United Nations Development Programme  
Country: India

Project Document for 2008

Project Title: Capacity Building for Local Governance  
Accountable and responsive local government systems, in rural and urban areas, which promote equitable and sustainable development to achieve MDG/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 the seven priority states.

UNDAF Outcome(s): Capacities of elected representatives and district officials in focus states/districts enhanced to perform their roles effectively.

Expected CP Outcome(s): Institutions and mechanisms strengthened to enhance capacities of elected representatives and functionaries for human development oriented, inclusive planning, implementation, and improved accountability in local governance.

Implementing Partner: Ministry of Panchayati Raj

Responsible Parties:  
State Departments for Panchayati Raj / Rural Development, Resource Institutions

Brief Description

This Annual Work Plan is based on the Project Brief “Capacity Development for Local Governance” (2008-2012), appraised by the LPAC on 21 August 2008 and aims to establish the project management structures at National and State Level. Further, project activities at the National level (especially technical assistance) and State Level will be initiated.

The project strategy follows the outline of the National Capacity Building Framework (NCBF) developed by the Government of India and brings opportunities to expand upon it. Elected representatives and officials of local governments shall be able to improve the capabilities they need to perform their functions better through the outputs produced under this project.

The project aims to strengthen institutions and processes at various levels which bring about a behavioural change through increased motivation, joint decision-making, the provision of resources (i.e. networks, resource persons/institutions, training courses/material, information, innovative solutions and methods) and personal empowerment.

Programme Period: 2008-2012

Key Result Area (Strategic Plan): Strengthening accountable and responsive governing institutions.

Atlas Award ID: 00049815

Start date: 5 November 2008
End Date 31 December 2008
PAC Meeting Date 21 August 2008
Management arrangements: National Execution

2008 AWP budget: USD 590,293
Total resources required USD 5,500,000
Total allocated resources(a): USD 5,500,000

* Regular: USD 5,500,000
** Other: 
*** Donor: 
**** Government: 

Unfunded budget: -
In-kind Contributions -

(a) Amount allocated: 3,432,740 USD for national level activities and 2,067,260 USD for state level activities.

Agreed by Ministry of Panchayati Raj, Gov:
Signature, Name, Designation and Date

Agreed by UNDP:
Signature, Name, Designation and Date

Delride Boyd
UNDP Country Director

Govt. of India, New Delhi
Project Overview

The 73rd and 74th Constitutional Amendment Acts, 1992, gave Constitutional status to the third tier of government at the sub-State level, thereby creating the legal conditions for local self-rule or Panchayati Raj. These Amendments sought to bring about greater decentralisation, increasing the involvement of the community in planning and implementing schemes and, thereby, increasing accountability.

Since the enactment of the Acts in 1993, the Government of India (GoI) has increasingly emphasized the role of Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) in local governance and decentralized planning to make service delivery more effective and to strengthen transparency and accountability. In 1996 the GoI extended the provisions of the Panchayats to the scheduled tribal areas through Act No. 40, known as PESA (Panchayats Extension to the Scheduled Areas) recognising the prevailing traditional practices and customary laws besides providing the management and control of all natural resources (land, water and forests) by the inhabitants of the tribal areas.

The Eleventh Five-Year Plan recognizes that a very large part of Plan expenditure is now accounted for by development programmes and schemes for rapid eradication of poverty and delivery of various services that are mostly in the realm of local government functions. The Plan document emphasizes on the pivotal role played by PRIs in improving service delivery in keeping with their Constitutional mandate of economic development and social justice. It calls for strengthening PRIs so that they could bring about the desired results through effective planning and implementation of the government schemes. It emphasizes the need for preparing a comprehensive capacity building strategy, accompanied by intense monitoring.

The State of Panchayats 2007-08 highlights that the raison d'etre for training and capacity development initiative stems from the fact that the 73rd and 74th Constitutional Amendment Acts, while being revolutionary, are being implemented on extremely uneven grounds. The rationale for capacity development, according to the Report is to:

- bridge the gap in the existing social inequalities that exist by developing capacities of women, Scheduled Castes and Scheduled Tribes to enable their participation in the local governance processes with confidence,
- recontextualise the skills and experience of first time entrants and providing them relevant information,
- develop a cadre of local leadership that can be change agents for the society, and
- reorient the government officials so that they can enable effective local government functioning.

The report identifies the constraints of SC/ST and women representatives from sections of the population that have been marginalised and historically faced social exclusion. They face barriers in exercising their constitutional authority or fulfilling their due responsibilities in the PRI or ULB. In addition the process of exclusion and marginalisation also results in the PRI/ULB not recognising and addressing the concerns of marginalised sections of the population as a whole.

The Study on Elected Women Representatives (2008) noted that imparting training emerged as a critical determinant of the performance of elected women representatives. A large proportion of women who received training have performed better. This was true for Pradhans (male/female) and Ward members (male/female). Training should not only be made mandatory for all elected representatives, but it should also be organized regularly, covering multiple dimensions including

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1 Schedule V, Indian Constitution
3 Study on Elected Women Representatives in Panchayati Raj Institutions, MoPR, Government of India, 2008
rules and regulations, administrative issues, budgeting and finance and the implementation of development schemes.

