



**Government of India
and**

United Nations Development Programme

Award: 000 48 262

S.I - Project. 58309, 58611, 58612

PROJECT DOCUMENT

**Sustainable Industrialization: Building
Stakeholder Capacities and Involvement**

October 2007

NEW DELHI

Country: India

UNDAF Outcome(s)/Indicator(s): Communities are aware of their vulnerabilities, and adequately prepared to manage (and reduce) disaster and environmental related risks

Expected Outcome(s)/Indicator (s): Progress towards meeting national commitment under multilateral environmental agreements

Expected Output(s)/Annual Targets: Capacities built and pro-poor initiatives supported at national and local levels to directly address environmental issues

Implementing partner: Ministry of Environment and Forests

Responsible parties: Centre for Science and Environment

Sustainable Industrialization: Building Stakeholder Capacities and Involvement

The Project is targeted towards achieving sustainable industrialization by influencing industries to voluntarily improve their environmental performance, strengthen the regulatory system, as well as build capacities of local communities to intervene in the industrialization process. These objectives will be achieved through an industry-rating programme, capacity building, research and networking. The programme consists of activities directed towards building the capacities of three stakeholder groups, that of industry, regulators and the community/larger society to effectively intervene and promote the national vision of ensuring economic growth along with environmental sustainability, which is one of the key Millennium Development Goals of the United Nations (Goal 7).

During 2007-08 an institutional framework for implementing the incentive based rating programme for Indian industry (up-scaled green rating system) will be designed.

Programme Period: 2007-2012
Programme Component: Energy & Environment for Sustainable Development
Project Title: Sustainable Industrialization: Building Stakeholder Capacities and Involvement
Project ID:
Project Duration: 5 years
Management Arrangement: National Implementation

Total Budget: \$750,000
Allocated resources:
• Government
• Regular \$ 750,000
• Other:
o Donor _____
o Donor _____
o Donor _____
• In kind contributions _____
Unfunded budget: 0

(SUDHIR MITAL)
Joint Secretary
Min of Env. & Forests
Paryavaran Bhawan C.G.O. Complex
Lodhi Road, New Delhi

On behalf of

Signature

Date

Name and Title

Agreed by (Implementing partner):

20/11/07

Ministry of Environment and Forests

Agreed by (UNDP):

20/11/07

Country Director

Deirdre Boyd
UNDP Country Director

Agreed by (Gol)

20/11/07

Department of Economic Affairs

(एम० प्रसाद/M. PRASAD)
संयुक्त सचिव/Joint Secretary
वित्त मन्त्रालय/Min. of Finance
आर्थिक कार्य विभाग/Deptt. of Ecq. Affairs
नई दिल्ली/New Delhi.

Table of Contents

<u>SECTION</u>	<u>PAGE</u>
COMPONENT 1:	
A. Project Overview	4
COMPONENT 2:	
A. Annual Work Plan and Budget Sheet	6
COMPONENT 3:	
A. Management Arrangement	8
COMPONENT 4:	
A. Monitoring and Evaluation	11
B. The Annual Workplan (AWP) monitoring tool	12
COMPONENT 5:	
A. Legal Context	14
COMPONENT 6:	
Annexure	
• Project Brief	
• Letter of Concurrence from Department of Economic Affairs (GoI) for UNDP India Country Programme Document (2008-2012)	
• UNDP India Country Programme Document (2008-2012)	
• Approval Letter of project proposal from Department of Economic Affairs (GoI)	
• Terms of Reference for key project staff	

COMPONENT 1: Project Overview

Environmental degradation associated with economic development and population growth is one of the principal problems facing India today.ⁱ With an average growth rate in the gross domestic product of 5.5 per cent during the first decade of reforms (1992-2001), India is among the 10 fastest growing economies in the world. While the rapid economic growth in last several years in India has lifted millions out of poverty; it has also led to massive pollution and degradation of the natural environment.ⁱⁱ

The liberalized economic policy initiated by the government since 1991 has ushered an era of rapid industrialization, urbanization and motorization in the country. The index of industrial production has more than doubled since 1993-94.ⁱⁱⁱ In the last five years alone about 30.3 million vehicles have been added on Indian roads.^{iv} Industrial and vehicular pollution are growing rapidly across the country. According to the data released by the Central Pollution Control Board (CPCB), the air quality in most Indian cities is moderately, highly or critically polluted round the year. The air quality data of 2004 shows that about 80 per cent of the cities monitored had particulates less than 10 microns in size (PM₁₀) levels more than the stipulated standard of 60 microgramme per cubic meter and in more than half the cities PM₁₀ levels exceeded the critical limits (more than 90 microgramme per cubic meter).^v Though, no specific estimates are currently available for India, it is estimated that of the 0.8 million deaths and 4.6 million life years lost each year due to air pollution worldwide, as many as two-thirds occur in developing Asian countries like India.^{vi}

Economic growth via industrialization is a must for India. At the same time, India's rapid economic and industrial growth are causing increasingly severe environmental degradation and pollution problems which are especially potent because of the toxic nature of many industrial pollutants and their high concentrations in the many industrialized regions of India. A World Bank study by Carter Brandon and Kirsten Hommann puts the health costs of environmental degradation in India at US \$ 7 billion a year. This is despite a regulatory system in place in the country. The rise of public opinion against polluting industries as expressed through Public Interest Litigation is a clear indication of the community becoming increasingly aware of the problems due to pollution. There is, therefore, a widespread feeling that alternative forms of governance should be built which are based on public participation, transparency and market-oriented policies. The Green rating of Indian Industry aims to address these issues.

In this context, a system of alternative and independent environmental rating system for industries was developed through the Green Rating Project (GRP) implemented by the Centre for Science and Environment (CSE) and funded by the UNDP from 1998 to 2002. This innovative project succeeded in establishing a system to monitor the environmental performance of industrial firms in a transparent manner and put results in the public domain. A database on the industries rated was also developed that is unparalleled in the country. In the short period the project brought about a considerable change in the mindset within the industries rated. The biggest contribution of the GRP is to improve environmental governance. By putting information on the environmental performance of Indian companies in the public domain, it helps to put public pressure on industry to constantly upgrade environmental performance. The present project (2007-12) 'Sustainable industrialization: Building stakeholder capacity and involvement' complements the GRP and promotes greater willingness on the part of industry to make voluntary improvements in the way they manage their natural resources. The project will aim at society-wide awareness and consciousness about issues of industry-environment-livelihood linkages and generate data on industry and their impact on natural resources.

This project fits in with the UNDP mandate of capacity building of the society by empowering people with information, which will be a tool for bringing about change. CSE, with the support of UNDP, is in a good position to successfully implement this project where capacities can be built towards pro-poor initiatives that are supported at national and local level to directly address environmental issues. *For details, see Annexure.*

Project Design

The project addresses three different stakeholders – the industry, the regulatory system and local communities who bear the impacts of industrialization. The primary objective of this project is to strengthen the capacities of central and state regulatory bodies, industries and communities to monitor, advocate and regulate industrial pollution. The project also aims to strengthen the legal, technical and administrative mechanisms to better regulate industrial pollution. These objectives will be achieved by designing incentives for industries to voluntarily improve their environmental performance. This would be done by reviewing and strengthening the legal, technological and administrative systems for better regulation of industrial pollution and by building capacities of national and state government regulatory bodies, industries and local communities to promote industrial growth with environmental sustainability.

In addition, the project will also support research and awareness on a wide range of cross-cutting issues on industrial pollution through an annual symposium that will bring together key stakeholders to deliberate on critical issues for industry and development.

COMPONENT 2: ANNUAL WORK PLAN BUDGET SHEET

Year: 2007 (Three Months Quarter 4)

Expected End of Project Outputs	Planned Activities	Time Frame				Responsible Party	Planned Budget			
		Q1	Q2	Q3	Q4		Source of Funds	Budget Code	Budget Description	Amount in \$
1. Industries incentivised to voluntarily improve their environmental performance	1.1. To conduct a feasibility study on how a voluntary environmental rating programme for industries can be institutionalized (This quarter – Initiate feasibility study that will extend till 2008 – Q1)				X	CSE	UNDP	71600	National Travel	2500
							UNDP	71300	National consultants	7500
							UNDP	72100	Communication	1000
							UNDP	72100	Meetings and workshops	1000
2. Capacities of industries, national and state government regulatory bodies and local communities built to promote industrial growth with environmental sustainability	2.1. To conduct training programme on environmental due diligence in financial institutions (This quarter - initiate the training programme)				X	CSE	UNDP	71300	National consultants	2500
							UNDP	72100	Communication and publicity	1000
							UNDP	72100	Information resources (database, books, reports etc.)	1500
	2.2. To conduct a Training programme for Civil Society ¹ on deciphering Environment Impact Assessment (EIA) documents, the process of environmental clearance (EC) in India, with particular focus on inclusive and participatory approaches (This quarter – Preliminary Research on EIA and EC initiated and training modules developed)				X	CSE	UNDP	71300	National consultants	5000
							UNDP	72100	Information resources	500
							UNDP	71600	National Travel	1000
							UNDP	72100	Communication	500

¹ Community groups, local NGOs, CBOs, Panchayats etc.

	2.3 To provide technical support to the communities on an ongoing basis and conduct research and advocacy on crosscutting industry-environment-livelihood issues (This quarter – Support centre infrastructure set up)			X	CSE	UNDP	72200	Equipments (Computers, printers etc.)	8500
						UNDP	72100	Communication	1000
						UNDP	74200	Website development and maintenance	2500
						UNDP	71300	National consultants	2500
						UNDP	71300	National consultants	2500
						UNDP	71600	National Travel	1000
						UNDP	72100	Communication	500
						UNDP	74500	Administrative overheads	1250
						UNDP	74200	Publication expenses (Reports)	500
						UNDP	72100	Information resources	500
3. Legal and administrative systems reviewed and strengthened to better regulate industrial pollution	3.1. To conduct a survey, research and to publish report on the state of regulatory system and regulations in India (This quarter – Report on state of regulatory system & regulations submitted)			x	CSE	UNDP	71300	National consultants	2500
						UNDP	71600	National Travel	1000
						UNDP	72100	Communication	500
						UNDP	72100	Information resources	500
						UNDP	74200	Publication expenses	1500
	3.2. Consultations at national and regional level with regulators/ policymakers to discuss the report and to identify aspects to concretize the regulatory support programme done (This quarter – Mining report published)			x	CSE, UNDP	UNDP	72100	Meeting and workshops	1000
						UNDP	72100	Communication	500
						UNDP	71600	National Travel	1000
TOTAL									53250

COMPONENT 3: MANAGEMENT ARRANGEMENT

3.1 Implementation Arrangements – Institutional Mechanisms & Monitoring:

3.1.1 The Implementing Partner:

The project will be nationally implemented by the Ministry of Environment and Forests (MoEF). The MoEF will designate a National Project Director (NPD) at the Ministry, who will be responsible for overall management, including achievement of planned results, and for the use of UNDP funds through effective process management and well established project review and oversight mechanisms. The NPD will be assisted by the Responsible Party (CSE) and a Project Manager (independently recruited and located in the MoEF) for the day-to-day management of the project.

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

3.1.2 Responsible Parties:

The Centre for Science and Environment (CSE) will be the Responsible Party for the project. The CSE is a non governmental organization established in 1980, which aims to increase public awareness on science, technology, environment and development. Over the years, CSE has gained considerable experience in execution of projects and for undertaking policy research and awareness campaigns. Under UNDP's Country Cooperation Framework – I, CSE successfully completed the sub-programme on the Green Rating of Industry during 1998-2002. Under CCF-1, CSE had received a grant of US\$ 500,000 from the UNDP.

On behalf of the Ministry of Environment and Forests, CSE will be responsible for the management of project activities under the overall guidance of the NPD and the Project Steering Committee, and will coordinate the programme activities including the preparation of annual work plan, budget, financial reports, etc and will interface with the programme management board on sub-programme management issues. CSE will also set up technical and programme advisory panels comprising eminent persons from all stakeholders to provide the technical inputs and to steer the programme.

CSE will provide able and qualified management capacities to the project, as well as infrastructural facilities, documentation and access international databases. The project will also benefit from inputs from CSE's research and advocacy programmes in other areas such as Health and Environment, Right to Clean Air, People's Management of Water and Environmental Law research and others.

3.1.3 Project Steering Committee

A Project Steering Committee (PSC) will be constituted at the MoEF comprising designated representatives from the Ministry, UNDP and CSE and will be chaired by the National Project Director (NPD). The PSC will represent the following mandated roles.

- Implementing Partner/ MoEF representing the project ownership and executive of the group,
- UNDP to provide guidance regarding the technical feasibility of the project, and
- CSE to ensure the realization of project benefits from the perspective of project beneficiaries.

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 by consensus management decisions for the project and periodic reviews. In order to ensure UNDP's ultimate accountability, final decision making rests with UNDP in accordance with its applicable regulations, rules, policies and procedures. Project reviews by PSC will be carried out at designated decision points (preferably quarterly meetings) during the running of a project, or as necessary when raised by the Project Manager.

3.1.4 National Project Director

The concerned Joint Secretary, MoEF, will be the National Project Director (NPD). The NPD will coordinate project implementation on behalf of the Ministry of Environment and Forests and ensure its proper implementation.

3.1.5 Project Manager

A full time Project Manager will be recruited by the MoEF/CSE under project funds for the day-to-day management and decision making of the project and will be accountable to the NPD and PSC. S/he will prepare the detailed activity and monitoring plan based on the annual workplan (AWP) and budget and submit it to the PSC for approval. The project manager will be supported/assisted by the Project Management Unit which is provided by the Responsible Party (CSE).

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 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.

The Project Manager will work in close collaboration with the MoEF, Responsible Party and other partner organizations and undertake periodic monitoring and review of project activities. See Annexure: For the Terms of Reference for the Project Manager.

3.1.6 Project advisory panel and technical advisory panel

CSE will establish and institutionalize the Project advisory panel (PAP) to steer the project and to monitor the progress of the project. The ratings will be released only after clearance has been obtained from PAP. To involve the relevant government counterpart in the entire project, the relevant officials from MoEF and Central Pollution Control Board (CPCB), to join the project advisory panel.

CSE will also establish and institutionalize the Technical advisory panel (TAP) to support and verify the technical credentials of the research and ratings. TAP will directly report to PAP about the technical robustness and veracity of the research and rating.

3.1.7 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 appropriate project management milestones are managed and completed.

3.1.8 Funds Flow Arrangements and Financial Management

MoEF will make suitable provisions for UNDP funds in its annual budget. MoEF will enter into an agreement with the Responsible Party for implementing the project. Based on the AWP, quarterly budget plan will be prepared by Ministry and funds will be released accordingly. MoEF will account for funds received from UNDP on a quarterly basis through the standard fund authorization and certificate of expenditure (FACE) report. The funds will be released to the Responsible Party at the signed request and approval of the NPD, also through the standard FACE format. The Project Manager will be responsible for compilation and collation of these financial reports. Unspent funds from the approved AWP's 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.

Up to 1 % of the total project budget will be allocated for communication and advocacy activities undertaken by UNDP.

Interest clause: Any interest accrued on the project money during the project implementation process is UNDP money and will be ploughed back into the project in consultation with MoEF and UNDP or refunded to UNDP if there is no scope for ploughing back.

3.1.9 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-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 workplan and budget for each year.

COMPONENT 4: MONITORING AND EVALUATION

The Project Steering Committee (PSC), assisted by the Project Advisory Panel (PAP) and the Technical Advisory Panel (TAP), will monitor the progress of the project. The PMB & PAP will give an emphasis to reviewing the activities of the project in a more holistic manner. A monitoring framework will be developed in consultation with the implementing partners at the beginning of the project that will enable tracking the progress of the project for its objectives and achievement of outputs as per the success indicators mentioned in the proposal document as well as ensure a closer examination of substantive issues of the Project. Efforts will be made to particularly track the impact of project interventions on improving the environment performance of industries; on mainstreaming of the environmental due diligence process in banks, financial institutions, insurance companies and institutional investors; on mainstreaming of gender and inclusion of vulnerable groups; on capacity building and technical support provided to the local communities, NGOs and the Panchayats, to effectively intervene in the Environment Clearance process; and on assisting and strengthening the existing regulatory regime in the country.

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 Communication and Advocacy Plan will be prepared that describes which activities and outputs will be monitored, reviewed and evaluated, how and by whom. A detailed Communication and Advocacy Plan needs to be drawn out by CSE 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 shall be activated in Atlas and updated to track key management actions/events.

To complement the above, an annual project review will be conducted during the fourth quarter of year as a basis for assessing the performance of the project. In the last year, this review will be a final assessment. This review will involve all key project stakeholders and the Implementing Partner, and focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes. The review will be structured by a set of common standards, and will be subject to spot external quality assurance assessments. This review should update output targets and results achieved in Atlas.

CP Component: Energy & Environment for Sustainable Development
 Implementing Partner: Ministry of Environment and Forests

EXPECTED OUTPUTS AND INDICATORS including annual targets	PLANNED ACTIVITIES	EXPENDITURES	RESULTS OF ACTIVITIES	PROGRESS TOWARDS ACHIEVING OUTPUTS
<p>OUTPUT 1 Industries incentivised to voluntarily improve their environmental performance</p>	<p>1.1. To conduct a feasibility study on how a voluntary environmental rating programme for industries can be institutionalized</p> <p>(This quarter – Initiate feasibility study that will extend till 2008 – Q1)</p>			
<p>OUTPUT 2: Capacities of industries, national and state government regulatory bodies and local communities built to promote industrial growth with environmental sustainability</p>	<p>2.1. To conduct training programme on environmental due diligence in financial institutions</p> <p>(This quarter initiate the training programme)</p> <p>2.2. To conduct a Training programme for Civil Society² on deciphering Environment Impact Assessment (EIA) documents, the process of environmental clearance (EC) in India, with particular focus on inclusive and participatory approaches</p> <p>(This quarter – Preliminary Research on EIA and EC initiated and training modules developed)</p> <p>2.3 To provide technical support to the communities on an ongoing basis and conduct research and advocacy on crosscutting industry-environment-livelihood issues</p> <p>(This quarter – Support centre infrastructure set up)</p>			

² Community groups, local NGOs, CBOs, Panchayats etc.

EXPECTED OUTPUTS AND INDICATORS including annual targets	PLANNED ACTIVITIES	EXPENDITURES	RESULTS OF ACTIVITIES	PROGRESS TOWARDS ACHIEVING OUTPUTS
<p>OUTPUT 3: Legal and administrative systems reviewed and strengthened to better regulate industrial pollution</p>	<p>3.1. To conduct a survey, research and to publish report on the state of regulatory system and regulations in India (This quarter – Report on state of regulatory system & regulations submitted)</p> <p>3.2. Consultations at national and regional level with regulators/ policymakers to discuss the report and to identify aspects to concretize the regulatory support programme done (This quarter – Mining report published)</p>			

COMPONENT 5: 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.

COMPONENT 6:

ANNEXES

ⁱ Common Country Assessment, January 2000, United Nations Development Assistance Framework-India, Office of the UN Resident Coordinator, New Delhi, India (at <http://www.un.org.in/CCA.htm>; as viewed in April 2006)

ⁱⁱ Approach paper to the Tenth Five Year Plan (2002-2007), Planning Commission, Government of India, New Delhi, September 2001

ⁱⁱⁱ Economic Survey of India – 2005-2006, Ministry of Finance, Government of India.

