INTEROFFICE MEMORANDUM

Date: 03 February 2015

To: Jaco Cilliers, Country Director

Through: Resources and Planning after reviewing budget, fund flow arrangements (no change), cost recovery, implementing partners and responsible parties

Through: Management Support Unit after checking budget Allocation

From: Ratnesh, Programme Analyst

Name of the Projects: Policy and Advocacy (No.00086909) and Strategic Programmatic Engagement at State Level (No.00082275)

Implementing Agency: UNDP (Direct Implementation)

Critical Path: Not Applicable (as per defence process)

Attached are the Annual Work Plans 2015 of Policy and Advocacy project and Strategic Programmatic Engagement at State Level project.

The total budget of the Policy and Advocacy Project for 2015 is USD 2,398,317 and total budget of the Strategic Programmatic Engagement at State Level Project for 2015 is USD 1,434,625.

For your approval and signature please.

DEA approval received on 17th March 2015 (attached)
**Project Title:** Strategic programmatic engagement at state level  
**Implementing Partner:** UNDP

**PROJECT DESCRIPTION (NOT MORE THAN 1/2 PAGE)**

**A. State the specific development challenge or gap that this AWP is addressing.**
India is a federal democracy with more than half of general government expenditures being undertaken at the state or district levels. The extent of inter-state differences in the pace of economic growth and development, in the past decade, has been an area of concern. This AWP seeks to work closely with state Governments to improve delivery mechanisms and increase the efficiency and effectiveness of governance structures and programmes. Project and programme level UNDP evaluations have recommended greater emphasis on state level monitoring of UNDP projects and activities, based on deeper interactions with local stakeholders and beneficiaries. Development outcomes in India indicate that

**B. Select one or more of the below strategies for addressing the above mentioned challenge/gap and describe in the context of this AWP:**
Changes in attitudes and access to decision making through awareness raising, brokering, convening Changes in policies, plans, budgets and legislation through support to national assessment, planning, budgeting, policy making

**C. List the possible improvements in the capacities of institutions, individuals and systems that will occur as a result of this AWP:**
- Enhanced capacities and tools for real time monitoring of implementation of development schemes  
- Improved capacity for bottleneck analysis of key development schemes in states
- Greater access to successful models and pilots for evidence based policy improvements
- Stronger linkages with stakeholders including CSO and people belonging to excluded groups
- New partnerships for innovations

**D. List the gender issues in this AWP and specific ways in which they will be addressed.**
Improvements in capacities of state governments and better quality monitoring of implementation of development schemes will ensure greater inclusion of women and their priorities.

**E. List the South-South cooperation opportunities in this AWP and specific ways in which they will be addressed.**
Select good practices from states documented for sharing with other states and with countries of the south.

<table>
<thead>
<tr>
<th>Programme Period:</th>
<th>2013-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Result Area (Strategic Plan):</td>
<td>All</td>
</tr>
<tr>
<td>Atlas Project ID:</td>
<td>00074556</td>
</tr>
<tr>
<td>Atlas Output ID:</td>
<td>00082275</td>
</tr>
<tr>
<td>Start Date:</td>
<td>1 January 2013</td>
</tr>
<tr>
<td>End Date:</td>
<td>31 December, 2017</td>
</tr>
<tr>
<td>PAC Meeting Date:</td>
<td>NA</td>
</tr>
<tr>
<td>Implementation modality:</td>
<td>DIM</td>
</tr>
</tbody>
</table>

| 2015 AWP budget: US$ 1,434,625 (core US$ 550,000 non core US$ 884,625) |
|---|---|
| Revised Multi year indicative budget: US$ 5,000,000 (Subject to availability of necessary funds to UNDP) |
| - Regular US$ 2,500,000 |
| - Other: |
| - Govt of India US$ 1,615,375* |
| - Himachal Govt US$ 884,625 |

<table>
<thead>
<tr>
<th>UNDP Funds</th>
<th>Government Funds</th>
<th>Donor Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,500,000</td>
<td>2,500,000 (884,625 Himachal Govt., 1,615,375 to be mobilised)</td>
<td>nil</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