The dimension of the challenge / task before the State training institutions can be demonstrated by the numbers of elected representatives in the PRIs as on 1st December 2006 which is the main target group of SIRD training (see table). In addition to the elected representatives SIRDs also train PRI officials.

Given the imperatives of strengthening capacities of elected representatives, the Ministry of Panchayati Raj has launched a National Capacity Building Framework (NCBF) that aims at:

- enabling Panchayat elected representatives to upgrade their knowledge and skills to better perform their responsibilities;
- orienting key officials associated with the devolved functions to (a) better function as technical advisors and trainers and (b) respect, be more receptive and learn from the ground-level experience of elected Panchayat representatives;
- improving the Gram Sabha functioning;
- sensitising the media, political parties, representatives in the legislatures, civil society organizations and citizens.

The Government has a few schemes with limited financial provisions to roll out components of the NCBF:

- The Backward Regions Grant Fund (BRGF), designed to address regional imbalances in development, has a provision for capacity building of 250 crores INR per annum (10,000,000 INR per district per annum) for 6 years from 2006-2007 until 2011-2012. These funds can be used to build capacities in planning, implementation, monitoring, accounting, improving accountability and transparency. The BRGF is applicable to select districts in all seven UNDAF States.
- Under the Rashtriya Gram Swaraj Yojana (RGSY) scheme there are 30 crore (300 million) INR available for training and capacity building in the 342 non-BRGF districts. Financial assistance is meant for actual training of PRI officials and the construction of Satellite Training Studios. Proposals from NGOs that come with State Government recommendation receive 75% funding from the Union Government and 25% funding from the State Government.
- The MoPR has initiated a targeted scheme called Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA) which has a networking and empowerment component for Elected Women Representatives (Panchayat Mahila Shakti Abhiyan) and a sensitisation and awareness building component targeting youthful PRI members and youth club members (Panchayat Yuva Shakti Abhiyan).

While these are all components that contribute to the rolling out of the NCBF, the Ministry of Panchayati Raj is seeking additional financial commitments for NCBF implementation and has initiated talks with UNDP on the establishment of a Trust Fund for this purpose.

**Capacity Development Institutions**

The State of Panchayat Report maps the institutions responsible for developing capacities of the elected representatives as well as civil society initiatives that are associated in this. It notes that

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4 BRGF districts in the UNDAF States: Bihar (36), Chhattisgarh (13), Jharkhand (21), Madhya Pradesh (24), Orissa (19), Rajasthan (12), Uttar Pradesh (34). For a detailed listing refer to the BRGF guidelines (Website MoPR: http://panchayat.gov.in).

5 UNDAF stands for United Nations Development Assistance Framework. It’s geographical focus lies in the seven focus States of Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh. These States were selected on the basis of their low ranking on human development, gender disparity indices as well as the high proportion of people from the Scheduled Caste and Scheduled Tribe groups.


7 According to MoPR figures a total 350,000 elected representatives have been trained by end June 2008.

8 The scheme includes setting up State Support Centers managed by the State EWR Association which would keep updated information related to the participation of EWRe and EYRs in Panchayati Raj Institutions for the entire State and serve as knowledge support institutions. See PMEYSA guidelines for further details (Website MoPR: http://panchayat.gov.in).
though a number of institutions are active in the field of capacity development, they are working in a highly compartmentalized manner with least networking amongst them. Other aspects such as training modules, clientele, duration and other socio-cultural specificities may as well need to be looked into for making capacity building process a more meaningful exercise.9

It notes the need for strengthening State Institutes for Rural Development (SIRDs) so that they are able to provide dynamic leadership. A curriculum designed in an integrated manner rather than focusing on sectoral needs is urgently required. There is total lack of mechanisms for monitoring and evaluating the impact of training. This is required to provide feedback for ensuring that the process, content, methodology of capacity development efforts is suited and relevant to the context.

A recent assessment of State Training Institutions (ATIs and SIRDs) in the UNDAF States conducted by the Administrative Staff College of India (ASCI) notes that the ATIs as centres for training of civil servants can only play a limited role by sensitising and reorienting civil servants to the ground realities of participatory democracy. In a study conducted by the Lal Bahadur Shastri National Academy for Administration on the availability of gender expertise in select Administrative Training Institutes, noted that there is a lack of well qualified resource persons, lack of training literature and resource material, particularly on gender based violence, and lack of budgetary provisions for the conduct of training.

In regards to SIRDs, the ASCI study found an inability to play an effective role in capacity development of elected local representatives and functionaries stemming from a lack of strategic focus and convergence, which emanates from the concerned Central Ministries and is reflected in all levels of public administration. The assessment of the existing infrastructure of the SIRDs points to the need for strengthening regional, district and sub-district level presence for effective outreach.

