a shared vision and will improve capacity for integrated inclusive planning and convergence of resources of line departments, PRIs and ULBs. The project will encourage the DPC and other officials to create a mechanism whereby departments and PRIs focus on common goals and converge resources and activities. This change management process can be expected to overcome bottlenecks in convergence. The project outcome by way of improved district planning will influence sectoral and departmental plans as well.

The project will support the creation and maintenance of a database at the district level which will track sex – disaggregated development indicators. In some districts, the project will also support the production of a district HDR. Utilisation of district HDRs and their regular updation will ensure a HD-focus and enable outcome monitoring. The development data base will help the district focus on outcomes and will help agencies work in a converged manner towards results. Further, it can be used to improve monitoring particularly at the impact level. The project will pilot approaches to validate the database through Gram Sabhas. There will be a related emphasis on results-based management.

Recent studies (such as MoPR's State of Panchayats 2007-8 quoted in the previous section) identify lack of community mobilisation as a major weakness in the decentralised planning process. They also point out the limited capacity of GPs to prepare budgets and technical designs for interventions and to implement the proposed activities. This project will test approaches and tools for community mobilisation, inclusion and handholding GPs in

planning, budgeting, implementation and monitoring in selected districts. The DPC will decide the strategy and methodology for implementation of this component. UNV Volunteers at district level will work closely with DPC and District Leverager to ensure community mobilisation, effective participation of women and people belonging to disadvantaged groups in planning, and community-based monitoring. Learnings and tools arising from mobilisation, inclusion and participation efforts in planning will be shared by the UNV Volunteer with the District Leverager to ensure mainstreaming of lessons for district-wide replication. Further, the UNV Volunteer will assist in liaison between GPs and the block office/IP.

The project is expected to demonstrate methods of gender sensitive and inclusive planning and to generate plans that prioritise the needs of excluded groups and can then be funded, implemented and monitored. The project will also use other strategies to address exclusion. Amongst these will be immersions visits and workshops for district officials to inform them about approaches to inclusion and to sensitise them on this issue. The project will support background studies on gender and inclusion and help prepare a development data base (consistent with the efforts of the Planning Commission's and Ministry of Statistics and Programme Implementation to develop a data base for local needs) that will enable disaggregated tracking of impact of district planning on women and people belonging to SC/ST.

The precise design of the project in each state will depend on the existing guidelines and directions for District Planning in the state, as well as the current capacity of state-level training institutions. In the initial period, the project will conduct a capacity assessment for district planning at all levels for each state and will extensively consult the state governments as well as officials from training institutions and districts. This will form the basis for design of specific interventions for each state. The implementation arrangements too will be finalised after consultation with state governments. The arrangements will ensure that the project relates closely to the policy making process within the state. This will facilitate feedback of project lessons into policy.

The project will also support competent documentation of its results, including capacity development, the change management process as well as the pilot initiatives on inclusion at the GP/community level. UNDP will connect the project's lessons with global best practices.

A coherent communication strategy will be adopted by the DP project in support of the GOI-UN Joint Programme on District Level Convergence (refer Joint Programme Document). The project will foster behavioural change on the part of officials and PRI members as a critical initial building block for effective convergence. This will be promoted through 'immersion programmes' for all stakeholders that engage in the process to understand the real life situations of women and people belonging to excluded groups. It also requires institutions at the state, district, block and GP levels to manage change [making the institutions more responsive, transparent and effective). The strategy will include identification of region-specific critical subjects for communication, where project experience will be of interest to a wide set of stakeholders. The list will be open-ended, permitting changes on the basis of emerging interest. Documentation will be gender sensitive, purposive, aimed at evidence-based policy dialogue, improved practice, technical support, building capacity or to facilitate informed choices on resource allocation. The documentation will draw from the project M&E and partner reports in addition to primary

data. The documentation will use field experience to highlight issues (challenges, limitations, solutions) and forge a shared understanding. The media and presentation styles will be selected on the basis of target audience, including women and people belonging to the disadvantaged groups, policy makers (especially legislators and parliamentarians) and administrators. Amongst the options to be considered are reports in print and AV/film format, monographs, presentations, e-learning groups, web-based documentation, presentations in folk media, etc. Further, the strategy will include events to share learnings and reach a shared understanding. These include exposure visits, meetings, conferences and workshops. Project funds will be used to support these activities.

The DP project builds on some proposed/ongoing projects, capturing their opportunities, learning from their strategies and taking their outputs forward. In addition to the RD project referred in the first section, these include:

- Capacity Development for Local Governance (CDLG): The CDLG project works with state level training institutions on development of capacity of PRIs and officials. The DP project is complementary to the CDLG project, focussed on district planning. The DP project will generate inputs for the CDLG design/adaptation of training strategy and curriculum. The 'nodal officer' of the CDLG project will be a member of the DP state steering committee.
- The Public-Private-Community partnership (PPCP) initiative within the RD project: This initiative was intended to support PPCP at the district level, including setting up an institutional framework and piloting processes for such partnerships. The PPCP initiative has oriented district and state officials on PPCP in the regions that it covered. It set up cells in the district administration to work on PPCP. The DP project will use the results of the PPCP initiative to convince state governments of the validity of this approach. Further, it will orient DPC and TSGs on the PPCP concept.
- Strengthening State Plans for Human Development: The DP project will work in districts where a district HDR is under preparation or other tools for district situation analysis are being used. It will leverage the results and implementation structures of the DP and SSPHD projects to institutionalise the DHDRs as a tool for district planning in remaining districts through mobilisation of government resources. In UNDAF states where DHDRs have not been initiated, DHDRs will be supported in the districts chosen under this project. The DP project will utilise the District HDR with disaggregated data as a planning tool to reduce inequalities among social groups, and will regularly update and validate the HDR. Further, the DP project will support the work of the government and others in strengthening data collection and analysis at the district level, and work to create a data base on development indicators at the GP level, with data being collected by the GP sectoral committees and validated by the Gram Sabha. Several states are taking steps in creating participatory databases and the project will assist such initiatives. Besides, this is important in helping PRIs work as self governments and monitor development. In doing so, the project will complement efforts by UNFPA and MoSPI in this direction.
- Support for operationalisation of NREGA: Further, it will help integrate the district REGP plan with other components of the district plan, including an overall employment plan.
- The UNDP 'Capacity Building for Decentralised Urban Governance' project supports several ULBs in preparation of City Development Plans. The CDPs include economic, infrastructure, environmental and social aspects. The DP project will draw upon this experience while working with ULBs in the selected districts.
- Capacity building interventions for district officials and elected representatives will include specific focus on gender budgeting and will be informed by the UNDP-MWCD 'Promotion of Gender Equality' project.



### 3. Project Deliverables Outline

As an integral part of the GOI-UN Joint Programme the UNDP project is consistent with the results framework and Project implementation framework of the Convergence Programme. Specifically, its deliverables in large part comprise the planning, budgeting and monitoring results of the Convergence programme.

The following will be among its key deliverables:

a) Strengthened training institutions and enabling policy framework to develop capacity of officials and PRIs in seven UNDAF states on District Planning:

The project will develop capacity of state-level training institutions to

- Provide advisory, capacity development and hand-holding assistance to districts on district planning
- Define key roles of institutions and officials (particularly at the district level) in district planning
- Assess their capacities and identify gaps
- Support state level institutions to design a CD strategy in response to the needs assessment
- Assist state institutions in preparing training methods and modules to meet the requirements

Further, the project will support a National Center of Excellence in District Planning. Initial indications are that the NIRD will be most suitable host. Amongst other support strategies, UNDP experiences and expertise in district planning from other countries will be provided as technical resources to the Centre of Excellence.

b) DPC members and officials and PRI members (of all the three levels) in 30 districts able to undertake gender sensitive, inclusive and participatory district planning

- Provide training to DPC members and relevant officials through the state level institutions on gender sensitive, inclusive and integrated District Planning
- Help DPCs identify gaps where they need technical support; help DPCs set up Technical Support Groups and support inclusion of experts
- Provide technical advice to DPCs in response to request on cross-cutting themes such as gender, inclusion, climate change, disaster management, HIV/AIDS, etc as well as other issues related to human development, national priorities and MDGs
- Undertake background studies based on issues listed by the DPC
- Support a change management process to foster convergence
- Organise exposure visits and facilitate knowledge management, utilizing the UN Solution Exchange.

c) State government capacities and coordination mechanisms strengthened leading to design and implementation of inclusive, need-based district development plans.

- Establishment of coordination and convergence mechanisms at district and state levels
- Support setting up a monitoring system at the district level, including HD and inclusion indicators; undertake a baseline measurement of these indicators. Ensure collection of sex- disaggregated data.

- Sharing global and regional experiences on local or participatory planning with planners through the District Leverager and other other means
- Draw upon the experiences of other UN agencies in sectoral planning and converge with the work of these agencies to develop practical, effective approaches to bottom-up integrated planning
- Track impact of trainings conducted by SIRDs/ ATIs and ETCs on district planning; support intensive handholding and monitoring to ensure transfer of skills
- Facilitate inclusion of ‘decent work’ elements, PPCP, HIV/AIDS, and climate change in district plans in one district per UNDAF state
- Support the introduction of ICT as a planning tool, building on NIC’s Plan Plus and other Convergence related software, including GIS for spatial planning;
- Support the use of DHDR as a tool for district planning and encourage state governments/ district authorities to prepare DHDRs in districts not covered under SSPHD project
- Facilitate consultation at district levels with line departments to get involved in district planning

d) Replicable approaches to participatory and inclusive planning and monitoring integrated into the district planning process

- Develop capacities for community mobilisation and gender sensitive and inclusive planning
- Develop and test tools for gender sensitive and inclusive planning and monitoring, and preparation of development data base at the community level on development issues
- Assist DPCs to develop blueprints of the planning process at the block/Intermediate Panchayat level by working upon national and state guidelines
- Support GP staff and members on planning, budgeting, implementing and monitoring; sensitising them to inclusion and human development
- Place UNV Volunteers to support community mobilisation and developing GP capacity, under the direction of the District Technical Support Group.
- Sensitise Block level officials to mobilisation and inclusion

e) Dialogue with Planning Commission and State Governments to refine guidelines, schemes, manuals and training programmes on decentralised district planning

- Share experience with other UN agencies on integrated district planning at UNDAF governance and Convergence cluster meetings
- Mechanisms for experience sharing on inclusive and converged planning set up/ supported
- Virtual knowledge networks including Decentralisation CoP – Solution Exchange and DGP net
- Contribute to policy at the national (through the Planning Commission) and state levels by supporting task forces, Round Tables, Legislators’ forum and other processes organised by other agencies/ government
- Feed best practices into the various initiatives of the Regional Centre Bangkok and the Oslo Governance Centre

The DP project will support the DPC to prepare an overall district plan which converges scheme-based, sectoral and area development plans<sup>8</sup>. The plans will be costed, with clear identification of sources of funds. This will imply an analysis of sources of funds and recommend a cost-resource mapping (at State and District level), a comprehensive review of financing options, including from new areas such as private sector funding, and other public sector sources and specific recommendations on how to fund the action plans.