*to be mobilised

<table>
<thead>
<tr>
<th>Total Project Budget</th>
<th>Exp 2013</th>
<th>Exp 2014</th>
<th>Budget 2015</th>
<th>Budget 2016</th>
<th>Budget 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000,000***</td>
<td>359,046</td>
<td>463,133**</td>
<td>1,434,625</td>
<td>1,371,598</td>
<td>1,371,598</td>
</tr>
</tbody>
</table>

**provisional figure subject to change after closure of accounts in Q1 2015.**  
***Total allocation of UNDP funds revised from original 1,500,000 to 2,500,000 and overall budget to 5,000,000.

Agreed by UNDP:  
Jaco Cilliers  
Country Director
### Annual Work Plan - Year: 2015

Key area of UNDP strategic Plan: Poverty eradication, achievement of MDGs

**UNDAF / CPAP OUTCOME:** Inclusive and equitable growth policies and poverty reduction strategies of the Government are strengthened to ensure that most vulnerable and marginalized people in rural and urban areas have greater access to productive assets, decent employment, skills development, social protection and sustainable livelihoods.

**CPAP OUTCOME Indicators:** (1) The gaps between HDI for SC (0.328) and HDI for ST (0.270) and the National HDI (0.422) each reduced by 15% in the UNDAF focus states. (2) Percentage increase in the number of households from persistently excluded groups in rural and urban areas accessing national flagship livelihood and employment schemes and missions: MGNREGA, NRLM, NULM.

**CONTRIBUTING TO CPAP OUTPUT:** Effective policy options for inclusive growth, poverty eradication and human development are provided to national partners.

**CONTRIBUTING TO CPAP 5 year target:** Undertaking policy research, analysis and advocacy on emerging challenges to inclusive growth and poverty eradication.

<table>
<thead>
<tr>
<th>Annual OUTPUTS</th>
<th>PLANNED ACTIVITIES</th>
<th>Month of completion</th>
<th>RESPONSIBLE PARTY</th>
<th>PLANNED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Funding Source</td>
<td>Budget Description</td>
</tr>
<tr>
<td>State governments in UNDAF states provided high quality analysis and advice on programme implementation bottlenecks</td>
<td>Implementing mechanisms for improved monitoring of key development schemes in 4 states</td>
<td>December</td>
<td>TBD</td>
<td>UNDP</td>
</tr>
<tr>
<td></td>
<td>Provision of Technical Support to Government of Himachal Pradesh under NULM</td>
<td>December</td>
<td>TBD</td>
<td>HP Govt</td>
</tr>
<tr>
<td>Results of UNDP partnership with state governments documented and disseminated among UNDAF states and other partners</td>
<td>Documentation of success stories</td>
<td>December</td>
<td>TBD</td>
<td>UNDP</td>
</tr>
<tr>
<td></td>
<td>Dissemination through local, national and international websites other channels</td>
<td>December</td>
<td>TBD</td>
<td>UNDP</td>
</tr>
<tr>
<td>Project staff salaries and project management costs</td>
<td></td>
<td>December</td>
<td></td>
<td>UNDP</td>
</tr>
<tr>
<td>DPC</td>
<td></td>
<td></td>
<td></td>
<td>74500</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>74500</td>
</tr>
<tr>
<td>Development Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td>HP Govt</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>74500</td>
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<tr>
<td>GMS (HP Govt)</td>
<td></td>
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<td></td>
<td>61000</td>
</tr>
<tr>
<td>Sub Total</td>
<td></td>
<td></td>
<td></td>
<td>75100</td>
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</table>

<table>
<thead>
<tr>
<th>AWP TOTAL IN USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,434,625</td>
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</tbody>
</table>
II. **Multi Year Project Strategy Description**

**Situation Analysis:**
India is a federal democracy with more than half of general government expenditures being undertaken at the state or district levels. The extent of inter-state differences in the pace of economic growth and development, in the past decade, has been an area of concern. This AWP seeks to work closely with state Governments to improve delivery mechanisms and increase the efficiency and effectiveness of governance structures and programmes. Project and programme level UNDP evaluations have recommended greater emphasis on state level monitoring of UNDP projects and activities, based on closer interactions with local stakeholders and beneficiaries.