The study emphasises the importance of staffing these institutions with well-qualified and well-paid teams of professionals and identifies a need to develop systems, which foster creativity and initiative. Putting in place such systems will enable these institutions to design and develop curriculum based on the felt needs of their clientele and deliver it using the appropriate methodology. The study also underlines the fact that capacity-building initiatives will yield adequate results only when they are accompanied by investments in mobilization of civil society and policy level advocacy in favour of decentralized governance.

Project Rationale

UNDP recognises capacity development of local authorities as an essential step in improving local governance in order to address human development challenges, preserve human rights, reduce poverty and prevent conflicts. Local authorities are best-placed to leverage the capacities of various actors to fulfil their mandate and act in complementary ways to reduce poverty and promote local development.

“Doing so effectively, involves playing multiple roles – as convener, planner, direct service provider, overseer of other service providers etc. – and calls for an emphasis on a key set of functional capacities (…) The evidence suggests that engaging and inspiring leadership is often a lynchpin for success, pointing to the need to link the individual level with the organizational and societal capacity levels in a more comprehensive approach to engaging on capacity development.”10

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The 2007 Governance Outcome Evaluation of the UNDP programme recommended that UNDP’s future programme should focus on strengthening capacities of public administration and elected representatives for designing and planning more inclusive and gender sensitive programmes and schemes, so as to enhance participation of the hitherto excluded groups. Implementation and monitoring capacities also need to be strengthened accordingly.

Though comprehensive, the National Capacity Building Framework (NCBF) has not been fully rolled out as yet. UNDP will provide support to the implementation and enrichment of the framework incorporating elements of UNDP’s capacity development approach (explained in the Strategy section) with a focus on the UNDAF States. While the project will operationalise the NCBF in the seven UNDAF States learnings from the project will provide inputs for strengthening the framework and provide opportunities for upscaling beyond the focus States.

This project will provide an opportunity to move beyond formal training institutions and bringing together other stakeholders in developing capacities through means other than formal training, such as handholding support through Panchayat Resource Centres (PRCs), strengthening networks of women elected representatives as well as establishing other stakeholder networks.

UNDP defines itself as the development network of the United Nations connecting the capacity development in its partner countries worldwide to global best practices and to its partners, be it donor agencies, other UN agencies, civil society organisations, the private sector or government itself. Capacity development cuts across each of UNDP’s core focus areas and is clearly identified in the Strategic Plan as UNDP’s overarching contribution to development. This project seeks to benefit from UNDP’s global experience in capacity development and as a catalyst for innovation and human development.

This project aims to support the effectiveness of the reforms and decentralization efforts taken by the Government of India and the States (i.e. the devolution of funds, functions and functionaries) and the work of the governmental training institutions (i.e. SIRDs, ATIs and others) in developing the capacities of PRIs and officials. It thereby supports the development of capacities at three levels:

a) the enabling environment (i.e. funding frameworks, policy advocacy, etc.),

b) the organisational / institutional level (i.e. training institutions, expert networks, etc.) and

c) the individual level (i.e. PRI members, officials, legislators, etc.)

UNDP defines capacity development as the process through which individuals, organisations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time. For UNDP, the capacity development process consists of five steps that are embedded into a programming process:

1) Engage stakeholders on capacity development;

2) Assess capacity assets and needs and define a vision and mandate;

3) Formulate a capacity development response (i.e. policies and strategies);

4) Budget, manage and implement a capacity development response; and

5) Evaluate capacity development

These processes are rooted in a methodological approach that demands adaptation to the local reality without using blueprints. It must start from the specific capacity requirements and performance expectations of the environment, sector or organisation it supports.

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11 UNDP defines capacity as the “ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner. Capacity Development (CD) is thereby the process through which individuals, organisations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time” (see Website UNDP at www.capacity.undp.org).

The project builds on previous UNDP-supported projects such as “Strengthening of State ATIs in India”¹³ (2000-2002, DoPT) and “Capacity Building of Elected Women Representatives and Functionaries of PRIs”¹⁴ (2003-2007, MoPR), by way of continuing support to established networks and integrating the lessons-learnt. In Orissa, this project will build on the ongoing PRI Capacity Building project “Dakshyata” of the Government of Orissa and UNDP, implemented by the Orissa SIRD in 2008. Early learnings from the Orissa experience will inform the project development in other states. An ongoing UNDP-MoPR project with the Indira Gandhi National Open University (IGNOU) has been exploring the use of distance education modules in training PRI members and will deliver valuable insights¹⁵ for the project.

The project aims to **strengthen institutions and processes** at all levels:

At the national level, a centre of excellence / think tank will be established under the aegis of the MoPR which will provide guidance and advisory services on Capacity Development for PRIs and Local Governance issues to MoPR and State governments. This Centre will also have a pool of resource persons or institutions that can be accessed by participating States or MoPR for generating inputs into the project implementation and to strengthen the overall policy development capacities in the Ministry.

The State Departments of Rural Development / Panchayati Raj will anchor the project at the State level, identify the project scope and serve as the hubs for coordination and cross-sectoral linkages with other State departments. With assistance from resource institutions they will develop or review the State PRI Capacity Development Strategy and will coordinate the adaptation of the framework curriculum developed under this project to the State specific needs.

