

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

Operation Name: Karnataka Panchayats Strengthening Project (P078832)	Project Stage: Implementation	Seq.No: 9	Status: ARCHIVED	Last Modified Date: 04-May-2011
Country: India	Approval FY: 2006			
Product Line: IBRD/IDA	Region: SOUTH ASIA	Lending Instrument: Specific Investment Loan		
Implementing Agency(ies): Government of Karnataka				

Key Dates

Board Approval Date	29-Jun-2006	Original Closing Date	31-Mar-2012	Planned Mid Term Review Date	Last Archived ISR Date	31-Mar-2010
Effectiveness Date	04-Oct-2006	Revised Closing Date	31-Mar-2012	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		

Implementation Status Overview

The project has been under implementation for 3.5 years. There has been a rapid increase of funding to gram panchayats in recent years, primarily from centrally and state-sponsored schemes. As a result, the state government has focused on increasing spending of these schemes. To this end, GoK is strengthening the staffing of the panchayat, particularly by recruiting 2500 Panchayat Development Officers last year, improving gram panchayat accounting, and implementing a computerized management information system called Panchatantra. Less attention is paid to strengthen gram panchayat's autonomy and their capacity to respond to local priorities, for example the state government is not giving

much attention to motivating gram panchayat to increase own revenue, nor is it increasing discretionary (rather than tied) grants to panchayats. The current focus of the project team is on disbursing and accounting for the block grants financed by the project and completing construction of satellite studios and Taluk Resource Centers. The project team has experienced rapid turnover, with seven project chiefs in the past 3.5 years. Unless GoK maintains continuity of strong project leadership during the remainder period, it will be difficult to fully achieve the Project Development Objective.

Results

Project Development Objective Indicators

Indicator	Baseline	Current	End Target
Indicator Name Rising number of Gram or Ward Sabhas with agendas relevant to improving service delivery. Type Unit of Measure Custom Indicator Text	Value 4,305 sabhas 747,946 participants Date 05-Oct-2006 Comment	Value 5,664 sabhas 825,191 participants Date 30-Dec-2010 Comment Gram and Ward sabhas held: 2006-07 : 4305 2007-08 : 4709 2008-09 : 5609 2009-10 to Dec 31, 2009: 5664	Value Date 25-Oct-2012 Comment
Indicator Name Total amount of revenues generated from own sources by all village governments in the project area. Type Unit of Measure Custom Indicator Text	Value INR 30.7 crore Date 05-Oct-2006 Comment	Value INR 48.8 crores Date 30-Dec-2010 Comment GoK submitted data during MTR. 2006-7: Rs. 30.7 crore, 25% collection rate 2007-8: Rs 31 crore, 20% collection rate 2008-9: Rs 43 crore, 23% collection rate 2009-10: Rs 48.8 crore, 24% collection rate.	Value US\$ 16 million Date 25-Oct-2012 Comment

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Indicator	Baseline	Current	End Target
<p>Indicator Name</p> <p>Rising satisfaction of village residents with service delivery by gram panchayats.</p>	<p>Value</p> <p>NA</p> <p>Date</p>	<p>Value</p> <p>GoK will submit data based on the March 2009 survey.</p> <p>Date</p>	<p>Value</p> <p>60%</p> <p>Date</p>
<p>Type</p> <p>Custom Indicator</p> <p>Unit of Measure</p> <p>Text</p>	<p>Comment</p>	<p>Comment</p>	<p>Comment</p>

Intermediate Results Indicators

Indicator	Baseline	Current	End Target
<p>Indicator Name</p> <p>Increased block grants to poor Panchayats equal to IDA disbursements based on formula</p>	<p>Value</p> <p>0%</p> <p>Date</p> <p>05-Oct-2006</p>	<p>Value</p> <p>Project block grant released in 2008-09: Rs 120 crore, averaging Rs 9 lakh per GP. GoK allocates a statutory grant of Rs 6 lakh perGP, but only Rs 2.4 disbursed to GP account while the rest Rs 3.6 is retained by district to cover electricity bill. Allocation of the statutory grant is uniform for all panchayats and therefore diverges from the formula used under the block grant financed by IDA.</p> <p>Date</p> <p>30-Jun-2009</p> <p>Comment</p> <p>GoK statutory grant was Rs 5 lakh per GP at Project Preparation. It's now Rs 6 lakh per GP on budget but Rs 2.4 lakh actual release. IDA block grant release each year: 2006-07: Rs 46.8 crores 2007-08: Rs 77.6 crores 2008-09: Rs 120 crores 2009-10: Rs 60 crores (to Dec 31, 2010)</p>	<p>Value</p> <p>100%</p> <p>Date</p> <p>25-Oct-2012</p> <p>Comment</p>
<p>Type</p> <p>Custom Indicator</p> <p>Unit of Measure</p> <p>Text</p>	<p>Comment</p>	<p>Comment</p>	<p>Comment</p>