Development outcomes in India indicate that External evaluations, partner surveys and internal reviews indicate that the GoI- UNDP programme requires closer results monitoring and effective dissemination among stakeholders and partners. Hence, the learning loop between state and national level results planning, results monitoring and dissemination of results is one which requires greater investment of capacity and programme support.

After almost half a century of global development work, and partnership with Government of India, UNDP has earned the respect of governments in donor and programme countries, of other stakeholders, as well as of many citizens, who identify the organization with knowledge (led by the flagship Human Development Reports), global presence, programmes to enhance governance and to fight poverty, leadership on the Millennium Development Goals and a critical role in crisis countries.

**Scope:** This project is a congruous combination of strategic results planning, programme monitoring at state level and dissemination of results for learning. As mentioned in the GoI-UNDP CPAP, a maximum of 2 percent of the five year country programme funds will be allocated for disbursements by UNDP in support of state level support and for specific communication, advocacy and accountability purposes.

The project will work towards the following two related result areas

**Output 1:** State governments in UNDAF states provided high quality analysis and advice on programme implementation bottlenecks
- State governments receive targeted support for ensuring effective and efficient implementation of government schemes
- Implementation bottlenecks analysed for select schemes and appropriate solutions and strategies devised
- New partnerships developed at the state level in the nine UNDAF states
- Tools for real time monitoring of implementation developed and rolled out
- UNDP India provides direct implementation support to state governments

**Output 2:** State governments in UNDAF states provided with support to ensure higher inclusion and participation of excluded groups in governance and implementation
- Concurrent monitoring and evaluations of state govt programmes undertaken in partnership with state govs
- State level results of GoI-UNDP projects highlighted for learning
- International good practice adapted for state level use
## Results framework for 5 years:

<table>
<thead>
<tr>
<th>INTENDED PROJECT OUTPUTS over 5 years</th>
<th>OUTPUT TARGETS FOR each year</th>
<th>INDICATIVE ACTIVITIES</th>
<th>RESPONSIBLE PARTIES</th>
<th>BUDGET</th>
</tr>
</thead>
</table>
| **Output 1:** State governments in UNDAF states provided high quality analysis and advice on programme implementation bottlenecks | State governments receive targeted support for ensuring effective and efficient implementation of government schemes  
Implementation bottlenecks analysed for select schemes and appropriate solutions and strategies devised  
UNDP India provides direct implementation support to state governments | Implementing mechanisms for improved monitoring of key development schemes  
Knowledge partnerships with state level stakeholders for undertaking primary and secondary research  
Documentation of success stories  
New partnerships developed at the state level in the nine UNDAF states  
Tools for real time monitoring of implementation developed and rolled out | Various TBD | UNDP $1,250,000 |
| | | | DSS $1,250,000 |
| **Output 2:** State governments in UNDAF states provided with support to ensure higher inclusion and participation of excluded groups in governance and implementation | Concurrent monitoring and evaluations of state govt programmes undertaken in partnership with state govt  
State level results of GoI-UNDP projects highlighted for learning  
International good practice adapted for state level use | Consultations on inclusion, especially of tribals and dalits in UNDAF states  
Develop increased understanding of sustainable development issues among key development partners at state level  
Developing state level partnerships with organisation of marginalised groups to ensure greater participation | Various TBD | UNDP $1,250,000 |
| | | | DSS $1,250,000 |

**TOTAL 5 year budget** $ 5,000,000
III. MANAGEMENT ARRANGEMENTS

Project Modality

**Implementing Partner (IP):** The project will be directly implemented by UNDP in close cooperation with government and non-government partners. UNDP will be responsible for the effective use of resources and the achievement of the project outcomes and outputs as set forth in the document. UNDP will designate a nodal officer, who will be focal point for all financial management, reporting, procurement and recruitment services. UNDP recruitment and procurement rules will apply. UNDP will prepare a budgeted Annual Work Plan on an annual basis, as per UNDP rules and regulations.