The project will facilitate the preparation of District plans that address major local and national priorities. Amongst these are human development and gender equality goals, skill development, agricultural development, private sector partnership and management of environmental risks<sup>9</sup>. The project will ensure that the demands of the most vulnerable and marginalized women and men articulated in the micro-plans form an integral part of integrated district plan. The district will also develop a policy towards identifying and addressing development inequalities among social groups towards inclusive growth.

At the district level and below, the project will improve the monitoring system to track development outcomes. Using the district HDR as a platform, the DP project will help the DPC to set up indicators and a system of measuring these at regular intervals. The indicators will measure human development outcomes, environmental indicators, incomes and consumption patterns, inequality reduction and livelihood vulnerability. These will form a baseline, contributing to the visioning exercise. Further, periodic studies/surveys of the indicators will serve as report cards, enabling measurement of progress towards outcomes. Data will be collected by PRIs and line departments. In addition, the project will support third-party monitoring, citizens' reports, as well as participatory systems. The project will advocate third party monitoring with the DPC, PRIs and the district

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<sup>8</sup> Several sectoral central and state schemes such as the National Rural Health Mission, the Sarva Shiksha Abhiyan, NREGP, the Bharat Nirman schemes, Total Sanitation Campaign and the drinking water schemes require district plans. Further, area development plans such as the DPAP and DDP, and targeted plans such as the Tribal sub-plan and the Special Component plan too offer opportunities for further integration

<sup>9</sup> Several subjects allotted to PRIs as listed in Schedule 11 of the Indian Constitution are related to environmental risks (agriculture, water management, social forestry and farm forestry) and skill development (agriculture, small-scale industries, village and cottage industries, vocational education). The 11<sup>th</sup> Five year plan recognises that agricultural growth rates are being constrained by technology fatigue, depleting water resources and fertility, and greater susceptibility to drought. The Planning Commission also recognizes that growth without jobs can neither be inclusive nor bridge historical divides. On the one hand, there is need for investment in labour-intensive sectors. On the other, there is need to upgrade or modify skills to match requirements of the growing sectors. The Planning Commission and Ministry of Panchayati Raj acknowledge the importance of private sector participation in inducing rapid growth and improvement in services. MoPR has therefore formulated the Rural Business Hub scheme. The Planning Commission is also concerned with financial inclusion. NABARD and Lead Banks prepare a district credit plan. The DP project will integrate them with the overall District plan and facilitate the flow of credit to priority sectors and segments by suitably tailoring public investment within the district. The National Disaster Management Act and Ministry of Home Affairs' initiative to prepare disaster management plans at the district level and below, offer another area for convergence for the DP project. The NREGA is another initiative for sustainable livelihoods based on local resources which requires a bottom-up district plan.

administration. The project will also help design suitable indicators and an appropriate process for third party and participatory monitoring. The project will build capacity for community mobilization to enable participatory monitoring. UNV Volunteers will work with the DPC in select districts to facilitate these activities. The project will also improve the capacity of DPC members and support staff to monitor.

### Time line for Deliverables

Important milestones	Year 1	Year 2	Year 3	Year 4	Year 5
National level feedback - To Manual for District Planning - PC Scheme for Dt Plg	**	**		**	
Background studies on policy and practice of district planning	**	**			
Consultation with state governments on district plg and scope of project	**	**			
Identify finances for plan implementation from relevant CSS  Undertake comprehensive review of financing options, including from new areas such as private sector funding, and other public sector sources		**	**		
Role profile and capacity assessment of all key players		**			
Developing capacity of state-level support institutions		**	**		
Strengthening DPCs by improving capacity of TSGs		**	**		
Training of officials and PRI members on district planning			**	**	**
Change management process to facilitate convergence		**	**		
Supporting mechanisms for convergence	**	**	**	**	**
Setting up a development database for the DPC		**	**		
Provide expert advice to DPC on demand		**	**	**	**
Technical support at district level improves quality of district plan			**	**	**
Quality of District plan improves due to pilot initiatives in inclusion, community			**	**	**

mobilisation and GP capacity to implement					
Dialogue on policy implications on the basis of project implementation	**	**	**	**	**

### Risk Assessment

Risks which have been identified and are being addressed through mitigation measures by the project:

1. District-level line department officials do not respond positively to convergence processes to prepare an integrated district plan. Line departments at the district level are more accountable to their state-level seniors than to the District Collector or the DPC. They are likely to be more responsive to departmental priorities than to needs generated from below. The project recognises this and will take some mitigatory steps including a change management process for more joined-up working and immersion visits. Further, the project will activate the DPC which is mandated to get departments prepare plans in a coordinated fashion. The project will support a mechanism whereby departments share information and discuss sectoral issues outside the framework of programmes and schemes. State-level departmental officials as coordination committee members will contribute establishing this process of integrated planning at the district level.