^{iv} Economic Survey of India – 2005-2006, Ministry of Finance, Government of India

^v The Leapfrog Factor: Clearing the air in Asian cities, 2005, Centre for Science and Environment, New Delhi

^{vi} Environment matters, World Bank, 2005

Annexure: Project Brief

SUSTAINABLE INDUSTRIALISATION:

Building stakeholder capacities and involvement

Country: India

UNDAF Outcome(s)/Indicator(s): Communities are aware of their vulnerabilities, and adequately prepared to manage (and reduce) disaster and environmental related

Expected Outcome(s)/Indicator (s): Progress towards meeting national commitment under multilateral environmental agreements.

Expected Output(s)/Annual Targets: Capacities built and pro-poor initiatives supported at national and local levels to directly address environmental issues.

Implementing partner: Ministry of Environment & Forests

Responsible parties: Centre for Science & Environment, New Delhi

The Project is targeted towards achieving sustainable industrialisation by influencing industries to voluntarily improve their environmental performance, strengthen the regulatory system, as well as build capacities of local communities to intervene in the industrialisation process. These objectives will be achieved through an industry-rating programme, capacity building, research and networking. The programme consists of activities directed towards building the capacities of three stakeholder groups, that of industry, regulators and the community/larger society to effectively intervene and promote the national vision of ensuring economic growth along with environmental sustainability, which is one of the key millennium Development Goals of the United Nations (Goal 7).

Programme Period: 2007-2012
Programme Component: Energy and Environment for Sustainable Development
Project Title: Sustainable industrialisation: Building stakeholder capacities and involvement
Project ID:
Project Duration: 5 years
Management Arrangement: National Implementation

Total Budget US \$ 750,000
Allocated resources: _____
• Government _____
• Regular US \$ 750,000
• Other:
 ○ Donor _____
 ○ Donor _____
 ○ Donor _____
• In kind contributions _____
Unfunded budget: _____

Agreed by (Implementing Partner): Ministry of Environment & Forest, Govt. of India

Agreed by (UNDP): Country Director

Table of Contents

EXECUTIVE SUMMARY	4
1. SITUATION ANALYSIS	6
1.1 BACKGROUND	6
1.2 THE COUNTRY PROGRAMME AND ITS THEMATIC FOCUS	7
2. PROJECT BACKGROUND	9
2.1 THE DEVELOPMENT CONTEXT	9
2.2 EXISTING PROGRAMME ANALYSIS: GREEN RATING PROJECT	10
2.3 REASONS FOR UNDP'S DEVELOPMENT COOPERATION	11
3. STRATEGY	13
3.1 PROGRAMME STRATEGY	13
3.2 ACTIVITIES	15
3.3 GEOGRAPHICAL FOCUS AND PROGRAMME PRIORITISATION	20
3.4 TARGET BENEFICIARIES	20
3.5 PARTNERSHIPS	21
3.6 SUSTAINABILITY OF THE PROGRAMME OUTCOME	22
3.7 RISK ANALYSIS	23
4. MANAGEMENT ARRANGEMENTS	28
4.1 IMPLEMENTATION ARRANGEMENTS – INSTITUTIONAL MECHANISMS & MONITORING	28
5. MONITORING AND EVALUATION	31
5.1 INDICATIVE ANNUAL WORK PLANS	33
5.2 COMMUNICATIONS & ADVOCACY PLAN	61
6. LEGAL CONTEXT	62
7. RESULTS AND RESOURCES FRAMEWORK	63
7.1 PROJECT RESULT MATRIX	63
7.2 MAJOR ACTIVITIES	70
8. BUDGET	81
8.1 ANNUAL BREAK-UP	81
8.2 EXPENSES BREAK-UP	81
ANNEXURES	
1: THE GREEN RATING PROJECT	
2. TERMS OF REFERENCE FOR THE PROJECT MANAGER	
3. LETTER OF APPROVAL – DEPARTMENT OF ECONOMIC AFFAIRS, GOI	

Executive summary

Environmental degradation associated with economic development and population growth is one of the principal problems facing India today.¹ On the one hand, the rapid economic growth in last several years in India has lifted millions out of poverty; on the other hand, it has led to massive pollution and degradation of the natural environment.² With an average growth rate in the gross domestic product of 6.5 per cent during the first decade of reforms (1992-2001), India is among the 10 fastest growing economies in the world.

The liberalized economic policy initiated by the government since 1991 has ushered an era of rapid industrialisation, urbanization and motorization in the country. The index of industrial production has more than doubled since 1993-94.³ In the last five years alone about 30.3 million vehicles have been added on Indian roads.⁴ Industrial and vehicular pollution are growing rapidly across the country. According to the data released by the Central Pollution Control Board (CPCB), the air quality in most Indian cities is moderately, highly or critically polluted round the year. The air quality data of 2004 shows that about 80 per cent of the cities monitored had PM₁₀ (particulates less than 10 microns in size) levels more than the stipulated standard of 60 microgramme per cubic meter and in more than half the cities PM₁₀ levels exceeded the critical limits (more than 90 microgramme per cubic meter).⁵ Though, no specific estimations are currently available for India, it is estimated that each year, two-third of the 0.8 million deaths and 4.6 million lost life years attributed to air pollution worldwide, occurs in developing Asian countries like India.⁶

Economic growth via industrialisation is a must for India. At the same time, India's rapid economic and industrial growth are causing increasingly severe environmental degradation and pollution problems which are especially potent because of the toxic nature of many industrial pollutants and their high concentrations in the many industrialised regions of India. A World Bank study by Carter Brandon and Kirsten Hommann puts the health costs of environmental degradation in India at US \$ 7 billion a year. This is despite a regulatory system in place in the country. The rise of public opinion against polluting industries as expressed through Public Interest Litigation is a clear indication of the community becoming increasingly aware of the problems due to pollution. There is, therefore, a widespread feeling that alternative forms of governance should be built which are based on public participation, transparency and market-oriented policies. The Green rating of Indian Industry aims to address these issues.

In this context, a system of alternative and independent environmental rating system for industries was developed through the Green Rating Project (GRP) implemented by the Centre for Science and Environment (CSE) and funded by the UNDP between 1998-2002. This project was an innovative one that succeeded in establishing a system to monitor the environmental performance of industrial firms in a transparent manner and put results in the public domain. A database on the industries rated was also developed that is unparalleled in the country. In the short period the project brought about a considerable change in the mindset within the industries rated. The biggest contribution by the GRP is to improve environmental governance which is one. By putting information on the environmental performance of Indian companies in the

public domain, it helps to put public pressure on industry to constantly upgrade environmental performance.

The present project (2007-12) 'Sustainable industrialisation: Building stakeholder capacity and involvement' complements the GRP and promotes greater willingness on the part of industry to make voluntary improvements in the way they manage their natural resources. There will be an awareness and improved capacities among regulators to be able to effectively perform their critical role of regulation of the industrialization along with the improved capacities of local communities to intervene in the process of industrialization. The project will also result in society-wide awareness and consciousness about issues of industry-environment-livelihood linkages and generate data on industry and their impact on natural resources.

This programme also fits in with the UNDP mandate of capacity building of the society by empowering people with information, which will be a tool for bringing about change. CSE with the support of UNDP is in the best position to successfully implement this project where capacities can be built towards pro-poor initiatives that are supported at national and local level to directly address environmental issues. *For details, see Annexure.*

The project addresses three different stakeholders – the industry, the regulatory system and local communities who bear the impacts of industrialisation. They are addressed through activities of rating the industries for their environmental performance, constant research to cull out best practices and capacity building and awareness creation activities for all three stakeholders. In addition, there will be research and information dissemination on a wide range of cross-cutting issues to catalyze discussion and debate in society. This will be driven through an annual symposium on critical issues for industry and development that will bring all stakeholders together.

Project duration and budget: The project is for a period of 5 years from the date of sanction with a budget of US \$ 750,000.

1. SITUATION ANALYSIS

1.1 Background

Environmental degradation associated with economic development and population growth is one of the principal problems facing India today.⁷ On the one hand, the rapid economic growth in last several years in India has lifted millions out of poverty; on the other hand, it has led to massive pollution and degradation of the natural environment.⁸

With an average growth rate in the gross domestic product of 6.5 per cent during the first decade of reforms (1992-2001), India is among the 10 fastest growing economies in the world. India's steady progress over the last decade towards meeting the goals of human development is reflected in the improvement of the country's Human Development Index from 0.406 in 1975 to 0.571 in 1999. Yet the challenges for human development remain formidable.⁹

The liberalised economic policy initiated by the government since 1991 has ushered an era of rapid industrialisation, urbanisation and motorisation in the country. The index of industrial production has more than doubled since 1993-94.¹⁰ In the last five years alone about 30.3 million vehicles have been added on Indian roads.¹¹ Industrial and vehicular pollution are growing rapidly across the country. According to the data released by the Central Pollution Control Board (CPCB), the air quality in most Indian cities is moderately, highly or critically polluted round the year. The air quality data of 2004 shows that about 80 per cent of the cities monitored had PM₁₀ (particulates less than 10 microns in size) levels more than the stipulated standard of 60 microgramme per cubic metre and in more than half the cities PM₁₀ levels exceeded the critical limits (more than 90 microgramme per cubic metre).¹² Though, no specific estimations are currently available for India, it is estimated that each year, two-third of the 0.8 million deaths and 4.6 million lost life years attributed to air pollution worldwide, occurs in developing Asian countries like India.¹³

Today most Indian rivers are highly polluted, more so in stretches near the urban and industrial areas of the country.¹⁴ Polluted water is the biggest cause of infant mortality in the country.¹⁵ The status of groundwater pollution and overexploitation is also alarming.¹⁶

Environmental degradation and pollution disproportionately affect the poor and the marginalised in the society. As the poor are dependent on nature for livelihood, they are more vulnerable to natural calamities, environmental pollution and ecological disasters, which are often manmade. Bhopal gas tragedy and pollution in the river Yamuna by industries and upstream rich farmers are classical examples to support this case.¹⁷ The indiscriminate use of industrial and agricultural chemicals also disproportionately affects the poor and the marginalised as they are more exposed to it and they also don't have the capacity to invest in health and well-being.¹⁸ Women are even more vulnerable to the impacts of environmental degradation – they have to walk long distances, as much as 1800 Km a year in search of water, firewood and fodder. This burden on women in turn has an impact on female literacy. When the mothers' time is spent on fetching fuel wood, fodder and drinking water, girl children are kept at home and discouraged from attending schools.¹⁹

There is enough empirical evidence to establish that environmentally destructive economic development will impoverish the poor even further and destroy their livelihood resource base.²⁰

1.2 The Country programme (2003-07) and its thematic focus

The United Nations Development Assistance Framework (UNDAF), which is the document expressing the agreement on programme priorities between the United Nations System in India and the Government of India, has as its main focus the promotion of gender equality and the strengthening of decentralization.²¹ These two themes form the underlying thrust of the Country Programme (2003-2007) and interventions as reflected in the following four inter-linked thematic areas:

Themes for the Country Programme (2003-2007)

Promotion of human development and gender equality	To create an interface at the state level between economic policy and social concerns such as gender equality, poverty eradication and people's participation. Strategies proposed include: partnerships with research institutions, civil society organizations and individual experts to support state governments in facilitating integration of social concerns; providing conceptual and methodological support to state governments; strengthening the state HDR process to make it more consultative and broad-based.
Capacity-building for decentralization	Given the cross-cutting focus on decentralization, strategies proposed include: Capacity-building of panchayati raj institutions (PRIs) in both rural and urban areas; continued support to civil service reform at various levels, with a focus on gender sensitivity, responsiveness, transparency and efficiency of administration; capacity-building for district and village-level planning; facilitating an enabling environment for integration of people living with HIV/AIDS through capacity-building of communities, civil society groups and local institutions; research on legal/ethical issues and building new partnerships, particularly with the Indian private sector.
Poverty eradication and sustainable livelihoods	To strengthen partnerships between PRIs, women's groups, civil society organizations and government agencies to develop, test and disseminate innovative, gender-equitable and community-managed approaches to sustainable livelihoods and environmentally sustainable natural resource management; piloting and testing gender-responsive models of support for traditional artisan communities; supporting production of status reports on poverty in India and; evolving a coordinated strategy to share Indian best practice with other developing countries and accessing lessons from international experience.
Vulnerability reduction and environmental sustainability	To strengthen state-and regional-level systems for establishment of disaster-preparedness plans and systems for early warning and recovery; developing community capacities to plan and implement gender-equitable disaster-mitigation strategies and post-disaster reconstruction/sustainable recovery; strengthening

	national capacities for influencing global debates on environment and mainstreaming global environmental concerns (e.g., biodiversity areas, renewable energy, land degradation, desertification, climate change) into national projects, programmes and policies and; demonstrating technologies and approaches, to address linkages between global environment issues and national developmental challenges.
--	--

Based on specific roles for UNDP development co-operation identified through a comprehensive review and stakeholder consultation process, all projects will (1) target marginalized communities, partner with diverse partners, address the multi-sectoral dimensions of development, and document and disseminate best practices.

- The Government of India (GOI)-UNDP Country Programme for 2003 to 2007 is aligned with the priorities of both the United Nations system in India as well as the Government of India. As this project document is being signed in 2007 it will reflect the above given themes of 2003-2007 country programme document and will be carried over to 2008 - 2012 country programme cycle. This is reflected through UNDAF outcome 4.2¹. The project will begin the implementation process in October 2007 and the new Country Programme will kick off in January 2008. Keeping this in mind the project will align its themes to UNDAF (2008-12 approved by GoI/Planning commission) outcome 4.2 and the new UNDP country programme document (2008-12 approved by the Department of Economic Affairs and GoI).

The approach paper to the Eleventh five year Plan gives equal emphasis to both economic growth in terms of GDP as well as to human development measures which will meet objectives of equity and sustainability. And the overarching goals of the work of the United Nations is to *work towards the promotion of sustainable human development and the elimination of human poverty and inequalities.*

¹ Intended UNDAF Outcome 4: The most vulnerable people, including women and girls, and government at all levels have enhanced abilities to prepare, respond and adapt/recover from sudden and slow onset disasters and environmental changes". Environment and Sustainable Development Mechanism.

2. PROJECT BACKGROUND

2.1 The Development Context

Industries in India are characterized by inefficient resource use and poor pollution control systems. For instance, for every 1 cubic metre of water consumed in Indian industry, the industrial value addition is just US\$ 7.5. It is US\$ 96 in South Korea, US\$ 443.7 in the UK, US\$ 92 in Sweden and US\$ 49 in Thailand.²² Similarly, the Indian economy is highly energy inefficient. Between 1990-2001, for every additional US\$ 1,000 in its national income, India consumed about 1.04 tonnes of oil equivalent (TOE) of energy. Compared to this the energy intensity of some developed nations are: 0.09 TOE/US\$ 1,000 in Switzerland, 0.16 TOE/US\$ 1,000 in the UK and 0.23 TOE/US\$ 1,000 in the US. The most inefficient part of the Indian economy is the industrial sector, as it consumes more than half of the total commercial energy and contributes about one-third to the GDP. In environmental terms, this high-energy intensity of India and the Indian industry, which has remained unchanged for the last two decades, means more air and water pollution and more solid waste generation.²³

The rising pollution levels and natural resource degradation in India have led to widespread public protests across the country as air and water pollution and the dumping of waste is going beyond the limits of social and environmental tolerance. The conflicts between rice growers and shrimp farms, land disputes between forest department and indigenous communities, and resistance from communities to mining, dams and industrial projects are all examples of the growing struggle for rights over natural resources. There is, therefore, an urgent need to intervene, monitor, influence and check the process of unsustainable industrialisation and economic development in India.

The Ninth Five Year Plan, 1997-2002, for the first time, recognised participatory planning as an essential precondition for ensuring growth with equity. On the one hand, it gave due credence to industrialisation as the means to promote economic growth; on the other, it endorsed the role of civil society initiatives to support and enhance the outcomes of government policies and programmes.²⁴ Similarly, along with emphasis on productivity and quality up gradation, the importance of maintaining environment, health and safety standards is also recognised.²⁵

The core of Government of India's initiatives towards regulating and controlling environmental pollution and degradation of natural resource base is the command and control regulatory regime. The country has adopted many environmental protection acts and rules. But environmental degradation continues despite the existence of a long-standing policy, and legal-cum-institutional framework for environmental protection. It is in this context that the Tenth Five Year Plan of the Government of India has emphasised the need for reducing the gap between regulatory principles and practice.²⁶

It is a well-recognised fact that the command and control regulatory regime is highly resource intensive. In a country like India, with its vast size, increasing industrialisation and high level of poverty, enough resources can never be made available to run an

effective command and control regulatory regime. Recognising this reality, the draft National Environment Policy (NEP), 2004, seeks to stimulate partnerships between different stakeholders, i.e., public agencies, industry, local communities, the NGOs, the investment community, and international development partners, in harnessing their respective resources and strengths for better environment management in the country.²⁷

The Green Rating Project (GRP) which was supported by the UNDP and implemented by the Centre for Science and Environment (CSE) is one such project, which is extensively involved in monitoring and regulating the environment performance of Indian industry to move towards sustainable industrialisation and economic development in India.

2.2 Existing Programme Analysis: Green Rating Project

In 1998 CSE started an innovative project to present a market-oriented framework by which the environmental impacts of industrialisation can be monitored and influenced. UNDP/CSE's Green Rating Project (GRP) is a civil society initiative to develop an alternative form of governance to control industrial pollution in India. It systematically collects information about the environmental performance of industries, gives them a rating on the basis of information collected and then puts the information in the public domain. The aim is to use the resultant public pressure to force the companies, the regulatory and financial agencies to take better care of the environment.

The Green Rating Project (GRP) has so far rated and released the ratings of four major industrial sectors – that of pulp and paper sector, the automobile sector, the chlor-alkali sector and the cement sector. For assessing actual environmental performance, GRP uses the Life Cycle Analysis approach that takes into account the impact of industrial activity throughout the life cycle from the raw material procurement stage to the end product stage. To give high credibility to the exercise, CSE co-opted several leading figures from the industry, judiciary and the civil society, in its advisory panel. A team of leading technical experts oversees the technical inputs.

This programme has brought about a great deal of change in the mindset within the industries rated. The project has encouraged industries to take proactive actions and voluntarily improve their environmental performance. Voluntary participation has been over 90%. Today a good rating by GRP to a company is considered as the ultimate certification about the environment performance. A recent study by two leading economists in India showed that good performance in the GRP project impacts on the stock market. Their study showed that those companies who performed badly in the GRP lost several points in the stock market immediately after the release of the GRP ratings. In 2000 GRP was judged as the best Green Audit Project of Asia in last 25 years by Asia Week.

The biggest contribution by the project is to improve environmental governance. By putting information on the environmental performance of Indian companies in the public domain, it helps to put public pressure on industry to constantly upgrade environmental performance. More than that, it make industrial leaders realise that environmental compliance need not only be restricted to meeting government norms

but can actually become a proactive exercise in which official norms constitute only the minimum effort.

