

Cover Page

UNDAF Outcome (s) / Indicator (s): **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.**

Expected Outcome(s) / Indicator (s): **Capacities of elected representatives and the State and the district officials in Orissa are enhanced to perform their roles effectively in local governance**

Expected Outputs: **Elected representatives at all three levels, members of District Planning Committees and local functionaries understanding and performing their role in formulation, execution and monitoring of participatory local development plans and budgets, which ensure the inclusion of poor women and men from the SC and ST groups and from minorities.**
More effective State support institutions established for improving capacities of elected representatives and local government officials

Implementing Partner Responsible Party **Panchayati Raj Department, Government of Orissa**
State Institute for Rural Development (SIRD)

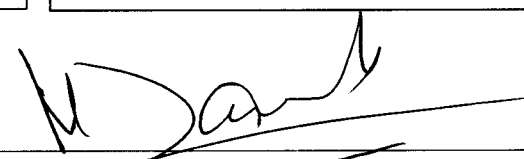
NARRATIVE

This project is focused in Orissa to strengthen the capacity of the Panchayat representatives; functionaries and other department officials in the state for improved governance and also intends to setup a structure for standardizing the training and capacity building of the PRIs in the state of Orissa. This will be achieved through creating an efficient and effective pool of resource persons in the State for undertaking systematic and regular trainings for capacity building, developing simple and comprehensive training strategy and modules for different stake holders of the PRI System in Orissa and developing a vision and policy for capacity development of PRIs in the state of Orissa. Systematic documentation of best practices, processes adopted and lessons learned will be undertaken to facilitate and replicate capacity building exercises in future. However the learning from the ongoing project of UNDP, "Capacity Building of the PRIs" will be incorporated in this project.

Programme Period: 2008- 2012
 Programme Component: Fostering Democratic Governance
 Project Title: **Capacity Building of the PRIs in Orissa**
 Project ID: 00058133
 Project Duration: 1 Yrs (December 2007 – December 2008)
 Management Arrangement: Government of Orissa implemented

Total Budget	US \$1,814,000 million
Allocated resources:	_____
• Government	_____
• Regular	_____
• Other:	_____
	○ DFID US \$ 1,814,000 million
• In kind contributions	_____
Unfunded budget:	_____

Agreed by


 Commissioner cum Secretary
 Panchayati Raj Department, Government of Orissa

Agreed by

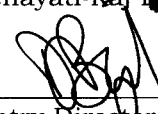

 Country Director
 United Nations Development Programme
 02 Jan 2008



Table of Contents

1. SITUATION ANALYSIS	2
2. PROJECT BACKGROUND	2
3. STRATEGY	3
4. MANAGEMENT ARRANGEMENTS	4
5. MONITORING AND EVALUATION	6
6. LEGAL CONTEXT	8
7. RESULTS AND RESOURCES FRAMEWORK	9
8. BUDGET	11
9. ANNEXURES	14
9.1 NATIONAL CAPABILITY FRAMEWORK (EXECUTIVE SUMMARY)	
9.2 PRI CAPACITY BUILDING DETAILED PROPOSAL	
9.3 AWP MONITORING TOOLS	
9.4 RISK LOG TEMPLATE	
9.5 AWP (OCT – Dec 2007)	
9.6 ACRONYMS	

SITUATION ANALYSIS

The 73rd Constitutional Amendment has empowered decentralized institutions of self-governance through devolution of powers and responsibilities on 29 Subjects listed in the Eleventh Schedule of the Indian Constitution. Pursuant to the Constitutional Amendment in 1992, Orissa has suitably amended the existing laws relating to Panchayats, which include the Orissa Zila Parishad Act 1991, the Orissa Gram Panchayat Act 1964 and the Orissa Panchayat Samiti Act 1959. Under this legislation as it stands amended, Panchayats at all three levels have been entrusted with duties and functions with regard to 21 matters listed in Eleventh Schedule of the Constitution.