2. Frequent transfers of responsible officials (District Collector, etc) make it difficult to ensure consistent progress. The project will overcome this through regular events to inform district officials about project objectives and activities. Further, the project will rely on peer learning to maintain a consistent level of interest. As this project is a part of the national and state governments' efforts to strengthen institutions, it is hoped that institutionalization will occur and new incumbents will have the advantage of institutional memory, apart from being bound by the rules of the new planning processes of the governments, both national and state.

3. It is difficult to recruit and retain a qualified technical support group at the district level, particularly if the group is to reflect diversity and is sensitive to the concerns of DSGs. It is also a challenge for the TSG to be accepted by line departments and PRIs/ULBs as a source of support. The project expects to attract and retain qualified staff by developing capacity and offering challenging assignments. The project will also support 'team-building' exercises and a change management process at the district level. Further, the project will facilitate learning events at the district level which will underscore the relevance of technical support. The members of TSGs will have gain acceptance by proving their worth in technical terms

4. Local communities may not be responsive to participatory planning; local elite may obstruct the planning process. The project addresses this by building capacity locally for effective mobilisation of DSGs, dissemination of information on development issues, and demonstration of effectiveness of planning. The project also helps the emergence of a responsive community leadership and networking for mutual support.

5. PRI/ULB members may not be committed to participatory inclusive planning processes. The project will orient such members to the advantages of participatory inclusive processes. Further, through building capacity for community mobilisation, the project will build 'pressure from below' on PRI members to be more responsive. The specific institutional strategy will be finalised by the DPC. UNV Volunteers will be involved in this process.

Risks external to the project (where the project assumes favourable conditions)

6. State policy is not adequately supportive of integrated 'bottoms-up' participatory planning: Though the project is closely aligned with national and state legislation as well as guidelines issued by the Planning Commission, the policy environment in several states is weak in its support for the project outputs. Two of the seven partners have not constituted/notified DPCs. In Orissa, though DPCs have been constituted, there are no instructions on the process to be adopted. Even when constituted, the DPCs may not have adequate representation and articulation of the concerns of the DSGs.

7. Gram Panchayats are devolved more functions without concomitant increase in staff and financial resources. This will result in an overload of staff and system capacity. This will weaken the ability of the GP to adopt intensive processes of participation and transparency.

8. Political commitment to decentralised district planning declines. This may create a gap between policy and practice. Legislation and policy on decentralisation is quite advanced in many states and it may be difficult to reverse this. However, political indifference may reduce incentive to officials to implement policy.

Table: Probability and Impact of above risks

Probability → Impact ↓	Low	Medium	High
Low		5	
Medium	8	2, 3	1, 7
High	4	6	

#### 4. RESULTS AND RESOURCES FRAMEWORK

##### **Intended Outcome as stated in the Country Programme Results and Resource Framework:**

By 2012, accountable and responsive local government systems, in rural and urban areas, are in place in selected districts/cities (within priority states), which promote equitable and sustainable development to achieve MDGs/local development goals with special attention to the needs of disadvantaged groups, especially women and girls. (UNDAF Outcome 2)

- Public Administration at district, block and village levels made more effective to plan, manage and deliver public services, and be more accountable to the marginalized groups and women. (UNDAF Outcome 2.2)
- Capacities of elected representatives and state and district officials in the UNDAF focus states/districts enhanced to perform their roles effectively in local governance (CPAP Outcome 2.1)
- Elected representatives and local functionaries performing their role in formulation, execution and monitoring of integrated district development plans and budgets, ensuring participation and inclusion of poor women and men from SC and ST groups and minorities

By 2012, 11<sup>th</sup> Plan Targets related to the MDGs are on track in at least one district in each of the 7 priority state (UNDAF Outcome 3)

##### **Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets.**

Capacities of elected representatives and State and district officials in the UNDAF focus states/districts enhanced to perform their roles effectively in local governance. (CP Outcome 2.1.)

**Applicable Strategic Plan Key Result Area:** Strengthening responsive governing institutions.

**Project title:** Capacity Development for District Planning  
**ATLAS Award ID:**

<b>Intended Outputs</b> <i>(as outlined in CPD/CPAP)</i>	<b>Project Outputs</b>	<b>Indicative</b> <i>(deliverables)</i>	<b>Activities</b>	<b>Responsible parties</b>	<b>Inputs</b>
Elected representatives and local functionaries performing	1. Strengthened training institutions and enabling policy	1.1 Provide advisory, capacity development and hand-holding assistance to districts		State Planning Board/ Department	Consultants / Experts Salaries for