Justification of the project: The Centre for Science and Environment is one of India's leading environmental NGOs with a deep interest in sustainable development. CSE's strategy of "*knowledge based activism*" has won it wide respect and admiration for the quality of its campaigns, research and publications. For the last 26 years, CSE has tried to educate a whole nation, from many of its top political leaders to its numerous rural activists, about the importance of sustainable development, especially for the daily survival of the country's poor and its rural women. CSE has provided advance warnings, perceptive analyses and intellectual leadership in the field of environmental management. CSE has been deemed *an Institution of National Importance* by the Government of India.

CSE pioneered the development of a system of an alternative and independent environmental rating system for industries through the Green Rating Project, which was funded by the UNDP between 1998-2002. The project was an innovative project that succeeded in establishing a system to monitor the environmental performance of industrial firms in a transparent manner and put the results in the public domain. CSE developed a database on the industries rated that is unparalleled in the country. In the short span of six years, CSE has brought about a great deal of change in the mindset within the industries rated. To help CSE undertake this sub-programme a countrywide network of around 200 well-qualified professionals.

CSE is therefore in the best position to successfully implement this project. *For details, see Annexure.*

2.3 Reasons for UNDP's Development Cooperation

The UNDP Country programme for India has been designed to demonstrate area-based integrated approaches to environmental sustainability, poverty eradication and human development.

The overarching goals of the work of the United Nations system in India is to work towards the promotion of sustainable human development and the elimination of human poverty and inequalities.²⁸ In this regard the protection and regeneration of the environment is vital for Sustainable Human Development. Sustainability is also the primary theme of at least two of the World Conferences: the UN Conference on Environment and Development and the Copenhagen Social Summit. Ensuring environmental sustainability is also one of the key goals of the Millennium Development Goals (MDG).

The programme 'Sustainable industrialisation: Building stakeholder capacity and involvement' will go a long way in promoting sustainable industrialisation in India. The programme also fits in with the UNDP mandate of capacity building of the society by empowering people with information, which will be a tool for bringing about change.

Apart from meeting the goals of the United Nations Development Assistance Framework (UNDAF) and the Millennium Development Goals, the programme is also a direct continuance of the sub-programme on green rating of industry, which was supported by GOI-UNDP under the Country Cooperation Framework-1.

This programme, therefore, fits in very well with the areas of work outlined under the UNDP Country programme for India and the UNDAF which is linked to the Goal 7 -- Ensure Environmental Sustainability -- of the Millennium Development Goals. As the activities of this project begin in October 2007 and the new Country Programme will kick off in January, the AWP (Annual Workplan) takes into context the new country programme action plan which will be signed by the Government of India (GoI)

3. STRATEGY

3.1 Programme strategy

Halting environmental degradation and improving the environmental quality in India requires essentially a two-fold strategy:

- The first relates to the strengthening of capacities to take decisions on resource use and industrialisation, in government, policy and planning bodies, institutions of local self-governance, non-governmental organisations, in industry and the community at large; and to the development of the information base necessary to support informed decision making;
- The second relates to the use of mix of instruments to support and strengthen the existing command and control regulatory regime to ensure effective and efficient control of pollution and degradation of the natural resources.

Implementation of the first strategy requires extensive research, generation and interpretation of information, information disclosure, education and capacity building for all stakeholders and a common platform where different stakeholders can discuss and debate and regulate and steer the process of industrialisation towards sustainability. Implementation of the second strategy requires introduction of a mix of regulatory instruments – market-based instruments and community-based instruments – outside the government to regulate and control pollution and degradation of natural resources. The programme ‘Sustainable industrialisation: Building stakeholder capacity and involvement’ has been designed to address both the strategies.

The programme consists of three sub-programmes – all directed towards developing information base and building the capacities of the specific stakeholders to effectively intervene and promote sustainable industrialisation.

3.1.1 Addressing the industry

In India little has been achieved to bring about a broad-based incorporation of environmental principles in industries from cradle to grave of a product’s life cycle. Moreover, information on environmental performance of industries is not available to the public in a form that enables informed decision-making. Such lack of information in the public domain has done little to encourage public participation in environmental affairs. The sub-programme aims to address these issues.

- Public image is one of the greatest assets that any company has. Greater public awareness about the social and environmental commitments of a company will pay it rich dividends in the form of “product loyalty” and thus provide an edge over its competitors. “Reputational incentive” is a term used by the World Bank to describe this market-oriented framework.
- In India, certain progressive companies have adopted state-of-the-art technologies for pollution reduction but have never made their performance standards public. These companies are not receiving any recognition for their efforts. On the other

hand, industrial segments that are lagging behind in environmental performance do not feel any public pressure to improve. By putting the transparent picture of the environmental performance of Indian firms in the public domain, pro-active companies can be encouraged to improve further and poor performers can be pressurised to improve.

- The Green Rating Project (GRP) has successfully used this strategy and has achieved significant success in moving Indian companies towards better environmental practices. GRP demonstrates that, in India, reputation-incentive does work and promotes voluntary improvements in the environment performance. It also demonstrates that banks, financial institutions and the share market can play a major role in pushing industries towards better social and environment performance, simply because for an investor poor social and environment performance is a investment risk. Therefore, if information about the environment performance of large number of companies can be made available to the investors, they would be able to exert a powerful pressure on companies to improve their environment performance.
- The sub-programme, therefore, intends to significantly up-scale the green rating system to broad base the reputation-incentive programme and to provide information on larger number of Indian companies to the investor community.

3.1.2 Addressing the regulatory sector

The regulatory process in India is today largely done through end-of-the-pipe monitoring system. The modern regulatory tools involving life cycle assessment and eco-efficiency have not been introduced so far in India. Similarly, regulations on industrial pollution in India are not keeping pace with the changing technology and industrial processing paradigm. There is therefore an urgent need to engage the regulators to improve the regulatory policy and practices in the country.

The Ministry of Environment and Forest is working towards decentralising the environmental clearance (EC) process in the country. Under the new proposal, SPCBs will have a major role to play in the EC process. The knowledge generated during the rating of companies can therefore be used to (1). Create capacity within the SPCBs to implement the EC process effectively; and, (2). Develop sector-specific guidelines for the EC process.

This sub-programme will strengthen the existing regulatory regime in the country in the following ways:

- It will establish a two-way information exchange system with the regulators, wherein the research and ratings of the green rating system, including the environmental inventory of industries rated and the research of the community support programme will be regularly sent to the respective SPCBs. On the other hand, the regulatory data on companies available with the SPCBs will be obtained and fed into the rating system to make the rating more accurate and broad-based.
- The environmental performance and benchmarking reports of the industrial sectors rated by the green rating will be made available to the regulators and policy makers, which will initiate the reform of the existing standards and policies.

- It includes capacity building support programme for the State Pollution Control Boards (SPCB's) to encourage them to introduce modern regulatory tools for making the existing regulatory regime more efficient and effective.
- To start with, it will conduct survey and undertake research to come out with a state-of-the-art report on the status of the regulatory system and the regulations in the country. The programme will also critically analyse the existing monitoring mechanism in the country and provide suitable solutions for improving it further. Another survey will be conducted to understand their requirements and this will be incorporated into the programme.

3.1.3 Addressing communities

The current process of industrialisation in India is leading to widespread protest and dissatisfaction within the local communities. Part of the reason for this is the lack of information and tools in the hands of communities, Panchayats and the local NGOs to handle the issue of industrialisation and industrial pollution and engage in constructive dialogue with the government and the promoters. The process of Environment Impact Assessment (EIA) is institutionalised in the country and within this there is a process of public hearing. Most public hearings either get converted into protest meetings or are held without much public participation. There is therefore, an urgent need to train local communities, Panchayats and NGOs to deal with the issue of EIA with a particular focus on participatory and inclusive (women and vulnerable groups) approaches.

There is a need for positive interactions between the regulators, the promoters and the community in dealing with the process of industrialisation and will pave the way for sustainable industrialisation in India. On the other hand, the groups of NGOs will also act as an excellent source of information for the green rating exercise itself, as they will be able to provide ground-level data to GRP to undertake accurate ratings.

3.2 Activities

3.2.1 Research, rating and stakeholder interaction programmes

Industry

Green Rating programme based on Life Cycle Analysis: There are number of ways in which the green rating can be up-scaled. The first approach can be to rate large number of industrial sectors, having significant environmental impact. GRP will undertake four annual ratings, which could be either sector-specific or cross-sectoral rating or a mix of both, depending of the feasibility study.

If GRP decides to take up this approach than, an indicative list of sectors it will choose from for the rating during the period 2007-2012 is:

- Iron and steel
- Bulk drugs
- Pharmaceuticals
- Petrochemicals

- Power
- Textiles
- Fertiliser

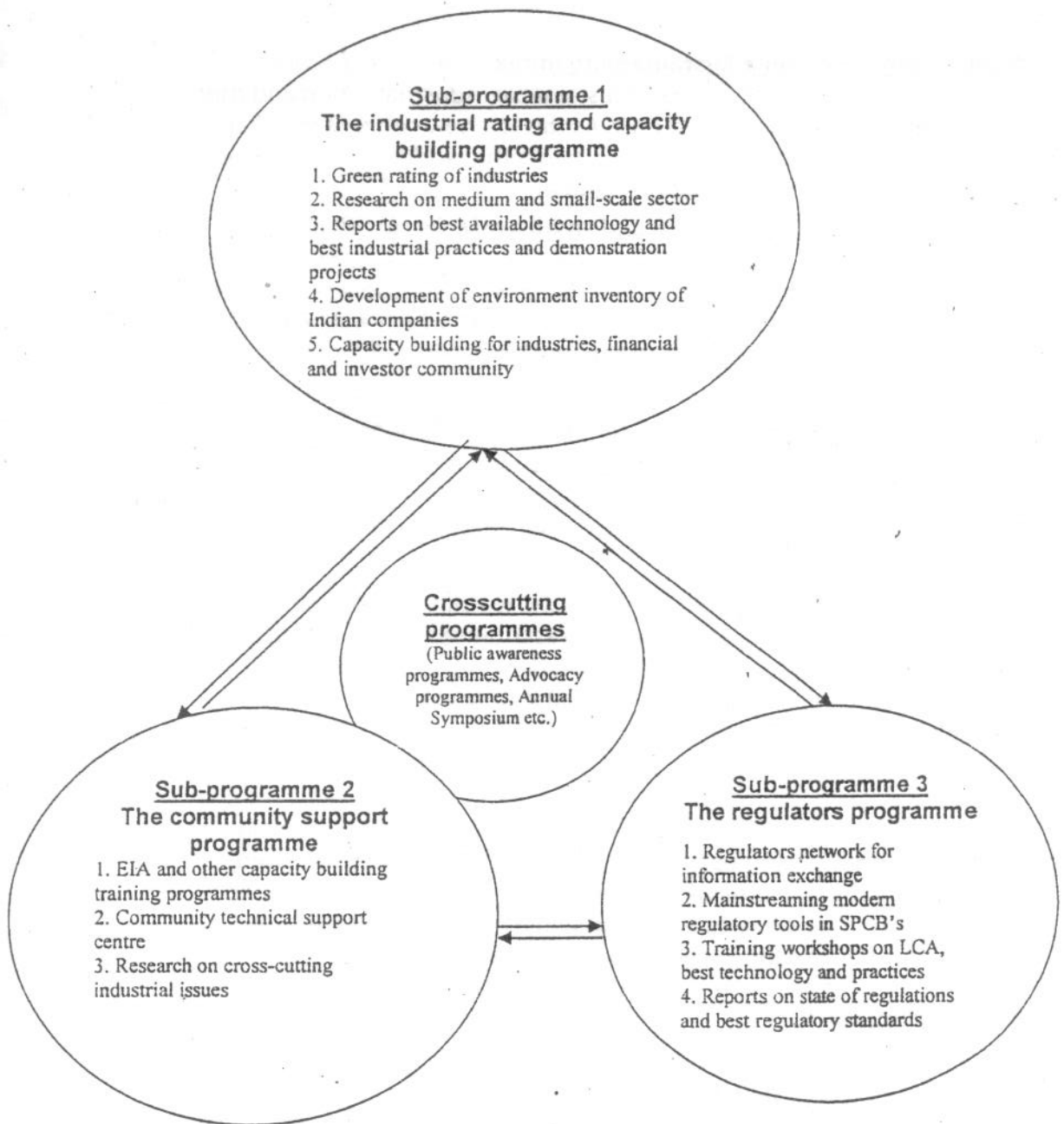


Figure 1: Programme strategy

Cross-sectoral rating based on a Sustainability index: The other approach of upscaling is to develop generic indicators of sustainable industrialisation and then rating large number of companies based on it. As this is a new concept in India, time will be spent to research existing methods across the world and then develop a methodology suitable for implementation in India.

Research on issues relevant for medium and small-scale sector: While undertaking the Green Rating programme for a specific sector, issues relevant for medium and small sector industries in the same sector will also studied. The outcome of this study will be produced in the form a report, which will be made available free of cost to regulators and government officials and will be widely disseminated to industry.

Best practice demonstration models: Demonstration models of best practices in terms of technology as well as management practices for each of the sectors rated will be created from those companies, which have participated in the rating process. These will serve as a model for the rest of the companies in that sector including small and medium industries.

Workshops: Workshops to disseminate the results and learning's of the ratings process will be conducted in which all industry representatives will participate. Briefing workshops will also be conducted for institutional investors such as the banking and insurance sectors as also other financial institutions understand the importance of environmental management.

Regulators

Briefing workshops: Workshops will be held for regulators to create awareness about best practices and technologies for different sectors that have been rated. These workshops will be the outcome of the rating process. Indicators for indirect monitoring of pollution will be developed and disseminated to the regulators to improve the efficiency of the existing monitoring mechanism.

Communities and panchayats

Community service centre: Today, most communities and grassroots NGOs lack the technical capacity to effectively engage and intervene in the developmental projects. They require technical support and advice along with technical consultancy services to present their case to the government. There is therefore an urgent need for a technical support centre to support local communities, NGOs and the Panchayats. With its Pollution Monitoring Laboratory (PML) in place, the Centre for Science and Environment is in excellent position to provide technical support to the communities. The sub-programme will therefore institutionalise Community Support Centre (CSC) to provide technical support to the communities on a sustained basis. This support centre will also conduct research on cross-cutting issues and recommend policy and regulatory changes.

3.2.2 Capacity building programme

To achieve meaningful and sustained outcome, rating of companies must be accompanied by building capacity within the companies to make sustained improvements in the policy and practices.

Industry

Workshops on life cycle analysis (LCA): Capacity building workshops will be conducted for industrial managers on life cycle analysis so that industrial managers are able to appreciate the industrialisation process from a holistic perspective. These workshops will be held for both large scale and small-scale sector representatives.

Regulators

Capacity building workshops on LCA and best practices: The process and methodologies developed for rating companies by the green rating project have immense potential to become excellent regulatory tools. There is a possibility to work with SPCBs to mainstream green rating process and methodologies as regulatory tools. For this workshops and training programmes will be organised for the SPCBs. Similarly, workshop on best technologies and practices will be conducted for sectors rated by GRP.

Communities and panchayats

Training workshops on EIA process: Training workshops will be conducted for NGOs, local communities and local Panchayats on understanding the EIA process and for deciphering the EIA documents. With its in-depth research along with the development of large information resources on industrial pollution, the programme is in an excellent position to develop capacity of the local communities, NGOs and the Panchayats to effectively and positively intervene in the process of environmental clearance.

3.2.3 Dissemination programme

As an outcome of the primary research and rating process, the project will generate information on:

- Best practice methodology for different sectors;
- Cost-effective technology options for different sectors;
- Cost-effective management options to result in better environmental management;
- Performance of companies based on ratings
- Manual to evaluate industries across sectors on environmental management
- Manual to evaluate environmental performance based on life-cycle analysis

This will put together for dissemination in the following formats:

- Issues paper for each sector: Detailed report, concise fact sheets (in print and CD form)
- Company profile: Detailed report (in print and CD form)
- Issues for small and medium sectors – Detailed report (in print and CD form)
- Training manuals on LCA, EIA (print)

This information will be widely disseminated in the following manner:

- Will be available on the CSE website and website of Ministry and UNDP;
- Will be made available to pollution control boards free of cost;
- Will be made available to policy makers and officials free of cost. 50 copies of reports generated (in print/CD form) will be submitted to the Ministry.

3.2.4 Cross-cutting programme

Annual symposium on industry-environment issues: To bring in all stakeholders at one platform, the programme will organise a theme-based annual symposium on industry and environment interface to discuss and debate and to steer the process of industrialisation and economic development in India towards sustainability.

3.3 Geographical focus and programme prioritisation

The rating of industry will include the entire country, as industries are located across the country. The companies rated will be the medium and large-scale companies, including those listed on the share market. But research will be conducted also on issues relevant for the small-scale sector. The community support programme will focus on the states with major industry-community conflict. States like Jharkhand, Orissa, Chattisgarh, Maharashtra, Gujarat etc. will be the main states where the major support programme will be concentrated.

Though the regulators programme will again include the entire country, but the focus will on states with weak SPCBs, which will be identified after the survey of the status of regulations and regulators in the country.

3.4 Target beneficiaries

As the programme has a cross cutting theme, activities under this programme will have a ripple effect in improving environmental quality in the country by creating public interest and awareness. Such a programme at the national level will result in:

- Empowerment of the communities (especially women and vulnerable groups) to successfully intervene in the process of industrialisation and economic growth to safeguard their future livelihood and wellbeing;
- Empowerment of the financial and investor community to participate in accelerating sustainable economic growth;
- Strengthening of the existing regulatory regime by making available to the regulators better quality of information for prioritising their activities to generate better results even with limited resources;

- Generation of information and data on industry and environment interface to support informed decision making and policy formulation within the government policy and planning bodies, institutions of local self-governance, non-governmental organisations, and the community at large;
- Creation of public interest and awareness on sustainable industrialisation and economic development, which will go a long way in moving Indian economy towards sustainability;
- Lastly but not the least, the programme will influence the industry to improve its environmental performance voluntarily.

Some of the most visible target beneficiary from the programme would be:

1. **Local communities, NGOs and Panchayats**: The most important target group is local communities, NGOs, CBOs and Panchayats (with a special focus on women and vulnerable groups). A major part of the activities of the programme is targeted towards ensuring sustainable industrialisation and the role the local communities, NGOs and Panchayats can play in achieving it. Towards this, the programme will build capacities and provide technical support to these stakeholders to positively intervene and influence local industrial and developmental project in their own benefit.
2. **The industry**: The project's main aim is to influence the industry to improve its environmental performance voluntarily. Therefore, the effort is to work along with the industry, individually and through its associations, to teach and encourage industries to incorporate good environmental management systems through the rating system. The project will include building the capacities of industrial managers to understand environmental concerns and help them incorporate state-of-the-art environment-friendly technologies through training and briefing workshops and fellowships for study tours.
3. **The financial and investor community**: As environmental performances of companies—which are a potential investment risk—do not figure in the investment decisions, the market is not able to recognise and separate good companies from the poor ones. The aim of the project is to empower the financial and investor community with environmental information about the company. The mandate of the project will include educating the financial and investor community about environmental issues and the importance of good environmental management for companies.
4. **The regulators**: The outputs of the programme will strengthen the regulators and the regulatory regime in the country. The programme will also conduct capacity building programmes to improve the status of regulatory practices and the regulations in the country.