State level project activities will be carried out mainly by the State Institutes of Rural Development (SIRDs) and their district level extension centers (ETCs) which will be assisted by resource institutions and experts in curriculum design, content development, field-testing of training methods, in developing tools to monitor & evaluate training impact as well as other training related tasks. Curricula would be aligned with ATI curricula whenever possible to ensure convergence. ATI curricula development has been supported through previous UNDP projects. Yet, these may be amended if deemed fit, to ensure that the training materials used by SIRDs and ATIs are aligned.

Where required and/or found appropriate other training institutions will undertake activities under this project - depending to their missions and available capacities. All training institutions will be networked with SIRDs (responsible for training elected representatives and officials from the PR & RD departments) and the ATIs (responsible for training the officials of the State Administrative Services). Cooperation and coordination of training institutions may vary as States may have merged their ATI and SIRD – see Bihar’s BIPARD.

In the ongoing CPAP, the project will work closely with other GoI-UNDP projects such as “Strengthening State Plans for Human Development (SSPHD)” (Planning Commission), “District Planning” (Planning Commission) as well as projects of other UNDP units (i.e. Disaster Risk Management, Energy and Environment, HIV/AIDS and Poverty & Livelihoods). A close link¹⁶ will

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¹³ Documentation of the ATI project includes an impact assessment study on the intensive training done at the district level, a list of modules developed under the project and ToT provided both in India and abroad.

¹⁴ Documentation of the EWR project is currently under preparation (incl. State level reports and a National level report). Two reports by PRIYA (a support agency hired under the project) titled “Engendering Governance Leadership” and Learning Leadership: Women Empowerment in Governance” have documented the approach taken and the impact of the project.

¹⁵ IGNOU is engaged in preparing a multi-modal training intervention for strengthening PRIs (i.e. self-learning materials, audio-visual training modules and a diploma course). These activities would dovetail with the implementation of the NCBF and will be review and considered for upscaling through MoPR’s training interventions through RGSY and BGRF (training component).

¹⁶ The DP project will provide intensive support as part of the integrated planning process supported under the project. In districts where the DP project is launched ahead of CDLG, the DP project will generate inputs for the CDLG design/adaptation of training strategy and curriculum, where the CDLG project launches before the DP project methods and developed materials will be used by the DP project in
be established between the District Planning project undertaken by the Planning Commission and UNDP.

The CDLG project will undertake mobilisation and empowerment activities at the Gram Sabha level accompanying the training pilots for GP elected representatives and officials to ensure the community members’ participation and understanding of accountability methods (e.g. citizen charters, social audits, citizen report cards). Training impact evaluations will assess the effectiveness of both trainings and will document lessons learned.

Coordination between the projects is envisioned as part of the State project steering committee structures and the DP project will contribute with expertise and advice during the development of the training curriculum on district planning. The Planning Commission has expressed an interest in assisting training institutions in establishing and strengthening their capacity to train PRI members in this particular regard and the ongoing SSPHD project with Planning Commission has already initiated a training programme for trainers from SIRDs and ATIs on ‘human development and district planning’.

Acknowledging urban-rural linkages and their importance in district planning, the project would pilot involving elected representatives from ULBs in capacity development interventions related to district planning in close cooperation with the DP project. Cooperation between PRIs and ULBs would be fostered and the CDLG project would assist in strengthening the capacities of training institutions to undertake training in this regard.

On an individual level the project activities intend to achieve a behavioural change through increased motivation, joint decision-making, the provision of resources (i.e. networks, resource persons/institutions, training courses/material, information, innovative solutions and methods) and personal empowerment. Elected representatives and officials of local governments shall be able to improve the capabilities they need to perform their functions better through the outputs produced under this project. Products developed will allow for individual learning opportunities, learning within networks, through peer-learning structures or within larger groups consisting of people with similar or mixed backgrounds (depending on the outcome intended).

During the implementation of the project abovementioned networks, institutions, lawmakers, elected representatives, officials, trainers and experts will continuously be faced with challenges in their local governance related work. The Ministry of Panchayati Raj is eager to explore areas for improvement and intervention through research, documentation, convening fora and organising exposure visits in order to develop policies that address these challenges. Upstream project activities comprise policy advocacy and knowledge management which build, improve and inform the enabling environment for PRI. Fora and exposure visits for policy makers will ensure that these activities are connected with the downstream components of the project (i.e. EWR networks, training pilots and Gram Sabha mobilisation).
### Project Component 1: Strengthened Capacity Development Strategies

<table>
<thead>
<tr>
<th>State Capacity Development Strategy</th>
<th>Planned Activities (List all activities including M&amp;E during the year towards stated CP outputs)</th>
<th>Responsible Party</th>
<th>Source of Funds</th>
<th>Budget Description</th>
<th>Amount (US$)</th>
<th>Amount (Rs.)</th>
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<tr>
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<td>Activity</td>
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### Project Component 2: Policy, research and network support