<p>their role in formulation, execution and monitoring of integrated district development plans and budgets, ensuring participation and inclusion of poor women and men from SC and ST groups and minorities</p>	<p>framework to develop capacity of officials and PRIs in seven UNDAF states on District Planning</p> <p>2. DPC members and officials and PRI members (of all the three levels) in 30 districts trained to undertake district planning</p> <p>3. State government capacities and coordination mechanisms strengthened leading to design and implementation of inclusive, need-based district development plans.</p>	<p>1.2 Assess capacity/ analyse of all key players in district planning including SIRDs/ ATIs</p> <p>1.3 Help SIRDs/ATIs to formulate their response to capacity development requirements, including a CD strategy, identification of tools, training modules and calendar designed</p> <p>1.4 Provide training on District Planning with appropriate training material and competent trainers</p> <p>1.5 Support a Centre of Excellence for District Planning</p> <p>2.1 Provide DPCs expert advice and information on cross cutting themes as well as issues of relevance to MDGs – such as Climate change, DRM, HIV/AIDs, gender and inclusion , PPCP and skills development</p> <p>2.2 Undertake background studies in response to demand from DPCs</p> <p>2.3 Organise exposure visits and experience sharing workshops</p> <p>2.4 Support a Change Management process to foster convergence in select districts</p> <p>3.1 Sharing global and regional experiences on local or participatory planning with planners through the UNV Volunteer and District Leverager</p> <p>3.2 Draw upon the experiences of other UN agencies in sectoral planning and converge with the work of these agencies to ensure</p>	<p>s of Panchayati Raj and Rural Development in the participating States</p> <p>National Institute for Rural Development, SIRDs and ATIs in the 7 UNDAF states, KILA, YASHADA Mysore ATI/ SIRD</p> <p>National and State level resource institutions (including ISRO)</p> <p>Civil Society Organisations</p> <p>Media</p> <p>Private sector</p>	<p>project staff</p> <p>IT equipment and office supplies for project staff</p> <p>Travel and accommodation</p> <p>Printing and Layout Services</p> <p>Hospitality and meeting supplies</p>
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	<p>4. Replicable approaches to participatory and inclusive planning and monitoring integrated in district planning process</p>	<p>bottom-up integrated planning</p> <p>3.3 Tracking impacts of trainings conducted by SIRDs/ ATIs and ETCs on district planning; intensive handholding and monitoring to ensure transfer of skills</p> <p>3.4 Facilitating inclusion of decent work elements and PPCP in district plans in one district per UNDAF state</p> <p>3.5 Support the introduction of ICT as a planning tool, building on NIC's Plan Plus and other Convergence related software, including GIS for spatial planning</p> <p>3.6 Support the use of DHDR as a tool for district planning and encourage state governments/ district authorities to commission DHDRs in districts not covered under SSPHD project</p> <p>3.7 Facilitating consultation at district levels with line departments to get involved in district planning</p> <p>4.1 Developing and testing tools for gender sensitive and inclusive planning and monitoring, and preparation of development data base at the community level on development issues</p> <p>4.2 GP staff and members trained and supported on planning, budgeting, implementing and monitoring; sensitising them to gender and exclusion issues and human development</p>		
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	<p>5. Feedback to Planning Commission and other national and state institutions to refine guidelines, schemes, manuals and training programmes on decentralised district planning provided</p>	<p>4.3 Placing UNV Volunteers with block level responsibilities to work with NGOs and CBOs on community mobilisation and developing GP capacity</p> <p>4.5 Sensitising Block level officials to mobilisation and inclusion and providing them to feasible approaches to accomplish it</p> <p>5.1 Experience sharing with other UN agencies on integrated district planning at UNDAF governance cluster meetings</p> <p>5.2 Experience sharing mechanisms on inclusive and converged planning set up/ supported</p> <p>5.3 Knowledge products developed on participatory and gender sensitive and inclusive planning</p> <p>5.4 Sharing experiences through virtual knowledge networks including Decentralisation CoP – Solution Exchange and DGP net</p> <p>5.5 Contributing to policy at the national (through the Planning Commission) and state levels by supporting task forces, Round Tables, Legislators’ forum and other processes organised by other agencies/ government</p> <p>5.6 Support dialogue with Planning Commission and other national and state nodal bodies on good practices to refine guidelines, schemes and manuals on decentralised</p>		
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		district planning		
		5.7 Feeding best practices into the various initiatives of the Regional Centre Bangkok and the Oslo Governance Centre		

## 5. Management Arrangements

### *Programme Management Board*

A Programme Management Board (PMB) for the Democratic Governance Programme Outcome (Outcome 2 in CPD/CPAP) will be set up and co-chaired by DEA and UNDP. The PMB will oversee the delivery and achievement of results for all the initiatives under the Democratic Governance Programme Outcome and provide strategic direction for future programmes in Outcome areas. The PMB will also appraise the new programme initiatives prior to sign off with the Implementing Partners (IPs). The PMB will comprise ministries relevant to the Programme Outcome and relevant stakeholders identified in consultation with UNDP and Implementing Partners. It will meet twice a year, in the 2nd and 4th quarter, to take stock of the physical and financial progress.

### Implementing Partners:

The project will be implemented by the Planning Commission (PC), Government of India, State Governments (e.g. Planning Department, State Planning Board, Panchayats and Rural Development Department) designated as Implementing Partners (IPs) under the project. The project will be jointly implemented by the PC and state government who will assume the overall responsibility for the achievement of the project outcomes at national and state level respectively.

State government arrangements and oversight mechanism will be detailed in the Annual Work Plans.