3.5 Partnerships

The project will work in partnership with several stakeholders such as CBOs, NGOs, Panchayats, Central Pollution Control Board, State Pollution Control Boards, individual industries and industry associations, financial and investor community, policy makers, media, political establishment and the judiciary.

The strong partnership with the MoEF, CPCB and SPCBs will ensure mainstreaming of issues related to the industry and environment interface. Lessons learnt will be shared with all stakeholders.

3.6 Sustainability of the programme outcome

The major parameter for evaluating programme outcomes will be the sustainability of the approaches demonstrated on the ground.

3.7 Risk Analysis

Sl. No.	Description	Category	Impact & Probability	Countermeasures / Mngt response
1.	Not getting cooperation from the industry	Strategic	<p>As the main aim of the programme is to motivate industry to undertake voluntary improvements and disclosure about their performance, the project will not be a success if it does not get industry cooperation.</p> <p>P = 1 "</p>	<p>Green Rating Project has so far received a very good response from the industry. In every rating, more than 90 per cent of the companies have voluntarily participated in the project. GRP has introduced a sense of competitiveness within companies. Today GRP's five leaves award is the most sought after environmental award in Indian industry. Companies publish their green ratings in annual reports and brochures. They advertise about their Green ratings in newspapers and websites. Industry associations organize separate meetings with top management of companies to discuss green rating. There is a pride associated with good green rating. This goes on to prove that the 'reputation-incentive' does work in the Indian scenario and GRP has been able to create that incentive for companies to improve their environmental performance. The risk of companies not participating, therefore,</p>

				is very low. However, continuous effort will be made to make the project more relevant and useful to the industry.
2.	Unable to upscale the green rating system to influence the larger business fraternity	Operational	As the project encompasses a wide range of sectors with widely varying issues that would bear on the rating mechanism, it is necessary to draw up a rating methodology that would be acceptable to all sectors and companies to make the project a success. P= 1	The pilot phase of GRP has enabled the development of a broad-based rating methodology that would be acceptable to all sectors. The rating methodology needs to be further fine-tuned to reflect the current ground realities.
3.	The quality of the data collected is not good	Operational	As the rating is dependent on the quality of data about the environmental performance of companies, it is necessary to get relevant and accurate data for the ratings to be a success. P = 2	The Green Rating Project has largely removed this risk by developing and implementing holistic and verifiable framework for data collection. Nevertheless, the risk remains and the project has developed a strategy for the collection of data that provides comprehensive and accurate data. Data is collected from the following sources: From the published data of the company; From data obtained from regulatory authorities; From communities around the company

				<p>site; From independent data collection from the companies and primary survey of plants. The experience so far has been very positive. In the green rating project, the data collected from the above sources have been certified to be very accurate and relevant by independent technical experts.</p>
4.	<p>Difficulty in convincing financial and investor community of the relevance of green rating for investment decisions</p>	Operational	<p>In case of this happens then the outreach programme for the financial community will not very effective.</p> <p>P= 2</p>	<p>The results of GRP show that ratings are widely utilized by the investor community to make investment decisions in the share market. Anecdotal evidence supports that some financial institutions have demanded green rating profile from companies applying for loans. Nevertheless, the project will make special efforts and develop capacity building programme for the financial and investor community to educate them about the need for environmental due diligence. At the same time, the project will also carry out extensive awareness creation programmes to educate the public on the need for environment-friendly industrial processes</p>

				and the need to put pressure on the industrial sector to improve their environmental performance.
5.	Impact of green rating project on industry may not be significant	Strategic	<p>The project will not be able to make significant improvements in the environmental performance of companies.</p> <p>P = 1</p>	<p>The main aim of the project is to provide incentives for the industry as against applying regulations. As more and more companies have become acutely conscious of the importance of reputation, as well as the benefits of pollution control and cleaner technologies, the risk that industry will not respond is very low. The past experience of GRP conclusively demonstrates this. Moreover, the project mandate includes interacting with the industry to convince the industry of the benefits of good environmental performance.</p>
6.	The community support programme does not take off	Strategic	<p>The project will not be able to build capacity of the communities to take informed decisions on process of development in the country.</p> <p>P = 1</p>	<p>Green-Rating Project regularly receives requests for help and support from local communities, NGOs and the Panchayats. Currently, GRP is not able to help them due to lack of resources. GRP has helped CBOs and NGOs by conducting pollution monitoring through the</p>

				<p>CSE's Pollution Monitoring Labs. It has also assisted NGOs by evaluating the EIA reports and providing them technical inputs to present their case to the government and the promoters. It has also conducted training programmes on EIA for the local groups. There is therefore a huge demand for the community support programme.</p> <p>To eliminate this risk effort will be made to keep the programme timely and relevant to the needs of the local communities.</p>
7.	The regulators programme does not take off	Strategic	<p>The capacity building of regulators can suffer if this happens.</p> <p>P = 3</p>	<p>GRP is already influencing the regulators in many ways. Many state pollution control boards use the reports generated by GRP. GRP has also catalyzed regulatory changes and has influenced regulatory decision-making process. Nevertheless, there is a possibility of this happening because of the official nature of this programme. Special effort will be made to create network of regulators to engage them.</p>

MANAGEMENT ARRANGEMENT

3.1 Implementation Arrangements – Institutional Mechanisms & Monitoring:

3.1.1 The Implementing Partner:

The project will be nationally implemented by the Ministry of Environment and Forests (MoEF). The MoEF will designate a National Project Director (NPD), who will be responsible for overall management, including achievement of planned results, and for the use of UNDP funds through effective process management and well established project review and oversight mechanisms. The NPD will be assisted by the Responsible Party and a Project Manager for the day-to-day management of the project.

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

3.1.2 Responsible Parties:

The Centre for Science and Environment (CSE) will be the Responsible Party for the project. The CSE is a non governmental organization established in 1980, which aims to increase public awareness on science, technology, environment and development. Over the years, CSE has gained considerable experience in execution of projects and for undertaking policy research and awareness campaigns. Under UNDP's Country Cooperation Framework – I, CSE successfully completed the sub-programme on the Green Rating of Industry during 1998-2002. Under CCF-1, CSE had received a grant of US\$ 500,000 from the UNDP.

On behalf of the Ministry of Environment and Forests, CSE will be responsible for the management of project activities under the overall guidance of the NPD and the Project Steering Committee, and will coordinate the programme activities including the preparation of annual work plan, budget, financial reports, etc and will interface with the programme management board on sub-programme management issues. CSE will also set up technical and programme advisory panels comprising eminent persons from all stakeholders to provide the technical inputs and to steer the programme.

CSE will provide able and qualified management capacities to the project, as well as infrastructural facilities, documentation and access international databases. The project will also benefit from inputs from CSE's research and advocacy programmes in other areas such as Health and Environment, Right to Clean Air, People's Management of Water and Environmental Law research and others.

3.1.3 Project Steering Committee

A Project Steering Committee (PSC) will be constituted at the MoEF comprising designated representatives from the Ministry, UNDP and CSE and will be chaired by

the National Project Director (NPD). The PSC will represent the following mandated roles.

- Implementing Partner/ MoEF representing the project ownership and executive of the group,
- UNDP to provide guidance regarding the technical feasibility of the project, and
- CSE to ensure the realization of project benefits from the perspective of project beneficiaries.

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 by consensus management decisions for the project and periodic reviews. In order to ensure UNDP's ultimate accountability, final decision making rests with UNDP in accordance with its applicable regulations, rules, policies and procedures. Project reviews by PSC will be carried out at designated decision points (preferably quarterly meetings) during the running of a project, or as necessary when raised by the Project Manager.

3.1.4 National Project Director

The concerned Joint Secretary, MoEF, will be the National Project Director (NPD). The NPD will coordinate project implementation on behalf of the Ministry of Environment and Forests and ensure its proper implementation.

3.1.5 Project Manager

A full time Project Manager will be recruited by the MoEF/CSE under project funds for the day-to-day management and decision making of the project and will be accountable to the NPD and PSC. S/he will prepare the detailed activity and monitoring plan based on the annual workplan (AWP) and budget and submit it to the PSC for approval. The project manager will be supported/assisted by the Project Management Unit which is provided by the Responsible Party (CSE).

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 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.

The Project Manager will work in close collaboration with the MoEF, Responsible Party and other partner organisations and undertake periodic monitoring and review of project activities. **See Annexure: For the Terms of Reference for the Project Manager.**

3.1.6 Project advisory panel and technical advisory panel

CSE will establish and institutionalise the Project advisory panel (PAP) to steer the project and to monitor the progress of the project. The ratings will be released only after clearance has been obtained from PAP. To involve the relevant government counterpart in the entire project, the relevant officials from MoEF and Central Pollution Control Board (CPCB), to join the project advisory panel.

CSE will also establish and institutionalise the Technical advisory panel (TAP) to support and verify the technical credentials of the research and ratings. TAP will directly report to PAP about the technical robustness and veracity of the research and rating.

3.1.7 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 appropriate project management milestones are managed and completed.

3.1.8 Funds Flow Arrangements and Financial Management

MoEF will make suitable provisions for UNDP funds in its annual budget. MoEF will enter into an agreement with the Responsible Party for implementing the project. Based on the AWP, quarterly budget plan will be prepared by Ministry and funds will be released accordingly. MoEF will account for funds received from UNDP on a quarterly basis through the standard fund authorization and certificate of expenditure (FACE) report. The funds will be released to the Responsible Party at the signed request and approval of the NPD, also through the standard FACE format. The Project Manager will be responsible for compilation and collation of these financial reports. Unspent funds from the approved AWP's 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.

Up to 1 % of the total project budget will be allocated for communication and advocacy activities undertaken by UNDP.

Interest clause: Any interest accrued on the project money during the project implementation process is UNDP money and will be ploughed back into the project in

consultation with MoEF and UNDP or refunded to UNDP if there is no scope for ploughing back.

3.1.9 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-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 finalising the annual workplan and budget for each year.

5. MONITORING AND EVALUATION

The Project Steering Committee (PSC), assisted by the Project Advisory Panel (PAP) and the Technical Advisory Panel (TAP), will monitor the progress of the project. The PMB & PAP will give an emphasis to reviewing the activities of the project in a more holistic manner. A monitoring framework will be developed in consultation with the implementing partners at the beginning of the project that will enable tracking the progress of the project for its objectives and achievement of outputs as per the success indicators mentioned in the proposal document as well as ensure a closer examination of substantive issues of the Project. Efforts will be made to particularly track the impact of project interventions on improving the environment performance of industries; on mainstreaming of the environmental due diligence process in banks, financial institutions, insurance companies and institutional investors; on mainstreaming of gender and inclusion of vulnerable groups; on capacity building and technical support provided to the local communities, NGOs and the Panchayats, to effectively intervene in the Environment Clearance process; and on assisting and strengthening the existing regulatory regime in the country.

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 Communication and Advocacy Plan will be prepared that describes which activities and outputs will be monitored, reviewed and evaluated, how and by whom. A detailed Communication and Advocacy Plan needs to be drawn out by TIDE 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 shall be activated in Atlas and updated to track key management actions/events.

*To complement the above, an annual project review will be conducted during the fourth quarter of year as a basis for assessing the performance of the project. In the last year, this review will be a final assessment. This review will involve all key project stakeholders and the Implementing Partner, and focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes. The review will be structured by a set of common standards, and will be subject to spot external quality assurance assessments. This review should update output targets and results achieved in Atlas.

5.1 Indicative Annual Work Plans

Indicative Annual Work Plan: Year 1

Proj. ID	Expected Output	Key Activities	Time Frame				Responsible Party	Planned Budget					
			Q1	Q2	Q3	Q4		Fund	Donor	Budget Code	Budget Description	Amount	
1.	An institutional framework for implementing the reputational incentive based rating programme for rating the environment performance of Indian industry on a continuous basis (up-scaled green rating system)	Feasibility study	X	X			CSE		UNDP	PERINT	International Travel	2500	
									UNDP	71600	National Travel	2500	
									UNDP	71300	National consultants	7500	
									UNDP	72100	Communication	1000	
									UNDP	72100	Meetings and workshops	1000	
		Development of the process and methodology and the institutional arrangement for the up-scaled green rating system				X	X	CSE		UNDP	71300	National consultants	10000
										UNDP	72100	Meeting and workshops	1500
										UNDP	72100	Communication	1000
										UNDP	74200	Information resources (database, books, reports etc.)	1500
										UNDP	74500	Administrative overheads	3000
		Sub total									31500		

2.	Capacity building programme for industry to promote voluntary environment improvements	Development and implementation of training programme on the life cycle analysis	X	X	X	X	CSE/UNDP		UNDP	71300	National consultants	7500
									UNDP	72100	Communication and publicity	2000
									UNDP	72100	Training programme	2000
									UNDP	72100	Information resources (database, books, reports etc.)	1500
		Sub total										13000
3.	Training programme for the community groups, local NGOs, CBOs, Panchayats etc. on deciphering Environment Impact Assessment (EIA) documents and on the process of environmental clearance (EC) in the country	Research on EIA and EC and development of training modules	X	X			CSE		UNDP	71300	National consultants	10000
									UNDP	72100	Information resources	500
									UNDP	71600	National Travel	1000
									UNDP	72100	Communication	500
		Organising the training programme		X		CSE		UNDP	72100	Meetings and workshops	1000	
								UNDP	72100	Communication	1000	
								UNDP	71600	National Travel	2000	
		Sub total										18000
4.	An institutional setup to provide technical support to the communities, NGOs,	Development and formalisation of organisational and procedural	X				CSE		UNDP	72200	Equipments (Computers, printers etc.)	8500
									UNDP	72100	Communication	1000

Panchayats etc. (Community technical support centre) and conducting research & advocacy on crosscutting issues	arrangement and institutionalisation of the centre						UNDP	74200	Website development and maintenance	2500
							UNDP	71300	National consultants	2500
	Providing technical support to the communities on an ongoing basis and conducting research and advocacy on crosscutting industry-environment-livelihood issues	X	X	X	CSE		UNDP	71300	National consultants	10000
							UNDP	71600	National Travel	5000
							UNDP	72100	Communication	1000
							UNDP	74200	Media dissemination	2500
							UNDP	74500	Administrative overheads	5000
							UNDP	74200	Publication expenses (Reports)	2000
							UNDP	72100	Information resources	1000
	Sub total									41000
Baseline report on the status of the regulatory system and the regulations in India to identify gaps and weaknesses in the existing regulatory regime and to develop regulatory support	Survey, research and publication of report on the state of regulatory system and regulations in India	X	X			CSE/UNDP	UNDP	71300	National consultants	5000
							UNDP	71600	National Travel	2000
							UNDP	72100	Communication	1000
							UNDP	72100	Information resources	1000
							UNDP	74200	Publication expenses	1500
Workshops and meetings with			X		CSE	UNDP	72100	Meeting and workshops	2000	

	programme based on the outcome of the deliberations	regulators and policymakers to discuss the report and to identify aspects to concretise the regulatory support programme						UNDP	72100	Communication	1000
								UNDP	71600	National Travel	1500
		Sub total									15000
TOTAL EXPENSES FOR YEAR 1											118500

Indicative Annual Work Plan: Year 2

Proj. ID	Expected Output	Key Activities	Time Frame				Responsible Party	Planned Budget				
			Q1	Q2	Q3	Q4		Fund	Donor	Budget Code	Budget Description	Amount
1.	Annual rating of Indian companies on environment performance and wide dissemination of the research and ratings to induce voluntary environmental improvements in the	Rating of companies on the environment performance: 1. Research and documentation of life cycle impact, best available technology and best practices for	X	X	X	X	CSE		UNDP	71300	National consultants	32500
									UNDP	71600	National Travel	5000
									UNDP	72100	Communication	2000
									UNDP	72100	Information resources	2000
									UNDP	74200	Publication expenses	5000
									UNDP	72100	Meeting and workshops	3000

	companies	<p>major industrial sectors</p> <p>2. Development of sector-specific guidelines and benchmarks</p> <p>3. Selection and communication with companies for participation, including few small and medium-scale companies.</p> <p>4. Data collection and primary survey</p> <p>5. Data collation and analysis</p> <p>6. Preparation of company profiles</p> <p>7. Sending back the draft profiles to the companies for feedback</p> <p>8. Finalisation of company profiles</p> <p>9. Finalisation of sectoral profile, demonstration project manual and report on the status of medium and small-scale industries</p> <p>10. Clearance of ratings by the project advisory and technical</p>								UNDP	74500	Administrative overheads	5000
--	-----------	---	--	--	--	--	--	--	--	------	-------	--------------------------	------

		Wider information disclosure and advocacy programme				X	CSE		UNDP	72100	Meeting and workshops	2500
									UNDP	71600	National Travel	3000
									UNDP	71600	International Travel	2500
		Sub total										62500
2.	Capacity building programme for industry to promote voluntary environment improvements	Training programme on the life cycle analysis, best available technologies and best practices	X		X		CSE		UNDP	71300	National consultants	3000
									UNDP	72100	Training programme	2500
		Sub total										5500
3.	Capacity building and information dissemination programme for banks, financial institutions, insurance sector, institutional investors etc. to promote environment due diligence	Development and implementation of training programme on environment risk assessment and environment due diligence	X	X	X		CSE/UNDP		UNDP	71300	National consultants	5000
									UNDP	72100	Communication and publicity	1000
									UNDP	72100	Training programme	1000
									UNDP	72100	Information resources (database, books, reports etc.)	1000
		Information dissemination on the environment performance of companies				X	CSE		UNDP	74200	Website development and maintenance	1000
									UNDP	72100	Meeting and workshops	2000

		Sub total											11000
4.	Provide technical support to the affected communities, NGOs, CBOs, Panchayats etc. (Community technical support centre) free of cost and conducting research and advocacy on crosscutting industry-environment-livelihood issues	Providing technical support to the communities on an ongoing basis and conducting research and advocacy on crosscutting industry-environment-livelihood issues	X	X	X	X	CSE		UNDP	72200	Equipment maintenance	1500	
									UNDP	71300	National consultants	11000	
									UNDP	71600	National Travel	3000	
									UNDP	72100	Communication	1000	
									UNDP	74200	Media dissemination	1000	
									UNDP	74500	Administrative overheads	2000	
									UNDP	74200	Publication expenses (Reports)	1000	
									UNDP	72100	Information resources	1000	
			Training programme for the community groups, local NGOs, CBOs, Panchayats etc. on deciphering Environment Impact Assessment (EIA) documents and on the process of environmental clearance (EC) in the country	X		X		CSE		UNDP	72100	Communication	1000
									UNDP	71600	National Travel	1000	
						UNDP	72100		Training Programme	2500			
		Sub total											26000