**Project Steering Committee:** Oversight of project level activities will be provided by the Project Steering Committee (PSC) that will be chaired by the UNDP Resident Representative. The PSC will comprise designated representatives from different sections in UNDP and a representative from DEA. Other stakeholders such as relevant government ministries or civil society partners and experts, may be invited when needed. The PSC will be responsible for approving the budgeted AWPs and providing overall guidance and oversight. PSC will be convened at least once a year, but efforts will be made to organize quarterly/half yearly meetings to ensure regular follow up.

In addition, the PSC will be responsible for regular project reviews to ensure that the agreed deliverables are produced satisfactorily according to plans and timelines; assess and decide to proceed on project changes through appropriate revisions and arbitrate on any conflicts within the project or negotiate a solution to emerging problems.

In order to ensure UNDP's ultimate accountability, PSC decisions will be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the PSC, final decision shall rest with the UNDP. In addition, the PSC plays a critical role in UNDP commissioned project evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning. UNDP will be responsible for achieving outcomes level results. The PSC will appraise the project annual review report, make recommendations for the next annual work plan, and inform the Outcome Board about the results of the review.

The project results will be reviewed at the Country Programme Management Board (CPMB) comprising DEA and UNDP. The oversight will consist, at a minimum, of a six monthly review (at the end of the second quarter) and an annual strategic review (at the last quarter of the year) between DEA and UNDP, together with Implementing Partners. The recommendations from the annual review will be updated to adjust the project plan and budgets for the coming year, if required.

UNDP will enter into agreements with state government to provide specific services to them under the project using the 'Development Support Services' modality. UNDP will enter into agreement(s) with other organizations or entities for providing goods and services to the project, carry out project activities and produce project outputs.

UNDP will designate a regular UNDP staff as the Project Manager for the project. S/he will coordinate the Project activities including the preparation of Annual and Quarterly Work Plans, Budget, Financial Reports, etc. and will interface on project management issues. The Project Manager will be responsible for:

- Managing the overall conduct of the project;
Implementing activities by mobilizing goods and services;
Checking on progress and watch for plan deviations;
Regular progress reporting to the PSC;
Ensuring that changes are controlled and problems addressed;
Monitoring progress and risks;
Reporting on progress including measures to address challenges and opportunities.
Coordinate the Project activities including the preparation of Annual and Quarterly Work Plans, Budget, Financial Reports, etc;
Capture lessons learnt during project implementation
Prepare the annual review report, and submit the report to the PSC.

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

Ensure that funds are made available to the project;
Ensure the project is making progress towards intended outputs;
Perform regular monitoring activities, such as periodic monitoring visits and spot checks;
Ensure that resources entrusted to UNDP are utilized appropriately;
Ensure that critical project information is monitored and updated.
Ensure that financial reports are submitted to UNDP on time, and that combined delivery reports are prepared and submitted to the PSC;
Ensure that risks are properly identified, managed, and monitored on regular basis.

An independent external review may be conducted through resource persons/groups to feed into this process. The UNDP official responsible for the Project Assurance and the NPM will meet on a quarterly basis to assess progress of the decisions taken in the PSC.

**Project Assistant role provides project administration, management and technical support to the Project Manager as required by the needs of the individual project or Project Manager with the following responsibilities:**

Technical Expertise
Set up and maintain project files;
Collect project related information data;
Assist the project manager in updating project plans;
Administer PSC meetings and reviews;
Administer project revision control;
Establish document control procedures;
Compile, copy and distribute all project reports;
Assist in the financial management tasks under the responsibility of the project coordinator and manager;
Provide support in the use of Atlas for monitoring and reporting;
Review technical reports;
Monitor technical activities carried out by responsible parties.

**Agreement on the intellectual property rights and use of logo on the project's deliverables**

In order to accord proper acknowledgement to partners, UNDP and partner logos should appear on all relevant project publications as applicable and adhere to the branding guidelines of the agencies.

**Funds Flow Arrangements and Financial Management:**

The project follows DIM (Direct Implementation) modality and UNDP takes on the role of implementing partner.