### Role of Planning Commission as an Implementing Partner:

The Planning Commission's responsibility would be one of facilitating the required level of inter-sectoral coordination with other relevant ministries and departments of GoI especially the Ministry of Panchayati Raj and Ministry of Urban Development. The Planning Commission (PC) will facilitate partnership development with state governments, knowledge sharing at the national level and amongst states. It will also facilitate generation of feedback on relevant national policies and programmes, including inputs into the XII Plan formulation process.

The PC will designate a National Project Director (NPD) who will also Chair the Project Steering Committee (PSC) . The PSC will also serve as the National Convergence Coordination Team for the Joint UN Convergence Programme. The NPD will be responsible for delivery of programme goals and of the objectives of its constituent projects. The NPD will ensure that planned results at the national level are achieved and that project resources are used effectively. These will require effective process management and well established project review and oversight mechanisms led by the designated National Project Director. .

The PC will designate or hire on project funds a Project Manager and set up a Project Management Team (PMT) which will be headed by the Project Manager. The Project Manager, assisted by the project management team will be responsible for

coordination and management of state level partnerships. S/he will coordinate the project activities including the preparation of both PC level Annual Work Plan and coordinate the preparation of the state level Annual Work Plans, Budget, Financial Reports, etc. under the supervision of the NPD and will interface on project management issues.

The PC will sign a budgeted Annual Workplan with UNDP for carrying out the above functions.

In line with agreed-upon project document, a budgeted Annual Work Plan will be signed between Implementing Partners (state nodal departments and Planning Commission) and UNDP on an annual basis, as per UNDP rules and regulations.

#### Role of State Government as Implementing Partner

The relevant department or nodal agency at the State level will be identified as the Implementing Partner. These could be - State Planning Department, State Planning Board, Panchayats and Rural Development Department etc. The state department or nodal agency will sign a budgeted Annual Work plan with UNDP as per UNDP rules and regulations and will assume the overall responsibility for the achievement of the project outputs at the state level.

Each State Implementing Partner will designate head of the department as the State Project Director (SPD) for the project. The SPD with support of a State Project Officer hired under the project, will be responsible for overall management, including achievement of planned results, and for the effective use of UNDP funds through effective process management and well established project review and oversight mechanisms.

The state nodal agency will also designate or in consultation with UNDP, hire on project funds a State Project Officer, as above, who will be responsible for ensuring implementation of all project activities at the state level and manage and coordinate district level activities. The State Project Officer will also be responsible for the preparation of state level Annual Work Plans, Budget, Financial Reports, etc. and will work under the supervision of the State Project Director on project management issues.

The PMT at the PC as well as the state governments will liaise with state coordinators appointed by UNDP for its country programme in each UNDAF state.

The above project management arrangements at national and state levels will be further detailed out in the Annual Work Plans

#### 5.2 Responsible Parties:

To achieve project results, partners will be identified for achieving specific project results. These will be designated as Responsible Parties and could be state departments, civil society organizations (CSOs), private sector development agencies or UN agencies.

The Planning Commission and state nodal agencies will sub-contract institutions/ organisations or procure the services of consultants as required to ensure proper implementation of project activities. The procurement of services from responsible parties will be through capacity assessment and a process of competitive bidding to undertake specific tasks linked to project outputs carried out under the overall guidance of the Project Steering Committee. If the entity short-listed is another Government institution or a UN agency, the process of selection of the Responsible party (ies) will be carried out through appropriate capacity assessment and appraisal processes. Notwithstanding this, the contracting arrangements will be fully documented and endorsed by the National/ State Steering Committee.

Project Steering Committee and State Steering Committees: National and State Steering Committees (PSC and SSCs respectively) will be set up at national and state levels. They will be chaired by the NPD and SPD respectively and comprise designated representatives from PC, and UNDP. The SPDs, or a designated representative, will also be part of the NSC. The NSC and SSCs will:

- Ensure that project goals and objectives are achieved in the defined timeframe;
- Review project progress and suggest implementation strategies periodically;
- Review project expenditures against activities and outcomes; and
- Approve Annual and Quarterly Work Plans.

The PSC and SSCs will be the group responsible for making, by consensus, management decisions for the project and holding periodic reviews. In order to ensure UNDP's ultimate accountability, the final decision making rests with UNDP in accordance with its applicable regulations, rules, policies and procedures. Project reviews by the SSC will be carried out on a quarterly basis during the running of the project, or as necessary when raised by the Project Steering Committee.

The SSC for the DP project at state level will be common to the SSC for the UN Convergence programme.

State-level Coordination Committees: State level Coordination Committees will be set up by the State government to identify state level strategies and priorities in convergent bottom up district planning to be addressed by this project. The committees will discuss such policy issues and examine project results for policy validation and revision at the state level. The Committee will also play a problem-solving role and will facilitate close collaboration with relevant line departments. It will be chaired by the Additional Chief Secretary or Development Commissioner and will have representation of the various important and relevant line departments such as the State Planning Department, Department of Rural Development and Panchayati Raj, Tribal Affairs and Finance Department, and Planning Commission.

Project management arrangements below the state level will be determined at the discretion of the PSC and SSC as required in consultation with the state steering committee.

Project Management Team: Project management arrangements will be agreed upon with the Implementing Partners. The Project Management team will be common for the two UNDP projects - i.e. District Planning, and, Livelihoods Promotion - forming part of the Joint UN Programme on Convergence.

