



India: Capacity Building of the Aid Accounts and Audit Division of the Ministry of Finance

Project Name	Capacity Building of the Aid Accounts and Audit Division of the Ministry of Finance
Project Number	45016-001
Country	India
Project Status	Active
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	TA 9471-IND: Capacity Building of the Aid Accounts and Audit Division of the Ministry of Finance Technical Assistance Special Fund US\$ 725,000.00
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions
Sector / Subsector	Information and communication technology - ICT strategy and policy, and capacity development
Gender Equity and Mainstreaming	No gender elements
Description	<p>The proposed Knowledge and Support Technical Assistance (KSTA) is intended to assist the Aid Accounts and Audit Division (AAAD), Department of Economic Affairs (DEA) under the Ministry of Finance (MOF), in strengthening its institutional capacity by streamlining public debt management and funds flow operations. The proposed TA aims to assist in system re-engineering, upgrade of IT infrastructure and automation of work process related to external debt management; specialized trainings for AAAD officials; capacity building and training of various stakeholders for better fund flows and loan covenant compliance; and study of existing fund flow mechanism and identify ways to expedite and improved fund flow mechanism.</p>
Project Rationale and Linkage to Country/Regional Strategy	<p>Presently most of the business processes within government departments are manual with paper-based workflows involving physical handoffs and exchange of documents. There is a need to eliminate this paper-based workflow and instead, send documents electronically to save time and reduce paper handling costs. The changes will promote process efficiencies, reduce errors and avoid unnecessary process delays.</p> <p>Increased infrastructure investment of the country will also entail a larger portfolio of multilateral and bilateral borrowings and receipt of grants by the government. In this context, one of the key departments requiring an enhanced IT infrastructure is the AAAD. AAAD is responsible for maintaining comprehensive accounts of all the loans and grants obtained by the government from all external (multilateral and bilateral) funding sources.</p> <p>To streamline AAAD's financial transaction activities and achieve higher efficiency in day-to-day operations, the TA aims to: Modernize the IT systems for debt management: A new integrated computerized system (ICS) will be developed, and tailor-made for AAAD operations; Conduct capacity Building activities for AAAD: One workshop each on updated training manual and audit compliance for various stakeholders in the government will be conducted. One international study tour for AAAD officials will be conducted to understand the best practices in debt management; Redesign functional work flow document. This document will provide all the day-to-day processes being used by AAAD in detail; Study the existing fund flow mechanism. The study report aims to assess lengthy procedures and explore modalities through which EAP fund flow mechanisms can be rationalized without violating the governments procedural guidelines in substance.</p>
Impact	Government budgetary administration system digitally and economically strengthened.
Project Outcome	
Description of Outcome	Capacity of AAAD in managing business processes and funds flow for Externally Aided Projects (EAPs) increased.

Progress Toward Outcome

- a) Project Advisory cum Supervision Consultant (PASC) is on board w.e.f 11 June 2018.
- b) Individual consultant is on board w.e.f 16 July 2018.
- c) Relevant procurement under the TA completed.
- d) Expression of Interest for System Integrator (SI) was floated on 3 July 2018 and closed on 14 August 2018 (including 10 days of extension for obtaining better response). The evaluation of EOI and preparation of RFP is under process and is likely to be issued within 1 week of October 2018.

Implementation Progress

Description of Project Outputs	1. IT systems for debt management modernized 2. Capacity Building activities for AAAD conducted. 3. Functional work flow document of AAAD redesigned 4. Study on existing fund flow mechanism prepared
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide

Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	

Stakeholder Communication, Participation, and Consultation

During Project Design	
During Project Implementation	

Business Opportunities

Consulting Services	Project Advisory Consultancy (PAC) System Integrator for implementation and maintenance of Integrated Computerized System (ICS)
Procurement	Not applicable

Responsible ADB Officer	Sarkar, Krishnendu B.
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission
Executing Agencies	<i>Ministry of Finance (Aid Accounts & Audit Division) 5th Floor, B Wing, Janpath Bhawan Janpath, New Delhi 110 001 India</i>

Timetable

Concept Clearance	17 Aug 2017
Fact Finding	-
MRM	-
Approval	15 Dec 2017
Last Review Mission	-
Last PDS Update	27 Sep 2018

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2017	02 Feb 2018	02 Feb 2018	31 Dec 2020	-	-

Financing Plan/TA Utilization	Cumulative Disbursements
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ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
725,000.00	0.00	0.00	0.00	0.00	0.00	725,000.00	15 Dec 2017	21,635.15

Project Page <https://www.adb.org/projects/45016-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=45016-001>

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