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### Component 3: Advocacy and sharing of good practices

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<thead>
<tr>
<th>Knowledge products / advocacy materials</th>
<th>Knowledge products (e.g. ToT kits, studies, etc.)</th>
<th>Organization</th>
<th>Service Type</th>
<th>Contractual Services</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MoPR n.a.</td>
<td>UNDP TRAC</td>
<td>74200 - AV and Printing Production Costs</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td>Knowledge sharing</td>
<td>Solution Exchange Network on Decentralisation (Contribution towards running costs)</td>
<td>UNDP TRAC</td>
<td>72100 - Contractual Services</td>
<td>30,000 1,286,700</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National and State level workshops</td>
<td>MoPR TRAC</td>
<td>72100 - Contractual Services</td>
<td>25,000 1,072,250</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exposure visits of elected representatives, public officials and law makers</td>
<td>MoPR n.a.</td>
<td>71600 - Travel</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td><strong>Component 3 Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>55,000 2,358,950</td>
</tr>
</tbody>
</table>
### Component 4: Community empowerment and mobilisation

| Empowered communities to complement capacity development activities in pilot Gram Panchayats | PR&RD State Departments | n.a. | n.a. | 0 | 0 |

Component 4 Total 0 0

### Component 5: Project monitoring, evaluation and capacity development

<table>
<thead>
<tr>
<th>Monitoring</th>
<th>UNDP State Coordinators in 4 UNDAF States (contribution)</th>
<th>Travel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Support</td>
<td>Salary of national level Project Officer (1)</td>
<td>Salaries of national level project support staff (2 NUNVs)</td>
</tr>
<tr>
<td></td>
<td></td>
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</tbody>
</table>
3. **Management Arrangements**

**Implementing Partner**

The project will be implemented by Ministry of Panchayati Raj (MoPR), Govt. of India. MoPR will designate a National Project Director (NPD) at the level of a Joint Secretary to the Government of India. S/he will be responsible for overall management, including achievement of planned results, and for the use of funds through effective process management and well established project review and oversight mechanisms. MoPR will notify the composition of a National Project Steering Committee (see below) and convene quarterly review meetings.

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

MoPR will designate a full time Project Manager from the Ministry itself or hire on project funds. MoPR will provide an appropriate work location for the Project Manager and project staff. Efforts will be made to designate a project manager from the Ministry itself so that capacity is built in the government and remains there after the project is completed. The Project Management Team (see below) will support the NPD in coordinating project management and monitor the project progress. The Project Manager will also coordinate the project activities including the preparation of Annual and Quarterly Work Plans, Budget, Financial Reports, facilitate audit and audit responses etc. and will interface on project management issues.

An Annual Review Report shall be prepared by the Project Manager and shared with the PSC and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Project Progress Reports covering the whole year with updated information for each standard element of the PPR as well as a summary of results achieved against pre-defined annual targets at the output level.

Progress at the State level will be monitored by the Nodal Officers and Project Coordinators (see below) and communicated to the Project Management Team at MoPR. The Project Manager will highlight any quality concerns, issues and risks to the NPD and UNDP in quarterly Project Progress Reports.

**Programme Management Board**

A Programme Management Board (PMB) convened by DEA and UNDP for the Democratic Governance Programme Outcome (Outcome 2 in CPAP) will oversee the delivery and achievement of the results at the Outcome level. The PMB will also appraise the new programme initiatives prior to sign off with the Implementing Partners (IPs). The PMB will comprise ministries relevant to the Programme Outcome and relevant stakeholders identified in consultation with UNDP and Implementing Partners. It will meet twice a year, in the 2nd and 4th quarter, to take stock of the physical and financial progress.

**National Project Steering Committee**

The National Project Steering Committee (NPSC) will be chaired by the National Project Director (NPD), with members comprising Chair of the State Project Coordination Committees (see below), Representative of DoPT (Training), Representative of MoRD (Training), Planning Commission, and UNDP. Meetings will be convened by the NPD every quarter.

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17 If no space is available at the Implementing Partner’s facilities, appropriate work space may be hired at project expense.

18 Implementing partners and therefore members of the PMB are as of September 2nd 2008: the Ministry of Panchayati Raj and the Ministry of Rural Development. Discussions with the Department of Justice and the Planning Commission are ongoing.
The NPSC will be responsible for 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.
- Approve Annual and Quarterly Work Plans.

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

**Project Manager**

A full-time Project Manager as above with the MoPR will carry out day to day management and decision making of the project and will be accountable to the NPSC. S/he will prepare the detailed activity and monitoring plan based on the Annual Work Plan (AWP) and Budget and submit it to the NPSC for approval. The Project Manager will ensure that the project produced 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 MoPR and UNDP the following reports/documents:

- Annual and Quarterly Work Plans;
- Quarterly and Annual Progress Reports (substantive and financial);
- Identification of issues, risks log, quality criteria for monitoring activities and lessons learnt;
- Communications and Monitoring Plan using standard reporting format to be provided by UNDP.