5.	An institutional framework for the capacity building of the State Pollution Control Boards and to share and exchange knowledge, information and database	Development of training modules on EIA and LCA for the regulators	X	X			CSE		UNDP	71300	National consultants	3000	
									UNDP	72100	Communication	1000	
		Training programmes for the regulators			X			CSE		UNDP	72100	Training programme	2500
		Meetings and workshops for introducing modern regulatory tools in the pollution control boards				X		CSE		UNDP	71600	National Travel	2500
										UNDP	72100	Communication	1000
										UNDP	72100	Meetings and workshops	2500
		Sub total										12500	
6.	Annual Symposium on Industry-Environment-Livelihood issues to bring in key stakeholders and decision and opinion makers on a common platform to find solutions and give recommendations to the government	Development of background policy and regulatory paper			X		CSE		UNDP	71300	National consultants	1000	
									UNDP	72100	Communication	1000	
									UNDP	74200	Publication Expenses	2500	
		Annual Symposium				X		CSE		UNDP	72100	Conference	10000
										UNDP	72100	Communication	1500
										UNDP	74200	Media dissemination	1000
		Sub total										17000	
TOTAL EXPENSES FOR YEAR 2												134500	

Indicative Annual Work Plan: Year 3

Proj. ID	Expected Output	Key Activities	Time Frame				Responsible Party	Planned Budget				
			Q1	Q2	Q3	Q4		Fund	Donor	Budget Code	Budget Description	Amount
1.	Annual rating of Indian companies on environment performance and wide dissemination of the research and ratings to induce voluntary environmental improvements in the	Rating of companies on the environment performance: 1. Research and documentation of life cycle impact, best available technology and best practices for	X	X	X	X	CSE		UNDP	71300	National consultants	40000
									UNDP	71600	National Travel	5000
									UNDP	72100	Communication	1000
									UNDP	72100	Information resources	2500
									UNDP	74200	Publication expenses	5000
									UNDP	72100	Meeting and workshops	3000

	companies	major industrial sectors 2. Development of sector-specific guidelines and benchmarks 3. Selection and communication with companies for participation, including few small and medium-scale companies. 4. Data collection and primary survey 5. Data collation and analysis 6. Preparation of company profiles 7. Sending back the draft profiles to the companies for feedback 8. Finalisation of company profiles 9. Finalisation of sectoral profile, demonstration project manual and report on the status of medium and small-scale industries 10. Clearance of ratings by the project advisory and technical								UNDP	74500	Administrative overheads	5000
--	-----------	--	--	--	--	--	--	--	--	------	-------	--------------------------	------

		Wider information disclosure and advocacy programme				X	CSE		UNDP	72100	Meeting and workshops	2500
									UNDP	74200	Media dissemination	1000
									UNDP	72100	Communication	1000
									UNDP	71600	National Travel	2500
									UNDP	71600	International Travel	3000
		Sub total										71500
2.	Capacity building programme for industry to promote voluntary environment improvements	Training programme on the life cycle analysis, best available technologies and best practices	X		X		CSE		UNDP	71300	National consultants	2500
									UNDP	72100	Training programme	2000
		Sub total										4500
3.	Capacity building and information dissemination programme for banks, financial institutions, insurance sector, institutional investors etc. to promote environment due diligence	Training programme on environment risk assessment and environment due diligence	X		X		CSE		UNDP	71300	National consultants	2000
									UNDP	72100	Training programme	1000
		Information dissemination on the environment performance of companies	X	X	X	X	CSE		UNDP	74200	Website development and maintenance	1000
									UNDP	72100	Meeting and workshops	1500
									UNDP	72100	Communication and publicity	1000

		Sub total											6500
4.	Provide technical support to the affected communities, NGOs, CBOs, Panchayats etc. (Community technical support centre) free of cost and conducting research and advocacy on crosscutting industry-environment-livelihood issues	Providing technical support to the communities on an ongoing basis and conducting research and advocacy on crosscutting industry-environment-livelihood issues	X	X	X	X	CSE		UNDP	72200	Equipment maintenance	1500	
									UNDP	71300	National consultants	12000	
									UNDP	71300	National Travel	5000	
									UNDP	72100	Communication	1000	
									UNDP	74200	Media dissemination	1000	
									UNDP	74500	Administrative overheads	4000	
									UNDP	74200	Publication expenses (Reports)	1500	
									UNDP	72100	Information resources	1000	
									UNDP	74200	Website development and maintenance	1000	
		Training	X		X		CSE	UNDP	71600	National Travel	2000		

		programme for the community groups, local NGOs, CBOs, Panchayats etc. on deciphering Environment Impact Assessment (EIA) documents and on the process of environmental clearance (EC) in the country							UNDP	72100	Training Programme	2500
		Sub total										32500
5.	An institutional framework for the capacity building of the State Pollution Control Boards and to share and exchange knowledge, information and database	Development of training modules on best available technology and best practices	X	X			CSE		UNDP	71300	National consultants	2500
								UNDP	72100	Meetings and workshops	1000	
		Training programmes for the regulators			X		CSE		UNDP	72100	Communication	1000
								UNDP	72100	Training programme	5000	
		Meetings and workshops for introducing modern regulatory tools in the pollution control boards				X	CSE		UNDP	71600	National Travel	2500
									UNDP	72100	Meetings and workshops	2500
		Sub total										14500

6.	Annual Symposium on Industry-Environment-Livelihood issues to bring in key stakeholders and decision and opinion makers on a common platform to find solutions and give recommendations to the government	Development of background policy and regulatory paper			X		CSE		UNDP	71300	National consultants	1000
									UNDP	72100	Communication	1000
									UNDP	74200	Publication Expenses	2500
	Annual Symposium				X		CSE		UNDP	72100	Conference	10000
									UNDP	72100	Communication	1500
									UNDP	74200	Media dissemination	2500
		Sub total										18500
TOTAL EXPENSES FOR YEAR 3												148000

Indicative Annual Work Plan: Year 4

Proj. ID	Expected Output	Key Activities	Time Frame				Responsible Party	Planned Budget				
			Q1	Q2	Q3	Q4		Fund	Donor	Budget Code	Budget Description	Amount
1.	Annual rating of Indian companies on environment performance and wide dissemination of the research and ratings to induce voluntary environmental improvements in the	Rating of companies on the environment performance: 1. Research and documentation of life cycle impact, best available technology and best practices for	X	X	X	X	CSE		UNDP	71300	National consultants	45000
									UNDP	71600	National Travel	7500
									UNDP	72100	Communication	1000
									UNDP	72100	Information resources	3000
									UNDP	74200	Publication expenses	5000
									UNDP	72100	Meeting and workshops	3000

	companies	major industrial sectors 2. Development of sector-specific guidelines and benchmarks 3. Selection and communication with companies for participation, including few small and medium-scale companies. 4. Data collection and primary survey 5. Data collation and analysis 6. Preparation of company profiles 7. Sending back the draft profiles to the companies for feedback 8. Finalisation of company profiles 9. Finalisation of sectoral profile, demonstration project manual and report on the status of medium and small-scale industries 10. Clearance of ratings by the project advisory and technical								UNDP	74500	Administrative overheads	5000
--	-----------	--	--	--	--	--	--	--	--	------	-------	--------------------------	------

		Wider information disclosure and advocacy programme				X	CSE		UNDP	72100	Meeting and workshops	2500
									UNDP	74200	Media dissemination	1000
									UNDP	72100	Communication	1000
									UNDP	71600	National Travel	3000
									UNDP	71600	International Travel	3000
		Sub total										80000
2.	Capacity building programme for industry to promote voluntary environment improvements	Training programme on the life cycle analysis, best available technologies and best practices	X		X		CSE		UNDP	71300	National consultants	2500
									UNDP	72100	Training programme	2000
		Sub total										4500
3.	Capacity building and information dissemination programme for banks, financial institutions, insurance sector, institutional investors etc. to promote environment due diligence	Training programme on environment risk assessment and environment due diligence	X		X		CSE		UNDP	71300	National consultants	2500
									UNDP	72100	Training programme	1000
		Information dissemination on the environment performance of companies	X	X	X	X	CSE		UNDP	74200	Website development and maintenance	1000
									UNDP	72100	Meeting and workshops	2500
									UNDP	72100	Communication and publicity	1000

		Sub total										8000
4.	Provide technical support to the affected communities, NGOs, CBOs, Panchayats etc. (Community technical support centre) free of cost and conducting research and advocacy on crosscutting industry-environment-livelihood issues	Providing technical support to the communities on an ongoing basis and conducting research and advocacy on crosscutting industry-environment-livelihood issues	X	X	X	X	CSE		UNDP	72200	Equipment maintenance	1500
									UNDP	71300	National consultants	13500
									UNDP	71600	National Travel	5000
									UNDP	72100	Communication	2000
									UNDP	74200	Media dissemination	1000
									UNDP	74500	Administrative overheads	5000
									UNDP	74200	Publication expenses (Reports)	3000
									UNDP	72100	Information resources	3500
									UNDP	74200	Website development and maintenance	1000
		Training programme for the	X		X		CSE		UNDP	72100	Communication	1000
									UNDP	71600	National Travel	2000

		community groups, local NGOs, CBOs, Panchayats etc. on deciphering Environment Impact Assessment (EIA) documents and on the process of environmental clearance (EC) in the country							UNDP	72100	Training Programme	2500
		Sub total										41000
5.	An institutional framework for the capacity building of the State Pollution Control Boards and to share and exchange knowledge, information and database	Updation of training modules	X	X			CSE		UNDP	71300	National consultants	2000
		Training programmes for the regulators		X	X		CSE		UNDP	72100	Communication	1000
									UNDP	72100	Training programme	5000
		Meetings and workshops for introducing modern regulatory tools in the pollution control boards				X	CSE		UNDP	71600	National Travel	2500
									UNDP	72100	Communication	1000
									UNDP	72100	Meetings and workshops	2500
		Sub total										14000
6.	Annual Symposium on Industry-Environment-Livelihood issues to bring in key	Development of background policy and regulatory paper			X		CSE		UNDP	71300	National consultants	1000
									UNDP	72100	Communication	1000
										UNDP	74200	Publication Expenses

stakeholders and decision and opinion makers on a common platform to find solutions and give recommendations to the government	Annual Symposium				X	CSE	UNDP	72100	Conference	10000
							UNDP	72100	Communication	1500
							UNDP	74200	Media dissemination	2500
	Sub total									20000
TOTAL EXPENSES FOR YEAR 4										167500

Indicative Annual Work Plan: Year 5

Proj. ID	Expected Output	Key Activities	Time Frame				Responsible Party	Planned Budget				
			Q1	Q2	Q3	Q4		Fund	Donor	Budget Code	Budget Description	Amount
1.	Annual rating of Indian companies on environment performance and wide dissemination of the research and ratings to induce voluntary environmental improvements in the	Rating of companies on the environment performance: 1. Research and documentation of life cycle impact, best available technology and best practices for	X	X	X	X	CSE		71300	17	National consultants	50,000
									UNDP	71600	National Travel	8000
									UNDP	72100	Communication	1000
									UNDP	72100	Information resources	2500
									UNDP	74200	Publication expenses	5000
									UNDP	72100	Meeting and workshops	3000

	companies	major industrial sectors 2. Development of sector-specific guidelines and benchmarks 3. Selection and communication with companies for participation, including few small and medium-scale companies. 4. Data collection and primary survey 5. Data collation and analysis 6. Preparation of company profiles 7. Sending back the draft profiles to the companies for feedback 8. Finalisation of company profiles 9. Finalisation of sectoral profile, demonstration project manual and report on the status of medium and small-scale industries 10. Clearance of ratings by the project advisory and technical								UNDP	74500	Administrative overheads	5000
--	-----------	--	--	--	--	--	--	--	--	------	-------	--------------------------	------

		Wider information disclosure and advocacy programme				X	CSE		UNDP	72100	Meeting and workshops	2500
									UNDP	74200	Media dissemination	1000
									UNDP	72100	Communication	1000
									UNDP	71600	National Travel	3000
									UNDP	71600	International Travel	3000
		Sub total										85000
2.	Capacity building programme for industry to promote voluntary environment improvements	Training programme on the life cycle analysis, best available technologies and best practices	X		X		CSE		UNDP	71300	National consultants	2500
									UNDP	72100	Training programme	2500
									UNDP	72100	Information resources (database, books, reports etc.)	1500
		Sub total										6500
3.	Capacity building and information dissemination programme for banks, financial institutions, insurance sector, institutional investors etc. to promote environment due diligence	Training programme on environment risk assessment and environment due diligence	X		X		CSE		UNDP	71300	National consultants	1000
									UNDP	72100	Communication and publicity	1000
									UNDP	72100	Training programme	1000
									UNDP	72100	Information resources (database, books, reports etc.)	1000

		Information dissemination on the environment performance of companies	X	X	X	X	CSE		UNDP	74200	Website development and maintenance	1000
									UNDP	72100	Meeting and workshops	2500
									UNDP	72100	Communication and publicity	1500
		Sub total										9000
4.	Provide technical support to the affected communities, NGOs, CBOs, Panchayats etc. (Community technical support centre) free of cost and conducting research and advocacy on crosscutting industry-environment-livelihood issues	Providing technical support to the communities on an ongoing basis and conducting research and advocacy on crosscutting industry-environment-livelihood issues	X	X	X	X	CSE		UNDP	72200	Equipment maintenance	1500
									UNDP	71300	National consultants	15000
									UNDP	71600	National Travel	5000
									UNDP	72100	Communication	1000
									UNDP	74200	Media dissemination	2500
									UNDP	74500	Administrative overheads	5000
									UNDP	74200	Publication expenses (Reports)	1000
									UNDP	72100	Information resources	2000
									UNDP	74500	Website development and maintenance	1000
		Training programme for the	X		X		CSE		UNDP	72100	Communication	1000
									UNDP	71300	National Travel	2000

		community groups, local NGOs, CBOs, Panchayats etc. on deciphering Environment Impact Assessment (EIA) documents and on the process of environmental clearance (EC) in the country							UNDP	72100	Training Programme	2500	
		Sub total										39500	
5.	An institutional framework for the capacity building of the State Pollution Control Boards and to share and exchange knowledge, information and database	Updation of training modules	X	X			CSE		UNDP	71300	National consultants	1000	
									UNDP	71200	Meetings and workshops	1000	
		Training programmes for the regulators		X	X			CSE		UNDP	71200	Training programme	5000
		Meetings and workshops for introducing modern regulatory tools in the pollution control boards				X		CSE		UNDP	71600	National Travel	2500
										UNDP	72100	Communication	1000
										UNDP	72100	Meetings and workshops	2500
		Sub total										13000	
6.	Annual Symposium on Industry-Environment-	Development of background policy and regulatory			X		CSE		UNDP	71300	National consultants	1000	
									UNDP	72100	Communication	1000	

	Livelihood issues to bring in key stakeholders and decision and opinion makers on a common platform to find solutions and give recommendations to the government	paper						UNDP	74200	Publication Expenses	2500	
		Annual Symposium			X	CSE		UNDP	72100	Conference	10000	
								UNDP	72100	Communication	1500	
								UNDP	74200	Media dissemination	2500	
Sub total										18500		
7.	Final Report of the GOI-UNDP programme	Final report of the programme documenting work done, impact, achievements, lesson learnt and the way forward			X	X	CSE		UNDP	71300	National consultants	7500
									UNDP	74200	Publication Expenses	2500
								Sub total				
TOTAL EXPENSES FOR YEAR 5											181500	

5.2 Communications & Advocacy Plan

The Communication and Advocacy strategy for the project has been designed to influence all the major stakeholders – policy makers, regulators, industry, local communities, Panchyats, NGOs, media etc.

- To start with, the Communication and Advocacy strategy will encourage documentation of baseline, key milestones during the project period and best practices through use of electronic and print media and coverage of key events by journalists, and others. In this regard press briefings and media dissemination programmes will be conducted.
- Regular reporting on the project's work will be done through the fortnightly magazine 'Down To Earth' and fortnightly e-newsletter of CSE.
- Wider dissemination of project's outcome and best practices will also be done through publications, monographs and multi-mass media coverage on a regular basis. The website of Ministry of Environment and Forest, the UNDP and CSE will also be used for the wider dissemination.
- A network will be created to provide all relevant information to the pollution control boards and to the key government agencies.
- To influence the industry, regulators and local communities, workshops and training programmes have been included as an integral part of the project's outcome.
- A theme-based annual symposium on industry and environment interface will be held to bring in all stakeholders at one platform to discuss and debate and to steer the process of industrialisation and economic development in India towards sustainability.

6. 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.

7. RESULTS AND RESOURCES FRAMEWORK

7.1 Project Result Matrix

Project outcome 1	Increased voluntary environmental improvements by the industry		
Baseline	Target	Intended output	Some Indicative Activities
<ul style="list-style-type: none"> • Environmental degradation associated with economic development increasing rapidly in India. • The existing command and control regulatory mechanism is not able to achieve the objective of industrial pollution abatement, as there is a wide gap between regulatory principles and practices • Information on environmental performance of industries not available to the various stakeholders in a form that enables informed decision-making. Such lack of information has done little to encourage public 	<ul style="list-style-type: none"> • Introduction of alternate form of environmental governance based on public participation, transparency and market-oriented policies to promote voluntary environment improvements the industry • Systematic collection, collation and analysis of data on the environment performance of companies and publicly disseminating it in a user-friendly and stakeholder-specific form • Development of information and knowledge base on best practices, best 	<ul style="list-style-type: none"> • An institutional framework for implementing the reputational incentive based rating programme for rating the environment performance of the Indian industry on a continuous basis (<i>up-scaled green rating system</i>) • Development of indicators of sustainable industrialisation • Implementing the up-scaled green rating system annually • Dissemination of CSE publications, industry environment data, database on best and worst practices in Indian 	<ul style="list-style-type: none"> • Feasibility study for the up-scaled green rating system and selection of the most feasible option • Setting-up of the institutional structure for the green rating system • Development of process, methodology and assessment procedures for the green rating • Public launch of the up-scaled green rating system • Research and documentation of life cycle impact, best available technology and best practices for major industrial sectors • Research on issues relevant for medium and small-scale industry for the sectors rated

<p>participation in moving industries towards better environmental performance</p> <ul style="list-style-type: none"> • Lack of information within industry on best practices, best available technology and on modern environment performance assessment tools • Financial and investor community, including the public sector banks and financial institutions, not using environment risk assessment and due diligence in their lending and investments decisions 	<p>available technology and on modern environment performance assessment tools and building capacity of the industry on the same to promote voluntary environment improvements</p> <ul style="list-style-type: none"> • Promotion of environmental risk assessment as a sustainable investment tool for the financial and investor community and providing user-friendly information to them on environment performance of companies 	<p>industry, status of the Indian industry vis-à-vis other countries etc. to the public to empower them for informed decision-making</p> <ul style="list-style-type: none"> • Capacity building programme for industry to promote voluntary environment improvements • An institutional framework for building capacity of banks, financial institutions, insurance companies etc. to introduce environmental due diligence on an ongoing basis 	<p>by GRP.</p> <ul style="list-style-type: none"> • Development of sector-specific guidelines and benchmarks • Data collection, primary survey, data collation and analysis • Preparation of company and sector profiles • Annual rating release, follow-up and awareness raising programme • Demonstration models on best practices arising out of the rating programme to serve as a model for others • Targeted information dissemination to various stakeholders • Development of training modules and training programmes for industry on life cycle assessment, best practices and best available technology for specific industrial sectors • Development and implementation of capacity building programmes for the financial community
--	---	---	---