In 1952 Prime Minister of India introduced the 1st Five Year Plan with emphasis on Community Development Blocks and de-centralization of powers to local bodies. The Community Development and National Extension Service Programme were introduced in Orissa. Till 1958 Orissa had 124 Blocks, which increased to 307 in 1960 and subsequently to 314. In 1956 Sri Nabakrishna Choudhury, Chief Minister of Orissa had the distinction of introducing Anchal Sasan in Orissa in continuation to Gram Sasan as mentioned in the Orissa Gram Panchayat Act of 1948. The system continued till 3 tier Panchayati Raj Institutions came into force. Although the Panchayat Samiti and Zilla Parishad Acts were passed in 1959, the Zilla Parishad came into being only in 1961 and Orissa was one of the few States in the country which adopted 3 tier Panchayati Raj system based on recommendations of Balwant Raj Meheta Committee which lasted till 1967 when Zilla Parishad was abolished. In 1990 Zilla Parishad was re-introduced through a path breaking innovation like reservation of 33 % seats for women and holding elections in 1992 prior to passing of 73rd Amendment of Constitution of India. Despite dissolution of Panchayati Raj in August 1, 1995 as election were not held in accordance with the provision of 73rd Amendment of the Constitution of India, the elections were finally held in 1997 after lapse of one & half years. The elections to Panchayati Raj was held in February, 2002 after the distinction of complying two major amendments of Constitution of India i.e. 73rd Amendment and Panchayat Extension to scheduled Areas Act 1996 where in the posts of 3 tier institutions in scheduled areas were reserved for members of Scheduled Tribes.

Nearly 100,000 elected representatives have assumed various positions in the recently held Panchayat elections in Orissa in February 2007. The Orissa legislation provides for reservations for SC, ST and women with a view to include the marginalized sections of the society in governance. Of this 35,000 women have been elected as ward members, sarpanches, members of Panchayat Samitis and Zilla Parishads.

Identified gaps such as complicated rules and ambiguous roles among the elected representatives of the three-tier PRIs, poor devolution of the 3Fs (i.e. Funds, Functions and Functionaries), mismatch of functions and resources due to lack of manpower, inadequate capacity and vision, lack of coordination, supervision, non-convergence among various departments and stakeholders working at Panchayat level, lack of a comprehensive understanding of integrated development of the Gram Panchayats, lack of transparency, inadequate involvement and participation of people has resulted in the Panchayats being treated as agencies for implementation of rural development programmes and not as units of self governance.

PROJECT BACKGROUND

The third generation Panchayats came in position in Orissa from March 2007. A large majority of PRI members, particularly those from the weaker section viz. the SCs, the

STs, the OBCs & Women are elected. These functionaries of PRIs, in order that the PRIs live up to the expectation that their establishment had generated, need to know the limits of their domain, jurisdictions, authority and underpinning principles that have gone into the setting up of the PRIs. To be able to do so, there is need to build their capacity and empower them. For providing a sustained professional back-up, so that they have the up-to-date knowledge on the dynamics of development programmes, training programmes have to be worked out to improve the efficiency & effectiveness of the Panchayati Raj functionaries.

The PRI members will have the challenging task of performance delivery of the existing and mandated schemes and programmes of MoPR, MoRD and GoO. They will also have to prove their ability in successful delivery of the few activities devolved so far (although very small in number) in the most efficient and effective manner enabling them to demand for greater decentralization and devolution of powers and functions in respect of the subjects mandated under the 73rd Amendment of constitution of India. Apart from this the PRIs will also have to realize (earlier the better) that they are not mere implementer contractors of schemes and programmes of GoO and Gol, rather they are managers of rural development initiatives where their role extends beyond implementation of wage employment programmes to planning, coordination, supervision, monitoring and feedback of rural livelihoods, and social development issues including health and sanitation, primary education and realizing MDGs. To enable the PRIs to discharge the above stated tasks there is a need for effective training, capacity augmentation and handholding.

In order to contribute to the growth of the decentralized three-tier Panchayati Raj Institutions, continuous capacity building to develop appropriate Knowledge (K), Skill (S) and Attitude (A) of the elected representatives and functionaries of line agencies is critical. Ministry of Panchayati Raj (MoPR), Gol have formulated the National Capability Building Framework (**Annexure I**) which is designed to train the elected representatives and officials of panchayats, pressure groups within the Gram Sabha such as SHGs, CBOs, and also officials of higher levels of Government. It encompasses training, provision of adequate functionaries, technical assistance and other support to Panchayats and provides for orientation to key officials to help them serve effectively in facilitating the panchayats in the performance of devolved functions. It also aims to improve grassroots democracy by giving appropriate orientation to the stakeholders to deliver better and imbibing good lessons from grassroots experiences. Training being an important element of the framework, it focuses on information sharing, and the process of exploration, discovery and growth. It emphasizes on the training of SCs, STs, and women.

The proposed project envisages supporting the implementation of the National Capability Building Framework (NCBF) in the State of Orissa through the expertise and resource material developed under this project. The training policy emerging from this project for Capacity Building of PRIs in Orissa can provide inputs to the NCBF.

Detailed proposal of Government of Orissa is attached (**Annexure II**).

