

Implementation Status & Results
India
Karnataka Panchayats Strengthening Project (P078832)

Operation Name: Karnataka Panchayats Strengthening Project (P078832)	Project Stage: Implementation	Seq.No: 16	Status: ARCHIVED	Archive Date: 23-Dec-2013
Country: India	Approval FY: 2006			
Product Line: IBRD/IDA	Region: SOUTH ASIA	Lending Instrument: Specific Investment Loan		
Implementing Agency(ies):				

Key Dates

Board Approval Date	29-Jun-2006	Original Closing Date	31-Mar-2012	Planned Mid Term Review Date	Last Archived ISR Date	01-Oct-2013
Effectiveness Date	04-Oct-2006	Revised Closing Date	30-Mar-2014	Actual Mid Term Review Date	09-Nov-2009	

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The development objective of the project is to improve the effectiveness of service delivery by Karnataka Gram Panchayats (village governments) particularly with respect to the management of public resources and the delivery of relevant services that the rural people prioritize.

Has the Project Development Objective been changed since Board Approval of the Project?

Yes No

Component(s)

Component Name	Component Cost
Block grants to Gram Panchayats	93.82
Information Systems for Constituents	1.30
Building Capacity of Panchayats	7.30
Building Capacity of the State	1.65

Overall Ratings

	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Moderately Satisfactory
Overall Risk Rating	Moderate	Moderate

Implementation Status Overview

This ISR updates the status of the operation with level one restructuring. The project closing date has been extended by three months following a request from the Government.

The project has been under implementation for seven years and is currently rated as moderately satisfactory in implementation progress and in achievement of Project Development Objectives. The project is 98% disbursed. Significant progress has been made in institutionalizing the good governance practices developed under the project and in building

capacity of Gram Panchayats (GPs) through participatory planning. The assets created from untied (block) grants are of acceptable quality and are put to use by the beneficiary communities. The general public appreciates the creation of a tendering requirement for awarding contracts, as per the recent post-procurement review, and attributes the same for improvement in quality of works under this project. There has been significant improvement in documenting of procurement, payments and completion certificates of works. The recent environment review rates the environment performance of the project including the impact of civil works undertaken as moderately satisfactory. There has been a steady increase in own source revenues of the project GPs with better infrastructure and improvement in service delivery. The introduction of computerized double-entry accrual accounting system (PanchaTantra) has remarkably improved the gram panchayat accounting and enabled completion of a huge backlog of audit reports.

The three month extension will be used to complete all pending residual works in the project activities in order to successfully meet the project development objectives. These pending tasks include: a) procurement and installation of computers and peripherals in 5629 GPs and 176 Samarthya Soudhas (Taluk Resource Centers (TRCs)); b) the completion of construction of the remaining TRCs; c) installation of studio equipment for the five satellite studios and establishment of fully functional communication facilities; d) allowing the GPs to complete the utilization, accounting and reporting of the block grants financed by the project; and e) completion of the impact evaluation study based on end-of-project survey. The proposed extension is facilitating full utilization of additional amount of financing that had accrued to the project over and above the original allocated amount due to exchange rate fluctuation. The Borrower has submitted a detailed action plan to the Bank for completing the remaining activities by March 30, 2014.

During the Tenth Implementation Support Mission (August 2013), the Government of Karnataka expressed interested in possible future support by the World Bank. Since KGSP is the only project in Government of Karnataka that has an explicit focus on 39 'most backward' taluks, efforts in sustaining the progress made under this project will help in consolidating the gains and further strengthening the institutions so developed. According to the Government, Gram Swaraj project has played an important catalytic function in helping the 'most backward' GPs to plan, prioritize and articulate their local needs and demands within the decentralized framework. However, a formal request for possible follow-up operation is yet to be received by the Bank.

Locations

Country	First Administrative Division	Location	Planned	Actual
India	State of Karnataka	State of Karnataka		

Results

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Rising number of Gram or Ward Sabhas with agendas relevant to improving service delivery.	<input type="checkbox"/>	Text	Value	4,305 sabhas 747,946 participants		
			Date	05-Oct-2006	23-Aug-2013	25-Oct-2012
			Comments		Gram and Ward sabhas held: 2010-11 : 7274 2011-12 : 7059 (37 Taluks) Gram sabhas in all 1341 GP's have completed. Reports from 2 Taluks are awaited.	