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Indicator	Baseline	Current	End Target
Indicator Name GP revenues, expenditure and procurement decisions publicly disclosed	Value 3%	Value 84%	Value 90%
	Date 05-Oct-2006	Date 30-Dec-2009	Date 25-Oct-2012
Type Custom Indicator	Unit of Measure Text	Comment Out of 1341 Gram Panchayats of the project area, 1125 GPs have submitted the disclosed information.	Comment

Indicator	Baseline	Current	End Target
Indicator Name GPs that have implemented the new Financial Management and Accounting System	Value	Value	Value
	Date	Date 30-Dec-2010	Date 31-Mar-2012
Type Custom Indicator	Unit of Measure Number	Comment All Panchayats activated in Panchatantra Software. Missing functionalities identified by the World Bank Consultant and the GoK CA have not been fully addressed. Contracts of CA firm to be renewed to help GPs with master data preparation. Training in Panchatantra Software to CA firms is scheduled in January 2011. Progress achieved in GP project has been collected and the database is ready.	Comment

Data on Financial Performance (as of 27-Jan-2011)

Financial Agreement(s) Key Dates

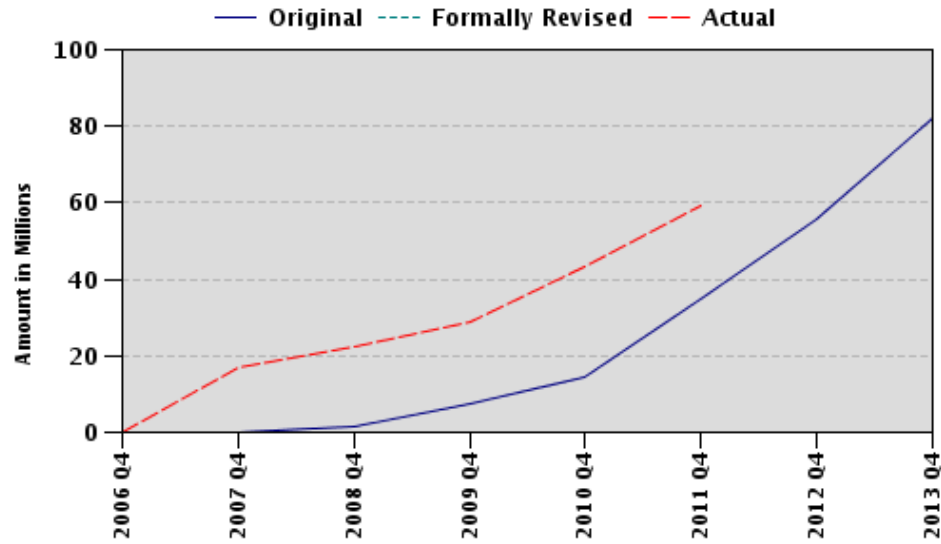
Project	Loan No.	Status	Approval Date	Signing Date	Effectiveness Date	Closing Date
P078832	IDA-42110	Effective	29-Jun-2006	24-Jul-2006	04-Oct-2006	31-Mar-2012

Disbursements (in Millions)

Project	Loan No.	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P078832	IDA-42110	Effective	XDR	82.20	82.20	0.00	59.23	22.97	72.00

Disbursement Graph

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Key Decisions Regarding Implementation

The project is working its way out of problem project status. It is critical to maintain project leadership in the last year. We will monitor the implementation and alert management if the prospect of achieving the development objectives is in question.

Restructuring History

There has been no restructuring to date.

Related Projects

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