STRATEGY

The strategy proposed for implementing this project envisions that the SIRD would emerge as a strong autonomous institution to conduct large-scale training programmes with the help of various institutions such as academic institutions, private organizations, NGO/CBOs across the state using the standardized training curriculum.

The project would establish training standards for the PRIs in Orissa and will also develop model for undertaking training and capacity building in a large scale by SIRD through partnership building. Also nearly 28000 people under the various stakeholder categories will be trained and capacitated during the project period. Development of new training materials would be based on the collection and collating of already available training material for the training and the capacity building of the PRIs, available from various sources across Orissa as well as across the country. Standards will be maintained for the uniformity in the materials developed.

Implementation of the strategy would have activities such as detailed Training Needs Assessment, Curriculum Design, Selection of trainers, Preparation of the Training Calendar, Training Module and material, training of the PRIs and institutionalization of the training process itself.

The project basically looks towards the achievement of the following outputs:

- Standardized and comprehensive training programmes designed for the State
- A pool of well trained resource persons on PRI available at the state and district levels.
- SIRD strengthened and granted autonomy as the nodal agency to take forward CB agenda of the state
- Development of a PRI Capacity Building (CB) Policy with a clear roadmap for implementation for the State

All the relevant documents (training materials/modules/kits etc.) developed during the project period would be published under the banner of the State Institute of Rural Development (SIRD), GoO and will be maintained and updated by them periodically. As this project cannot develop modules / materials related to all the Government departments of Orissa, it will instruct the respective departments to prepare their own material using the expertise developed under this project and according to the standard norms developed.

A key strategy of this project would be to integrate some of the major learning under the ongoing UNDP – GoI project Capacity Building of Elected Women Representatives and Other Functionaries of PRIs.

MANAGEMENT ARRANGEMENTS

Implementing Partner

The project will be implemented by Panchayati Raj Department, Govt. of Orissa. Panchayati Raj Department, Govt. of Orissa is responsible for overall management, including achievement of planned results, and for the use of funds through effective process management and well established project review and oversight mechanisms.

The Implementing Partner will designate or hire on project funds a Project Manager. The Project Manager will carry-out the day-to-day management work to ensure implementation of all project activities. The Project Manager will also coordinate the project activities including the preparation of Annual and Quarterly Work Plans, Budget, Financial Reports, etc. and will interface on project management issues.

The Implementing Partner will also sign a budgeted Annual Work Plan with UNDP on an annual basis, as per UNDP rules and regulations.

Based on the request of the Panchayati Raj Department, Govt. of Orissa, UNDP will sub-contract institutions or procure the services of consultants on its behalf. In such cases, UNDP rules and regulations on procurement and recruitment, as well as salary scales will apply.

Responsible Party

SIRD will be the Responsible Party for the project. SIRD along with the Project Support Team is responsible for the implementation of project activities and to carry them out under the overall guidance of the Project Steering Committee and the State Project Director (SPD). Director – Special Projects, Panchayati Raj Department, GoO will be the SPD.

Project Steering Committee

The Project Steering Committee will be chaired by the Commissioner cum Secretary, Panchayati Raj Department, GoO, and other members will include Director Special Projects, Director W & CD Department, Director NRHM, Health, Watershed Mission and any other as identified by the GoO, representative of Ministry of Panchayati Raj, GoI, Assistant Country Director UNDP Orissa, representative from DFID and Director SIRD.

The PSC will carry out the following functions:

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

The PSC will be the group responsible for making, management decisions for the project and holding periodic reviews. UNDP retains the ultimate accountability for decisions made by PSC in accordance with its applicable regulations, rules, policies and procedures. Project reviews by the PSC will be carried out on a quarterly basis during the running of the project, or as necessary when raised by the Project Manager.

Project Manager

S/he will be designated or recruited on project funds and will be responsible for the day-to-day management and decision making of the project. The project manager will be accountable to the Panchayati Raj Department, Government of Orissa and will be responsible for coordination with the PSC. S/he will prepare the detailed activity and monitoring plan based on the relevant portion of the overall project work plan for the component and budget and submit to the PSC for approval. The Project Manager will ensure that the project produces the results specified in the document, to the required standards of quality and within the specified constraints of time and cost. The Project Manager will work in close collaboration with SIRD, PRD-GoO, UNDP and other partner organizations at the state level and undertake periodic monitoring and review of component activities.

The Project Manager is responsible for preparing the AWP and QWPs, in consultation with the UNDP and the PRD, GoO.

The Project Manager will prepare and submit to UNDP the following reports and documents: quarterly and annual progress reports, issues log, risk log, quality log, lessons learnt log, communications and monitoring plan using UNDP standard reporting format or as agreed upon with DFID.