Total amount of revenues generated from own sources by all village governments in the project area.	<input type="checkbox"/>	Text	Value	INR 30.7 crore		US\$ 16 million
			Date	05-Oct-2006	23-Aug-2013	25-Oct-2012
			Comments		MIS updated - Data was changed for the years as 2006-7: Rs. 24.72 crore, 31% avg. tax collection rate 2007-8: Rs 29.63 crore, 34% avg. tax collection rate 2008-9: Rs 26.54 crore, 34% avg. tax collection rate 2009-10: Rs 29.07 crore, 31% collection rate. 2010-11: Rs.36.34 crore, 30% avg. tax collection rate. 2011-12: Rs.41.8 crore, 37.65% avg. tax collection rate. 2012-13, Rs 38.5 crores , Reports from 2 Taluks are awaited.	
Rising satisfaction of village residents with service delivery by gram panchayats.	<input type="checkbox"/>	Text	Value	NA		60%
			Date			
			Comments	Available	Empirical Impact Evaluation Study by CMSR Organization is under progress and Enumerators are collecting the field data	

Intermediate Results Indicators

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Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Increased block grants to poor Panchayats equal to IDA disbursements based on formula	<input type="checkbox"/>	Text	Value	0%		100%
			Date	05-Oct-2006	23-Aug-2013	25-Oct-2012
			Comments		GoK statutory grant was Rs 5 lakh per GP at Project Preparation. It was increased to Rs 6 lakh per GP and full amount released. It's now Rs. 8 lakh per GP having below 10000 population and Rs. 10 lakh per GP having above 10000 population. IDA block grant release each year: 2006-07: Rs 46.8 crore 2007-08: Rs 77.6 crore 2008-09: Rs 125 crore 2009-10: Rs 120 crore 2010-11: Rs 84 crore 2011-12: Rs.46.13 crore 2012-13: Rs.60 crore 2013-14: Rs5.29 Crore	
GP revenues, expenditure and procurement decisions publicly disclosed	<input type="checkbox"/>	Text	Value	3%		90%
			Date	05-Oct-2006	23-Aug-2013	25-Oct-2012
			Comments		Out of 1341 Gram Panchayats of the project area, 1273 GPs have regular disclosure practice information. 2006-07 : 1277 2007-08 : 1327 2008-09 : 1326 2009-10 : 1315 2010-11 : 1086	
GPs that have implemented the new Financial Management and Accounting System	<input type="checkbox"/>	Number	Value		5227.00	
			Date		23-Aug-2013	31-Mar-2012
			Comments		Out of 1341 project GPs, for 2010-11 final accounts are fully complete, for 2011-12 1336 are fully complete and for 2012-13, 683 are fully complete.	

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Data on Financial Performance (as of 21-Nov-2013)

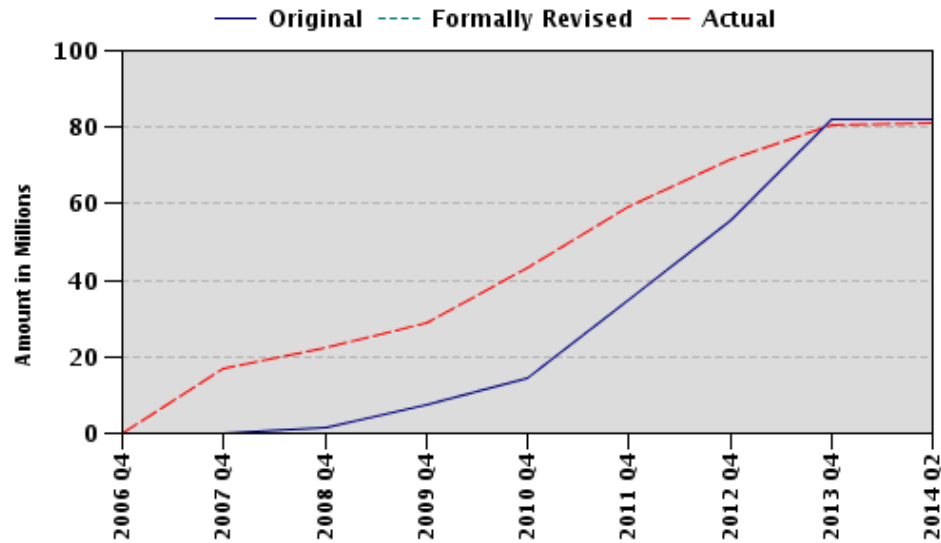
Financial Agreement(s) Key Dates

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P078832	IDA-42110	Effective	29-Jun-2006	24-Jul-2006	04-Oct-2006	31-Mar-2012	30-Mar-2014

Disbursements (in Millions)

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P078832	IDA-42110	Effective	XDR	82.20	82.20	0.00	81.23	0.97	99.00

Disbursement Graph



Key Decisions Regarding Implementation

The project has been extended for three months and will now close in end March 2014. The project will be able to disburse fully by project closing date which includes : fully functional satellite and communication facilities in five sub-centres; 175 Samarthya Soudhas buildings at the taluk level for training purposes and with over one lakh PRI functionaries/govt. officials being trained in various areas including issues of roles and responsibilities, accounting /auditing, transparency in contracting, procurement and environmental safeguards.

Restructuring History

There has been no restructuring to date.

Related Projects

There are no related projects.