

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

Operation Name: Karnataka Panchayats Strengthening Project (P078832)	Project Stage: Implementation	Seq.No: 15	Status: ARCHIVED	Archive Date: 01-Oct-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	18-Jun-2013
Effectiveness Date	04-Oct-2006	Revised Closing Date	31-Dec-2013	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

The project has been under implementation for over five years and is currently rated as moderately satisfactory in implementation progress and in achievement of Project Development Objectives. Implementation progress has been affected by frequent changes in the Project Chief and more recently by the state elections. The mission has observed that an official at an appropriate level with necessary administrative powers and authority is critical for smooth implementation of the project. The mission recommended that the project be headed by an official delegated with all necessary authority to expedite completion of remaining project activities. The implementation has been slow in the last few months

due to elections also and this has resulted in accumulation of mission requests, delays in updating the procurement plan, and slack in collecting the utilization certificates from the GPs. After the elections, there have been changes in the project in terms of the senior management and the Project Director. Some of the long pending issues on method of procurement for computer and peripherals have been directly addressed by the Principal Secretary, RDPR and other issues have also been taken up.

The project closing date was extended by one year and the project now closes on December 31, 2013. The Bank mission reviewed the progress of the activities as per the agreed Action Plan 2012 on the basis of which the Karnataka Gram Swaraj Project (KGSP) was extended for one more year. This was the second extension to the project. The ninth implementation support mission in August 2012 identified that the project had surplus money due to exchange rate fluctuations. The mission noted in August 2012 that the surplus funds in excess of the original amount were Rs. 82.74 crores (US\$ 115mln) in addition to the unspent balances of Rs. 28 crores. The project in consultation with the Bank team had agreed on a detailed Action Plan for utilizing the full amount during the course of next one year. Some of the key activities included in the action plan were: a) the construction of the remaining Taluk Resource Centers (TRCs)/Samarthya Soudhas at the taluk level; b) establishing fully functional Satellite Communication facilities/studios (SATCOM); c) allowing the Gram Panchayats (GPs) to complete the utilization, accounting and reporting of the block grants financed by the project; and d) completion of the impact evaluation and end-of-project survey. The progress till date is :

Construction of TRCs - Out of 34 remaining Samarthya Soudha buildings in August 2012, 26 are completed, 8 are at various stages of progress i.e. 4 are at completion, 2 are at roof level and 2 are at lintel level. 163 buildings have been completed till date out of a total of 175 resource centers.

SATCOM centers - Civil works for the 5 district sub-centers have been completed. Work on procurement and commissioning of equipment has been entrusted to Government of Karnataka enterprise. The mission has discussed the timeline with the State Institute of Rural Development (ANSSIRD) responsible for completing this activity. Installation process would be completed by October and the plan is to have fully functional satellite studios by end November.

Block grants - According to the project, all block grants releases have been completed. The completion of works and the utilization certificates will need to be obtained after the money has been fully accounted for by the GPs. Total Savings (outstanding balances) of Rs.61.08 crores have been released as 6th installment to 1175 Gram Panchayats. The unspent balance includes additional funds made available as a result of exchange rate fluctuation amounting to Rs. 55.44 crores. The mission noted GP unspent balance is currently to the extent of Rs.97 crores (\$16 million) including fresh releases of Rs.56 crores (\$ 9 million) for which action plan is yet to be firm up and tenders and work orders are yet to be issued . According to the Bank mission, there is a high probability that GPs would not be able to complete the works before the closing date and the entire amount could become ineligible and refundable to Bank.

End of project survey - The field work is now complete. The consultants will be submitting the report by end November. Bank team is working closely with the consultants on this issue and the project is also monitoring the work closely.

Locations

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

Results

Project Development Objective Indicators

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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	7059 sabhas 990813 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	Rs 41.8 crores for 2011/12	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	Field work completed (100%)	60%
			Date			
			Comments	Available	Empirical Impact Evaluation Study by CMSR Organization is under progress and Enumerators are collecting the field data	

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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%	66.6%. As per SFC the grant should be in the range of 10-15 lakhs. Currently GoK is giving max 10 lakhs	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%	95%	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		

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1336 are fully complete and for 2012-13, 683 are fully complete.

Data on Financial Performance (as of 20-Aug-2013)

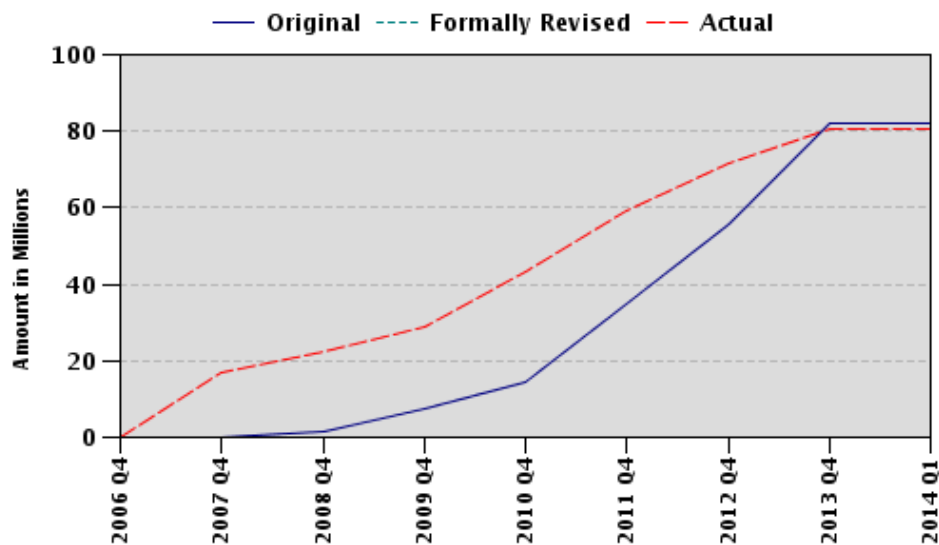
Financial Agreement(s) Key Dates

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	31-Dec-2013

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	80.63	1.57	98.00

Disbursement Graph



Key Decisions Regarding Implementation

DAC has published two reports (available on the official website) - 'Understanding Determinants of Own Source Revenue Mobilization' and 'A review of The Gram Swaraj Project in Koppal District, Karnataka: Some Policy Perspectives'. Out of 175 Samarthyas Soudhas, the project has completed the construction of 163 Samarthyas Soudhas. The project is expected to complete another 10 by project closing date.

Restructuring History

Level two Approved on 26-Mar-2012, Level two Approved on 10-Dec-2012

Related Projects

There are no related projects.

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