Project Support Team

The Project Manager will be assisted by a Project Associate (Technical), Project Associate (Management) and Project Associate (Operation) funded on project costs.

Project Assurance

Project Assurance will be the responsibility of UNDP. The Project Assurance role will support the PSC by carrying out objective and independent project oversight and monitoring functions. This role ensures that appropriate project management milestones are managed and completed.

Project Advisory Group (PAG)

A **Project Advisory Group (PAG)** will be constituted at the state level to advise the PSC on the strategic direction for the component. The PAG will be chaired by Chief Secretary, GoO and would comprise representatives of State Planning Department, SIRD, DFID, representative of Ministry of Panchayati Raj, GoI, Assistant Country Director, UNDP, representative from DFID and few select NGOs. The PAG will have an advisory and consultative role for the component to ensure that results are achieved at the state level. The PAG will meet once every quarter.

Fund Flow Arrangements and Financial Management: The funds will be disbursed directly by UNDP for the realization of the project activities, as requested by the Implementing Partner and in accordance with UNDP rules and regulations. UNDP will submit quarterly Substantive progress report and Financial progress report of the component to DFID in mutually agreed formats.

Interest Clause: A separate Savings Bank Account will be opened in the name of the project. Any interest accrued on the project money during the project cycle will be ploughed back into the project in consultation with Project Steering Committee and UNDP or refunded to UNDP if there is no scope for reinvesting the interest in the project itself.

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 Government coordinating agency. UNDP informs the Project Manager 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-extendible 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.

Cost recovery for 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 annual work plan and budget for each year.

MONITORING AND EVALUATION

A comprehensive monitoring and evaluation plan derived from the Annual work plan-monitoring tool will be formulated for the entire project period. The annual work plan will be monitored as per the format attached in Annexure III.

The Quarterly and Annual Progress Reports shall be submitted by the Project Manager to the PSC through Project Assurance, using the UNDP standard report format available.

An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.

A Risk Log shall be activated in Atlas and regularly updated every quarter by reviewing the external environment that may affect the project implementation.

A project Lessons-learned Log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project.

A detailed Monitoring and Evaluation Plan will be prepared that describes activities and outputs to be monitored, reviewed and evaluated, how and by whom. A detailed Communication and Advocacy Plan needs to be drawn out and approved by the PSC. The Plan will articulate the types of communication and associated scheduling required during the project, as well as methods of communicating project results to stakeholders. It shall be activated in Atlas and updated to track key management actions/events.

The Project Manager will be responsible for day-to-day monitoring of project activities and for preparing and submitting quarterly and annual progress reports to the PSC and DFID. Monitoring would be an on-going process and mid-course corrections would be made if required. In addition, UNDP will commission a mid-term project review and annual management and financial audit during the project period. In the last year, the annual review will be the final assessment of the project and this will involve all key project stakeholders.

Gender mainstreaming is a mandatory criterion for monitoring and evaluation UNDP projects. Gender performance audits will be undertaken as part of all financial audits and impact evaluations.

Risk Analysis

The programme is considered medium risk but will lead to a high impact. This project illustrates the intentions of the Panchayati Raj Department, Government of Orissa but its success solely depends upon the modalities and the process of implementation of the project. The success of the project will depend upon implementation of the training through SIRD and Extension Training Centres (ETCs) and the support from the Panchayati Raj Department in the state. Given the complexities involved in the implementation of such an ambitious programme with a large number of stakeholders at various levels, there are chances that some components of the project may be

inordinately delayed. The success of the project depends largely on ownership of the state Government and district officials.

It is important to make SIRD the nodal agency to own the project. SIRD will be responsible to create and maintain the pool of the resource persons for training of the PRI members and the related department officials during and after the project period.

A Risk log to be maintained and updated regularly as per the format given below in Annexure IV.

LEGAL CONTEXT

This project document shall be the instrument envisaged in the Supplemental Provisions to the Project Document attached hereto as Annex 2.

The following types of revisions may be made to this document with the signature of the UNDP Country Director only, provided he or she is assured that the other signatories of the Project Document have no objections to the proposed changes.

- Revisions in, or addition of, any of the Annexes of the project document (with the exception of a Standard Legal Text for non-SBA countries which may not be altered and agreement to which is a pre-condition for UNDP assistance);
- Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the Project but are caused by the re-arrangements of inputs already agreed to or by cost increases due to inflation; and
- Mandatory annual revisions, which re-phase the delivery of agreed project inputs or increased experts or other costs due to inflation.

The Implementing Partner and Responsible Parties shall, at all times, ensure compliance with UNDP RMG guidelines to the extent they do not conflict with the extant rules and provisions of Government of India.