Project outcome 2		Improvements in regulatory practices and regulatory standards in India	
Baseline	Target	Intended output	Some Indicative Activities
<ul style="list-style-type: none"> Existing environmental regulatory mechanism still predominantly based on conventional end-of-the-pipe monitoring and regulatory actions, which is insufficient to regulate and control pollution effectively and efficiently. The result is that, pollution levels are growing despite the existing regulatory efforts Pollution standards in India are not keeping pace with the fast changing process technology, resource and chemical inputs and the resultant pollution paradigm. Lack of technical capacity within the Pollution Control Boards to update and modernise regulatory mechanism and 	<ul style="list-style-type: none"> Capacity building and advocacy programme for the pollution control boards to introduce modern regulatory mechanism Technical inputs and support to the pollution control boards to update and improve pollution standards Capacity building of the state pollution control boards on LCA, best available technology and best industrial practices An institutional mechanism to share information and 	<ul style="list-style-type: none"> Baseline report on the status of the regulatory system and the regulations in India Report on the status of monitoring mechanism in the country Training and advocacy programme for modernising the regulatory mechanism and regulatory standards in the country An institutional framework for the capacity building of the State Pollution Control Boards, for instance on LCA, best available technology and best practices etc. An 	<ul style="list-style-type: none"> Survey of State Pollution Control Boards on institutional capacity and regulatory practices Documentation of global regulatory practices and standards on industrial pollution Publication of the report Organising workshops and meetings with regulators and policymakers to discuss the report and to identify aspects to concretize the regulatory support programme Development of training modules on LCA, best practices and best available technology for the regulators Organising training programmes for the regulators Undertaking advocacy programme for introducing modern regulatory tools Workshop to discuss the information exchange mechanism with the state pollution control

<p>regulatory standards</p> <ul style="list-style-type: none"> • Efforts by the government to decentralise the environmental clearance process and give more decision-making powers to the State Pollution Control Boards. But, there is lack of technical capacity within most State Pollution Control Boards to handle the environmental clearance process. • Absence of formal information sharing mechanism between the state pollution control boards and the green rating project 	<p>resources between the state pollution control boards and the green rating project. This is essential to ensure that the green rating system supports and shares the regulatory efforts of the state pollution control boards</p>	<p>institutional mechanism to share and exchange knowledge, information and database with the Central and the State Pollution Control Boards</p>	<p>boards</p> <ul style="list-style-type: none"> • Formalisation of the information exchange programme • Development and dissemination of environmental inventory of companies to the state pollution control boards
---	---	--	--

Project outcome 3	Enhanced capacity of the local communities, NGOs, CBOs, Panchayats etc. to engage in the process of industrialisation and economic development to protect the environment and the livelihoods of the poor and the marginalised		
Baseline	Target	Intended output	Some Indicative Activities
<ul style="list-style-type: none"> • Widespread dissatisfaction and protest across the country due to the current process of industrialisation and economic growth • Lack of community involvement in the process of environmental clearance - most public hearings for environmental clearance either get converted into protest meetings or are held without much public participation • Lack of information and tools in the hands of the affected communities to engage constructively with the government 	<ul style="list-style-type: none"> • Empowerment of the local communities, NGOs, CBOs, Panchayats etc. - with tools, knowledge and technical consultancy - to effectively engage and influence the process of unsustainable industrialization and economic growth in the country and to act as a watchdogs to the process of environmental clearance in the country • Creation of knowledge-base on crosscutting industry-environment-livelihood issues for introducing policies to support sustainable economic development in 	<ul style="list-style-type: none"> • Training programme for community groups, local NGOs, CBOs, Panchayats etc. on deciphering Environment Impact Assessment (EIA) documents and on the process of environmental clearance in the country. • Network of community groups, NGOs, CBOs, Panchayats etc. to act as knowledgeable watchdogs to the process of environmental clearance in the country. • An institutional setup to provide technical support to the affected communities, 	<ul style="list-style-type: none"> • Development of training module on environment clearance and EIA • Organising training programme in various parts of the country on an ongoing basis • Development and formalisation of organizational and procedural arrangement for the technical support center • Communication of the technical support center • Providing technical support to the communities on environment clearance and EIA, on pollution and degradation of natural environment etc. on an ongoing basis • Conducting research on crosscutting industry-environment-livelihood issues and disseminating its findings through

<p>and the project promoters on industrialisation and industrial pollution issues</p> <ul style="list-style-type: none"> Affected communities have no access to technical support to present their case to the government to safeguard the environment and their livelihoods. 	<p>the country</p>	<p>NGOs, CBOs, Panchayats etc. (Community technical support centre) free of cost.</p> <ul style="list-style-type: none"> Participatory research on crosscutting industry-environment-livelihood issues to create knowledge for sustainable economic development in the country 	<p>media, publications, workshops, meetings etc.</p>
--	--------------------	---	--

<p>Project outcome 4</p>	<p>Increase awareness in the country on industry-environment-livelihood issues and empowerment of various stakeholders with knowledge, information and data for informed decision-making</p>		
<p>Baseline</p>	<p>Target</p>	<p>Intended output</p>	<p>Some Indicative Activities</p>
<ul style="list-style-type: none"> In general, lack of awareness on crucial industry-environment-livelihood issues in majority of the citizens of the country. Even crucial decision makers like the parliamentarians are not well aware about key environment-development challenges. 	<ul style="list-style-type: none"> Wider public awareness programmes on the outcomes of research and rating. Issue-specific advocacy programme on key policy and regulatory issues. Engagement of key 	<ul style="list-style-type: none"> Coverage by the electronics media and reports in magazines and newspapers on the outcomes of the project to increase public awareness, to build public opinion and to start public debate of key industry-environment 	<ul style="list-style-type: none"> Press briefing on the outcomes of the research and rating Media workshops to build public opinion on key policy and regulatory issues Organising public meetings and workshops and participating in various national and international

<ul style="list-style-type: none"> • Failure of the government agencies in keeping the public informed in a way that there would be constant debate in the public domain on how to reconcile the oft-difficult contradictions between environment and development. This lack of debate in the public domain has done little to build public opinion and crucial policies are being formulated without much public participation. • Absence of a common platform to bring in all concerned stakeholders to share knowledge, to discuss and debate and to come out with a constructive issue-based policy recommendations to support sustainable economic growth in India. 	<p>stakeholders like the parliamentarians on key policy and regulatory issues.</p> <ul style="list-style-type: none"> • Development of a common platform to bring in key stakeholders and decision and opinion makers to address crucial industry-environment-livelihood issues • Sharing of information with national and national networks and forums 	<p>and livelihood issues</p> <ul style="list-style-type: none"> • Policy recommendations to the government on key industry-environment and livelihood issues • Policy changes to support sustainable industrialisation and economic growth 	<p>forums to disseminate the outcomes of the research and rating</p> <ul style="list-style-type: none"> • Briefing papers/ notes for key decision makers like the parliamentarians on key policy and regulatory issues • Organising annual symposium on key industry-environment-livelihood issues (on mining, people and environment in January 2007) to bring in key stakeholders and decision and opinion makers on a common platform to find solutions and give recommendations to the government
--	---	--	---

7.2 Major Activities

The programme '**Sustainable industrialisation: Building stakeholder capacity and involvement**' is divided into three interlinked sub-programmes – all targeted towards achieving sustainable industrialisation in India by addressing the needs and requirements of specific stakeholders.

7.2.1 The industrial rating and capacity building programme: This sub-programme will develop, institutionalise and implement up-scaled green rating system, wherein it will annually rate Indian companies on environment performance and publicly disclose and widely disseminate the rating results. Besides large-scale industry, research would be undertaken on medium and small-scale industry for the sectors rated by GRP. The sub-programme includes capacity building for the financial and the investor community to employ environmental due-diligence in their investment and lending decisions. The sub-programme also includes capacity building and training companies on life cycle assessment, best available technology and best practices.

Outcome 1: Increased voluntary environmental improvements by the industry				
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets.				
Applicable MYFF Service Line:				
Partnership Strategy				
Project title and ID (ATLAS Award ID):				
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
1.1. An Institutional framework for implementing the reputational incentive based rating programme for rating the environment performance of Indian industry on a continuous basis (<i>up-scaled green rating system</i>)	Year 1	1.1.1. Feasibility study and selection of most feasible action plan for the up-scale green rating system 1.1.2. Development of the process and methodology for the up-scaled green rating system, including the development of indicators of sustainable industrialisation 1.1.3. Institutionalisation of the Project Advisory and Technical Advisory panel	CSE	\$31,500
1.2. Annual rating of Indian companies on environment performance and wide dissemination of the research and ratings to induce voluntary environmental improvements in the companies	Year 2, 3, 4, 5	1.2.1. Research and documentation of life cycle impact, best available technology and best practices for major industrial sectors 1.2.2. Development of sector-specific guidelines and benchmarks 1.2.3. Selection and communication with companies for participation,	CSE	\$299,000

		<p>including few medium and small-scale industries</p> <p>1.2.4. Data collection and primary survey</p> <p>1.2.5. Data collation and analysis</p> <p>1.2.6. Preparation of company profiles</p> <p>1.2.7. Feedback phase</p> <p>1.2.8. Finalisation of company profiles</p> <p>1.2.9. Finalisation of sectoral profile</p> <p>1.2.10. PAP clearance and final ratings</p> <p>1.2.11. Public function to release the ratings and the research outcomes</p> <p>1.2.12. Implementing the wider awareness raising programme, including wide-dissemination of the publications</p> <p>1.2.13. Workshops to discuss the research and rating outcomes with policy makers, regulators and the industry</p>		
1.3. Research on medium and small-scale industries for the sectors rated by GRP	Year 2, 3, 4, 5	<p>1.3.1. Selection and communication with companies for participation</p> <p>1.3.2. Data collection and primary</p>		Included in output 1.2

		<p>survey</p> <p>1.3.3. Data collation and analysis</p> <p>1.3.4. Finalisation of issues report</p> <p>1.3.5. Recommendations for small and medium scale sector for improving technology and management practices.</p> <p>1.3.5. Implementing the wider awareness raising programme, including wide-dissemination of the publications</p> <p>1.3.6. Workshops to disseminate the research outcomes with policy makers, regulators and the industry</p>		
1.4. Best practice demonstration models	Year 2, 3, 4, 5	<p>1.4.1. Documentation of best technology and management practices in the industrial sector rated by GRP (manual)</p> <p>1.4.2. Dissemination of best practices and technology to various target groups through web</p>		Included in output 1.2
1.5. Capacity building programme for the industry to promote voluntary environment improvements	Year 1, 2, 3, 4, 5	<p>1.5.1. Development of training module and conducting training programmes on life cycle analysis</p> <p>1.5.2. Development of training module and conducting training programmes on sector-specific best</p>	CSE	\$34,000

		technologies and best practices (for the industrial sectors rated under the green rating system)		
1.6. An institutional framework for building capacity and disseminating information to banks, financial institutions, insurance sector, institutional investors etc. to promote environment due diligence	Year 2, 3, 4, 5	<p>1.6.1. Baseline survey to establish the status of environmental due-diligence procedures in banks, insurance companies, financial institutions and institutional investors</p> <p>1.6.2. Documentation of the best practices in environmental due-diligence within India and abroad</p> <p>1.6.3. Workshops with financial and investor community and government agencies to discuss and debate the report and to develop the agenda for mainstreaming environmental due-diligence in India</p> <p>1.6.4. Development of training module on environmental due-diligence</p> <p>1.6.5. Development of information delivery format for the green rating system</p> <p>1.6.6. Development of awareness raising material</p> <p>1.6.7. Undertaking training programmes</p>	CSE	\$34,500

		<p>1.6.8. Meeting and workshops to generate demand for the green rating information and research (including company and sectoral profiles)</p> <p>1.6.9. Research and documentation of the impact of green rating on the share market and in banks, financial institutions and institutional investors</p> <p>1.6.10. Development and maintenance of website to disseminate environment information on Indian companies to the financial and investor community</p>		
--	--	---	--	--

7.2.2 The community support programme

This sub-programme will develop, institutionalise and implement capacity building and technical consultancy support programme for the local communities, NGOs, Panchayats and officials of Panchyati Raj institutions so as to enable them to engage and intervene in the industrialisation and developmental projects to safeguard the livelihood of the local communities and to conserve and protect the environment.

Outcome 2: Enhanced capacity of the local communities, NGOs, CBOs, Panchayats etc. to engage in the process of industrialisation and economic development to protect the environment and the livelihoods of the poor and the marginalised				
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
2.1 Training programme for the	Year 1, 2, 3, 4,	2.1.1. Research on EIA and EC and documentation of	CSE	\$40,000

community groups, local NGOs, CBOs, Panchayats etc. on deciphering Environment Impact Assessment (EIA) documents and on the process of environmental clearance (EC)	5	EIA case studies 2.1.2. Development of training module on EIA and EC 2.1.3. Undertaking EIA training programme in various parts of the country on an ongoing basis		
2.2. An institutional setup to provide technical support to the affected communities, NGOs, CBOs, Panchayats etc. (Community technical support centre) free of cost.	Year 1, 2, 3, 4, 5	2.2.1. Development and formalisation of organisational and procedural arrangement for the technical support centre 2.2.2. Communication of the support centre 2.2.3. Development of information resource website 2.2.4. Providing technical support on an ongoing basis and supporting the community in developing the public opinion on the issue through media 2.2.5. Undertaking research on crosscutting industry-environment-livelihood issues to create knowledge for sustainable economic development in the country 2.2.6. Documentation of activities and impact	CSE	\$158,000

7.2.3 The regulators programme

This sub-programme will engage regulators, create linkage of the above two sub-programmes with the regulators and build capacity of the regulators to support and improve the regulatory practices and regulatory standards in India.

Outcome 3: Improvements in regulatory practices and regulatory standards in India				
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
3.1. Baseline report on the status of the regulatory system and the regulations in India to identify gaps and weaknesses in the existing regulatory regime	Year 1	3.1.1. Survey of State Pollution Control Boards on institutional capacity, monitoring mechanism and regulatory practices 3.1.2. Research and documentation of global regulatory practices and standards on industrial pollution 3.1.3. Peer review and publication of the report 3.1.4. Organising workshops and meetings with regulators and policymakers to discuss the report and to identify aspects to concretize the regulatory support programme	CSE	\$15,000
3.2. An institutional framework for the capacity building of the State Pollution Control Boards and to share and exchange knowledge, information and database	Year 2, 3, 4, 5	3.2.1. Development of training modules on LCA, best practices and best available technology for the regulators 3.2.2. Organising training programmes for the regulators 3.2.3. Organising meetings and	CSE	\$54,000

		workshops for introducing modern regulatory tools in the pollution control boards		
--	--	---	--	--

7.2.4 Cross-cutting programmes

Crosscutting programmes to increase awareness and to push for policy and regulatory changes. This will include organising workshops, organise public meetings, conferences, publishing reports in magazines, newspapers (through the Feature Service), and participating in various national and international forums. An annual symposium will also be organised to discuss, debate and address key sustainability challenges facing the nation. The programme also includes south-south cooperation to create multiplier effect of the green rating system

Outcome 4: Increase awareness in the country on industry-environment-livelihood issues and empowerment of various stakeholders with knowledge, information and data for informed decision-making

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
4.1. Increase public awareness, build public opinion and start public debate of key industry-environment and livelihood issues	Year 1, 2, 3, 4, 5	4.1.1. Press briefing on the outcomes of the research and rating 4.1.2. Media workshops to build public opinion on key policy and regulatory issues 4.1.3. Organising public meetings and workshops and participating in various national and international forums to disseminate the outcomes of the research and rating 4.1.3. Briefing papers/ notes for key decision makers like the parliamentarians on key policy and regulatory issues	CSE	Included as part of core programmes
4.2. Annual symposium on key sustainability issues	Year 1, 2, 3, 4, 5	4.2.1. Identification of key sustainability challenge 4.2.2. Development of background paper and identification of issues on the key sustainability challenge 4.2.3. Identification and invitation to the key	CSE	\$74,000

		stakeholders from the government, political establishment, regulators, judiciary, industry, civil society, research and academic institutions, international experts, multilateral and bilateral institutions etc.		
		4.2.4. Annual symposium and follow-up		
4.4. Final Report of the GOI-UNDP programme	Year 5	4.4.1. Final report of the programme documenting work done, impact, achievements, lesson learnt and the way forward	CSE	10000

8. BUDGET

8.1 Annual Break-up

	Budget (US\$)
Year 1	118,500
Year 2	134,500
Year 3	148,000
Year 4	167,500
Year 5	181,500
Total Budget	750,000

8.2 Expenses Break-up

Budget heads	Budget details	Amount (in US\$)	Percentage of total expenses (%)
17	National consultants	312,500	41.6
15-02	International Travel	14,000	1.9
15-01	National Travel	86,000	11.5
30	Meetings and workshops	132,500	17.6
53-02	Media dissemination	19,500	2.6
53-03	Communication	47,000	6.3
40	Equipment	8,500	1.1
40-01	Equipment maintenance	6,000	0.8
54	Publication Expenses	53,500	7.1
53-01	Information resources	26,500	3.7
53-04	Overheads	44,000	5.9
	Total Budget for the programme	750000	100

Annexure 1: The Green Rating Project

The Green Rating Project (GRP) was started in 1998 by the Centre for Science and Environment (CSE), with the support of the Government India (GOI) and the United Nations Development Programme (UNDP), to address an array of social and environmental issues related to process of rapid industrialisation in India. The core of the programme is the reputational incentive based rating programme, wherein GRP rates major Indian industries on their environment performance and puts the research and ratings in the public domain. By putting the transparent picture of the environmental performance of Indian firms in the public domain, GRP encourages good performers to improve further and puts pressure on the poor performers to catchup. GRP, therefore, is a market-based reputational instrument to create greater environmental awareness and responsibility in industrial firms, investors, consumers and financial institutions.

GRP was supported by GOI-UNDP during 1998-2002, under UNDP's Country Cooperation Framework - I (CCF-1). The sub-programme on green rating of industry was supported with US\$ 500,000 from UNDP.

Under GOI-UNDP assistance, the sub-programme on green rating of industry was successfully implemented by CSE. Under the sub-programme, a transparent and broad-based rating methodology and the strategy for data dissemination was developed and successfully tested on three major industrial sectors of India (Pulp and paper, automobile and chlor-alkali). An institutional framework to support the project on an ongoing basis was also established.

The institutional structure developed was a multi-stakeholder institutional structure in which leaders from industry, government, judiciary, academic and research institutions and civil society were co-opted as part of its project advisory panel. The project advisory panel was initially chaired by Dr. Manmohan Singh. Dr. M.S.Swaminathan chairs the current project advisory panel and Justice P N Bhagwati is the co-chair. Other members of the panel include Prof. Saifuddin Soz, Dr R A Mashelkar, Mr. T N Ninan, Mr. Bibek Debroy and Mr. Vikram Lal.

To provide technical inputs to the rating exercise, a technical advisory panel comprising leading technical experts of the country was also put in place. Both the advisory panels steer the project and are responsible for clearing the ratings before they are released. The panels also decide the work plan and review the progress of GRP.

In a nutshell, GRP fulfilled all its commitment successfully under GOI-UNDP CCF-1.