The Project Manager will work in close collaboration with the State governments, other responsible parties, UNDP as well as other partner organizations and undertake periodic monitoring and review of the project activities.

**Project Management Team**

The day-to-day management to ensure implementation of project activities will be supported by a Project Management Team consisting of two National UN Volunteers (NUNVs) and headed by the Project Manager. In order to ensure effective coordination one would be located in the UNDP office and one at MoPR, but both would be reporting to the Project Manager.

**Responsible Parties**

To achieve project results, partners will be identified for achieving specific project results. These will be designated as Responsible Parties and could be State Government departments, Non-Governmental Organisations (NGOs), Autonomous Institutions, private sector development agencies or UN agencies.

One of the responsible parties in the project will be the State Government Panchayati Raj and Rural Development Departments (PR&RD). A Nodal Officer will be designated to oversee the activities in the State. She/he will be supported by one supporting staff person (State Project Coordinator) and will work in close cooperation with the Support Teams to be established at the SIRDs.
The Responsible Parties for the project will be responsible for the implementation of project activities and will carry them out as per their approved work plan and under the overall guidance of the National Project Steering Committee. MoPR will enter into agreements with responsible parties as required to ensure proper implementation of project activities.

**State Project Coordination Committees**

The State Project Coordination Committees (SPCCs) will be chaired by the Commissioner cum Secretary, PR&RD Department. Members include DG SIRD, DG ATI and representatives of MoPR and UNDP, representatives of relevant State departments and other individuals.

The SPCC 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 Work Plans.

**Project Assurance**

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

**Funds Flow Arrangements and Financial Management**

Funds will be released to the MoPR as per the approved AWP and QWPs. The MoPR will account for funds received from UNDP and/or request UNDP to proceed directly with payments on its behalf on a quarterly basis through the standard Fund Authorization and Certificate of Expenditure (FACE) Report duly signed by the NPD. No funds shall be released by UNDP without prior submission of a duly filled and signed FACE report. The Project Manager will be responsible for compilation and collation of these Financial Reports. Unspent funds from the approved AWPs will be reviewed in the early part of the last quarter of the calendar year and funds reallocated accordingly. The detailed UNDP financial guidelines will be provided on signature of the project.

The MoPR may enter into an agreement with UNDP for the provision of implementation support services (ISS) provided by UNDP in the form of procurement of goods and services. UNDP rules and regulations as well as charges will apply in such cases. Also the cost for the implementation support services provided by UNDP will be charged as per UNDP rules and regulations. The details of UNDP’s support services will be outlined while finalizing the Annual Work Plan and Budgets for each year.

The AWP budget will allocate upto 1% of the total project for communication, advocacy and accountability purposes undertaken by UNDP.

A separate Savings Bank Account in the name of the project will be opened by responsible parties and any interest accrued on the project funds during the project cycle will be ploughed back into the project in consultation with MoPR, State governments and UNDP or refunded to UNDP if there is no scope for ploughing back accordingly the project budget will stand reduced by the corresponding amount.

**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 MoPR. 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

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19 For 2008 no Quarterly Work Plan (QWP) will be required as the project AWP encompasses only one quarter.
reporting; (b) monitoring, valuation and reporting; (c) use and control of non-extendable reporting; (d) UNDP Country Office support. In line with the UN Audit Board requirements for submitting the final audit reports by 30 April, the auditors will carry out field visits during February/March. Detailed instructions on audit will be circulated by UNDP separately and on signature.

4. **MONITORING FRAMEWORK AND EVALUATION**

A monitoring and evaluation system will be established to track the project’s progress at national and State levels. It will also help identify lessons and good practices with potential for policy advocacy and replication/scaling up in other states/regions. The monitoring tools used will promote learning (including identification of factors that impede the achievement of outputs). Such learning will be used to adapt strategies accordingly and avoid repeating mistakes from the past. ICTs will be used to provide easily accessible information to various stakeholders.

MoPR and State Government Departments will have the overall responsibility of monitoring their respective AWPs, in line with the roles and responsibilities described above and through regular monitoring visits and quarterly review meetings by the NPSC and SPCCs. The Project Manager will be responsible for overall coordination and management of project activities through periodic field visits, interactions with State level project teams/partners and desk reviews. S/he will also prepare and submit periodic progress reports to the NPSC Monitoring will be an on-going process and mid-course corrections will be made if required.

An annual project review will be conducted during the 4th quarter of each year to assess the performance of the project and the extent to which progress is being made towards outputs, and ensure that these remain aligned to relevant outcomes. Based on the status of project progress, the Project Manager will prepare an Annual Work Plan for the subsequent year which will be discussed and approved at the annual review meeting. In addition, UNDP will commission a mid-term project review and annual management and financial audit during the project period. In the last year, the annual review will be the final evaluation of the project and this will involve all key project stakeholders.