A Project Management Team headed by the Project Manager will be established under the project. The full-time Project Manager designated by the PC (as mentioned above) or recruited on project funds by the PC for the day-to-day management will monitor and review project activities; coordinate with Responsible Party (ies) and different stakeholders and decision making. S/he will be accountable to the NPD and PSC. S/he will have adequate knowledge of the India development challenges, the policy context of devolution, decentralised planning, participatory processes, disadvantaged groups, inclusive growth and human development outcomes. S/he will have the requisite experience of having worked with the government, PRIs, NGOs and the community. S/he will prepare an Annual Workplan (AWP) to deliver on project objectives and submit it to the PSC for approval. The Project Manager will ensure that the project produces the results specified in the project document, to the required standards of quality and within the specified constraints of time and cost. The Project Manager will prepare and submit to the PC and UNDP the following reports/documents: Annual and Quarterly Work Plans, Quarterly and Annual Progress Reports (substantive and financial), Issue Log, Risk Log, Quality Log, Lessons Learnt Log, Communications and Monitoring Plan using standard reporting format to be provided by UNDP. S/he will ensure that responsible parties are capable of delivering outputs. S/he will utilise her/his domain knowledge relevant to the project to establish quality standards for delivery of outputs. S/he will provide technical guidance to the responsible parties in consultation with UNDP.

The Project Manager will be assisted by other members of the Project Management team at the national and state level in the day-to-day management of the project. The Project Management Team will include:

- a. Project Officer (District Planning): Knowledge of development policy, processes and institutional framework for planned development, policy and experience with decentralization, systems and processes of planning by line departments, local bodies (ULBs and PRIs) and DPCs; Familiarity with project cycle management, M & E Systems and financial management
- b. M & E Officer: experience in project monitoring and evaluation, M&E framework design, Result Based Management system; familiarity with government data systems and reporting systems; tracking MDG indicators.
- c. Documentation and Communication Associate: Knowledge and experience in development communication, print media, publications, event management and liaison.
- d. Project Administrative Assistant to provide operations support to the Project Management Team (including accounting, file management and record maintenance, travel, leave management, claims settlement etc.).

In addition, a State Project Officer will be hired in each of the UNDAF states. The Project Manager, the M&E Officer, the Documentation and Communication Associate and the State Project Officers will also perform similar functions for the Livelihoods Promotion project. Their costs will be shared between the District Planning and Livelihoods Promotion projects.

The recruitment and staffing process will give due attention to considerations of gender equality and promoting diversity at workplace. Along with the Programme Manager, the PMT will be based at the NPC and if agreed otherwise, alternative arrangements will be made and charged to the project.

Project Assurance: Project Assurance will be the responsibility of UNDP. The Project Assurance role will support the PSC and SSC by carrying out objective and independent project oversight and monitoring functions. During the implementation of the project, this role ensures (through periodic monitoring, assessment and evaluations) that appropriate project management milestones are managed and completed.

The National Steering Committee of the GOI\_UN Joint Programme will conduct review meetings involving the Implementing Partners and Responsible Parties to review the progress in the previous year and discuss the work plan for the coming year. An independent external review may be conducted through resource persons/groups to feed into this process.

#### **Funds Flow Arrangements and Financial Management:**

Funds will be released according to the approved AWP and QWPs of the Planning Commission and State Governments. The funds to be expended by the States will be released directly by UNDP to the Implementing Partners.(IPs). The IPs will account for funds received from UNDP and/or request UNDP to proceed directly with payments on its behalf on a quarterly basis through the standard Fund Authorization and Certificate of Expenditures (FACE) Report duly filled and signed by the NPD (incase of Planning Commission) and SPD (in case of States). No funds shall be released by UNDP without prior submission of a duly filled and signed FACE report. The Project Manager supported by the PMT will be responsible for compilation and collation of these Financial Reports. Unspent funds from the approved AWPs will be reviewed in the early part of the last quarter of the calendar year and funds reallocated accordingly. The detailed UNDP financial guidelines will be provided on signature of the project.

The Implementing Partner(s) may enter into an agreement with UNDP for the provision of support services by UNDP in the form of procurement of goods and services. UNDP rules and regulations as well as charges will apply in such cases. Cost recovery for project implementation support services by UNDP will be charged as per UNDP rules and regulations. The details of UNDP's support services will be outlined while finalizing the AWP and budget for each year.

Upto 1% of the total project budget will be allocated for communication, advocacy and accountability purposes undertaken by UNDP.

**Interest Clause:** A separate Savings Bank Account will be opened by the IP in the name of the project and any interest accrued on the project money during the project cycle will be ploughed back into the project in consultation with the PC, state governments and UNDP and project budgets will stand revised to this extent. In case there is no scope for ploughing back, the interest will be refunded to UNDP.



**Audit:** The project shall be subject to audit in accordance with UNDP procedures and as per the annual audit plan drawn up in consultation with DEA. The project shall be informed of the audit requirements by January of the following year. The audit covering annual calendar year expenditure will focus on the following parameters – (a) financial accounting, documenting and reporting; (b) monitoring, valuation and reporting; (c) use and control of non-extendable reporting; (d) UNDP Country Office support. In line with the UN Audit Board requirements for submitting the final audit reports by 30 April, the auditors will carry out field visits during February/March. Detailed instructions on audit will be circulated by UNDP separately and on signature.