After the completion of assistance from GOI-UNDP under CCF-1, CSE was able to continue the Green Rating Project (GRP) by garnering support from the Swedish International Development Agency (SIDA) and the Norwegian Agency for Development Cooperation (Norad). Part of the resources for the project was also generated by selling information to industry, consultants and the government agencies. During 2003-2005, CSE completed two more ratings – second round of rating of pulp and paper industry and the rating of the cement industry.

In totality, GRP has so far rated four major industrial sectors of the country (pulp and paper, automobile, chlor-alkali and cement) and has done five rounds of rating (paper sector has been rated twice) based on scientifically acknowledged life cycle assessment methodology. The rating also engages the regulators and the local community in its final assessment.

The unique thing about GRP is that it is the only public disclosure project in the developing world, in which non-government organisation (NGO) rates industries based on voluntary participation and data disclosure.

The success of GRP can be assessed by the fact that in all five ratings, it has achieved more than 90 per cent voluntary participation from companies. And, it is for this precise reason that GRP is considered as one of the most successful public disclosure projects in the world and was rated as the best environmental audit project of Asia in the last 25 years by Asia Week in 2001. The Dubai Habitat Award, UN-Habitat, also selected GRP as one of the best practice projects in 2004.

GRP has multi-dimensional impacts. Apart from moving companies towards better environmental practices, its research and rating are variously used by different stakeholders. Regulators use the ratings to prioritise monitoring; policy-makers use the research to update regulatory standards; politicians and NGOs use ratings to highlight pollution problems and judiciary uses the ratings to decide litigations²⁹. Investors and share markets too use the rating to incorporate environmental risks in their portfolio.

A study conducted by the Delhi School of Economics and the Institute of Economic Growth, New Delhi found that stock prices of companies rated poorly by GRP falls significantly. The study "*Do Stock Markets Penalise Environment-Unfriendly Behavior? Evidence from India*" by Shreekanth Gupta and Bishwanath Goldar, found that the announcement of poor ratings by GRP lead to negative abnormal returns of up to 43 per cent in the stock prices of companies. The study also found a positive correlation between the abnormal returns to a firm's stock and the level of environmental ratings given by GRP. The study further points out: "this result is not driven by disparate 'events' ... but by a comprehensive and consistent green rating. Thus, an important policy implication of the research would be institutionalising such public disclosure programmes as a tool for environmental management in developing countries."

GRP played an important role in improving the mercury pollution regulations in the country and in reducing mercury pollution from the chlor-alkali industry.³⁰ Based on GRP's recommendations, mercury consumption standards have been set in India for the chlor-alkali industry.³¹ This is the first time anywhere in the world that a mercury consumption standard has been set for chlor-alkali industry. Before this, mercury pollution was only regulated at the end-of-the-pipe — a process, which was unable to capture even 10 per cent of the mercury released from the chlor-alkali plants. For this groundbreaking research even the United States Environment Protection Agency (USEPA) has commended GRP.³²

The most important contribution of GRP, however, has been its success in moving Indian industry towards more transparency and better environmental performance. GRP has rated the paper industry twice—in 1999 and in 2004. The 2004 rating clearly demonstrated that GRP has created its space within Indian industry and is widely respected for its work. Companies who were rated the worst during the 1999 rating

were the first ones to voluntarily participate during the 2004 rating. During the second rating, the sector as a whole disclosed more data (even the highly confidential purchase and cost data), with much greater accuracy and confidence and was highly transparent during the entire process.

The performance comparison between the 1999 and 2004 rating showed that the industry had made significant improvements in the environment performance. It was also clear that the analysis and recommendations made by GRP to individual companies had paved the way for significant improvements in process and pollution control. Water consumption for the entire sector had reduced by one-third and so had the consumption of elemental chlorine. Companies were taking significant initiatives to promote farm and social forestry to meet their raw material needs. Overall, paper industry was now sourcing more wood from farmers than from the government forests – something unthinkable five years back during the first paper sector rating.

Overall, GRP has achieved far more than what it was envisaged to do under CCF-1 and beyond. Its initial mandate was to develop and implement an independent public disclosure project to complement the regulatory efforts of the government. Apart from fulfilling this initial mandate:

- GRP has gone a long way in introducing transparency in Indian industry and starting a constructive dialogue between industry and the civil society. The local community now finds industry more transparent and open.³³
- GRP has introduced a sense of competitiveness within companies on environment performance thereby pushing for better environmental practices in the companies. Today GRP's five leaves award is the most sought after environmental award in Indian industry. Companies publish their green ratings in annual reports and brochures. They advertise about their Green ratings in newspapers and websites. Industry associations organise separate meetings with top management of companies to discuss green rating. There is a pride associated with good green rating. This goes on to prove that the 'reputation-incentive' does work in the Indian scenario and GRP has been able to create that incentive for companies to improve their environmental performance.
- GRP is not only rating companies, it is also systematically developing technically sound assessment methodologies to assess the environmental impact of industries. The life cycle methodology developed and tested by GRP is an excellent tool for regulatory purpose and many state pollution control boards use these methodologies in their assessment process.
- The information generated by GRP on various industrial sectors is the very first nation-wide environment inventory in the country. It not only documents year-wise data on raw material consumption, technology and pollution generation from individual companies, it also provides a snap-shot of the status of the Indian sector vis-à-vis the global best practices in all environment performance indicators. This information is widely used by the state pollution control boards for various purposes including for giving the consent to operate to companies.

Overall, the impact of GRP on other stakeholders has been quite positive. The regulators find the data generated by GRP as good guidelines. The policy-makers use

GRP's analysis to bring about changes in the existing policies and regulations. The share market realises the potential profit and loss by investing in clean or polluting companies and most importantly the public now has access to the information to use and make changes.

After the release of the rating of the cement industry in December 2005, CSE started the review of GRP to reassess its position in context of the growing pace of industrialisation on one hand and the growing discontent of the communities on the process of industrialisation, on the other. Internal brainstorming sessions were organised and the issue was also discussed in detail in the project advisory panel and the technical advisory panel. Opinions were also sought from other stakeholders.

It became clear from the assessment process that GRP's impact, though highly effective, is still limited in its scope and area of application. It also became clear that the current process of rating, though holistic and credible, requires extensive resources and time. The methodology developed was suitable for a period when credible environmental data was neither available within the public domain nor was generated by the industry. In last few years, under the pressure from multiple stakeholders, including due to the impact of GRP, industry now generates more environmental data and publishes it. Many industries now publish annual environmental reports and this trend is increasing year after year.

During the assessment it also came out clearly that though the financial and investor community was using the green ratings for investment decision-making, but it was not able to influence the larger industrial fraternity in the country because GRP was only able to provide information on a limited number of companies every year.

The assessment process also identified that the outreach of GRP was limited to industry, policy makers and the financial and investors community, though there is very high potential for GRP in building capacity of the local communities, grassroots NGOs, Panchayats and regulators.

Based on the assessment the following issues emerged clearly:

1. GRP needs to suitably change its methodology in a way that:
 - More number of companies can be rated with less resources and time;
 - The credibility and holistic nature of the rating is not compromised;
 - The ratings are given in a form that the financial and investor community can use it directly; and,
 - The rating information is tailor-made to suit the needs of the regulators to strengthen the existing regulatory regime.
2. To ensure that the financial and investors community uses the information and push companies to improve their environment performance, GRP must develop and implement capacity building programme for the banks, financial institutions, insurance companies and institutional investors so as to sensitise them towards the need for environmental due diligence.
3. With its technical capacity to deal with the issue of industrialisation, GRP must develop capacity building programmes at the grassroots level (for local communities, NGOs, Panchayats etc.) to enable them to effectively engage and intervene in the industrial and developmental projects so that they are able to protect their rights and livelihood support system as well as benefit from the

rising pace of economic development in the country. In this context, GRP must also give technical support and consultancy services to the grassroots NGOs, local communities and Panchayats.

4. Rating companies and providing technical support to the communities wouldn't be enough till policies and regulations too are changed to support sustainable industrialisation. In this regard GRP must engage with regulators and policy makers. The data and information generated by GRP should be provided to the regulators to strengthen the regulatory regime in the country. For this GRP should set-up a network of state pollution control boards to share and exchange information. GRP should also work towards introducing the concept of modern regulatory tools in the state pollution control boards.

In totality, the assessment of GRP came out with a conclusion that GRP needs to significantly scale up its activities to have wider as well as more long-lasting impact. The scaling up of GRP needs to happen on multiple fronts – in research, in training and education, in advocacy, in public awareness and lastly but importantly, in the rating exercise itself.

Annexure 2: Terms of Reference for the Project Manager

Duties and Responsibilities:

Under the overall supervision and guidance of the National Project Director and/or his/her representative and National Programme Steering Committee [Project Executive Group/ Project Board], and in consultation with Project Assurance Group of UNDP, the incumbent will be responsible for successful management and delivery of programme outputs and achievement of outcomes.

S/he would serve as the Secretariat to the Programme Steering Committee (PSC) and perform the following tasks:

1. **Running the project**
 - a. Provide inputs to PSC for the development and approval of the programme strategy for the Sustainable Industrialisation programme.
 - b. Develop annual work plan and action plans consistent with the programme strategy approved by the PSC.
 - c. Provide leadership in results-based management of the Programme ensuring effective and timely implementation of the activities as per the work plan.
 - d. Ensure project management in Atlas including maintenance and updating of risk log [risk identification], issue log [implementation issue], activity status, and lesson learnt log in implementation of the Sustainable Industrialisation programme ;
 - e. Establish effective linkages with other ongoing national/state level initiatives.
 - f. Ensure formal partnership arrangements with state nodal agencies and other stakeholders as required through conclusion of MOUs. Also, monitor the results of the partnership and manage course correction as required.
 - g. Participate in the periodic Project Work Plan Review, meetings and discussions related to project implementation, monitoring and follow-up.
 - h. Ensure compliance of rules and procedures of the Government and UNDP in programme implementation.
 - i. Serve as secretariat to the PSC.

2. **Monitoring, review and evaluation**
 - a. Develop a programme monitoring strategy with clearly defined roles and responsibilities, resources and reporting arrangements to ensure monitoring and reporting at different programming/project levels and convergence of reports from different sources to provide complete information on progress towards outcomes/ outputs.
 - b. Prepare quarterly progress reports and an annual progress report. Also, organize annual programme review as required.
 - c. Develop and implement systems for collation/ collection and regular updation of strategic information and information summaries, briefs, fact sheets, achievement reports, as required to assess progress and impact.
 - d. Organize programme evaluation, as directed by PSC in accordance with Government/UNDP rules and regulations.
 - e. Document processes, lesson learnt and results to facilitate demonstrability of results.

- f. Ensure M&E standards are maintained.
- g. Identify and implement ICT based-solutions for programme monitoring.

3. Financial Management and audit

- a. Prepare an annual programme budget in line with the approved work plan.
- b. Ensure timely disbursement of funds to project implementing partners and timely reporting of expenditures from project and consolidated reporting to UNDP.
- c. Ensure periodic reviews of outstanding funds and utilization pattern.
- d. Arrange annual audits, as required. Also, ensure follow-up action on audit reports.

4. Strategic partnership and knowledge management

- a. Foster strategic partnerships with counterparts in Government at national and state levels and stakeholders (NGOs, INGOs, academic institutions, national and state level training institutions etc.) at various levels in the field of disaster , management.
- b. Facilitate technical assistance/support for project partners in all relevant areas as appropriate.
- c. Facilitate knowledge networking in disaster management in the country among all stakeholders.
- d. Coordinate inputs and submit these to UNDP for reporting to donors on specific requests and to meet other.
- e. Develop and manage a reporting and exchange of information system as per corporate reporting requirements and the needs of project partners. Particularly, ensure that reporting requirements to donor agencies are fully complied with.
- f. Develop and implement a suitable mechanism based on electronic medium for such information exchange.
- g. Prepare and implement a communications plan.

5. Personnel

- a. Oversee the recruitment of programme personnel and consultants (including drafting ToRs and work specifications based on project deliverable descriptions) in line with relevant procedures.
- b. Supervise and monitor staff performance and prepare performance evaluation reports for programme staff and consultants.
- c. Contribute to capacity building of the field team on different aspects of disaster management.

6. Others

- a. Ensure operational completion of the project with appropriate Project Board and Programme Level reviews and identify follow-on actions and update outcome evaluation plan

- b. Undertake any other tasks assigned by the National Programme Steering Committee [Project Executive Group/ Project Board], National Project Director, Programme and UNDP as necessary.

- ¹ Common Country Assessment, January 2000, United Nations Development Assistance Framework-India, Office of the UN Resident Coordinator, New Delhi, India (at <http://www.un.org.in/CCA.htm>; as viewed in April 2006)
- ² Approach paper to the Tenth Five Year Plan (2002-2007), Planning Commission, Government of India, New Delhi, September 2001
- ³ Economic Survey of India – 2005-2006, Ministry of Finance, Government of India.
- ⁴ Economic Survey of India – 2005-2006, Ministry of Finance, Government of India
- ⁵ The Leapfrog Factor: Clearing the air in Asian cities, 2005, Centre for Science and Environment, New Delhi
- ⁶ Environment matters, World Bank, 2005
- ⁷ Common Country Assessment, January 2000, United Nations Development Assistance Framework-India, Office of the UN Resident Coordinator, New Delhi, India (at <http://www.un.org.in/CCA.htm>; as viewed in April 2006)
- ⁸ Approach paper to the Tenth Five Year Plan (2002-2007), Planning Commission, Government of India, New Delhi, September 2001
- ⁹ [http://www.un.org.in/CCA2.htm#The state of human development](http://www.un.org.in/CCA2.htm#The%20state%20of%20human%20development)
- ¹⁰ Economic Survey of India – 2005-2006, Ministry of Finance, Government of India.
- ¹¹ Economic Survey of India – 2005-2006, Ministry of Finance, Government of India
- ¹² The Leapfrog Factor: Clearing the air in Asian cities, 2005, Centre for Science and Environment, New Delhi
- ¹³ Environment matters, World Bank, 2005
- ¹⁴ NATIONAL WATER QUALITY MONITORING, CPCB, 2004
- ¹⁵ Water supply and sanitation review 2002, Planning Commission, Government of India.
- ¹⁶ Approach paper to the Tenth Five Year Plan (2002-2007), Planning Commission, Government of India, New Delhi, September 2001
- ¹⁷ Approach paper to the Tenth Five Year Plan (2002-2007), Planning Commission, Government of India, New Delhi, September 2001
- ¹⁸ Strategic approach to international chemicals management, UNEP, 2005
- ¹⁹ Approach paper to the Tenth Five Year Plan (2002-2007), Planning Commission, Government of India, New Delhi, September 2001
- ²⁰ Approach paper to the Tenth Five Year Plan (2002-2007), Planning Commission, Government of India, New Delhi, September 2001
- ²¹ <http://www.un.org.in/UNDAF/undafstatement.pdf>
- ²² World Water Development Report 2001, World Bank
- ²³ Environmental Challenges, Down To Earth, June 15, 2003
- ²⁴ Ninth Five Year Plan, 1997-2002, Planning Commission, Government of India.
- ²⁵ Ninth Five Year Plan, 1997-2002, Planning Commission, Government of India.
- ²⁶ Section – IX, Forest and Environment, Tenth Five Year Plan, Planning Commission, Government of India.
- ²⁷ Draft National Environment Policy, 2004, Ministry of Environment and Forest, Government of India.
- ²⁸ Country programme outline for India (2003-2007), Executive Board of the United Nations Development Programme and of the United Nations Population Fund, Annual session 2002, Geneva
- ²⁹ When public interest litigation on industrial pollution was filed against Tamil Nadu Newsprints Limited (TNPL), the Chennai High Court set up Committee to look into the matter. The committee requested GRP to provide the detailed environmental profile of TNPL, which had been rated by GRP in 1999. The committee came up with a list of 14 recommendations in 2002 based on GRP profile and case was disposed amicably.

Similarly the National Human Rights Commission of India approached GRP to assess the environmental performance of Shreyans Paper Mills in Punjab, which was destroying the groundwater of the local area – the only source of drinking water for the community. GRP investigated the plant in detail and gave guidelines and recommendations to the commissions. The commissions fully adapted GRP's point of view and asked the company to implement GRP's recommendations.

³⁰ President, Alkali Manufacturers Association of India, presentation made at the Mercury Conference organised by Toxic Links on June 30, 2004.

³¹ Corporate Responsibility for Environment Protection (CREP), Ministry of Environment and Forest & Central Pollution Control Board.

³² Personal communication with Frank Anscombe, Region 5, USEPA.

³³ The perception of the local community around the pulp and paper companies has improved significantly between the 1999 and 2004 ratings. Most community now acknowledge the openness shown by companies and the interest companies have taken in solving the pollution problems.



Rakesh Malhotra
Under Secretary (UN&FB)
 Tel. - 2309 2181

भारत सरकार Government of India
 वित्त मंत्रालय Ministry of Finance
 आर्थिक कार्य विभाग Department of Economic Affairs

नई दिल्ली/New Delhi, the 3rd August, 2007.

D.O. No. 30/1/2007-UN

Dear Mr. Jo,



Please refer to O.M. No. 3(2)/3/2006-IC&SD-I dated 5th March, 2007 from the Ministry of Environment & Forests forwarding therewith a project proposal formulated by Centre for Science & Environment (CSE) on "Sustainable Industrialization - Building Stakeholder Capacity and Involvement", for UNDP assistance to the tune of US\$ 750,000. I would like to inform you that the project proposal has since been approved by the Department of Economic Affairs.

With regards,

Yours sincerely,


 (Rakesh Malhotra)

Mr. Jo Scheuer,
Deputy Country Director (Programme),
 UNDP, 55, Lodi Estate,
 Post Box No. 3059, New Delhi - 110 003.
FAX - 2462 7612.

United Nations Development Programme New Delhi-INDIA						
06 AUG 2007						
	RR	CD	DDP	DDO	DDA	S 885
N			✓			
A						



Prashant
Director(FB)
Telefax: 2309 4413

भारत सरकार Government of India
मंत्रालय Ministry of Finance
आर्थिक मामलों विभाग Department of Economic Affairs

**ORIGINAL
ACTION COPY**

New Delhi, the 5th March,2007
at New Delhi / New Delhi

No.5/1/2007-UN

Dear *Jo*,

Subject:- GoI- UNDP Country Programme (2008-2012)

Please refer to your letter No.IND/PRO/300(DFA) dated 14.02.07 on the above subject.

2. I am pleased to convey our concurrence with the Draft India Country Programme Document(2008-2012).

With
With regards,

Yours sincerely,

(Signature)
(Prashant)

Mr. Jo Scheuer,
Senior Deputy Resident Representative
UNDP,
55, Lodi Estate,
New Delhi - 110 003.

United Nations
Development Programme
New Delhi-INDIA

06 MAR 2007

RR	CC	DD	DD

COUNTRY PROGRAMME DOCUMENT FOR INDIA
[2008-2012]

CONTENTS

Paragraphs	Page
I. SITUATION ANALYSIS	1
II. PAST COOPERATION AND LESSONS LEARNED	1
III. PROPOSED PROGRAMME	2
IV. PROGRAMME MANAGEMENT, MONITORING AND EVALUATION	4
Annex. RESULTS AND RESOURCE FRAMEWORK (2008-2012)	5
Annex. UNDAF Results Matrix (separate attachment)	

Introduction

1 The country programme (2008-12) has been formulated in partnership with the Department of Economic Affairs (DEA) of the Ministry of Finance, building on the UNDAF 2008-12, the vision statement of which is "Promoting social, economic and political inclusion for the most disadvantaged, especially women and girls", and in harmony with the thrust of the Government's Eleventh Plan, on inclusive growth. It has benefited from wide ranging stakeholder consultations, including with United Nations (UN) system, and a comprehensive review of lessons from past cooperation.