In this case, UNDP has the technical and administrative capacity to assume the responsibility for mobilizing and applying effectively the required inputs in order to reach the expected outputs. UNDP assumes overall management responsibility and accountability for project implementation. Accordingly UNDP would follow all policies and procedures established for its own operations and will be responsible for all financial management, reporting, procurement and recruitment services.

UNDP will prepare a budgeted Annual Work Plan on an Annual basis, as per UNDP rules and regulations.

UNDP may identify a Responsible Party to carry out activities within a DIM project. A Responsible Party is defined as an entity that has been selected to act on behalf of the UNDP on the basis of a written agreement or contract to purchase goods or provide services using the project budget. All Responsible Parties are directly accountable to UNDP in accordance with the terms of their agreement or contract with UNDP.

The Responsible Party may follow its own procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of the responsible party, does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, that of UNDP shall apply.

**Audit:** The audit will be governed as per UNDP norms.

**Project Closure:**

Project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities completed. Through the PSC, the implementing partner notifies the UNDP when this has been done. When a project is operationally complete, the parties must agree on the disposal of any equipment and complete the transfer of assets under the project. Projects will be financially completed when the Implementing Partner has reported all financial transactions to UNDP so that the project accounts can be closed. UNDP and the
Implementing Partner will certify a final Combined Delivery Report. Projects will be financially completed not more than 12 months after being operationally completed. Between operational and financial closure, the Implementing Partner will be required to identify and settle all financial obligations and prepare a final expenditure report. No adjustments can be made to a financially completed project.

IV. MONITORING FRAMEWORK AND EVALUATION

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

A. MONTHLY PROGRESS REPORT: The Implementing Partner, in consultation with the project teams, will provide brief monthly updates on progress against planned activities and budgets. These monthly reports will be provided in the format provided at Annex 1. These monthly reports will be consolidated, as required, by UNDP’s quality assurance team for progress review meetings.

B. ONE TIME RISK LOG: Based on the initial risk analysis, a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation. This will be completed by UNDP project assurance team in consultation with the Implementing partner. Use the standard Risk Log template

C. In case a project EVALUATION is required, please indicate the justification and proposed timing for the evaluation. A project evaluation is required only when mandated by partnership protocols such as GEF. However, a project evaluation may be required due to the complexity or innovative aspects of the project.

D. ANNUAL REVIEW REPORT: An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. The reporting format at Annex 2 will used to provide brief description of results achieved in the year against pre-defined annual targets.

E. 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.

V. LEGAL CONTEXT

“This document together with the CPAP signed by the Government and UNDP which is incorporated by reference, constitute together the instrument envisaged and defined in the Supplemental Provisions to the Project attached hereto and forming an integral part hereof, as “the Project Document”

UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations safety and security management system.
UNDP agrees to undertake all reasonable efforts to ensure that none of the [project funds][1] [UNDP funds received pursuant to the Project Document][2] 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). The list can be accessed via [http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.”

[1] To be used where UNDP is the Implementing Partner
[2] To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner.
B.D. Barua  
Deputy Secretary (UN)  
Telefax: 23095085  
D.O.No.25/4/2013-UN/MR-IV  
17 MAR 2015  
17.3.2015

Dear

Please refer to your letter dated 3rd February 2015 forwarding a proposal for upward revision of the UNDP assisted projects viz. (i) Policy and Advocacy and (ii) Strategic Programmatic engagement at State level with additional funding from UNDP and other donors.

2. DEA concurs with the revised outlay proposed by UNDP in respect of the above two projects as per details shown below:

1. **Policy and Advocacy:**
   - UNDP: 9,000,000 USD
   - Govt Funding: 970,000 USD
   - Rabobank Foundation: 30,000 USD
   - Total proposed Outlay: 10,000,000 USD

2. **Strategic Programmatic Engagement at State Level:**
   - UNDP: 2,500,000 USD
   - Govt Funding: 2,500,000 USD (USD 884,525 from Govt. of H.P & USD 1,615,375 from Govt)
   - Total proposed Outlay: 5,000,000 USD