## **6. Monitoring & Evaluation**

As an integral part of the UN Programme on Convergence, this project will help to establish and support the overall monitoring and evaluation system put in place to track progress towards achieving the objectives of the Convergence Programme.

As a part of this, an outcome evaluation will be carried out to determine whether the project has achieved its broader objectives as specified in this project document as well as in the Convergence Programme.

It will also identify and document lessons and practices that can be replicated or scaled up and disseminated. In addition, the limitations and gaps in the project that affects the overall outcome will be identified to circumvent similar lapse in future. The monitoring tools used will promote learning (including identification of factors that impede the achievement of outputs). Such learning will be used to adapt strategies accordingly.

The Implementing Partners will have the overall responsibility of monitoring the project, in line with the roles and responsibilities described above and through regular monitoring visits and quarterly review meetings by the SC.

The Project Management team will be responsible for day-to-day monitoring of project activities through periodic field visits, interactions with national level project teams/partners and desk reviews. The team will also prepare and submit periodic progress reports to the NPD and the Project Steering Committee.

At the meeting of the Project Steering Committee, a project review will be conducted during the 4<sup>th</sup> quarter of each year to assess the performance of the project and the extent to which progress is being made towards outputs, and ensure that these remain aligned to relevant outcomes. This review will also include review of the overall Convergence Programme, and include the other major components of the Programme, such as the UNICEF's Plus One Programme, UNFPA's Programme on Data for Local level planning and other UN Agencies working in the districts (including UNDP's other interventions at the district level). Based on the status of project progress, the NPD will prepare Annual Work Plans for the subsequent year, which will be discussed and approved at the annual review meeting, and also reported to the UN Country Team, through the UNDAF Cluster on Convergence. In addition, UNDP will commission a mid-term project review and annual management and financial

audit during the project period. In the last year, a final evaluation will be conducted involving all key project stakeholders.

### **Monitoring system and tools**

The Project Management Unit should use a variety of formal and informal monitoring tools and mechanisms. This would include field visits as well as reports such as progress reports, annual reports and annual reviews in standard UNDP formats and as per UNDP's web-based project management system (ATLAS). Within the annual cycle, the NPD and UNDP will ensure the following:

#### **Quarterly basis**

- On a quarterly basis, a quality assessment shall record progress as per established quality criteria and methods towards the completion of key results. It should also capture feedback from the beneficiary perspective as well as information related to timeliness and resources usage.
- An Issue Log shall be activated in Atlas and updated to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis, a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted to the SC through Project Assurance, using the standard UNDP report format.
- A project Lesson-learned log will be activated and regularly updated to ensure on-going learning and adaptation within the Implementing Partner, and to facilitate the preparation of the Lessons-learned Report at the end of the project.
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

#### **Annual basis**

- Annual Review Report: An Annual Review Report will be prepared and shared with the SC and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the PPR covering the whole year with updated information for each above element of the PPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- Annual Project Review: Based on the above report, an annual project review with Implementing Partners and Responsible Party(ies) will be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year, in conjunction with the review of the UN Programme on Convergence. In the last year, this review will be a final assessment. This review is driven by the SC and may involve other stakeholders as required. It will focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.
- Field visits: A representative from the UNDP office will visit each project periodically. Field visits serve the purpose of results validation, especially when undertaken in the first half of the year. If undertaken in the latter part of the year, the field visit should provide latest information on progress for annual

reporting preparation. Field visits should be documented through brief and action-oriented reports, submitted within the week of return to the office.

- **Project Evaluation:** A mid-term project evaluation will be carried out in July 2010 to assess the progress of the project in meeting its objectives as outlined in the document. In July 2012, an outcome evaluation will be conducted to review the overall impact of the project. The mid-term and outcome evaluation will be conducted by external agencies/consultants.

## **7. Exit Strategy**

A comprehensive exit strategy will be formulated for the gradual withdrawal of UNDP support. This strategy will be formulated by the end of 2010 in discussion with project stakeholders to decide the form of continuation of the project. Based on the anticipated needs after 2012, stakeholders, especially responsible parties, will decide how they will proceed to maintain the established functions. Adequate mechanisms and systems will be established for a steady and smooth transition to institutionalize key functions in the state/national governments, community based organizations, platforms/networks, identified institutions and other stakeholders. This may include additional capacity development of stakeholders to undertake these functions. Further plans may also be developed by national and state governments to move onto next steps, including establishing post-project monitoring/handholding mechanisms. Dissemination workshops will be organised to share project lessons and to identify elements to be taken up on a sustained basis by national and state governments.

As part of the exit strategy, efforts will be made to ensure continued post-project sustainability. The exit strategy will also allow UNDP and the Implementing Partner to withdraw from the project in the case of risks (anticipated or unanticipated) that prevent the achievement of project deliverables. The NPD will define the process for the formal handover of project assets/equipment, documents and files to the Implementing Partners and/or responsible parties as per UNDP guidelines and NSC/SSC decision. A mechanism for post-project maintenance of assets will also be established.

## **8. Legal Context**

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together the instrument envisaged in the Supplemental Provisions to the Project Document, attached hereto (Annexure IV). Consistent with Supplemental Provisions, the responsibility for safety and security of the IP and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner. The implementing partner shall:

- put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an

appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.