A variety of formal and informal monitoring tools and mechanisms should be used by the Project Management Team and IPs. This would include field visits as well as reports in standard UNDP formats and as per UNDP’s web-based project management system (ATLAS). Within the annual cycle, the Project Manager in consultation with the NPD, State Nodal Officers and UNDP will ensure quarterly review and reporting.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

**Within the annual cycle**

- **On a quarterly basis** –
  - A quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
  - 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.
  - Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
  - Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board.
through Project Assurance, using the standard report format available in the Executive Snapshot.

- A project Lesson-learned log shall be activated and regularly updated to ensure ongoing learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project.
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events.

- Annually –
  - Annual Review Report. An Annual Review Report shall be prepared by the Project Manager and shared with the Programme Management Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
  - Annual Project Review. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Quality Management for Project Activity Results

<p>| OUTPUT 1: Institutions and mechanisms strengthened to enhance capacities of elected representatives and functionaries for human development oriented, inclusive planning, implementation, and improved accountability in local governance |
|---|---|
| Activity Result 1 (Atlas Activity ID) | Capacity Development for Local Governance |
| Start Date: | 5 November 2008 |
| End Date: | 31 December 2008 |
| Purpose | The activity aims to strengthen institutions and processes at various levels which bring about a behavioural change through increased motivation, joint decision-making, the provision of resources (i.e. networks, resource persons/institutions, training courses/material, information, innovative solutions and methods) and personal empowerment. |
| In 2008, the activity aims to | • establish project management structures at National and State Level. • Initiate project activities at the National and State level (especially technical assistance) |
| Description | Procurement of services for project activities and constituting project implementation and other structures |
| Quality Criteria | how/with what indicators the quality of the activity result will be measured? |
| Quality Method | Means of verification. What method will be used to determine if quality criteria has been met? |
| Date of Assessment | When will the assessment of quality be performed? |
| Resource institutions hired for providing technical assistance | Appropriate resource institution with relevant expertise hired to provide technical assistance |
| 10 December 2008 |
| Project staff to support project activities hired | Relevant staff with appropriate qualifications and experience engaged at the national and State level |
| 10 December 2008 |</p>
<table>
<thead>
<tr>
<th>Necessary committees at the national/State level constituted</th>
<th>Notification informing constitution of Committees</th>
<th>10 December 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of proposals received from responsible parties</td>
<td>Proposal review</td>
<td>10 December 2008</td>
</tr>
</tbody>
</table>
## ANNUAL WORK PLAN MONITORING TOOL

**Year 2008**

### EXPECTED OUTPUTS AND INDICATORS

including annual targets

<table>
<thead>
<tr>
<th>PLANNED ACTIVITIES</th>
<th>EXPENDITURES (USD)</th>
<th>RESULTS OF ACTIVITIES</th>
<th>PROGRESS TOWARDS ACHIEVING OUTPUTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring of Project Management and Coordination Personnel at State level</td>
<td>6.000</td>
<td>Project management and coordination teams at State level functional.</td>
<td></td>
</tr>
<tr>
<td>Procurement of office equipment</td>
<td>12.000</td>
<td>Equipment for office staff procured.</td>
<td></td>
</tr>
<tr>
<td>Contracting of National resource institutions to support NCBF implementation.</td>
<td>30.000</td>
<td>National resource institution(s) contracted and work initiated.</td>
<td></td>
</tr>
<tr>
<td>Provision of Technical Assistance to MoPR</td>
<td>108.278</td>
<td>Policy and research support to the National Capacity Building Framework.</td>
<td></td>
</tr>
<tr>
<td>Knowledge Sharing and Networking</td>
<td>55.000</td>
<td>Knowledge Sharing on Decentralisation and Sharing of lessons learned from previous UNDP-MoPR projects.</td>
<td></td>
</tr>
<tr>
<td>Initiation of work on State Capacity Development Strategies</td>
<td>266.743</td>
<td>Work initiated in 4 States.</td>
<td></td>
</tr>
<tr>
<td>Project monitoring, evaluation and capacity building</td>
<td>98.094</td>
<td>Project implementation supported by UNDP (ISS). Project managed as per UNDP rules and regulations.</td>
<td></td>
</tr>
</tbody>
</table>

**OUTPUT 1:** Institutions and mechanisms strengthened to enhance capacities of elected representatives and functionaries for human development oriented, inclusive planning, implementation and improved accountability in local governance.

This is a first year AWP with no progress to be reported so far.

While activities may be initiated in some States, work may commence there only during the subsequent year.
6. **LEGAL CONTEXT**

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together the instrument envisaged in the Supplemental Provisions to the Project Document.

Consistent with Supplemental Provisions, the responsibility for safety and security of the IP and its personnel and property, and of UNDP’s property in the implementing partner’s custody, rests with the implementing partner. The implementing partner shall:

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

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

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

7. **ANNEX**

Annexure 1 - Project Brief (incl. Risk Analysis) as approved by LPAC

Annexure 2 – ISS Letter

Annexure 3 – ToRs of the Project Manager
STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT FOR THE
PROVISION OF SUPPORT SERVICES

Dear Mr. T.R. Raghunandan,

1. Reference is made to consultations between officials of the Government of India (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant project document, as described below.