I. Situation analysis

2 The Indian economy is now the twelfth largest in the world. It has witnessed growth rates exceeding 8 per cent per annum during 2004-07. The number of people living below the income poverty line has reduced from 36 per cent (1994) to 27 per cent (2005). Overall, India is likely to meet MDG targets of halving the number of people living in poverty, gender parity in primary education and universal access to clean drinking water. The 2006 Human Development Report ranked India at 126 among 177 countries.

3 According to the Eleventh Plan Approach Paper, economic growth has however not been sufficiently inclusive. Poverty levels vary among states, from 14 to 46 per cent, and poverty is increasingly concentrated along regional and social groups. Almost half of the most severe poverty is found in five states, and in some parts of India, problems are compounded by insecurity and the risk of conflict. The percentage of poor among Scheduled Tribes (ST) remains as high as 43 per cent, while this ratio is 36 per cent for Scheduled Castes (SC). Studies indicate that more than 60 per cent of women might be chronically poor. There is a significant rural-urban divide, characterized by low-income levels and weak human development base in rural areas. Inequality is highlighted by 296 million illiterates and 233 million undernourished. Gender disparities persist with the overall sex ratio of 933 women to 1,000 men and 927 girls per 1000 boys below six years (2001). Workforce participation of women is half of that for men. Almost 96 per cent of women work in the informal and unorganized sector. Violence against women continues to be an issue, though landmark legislation on domestic violence against women was passed in 2006. The overall prevalence of HIV/AIDS is relatively low, but an estimated 5.2 million people living with HIV/AIDS indicates a high caseload. HIV infections of women are rising, while almost half of Indian women have not even heard of AIDS.

4 Jobs in the organized sector have not increased despite impressive economic growth. Two-thirds of the population continues to depend on rural employment, while more than 90% of India's labor force remains in low productivity and lowly paid informal sector employment. Burgeoning population and economic growth have in the context of weak regulatory mechanisms resulted in an increasing gap between energy demand and supply and over-exploitation of environmental resources. The Approach Paper to the Eleventh Plan stresses the need to ensure that growth is resource efficient and environmentally benign. The recent National Environment Policy (2006) intends to mainstream environment in all developmental activities. According to the Tenth Five Year Plan document, about 6 per cent of people were affected by natural disasters in 2001, which have eroded 2 per cent of GDP.

5 In view of the above development challenges, the Government's Approach Paper to the Eleventh Plan stresses inclusive growth to reducing poverty and disparities across regions and communities. Gender is seen as a cross cutting issue across all sectors. Poverty reduction is seen as being directly linked to improvements in governance including devolution of funds, functions and functionaries to the local levels and making governance more participatory, gender-balanced, transparent and accountable.

II. Past cooperation and lessons learned

6 The past country programme for the period 2003-2007 focused on four areas: promotion of human development and gender equality; capacity development for decentralization; poverty eradication and sustainable livelihoods; and vulnerability reduction and environmental sustainability. UNDP promoted a

human development perspective in planning and implementation at the state level, and, with UNIFEM, the incorporation of gender concerns into the Eleventh Five Year Plan. The focus in governance was on capacity development of local institutions and promotion of accountability. UNDP supported the design of urban poverty reduction strategies, effective implementation of the NREGS, and design of the National Rural Tourism Scheme. A state-level livelihood mission has been piloted successfully in Rajasthan. UNDP took the lead in piloting PPCP in several districts. In HIV/AIDS, the emphasis was on formulating a strategy for Greater Involvement of People living with AIDS (GIPA) and a social and economic impact assessment of HIV, the first such studies in India. The work in energy and environment was designed to support commitments under international agreements and conventions. The disaster risk management programme focused on enhancing capacity for preparedness of communities and government at national, state and local levels. The post-Tsunami recovery programme was undertaken as a joint UN initiative.

Lessons learned

7 The mid-term review of the current country programme, while recognizing many successful initiatives of UNDP focusing on participatory development and community management stressed the need to move towards fewer and strategic focus areas with a longer-term time frame. A key entry point would be the state level in supporting implementation of national flagship programmes/priorities and forging close linkages for capacity development at state and district levels. Evaluations highlighted the need to identify the “poor” more carefully and focus more sharply on gender dimensions and social inclusion.

III. Proposed programme

8 The proposed country programme builds on the UNDAF 2008-12 and contributes to all four UNDAF outcomes. The programme will focus on capacity development, particularly for effective, accountable and participatory decentralization, and follows a rights-based approach to accelerate progress towards the MDGs by focusing on inclusion of disadvantaged groups (especially women and girls). The programme is designed to address gender inequalities across all areas. Partnerships with the private sector will be strengthened to make markets work for poor women and men. Across the programme, evidence based advocacy, documentation of good practices and disaggregated profiles (by sex, location and social group) will be key activities to influence decision-making and policy development.

9 The programme will be limited to a few major focus areas, eight to ten, with outcomes consistent with UNDP service lines and the thrust of the proposed UNDP Strategic Plan 2008-11. In line with the UNDAF, programme initiatives will be concentrated in the seven focus states (Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh) identified based on their low ranking on human development, gender disparity indices as well as high proportion and of SC/ST population. Within the focus states, the UN will identify districts for joint and convergent activities (UNDAF Outcome 3). Particular importance will be given to state-district level linkages. A funding facility with other development partners will be created for replication of successful development initiatives.

A. Democratic governance

10 The programme will support capacity development for sectoral, district and state level planning, particularly for state and District Planning Committees (DPCs) to include crosscutting issues such as livelihoods, gender, natural resource management, migration, disaster risk management and HIV/AIDS in the planning and resource allocation process. Linkages between district and state level mechanisms will be supported for statewide effective planning, building on the existing partnership with the MoPR, NPC and State Planning Departments. Capacity development for human development analysis will continue as a means to strengthen advocacy and planning processes.

11 Capacity development of elected representatives (particularly men and women from SC/ST, and women generally) and district officials of local self government (Panchayats), will help them to effectively carry out their role, including dialogue with civil society. The ability of PRIs to raise additional funds for

local development, including partnerships with the private sector, will be strengthened. Capacities for monitoring and accountability will be enhanced through the effective use of public disclosure (e.g. Right to Information Act), social audit, gender budgets, and ICT-based systems. A Trust Fund mechanism in support of the Government's decentralization efforts will be explored.

12 Access to justice and legal inclusion are important factors in combating poverty. By working closely with the suppliers of justice (duty bearers) and those who need it (claim holders), interrelated issues of pro-poor judicial case management, legal awareness, legal aid and role of informal systems of justice will be addressed. The programme will work closely with other UN agencies as well as law schools and judicial academies. Coordination among key institutions of justice (police, prosecution, legal profession, courts and prisons) and the public will be strengthened.

B. Poverty reduction

13 The programme will support state-level missions for inclusive livelihood promotion targeted at rural and urban poor, with a specific focus on disadvantaged groups and regions. The thrust will be on livelihoods models and related service delivery using PPCP. Emphasis will also be given to financial inclusion through development of pro-poor products and services, including remittance transfers, collateral free housing credit and market based social security instruments such as micro pension and micro insurance.

14 The programme will aim to improve the effectiveness of national poverty reduction initiatives such as NREGS and JNNURM. To ensure better focus on social inclusion, monitoring and evaluation capacities will be strengthened through application of participatory and gender-sensitive tools and processes, capable of identifying and focusing on the heretofore excluded.

C. HIV and development

15 Within the framework of UNAIDS, the programme will support the up scaling of prevention efforts through mainstreaming of HIV/AIDS in development responses. Mainstreaming will be supported through capacity development of the NACO, key central ministries, SACS and district level structures. Linkages among multiple stakeholders and broad based community participation will be facilitated with a focus of the direct involvement of people living with HIV/AIDS, women and other vulnerable groups.

D. Disaster risk management

16 The programme will focus on integrating disaster risk reduction elements across all development sectors. Support to the newly established district and state level disaster management authorities will institutionalize community-level disaster preparedness. Promotion of appropriate policies and regulations and development of comprehensive multi-hazard risk assessments will facilitate integration of disaster risk reduction concerns into development planning, including adaptation to impacts of climate change. The coming phase of the programme will work closely with the NDMA, which was established in 2005. Drawing upon the experience of recent disasters, in particular the 2004 Indian Ocean Tsunami, post-disaster recovery capacities will be strengthened, integrating social inclusion and disaster risk reduction approaches by "building back better".

E. Environment & sustainable development

17 UNDP will support national, state and district level government in the implementation of national environment and energy policies by strengthening policy, legislative and regulatory mechanisms promoting low carbon development, standards and codes, cleaner production and efficient use of natural resources. Capacities to integrate environmental management practices in planning processes will be developed at state and district levels through the governance programme. UNDP will also support national capacity development for implementation of MEAs.

18 The implementation of national policy initiatives to increase forest cover, arrest land degradation, and increase access to renewable energy will be supported. Further, UNDP will support joint programmes with other UN agencies to promote sustainable management of water resources. In the context of the new Tribal Bill, the sustainable use of forest resources and access to markets through the state livelihood missions will be promoted. Gender sensitive adaptation strategies to reduce disaster/climate risk to vulnerable communities will be further strengthened through synergy with broader disaster risk management initiatives.

F. United Nations Country Team initiatives

19 In support of the UNDAF goals, joint UN initiatives will be undertaken at the programmatic level, such as HIV/AIDS, UN-Water and gender-based violence, including trafficking and female foeticide. UNDP will support regular joint planning, monitoring, including use of DevInfo, and evaluation in all programmatic areas. In UNDAF focus states, UNDP will work with other UN organizations to promote convergence at the district level to achieve the MDGs (UNDAF outcome "3"). Joint UN advocacy efforts will be supported, including linkages with state legislative forums. UNDP will support the UN's knowledge sharing system "Solution Exchange", initiated in 2004, which has proven to be a powerful platform linking diverse stakeholders on issues key to the achievement of MDGs. In the context of the Paris Declaration, and building on previous support to the Government's donor coordination system, the programme will continue to support the Government in furthering development effectiveness.

IV. Programme management, monitoring and evaluation

20 The country programme will be implemented under the direction of the Government of India and full partnership with national authorities both at central and state level. As the government-coordinating agency, the DEA Ministry of Finance, will head the country programme board, which will guide the implementation of the programme. Outcome boards will be established to monitor each programme component, ensure cross-sectoral linkages and approve annual work plans (AWP).

21 As explained above, the country programme will be implemented as an integral part of the UNDAF (2008-2012). There will be close collaboration with other UN organizations for joint activities, monitoring and annual work planning to achieve UNDAF outcomes. Partnerships with civil society and the private sector will be a key strategy of the country programme. The selection of implementing partners will be based on a comprehensive assessment of their technical and financial management capacities through the "harmonized approach to cash transfers (HACT)" and use of standard micro-assessments. UNDP's Enterprise Resource Platform (Atlas) will be rolled out to programme partners.

22 Revised implementation modalities, aligned with prevailing UNDP programming arrangements, will be developed with the Government ahead of the new programme in support of national ownership, accountability and effective implementation. The country programme will align its monitoring and evaluation activities with national initiatives to strengthen capacities at the national/state and district levels. Standard disaggregated baselines (by sex and social groups) and monitoring frameworks will be set up.

23 The resource requirement of the country programme is estimated at US\$ 200-250 million. A third of the amount would be available through UNDP core resources, a third mobilized from UN Trust Funds, such as GEF, and another third from the mobilization of non-core resources from other partners.

Annex. Results and resources framework

National Priority: Restructure policies to achieve a new vision of growth that will be much more broad-based and inclusive, bringing about a faster reduction in poverty and helping bridge the divides.					
Intended UNDAF Outcome 1: Strengthened policy framework and implementation capacity of large scale state and national programmes					
Programme Component	Country Programme Outcomes, including outcome indicators, baselines and targets	Country Programme Outputs	Output indicators, baselines and targets	Partners	Indicative Resources (\$ million)
Poverty: Achieving the MDGs and reducing human poverty	<p>Outcome 1.1: Improved effectiveness of poverty reduction and livelihood promotion programmes in disadvantaged regions and for vulnerable groups, especially women.</p> <p>Indicator 1.1 (a): Increased proportion of SC/ST in selected districts in UNDAF focus states.</p> <p>Baseline 1.1(a): Low participation of SC/ST (2007)</p> <p>Target 1.1(a): 25 % reduction in the gap vis-a-vis the national average (2012)</p> <p>Indicator 1.1(b): Increased proportion of women in selected districts in UNDAF focus states.</p> <p>Baseline 1.1 (b): Low participation of women (2007)</p> <p>Target 1.1 (b): 25 % reduction in the gap vis-a-vis the national average (2012)</p>	<p>Output 1.1.1: Strengthened M&E systems in selected programmes (NREGS and JNNURM) to track inclusion of disadvantaged groups and regions in livelihood promotion.</p> <p>Output 1.1.2: Models of community managed livelihoods, PPCP and financial inclusion in selected districts in 7 UNDAF focus states.</p>	<p>Indicator 1.1.1 (a): Proportion of selected districts in UNDAF focus states providing qualitative data for SC/ST and women under NREGS based on social audit</p> <p>Baseline 1.1.1 (a): Social audits do not provide qualitative data on participation of SC/ST and women (2007)</p> <p>Target 1.1.1 (a): 50% of the selected districts in UNDAF focus states providing qualitative data based on at least one social audit per year per district (2012)</p> <p>Indicator 1.1.1 (b): % of SC/ST (sex-disaggregated) beneficiaries of livelihood promotion schemes under JNNURM</p> <p>Baseline 1.1.1 (b): Such disaggregated data is not reported (2007)</p> <p>Target 1.1.1 (b): Annual outcome reports on composition of beneficiaries (2009)</p> <p>Indicator 1.1.2: Number of districts/JNNURM cities with pilots on PPCP and financial inclusion</p> <p>Baseline 1.1.2: Emphasis on public-private partnerships in the Approach paper to XI FYP; but at present PPCP modalities only demonstrated in Durgapur (2007)</p> <p>Target 1.1.2: 7 districts in UNDAF focus states (2012)</p>	NPC, JNNURM cities, research institutions and NGOs	Regular \$ 20.0 Other \$ 30.0
HIV/AIDS: Responding to HIV/AIDS	<p>Outcome 1.2: Scaled-up multi-sectoral responses by Ministries to achieve NACP-III goals with particular reference to vulnerable groups</p> <p>Indicator 1.2: Ministries will have HIV competent people, policies and programmes (as defined by UNAIDS) to address HIV</p> <p>Baseline 1.2: Such comprehensive competencies do not exist currently (2007)</p> <p>Target 1.2: Ten ministries (2012)</p>	<p>Output 1.2.1: Capacities in key ministries and identified stakeholders enhanced in the framework of NACP-III goals with particular references to vulnerable groups</p>	<p>Indicator 1.2.1 (a): Number of ministries reporting on HIV activities in their respective sectors in the Annual Report</p> <p>Baseline 1.2 (a): Four ministries (2007)</p> <p>Target 1.2 (a): Six additional ministries (2012)</p> <p>Indicator 1.2.1 (b): Number of migrant friendly HIV related services (as defined by NACO) available at key sites in selected districts each in UNDAF focus states</p> <p>Baseline 1.2.1 (b): Scattered pilots available only in destination sites. Services not available in source sites (2007)</p> <p>Target 1.2.1 (b): 1 district each in select UNDAF focus states (2012)</p>	NACO, SACS, MoRD, MoT, MoPR, MHA, MoTA, MoUD, NGOs, Network of positive people, UNAIDS	Regular \$ 10.0 Other \$ 10.0
National Priority: Address the needs of marginalised groups, and others groups who do not have strong lobbies to ensure that their rights are guaranteed.					
Intended UNDAF Outcomes 2 and 3: Accountable and responsive and local government systems, in rural and urban areas which promote equitable and sustainable development to achieve MDGs/ local development goals with special attention to the needs of women and girls; Eleventh Plan Targets related to the MDGs are on track in at least one district in each of the 7 priority states					
Democratic Governance: Fostering democratic governance	<p>Outcome 2.1: Capacities of elected representatives and district officials in the UNDAF focus states/districts enhanced to perform their roles effectively in local governance</p> <p>Indicator 2.1: % of UNDAF focus districts providing specific strategies and fund allocation to address the concerns of SC/ST and women</p> <p>Baseline 2.1: District plans in UNDAF states do not have specific strategies and fund allocation to address the concerns of SC/ST and women (2007)</p> <p>Target 2.1: At least 50% of the district plans in the UNDAF focus districts (2012)</p> <p>Outcome 2.2: Systems and mechanisms in place to provide identified vulnerable and excluded group's access to justice at local level in five project states</p> <p>Indicator 2.2 (a): % increase in filing of First Information Report (FIR) by SC/ST and women</p> <p>Baseline 2.2 (a): Women, SC/ST and other groups unwilling to approach police stations for filing FIR (2007)</p> <p>Target 2.2 (a): 15 % increase (2012)</p>	<p>Output 2.1.1: Elected representatives and district officials equipped with participatory and gender sensitive planning, budgeting and monitoring skills</p> <p>Output 2.2.1: Grievance redressal mechanism in justice sector improved through interface with CSOs and sensitization</p>	<p>Indicator 2.1.1 (a): % of elected representatives trained at district, village and block level in selected districts of UNDAF focus states trained in participatory and gender sensitive planning, budgeting and monitoring skills for at least 5 working days</p> <p>Baseline 2.1.1(a): No systematic training is provided (2007)</p> <p>Target 2.1.1(a): 50 % of elected representatives at district, village and block level trained for at least 5 working days in selected districts in UNDAF focus states (2012)</p> <p>Indicator 2.1.1(b): % of district officials (interfacing with PRIs) trained in participatory and gender sensitive planning, budgeting and monitoring skills for at least 5 working days in selected districts in UNDAF focus states</p> <p>Baseline 2.1.1 (b): No systematic training is provided (2007)</p> <p>Target 2.1.1(b): 50 % of district officials (interfacing with PRIs in select states trained for at least 5 working days)</p> <p>Indicator 2.2.1 (a): % of SC/ST and women availing grievance redressal mechanisms in five project states</p> <p>Baseline 2.2.1 (a): Very low percentage of SC/ST availing grievance redressal mechanisms (2007)</p> <p>Target 2.2.1 (a): 15% increase (2012)</p> <p>Indicator 2.2.1 (b): No. of colloquium involving justice sector actors and CSOs organized in five project states</p> <p>Baseline 2.2. (b): Weak interface between justice sector actors and CSOs (2007)</p> <p>Target 2.2.1 (b): 10 colloquium organised at states and district level in five project states (2012)</p>	MoPR, MoUD, DoPT, CSOs, SIRDs, ZPs, research organization & private sector	Regular \$ 20.0 Other \$ 30.0
				DoJ, Law Schools, Judiciary and bar associations, UGC, academia	