2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.

3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme/project:
   (a) Identification and/or recruitment of project personnel;
   (b) Identification and facilitation of training activities;
   (a) Procurement of goods and services;

4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the project document, in the form provided in the Attachment hereto. If the requirements for support services by the country office change during the life of a project, the annex to the programme support document or project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.

5. The relevant provisions of the standard basic assistance agreement signed by the Government of India and UNDP on 19 December 1994 (the "SBAA"), including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed project through its designated institution. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the project document.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.
7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the project document.

8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Yours sincerely,

Signed on behalf of UNDP
Ms. Deirdre Boyd
Country Director

For the Government of India
Mr. T.R. Raghunandan
Ministry of Panchayati Raj
DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between the Ministry of Panchayati Raj, the institution designated by the Government of India and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed project No. 61110 - Capacity Building for Local Governance (CDLG), “the Project”.

2. In accordance with the provisions of the letter of agreement signed on 27/10/68 and the project document, the UNDP country office shall provide support services for the Project as described below.

3. Support services to be provided:

<table>
<thead>
<tr>
<th>Support services</th>
<th>Schedule for the provision of the support services</th>
<th>Cost to UNDP of providing such support services (where appropriate)</th>
<th>Amount and method of reimbursement of UNDP (where appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment / Hiring of Professional Staff</td>
<td>As and when required.</td>
<td></td>
<td>Based on the transaction costs of the tasks involved, a lump sum of USD 10,000 implementation support service cost is charged annually to the project as per signed Annual Work Plans and the Project Brief.</td>
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<tr>
<td>Direct Payment and Reporting</td>
<td>Mandated every quarter and as and when required.</td>
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<tr>
<td>Procurement of Goods and Services</td>
<td>As and when required.</td>
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</tr>
<tr>
<td>Facilitation of Training Activities and Workshops</td>
<td>As and when required.</td>
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</table>
UNITED NATIONS DEVELOPMENT PROGRAMME
Terms of Reference

Post Title: Project Manager
Organization: UNDP Project
Duty Station: New Delhi
Project: Capacity Development for Local Governance

Background:
The Government of India-UNDP project Capacity Development for Local Governance, is implemented by the Ministry of Panchayati Raj (MoPR). State governments and national level resource institutions are partners in the project. The National Project Director for the project is Joint Secretary, MoPR.

The project is seeking to appoint a Project Manager to support the project implementation. The Project Manager will be located in MoPR and will report to the NPD.

Duties and Responsibilities:

- Support the National Project Director in:
  - Preparation of annual and quarterly work plans
  - Preparation of budgets and financial reports in the prescribed reporting format
  - Ensuring that quarterly project expenditures are appropriately reflected in the Ministry's budget
  - Monitoring project progress
  - Preparation of quarterly and annual reports. The quarterly reports should highlight concerns, issues and risks that need to be addressed.
  - Reviewing and ensuring quality of deliverables
  - Organizing meeting of the Project Standing Committee, collating, compiling and presenting reports on actual progress against the approved work plan both in terms of physical activities as well as financial expenditures.

- Coordinating and liaising with State governments and resources institutions:
  - Examine the content of the work plans submitted for approval and report, on the extent to which the work plans are in line with the overall objectives of the project and the modifications that are required in the plan.
  - Ensuring that the activities undertaken proceed according to the approved work plan.
  - Consolidating reports received from States/national resource institution and analyzing them.
  - Monitoring project activities including financial expenditure and providing feedback.

- Responsible for coordinating with the Internal Finance Wing of the MoPR as regards Budget Estimates, Revised Estimates, preparation of and reporting against Outcome Budget, reasons for variation in accruals as compared to Budget Estimates and Revised Estimates, periodical booking of expenditure against the Budget after due scrutiny of expenditure reports etc.

- Ensuring compliance of rules and procedures of Government and UNDP in the programme implementation.

- Ensuring effective financial management and reporting as per requirements of Government and the UNDP financial guidelines.
- Identify capacity building needs of project partners and project staff and arrange for necessary training.
- Facilitating knowledge networking in the country among all stakeholders.
- Responsible for providing the basic documentation and data required for the evaluation of the programme and follow-up on the findings of the evaluation report.
- Any other task as assigned by the National Project Director from time to time.

**Educational Qualifications:**

- Post-Graduate Degree in social sciences, management, public administration and rural development or management.

**Experience:**

- At least 10 years experience of which at least 3 years should have been at a mid-level position is required.
- Understanding of issues pertaining to decentralisation, local governance and cross-cutting issues such as gender, human rights and human development.
- Involvement in the implementation of a large social sector project involving several stakeholders including Governments would be desirable.
- Prior experience of working on capacity building initiatives and of coordinating and dealing with State Governments would be desirable.
- Experience in project formulation, implementation and evaluation.
- Excellent organizational / managerial skills.

**Languages:**

- Excellent knowledge of written and spoken English and Hindi is essential.