COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED SAFEGUARDS DATA SHEET (PID/ISDS)

Appraisal Stage

Report No.: PIDISDSA23405

Date Prepared/Updated: 11-Oct-2017

I. BASIC INFORMATION

A. Basic Project Data

Country:	India	**Project ID:**	P156869
		Parent Project ID (if any):	
Project Name:	Strengthening Public Financial Management in Rajasthan (P156869)		
Region:	SOUTH ASIA		
Estimated Appraisal Date:	02-Oct-2017	**Estimated Board Date:**	18-Dec-2017
Practice Area (Lead):	Governance	**Financing Instrument:**	Investment Project Financing
Borrower(s)	Government of India		
Implementing Agency	Government of Rajasthan		
Financing (in USD Million)			

Financing Source	**Amount**
Borrower	9.30
International Bank for Reconstruction and Development	21.70
Financing Gap	0.00
Total Project Cost	31.00

Environmental Category:	C-Not Required
Appraisal Review Decision (from Decision Note):	
Other Decision:	
Is this a Repeater project?	No

B. Introduction and Context

Country Context

1. India follows a Parliamentary form of government with clear separation of taxation and spending powers. The Constitution has demarcated taxation powers at various levels of government, while the borrowing and foreign exchange entitlements are controlled by the Central government. The fiscal

relationship between the Union and the states is reflected in the sharing/devolution of Central taxes and additional assistance in the form of grants from the Union to the states. Additional avenues of transfer of central resources to the states are the Central Sector Schemes/Centrally Sponsored Schemes (CSSs), which provide tied grants for specific sectoral interventions.

2. The fiscal and public financial management (PFM) frameworks emanate from the Indian Constitution and are guided by Central policies and processes. To a large extent, the PFM framework at the subnational level is guided by the PFM framework as laid down by the Central government specifically in areas related to budgets, financial reporting, and external audit. Consequently, PFM reforms at the state level are also guided by reform initiatives at the Central level. These areas include budgeting, chart of accounts which follows a uniform classification system across the center and states, responsibilities for accounting and financial reporting at the state level which rest with the Accountant General (AG); and the basis of accounting and financial reporting which is guided by the Constitution, Comptroller and Auditor General of India, and the Controller General of Accounts.

3. Within this PFM framework, there have been notable instances of states taking up public finance reform initiatives. The states have modernized their systems by using information technology (IT) to strengthen core treasury information (budget preparation and execution) systems; human resources management information systems (MISs) and link them to core treasury systems, cash management, e-collection/e-payments; e-procurement systems; pension payments processes and electronic interfaces with commercial banks and the Reserve Bank of India (RBI)—the central bank; and by introducing e-governance systems in revenue administration and overall business process reengineering including simplification. Similarly, some states have strengthened their procurement framework by legislating a procurement act and framing rules and procedures.

4. Recent policy-level changes at the Union level are expected to significantly impact Centre-state relationship and the existing PFM framework in the states. These policy changes include dismantling the Planning Commission's traditional role in determination of the plan size and its sectoral allocations at the state level; removal of the distinction between Plan and non-Plan expenditure in the budget process from FY2017–2018; increased fiscal devolution to the states (from 32 percent to 42 percent) from the Central divisible pool based on the recommendations of the 14th Finance Commission; reduction in tied transfers following reduction in the number of CSSs; and Goods and Service Tax (GST) implementation, that is expected to contribute to growth in gross domestic product (GDP) and buoyancy in revenues.

5. The above changes are likely to contribute to a higher share of untied resources flowing to the states. This, in the medium term, is likely to increase the availability of untied resources and discretionary spending powers of state governments with nearly 60 percent of public expenditure likely to take place at the state level. Going forward, development outcomes at the state level will increasingly be tied to the state governments' priorities and capacities, as states will have the opportunity to recast the design and implementation of programs that better reflect local needs.

6. Realizing the full potential of these reforms and achieving the states' own priorities will require competent and efficient PFM systems in the states, coupled with enhanced transparency and accountability. Individual states will need to manage a complex set of three PFM objectives involving trade off and sequencing. The first is to improve the quality and sustainability of fiscal deficits, contingent liabilities, and fiscal risks; the second is to increase public investment; and the third is to focus on the outcomes of government expenditure rather than on merely outlays. Consequently, these are expected to impose significant pressure on systems of planning, revenue administration, and management of expenditure and reporting on the use of public funds in the states.

Sectoral and Institutional Context

7. India's largest state by area, Rajasthan also stands out in economic performance: over the past 20 years Rajasthan has grown faster, and achieved a greater reduction in poverty than any other low-income state. This strong performance reflects broad-based efforts towards policy reform across sectors that resulted in a more productive and diversified agriculture sector, higher investments in manufacturing, and substantial improvements in public service delivery. In particular, policy reforms undertaken since 2003 succeeded in ending a growth slump from 2000-2005 and ushered in a period of strong growth.

8. Rajasthan is now at a crossroads and faces serious challenges to sustaining rapid and inclusive growth. In recent years, growth has slowed down and the crucial tourism sector has lost market share. A worsening water crisis is making traditional agricultural practices increasingly unsustainable, while growing fiscal pressures, due partly to deficiencies in the electricity sector, are narrowing the fiscal space available to implement comprehensive policy actions. At the same time, a dearth of high-quality jobs and stagnant social indicators, especially for women, make it imperative to devise ways to improve the sustainability and inclusiveness of growth. If these challenges are not addressed, Rajasthan's progress might be reversed: conditions in rural areas may become more difficult at a time when the environment in urban areas is not yet conducive to rapid growth and job creation in the manufacturing and services sectors. As a result, growing unemployment compounded by persistent geographical and social disparities could threaten the improvements in the state's welfare.

9. Over the past two decades, Rajasthan has generally run high deficits – largely on account of contingent liabilities. From 2000 to 2005, Rajasthan's finances were characterized by growing current expenditures due to salary revisions and high fiscal deficits, which reached over 6 percent of the Gross State Domestic Product (GSDP) in FY03 and FY04. From 2005 to 2011, following passage of the Rajasthan Fiscal Responsibility and Budget Management (FRBM) Act, deficits gradually declined and averaged 2.4 percent. However, this was also a period of growing contingent liabilities in the state-owned electricity distribution companies (DISCOMs), which were burdened by large and growing losses from the agriculture sector. The third and most recent phase, since 2011, has been one of renewed fiscal stresses and rising deficit levels, as DISCOM losses have increasingly been taken over by the state. The fiscal deficit rose to an average of 2.6 percent during FY13-FY15, reaching 3.1 percent in FY15. In FY16, on-budget support to the power sector (which entailed taking over 50 percent outstanding liabilities of DISCOMs under the UDAY scheme) increased the state's fiscal deficit to 9.4 percent of GSDP.

10. Consequently, capital expenditure in Rajasthan now lag behind other low-income states and have not supported infrastructure development at the scale required by the state at its current level of development. For example, Andhra Pradesh spent nearly 5.3 percent of GSDP on capital outlays during FY06-10 to ramp up infrastructure development; similarly, Bihar and Uttar Pradesh (UP) spent an average of 4.3 and 4.4 percent of GSDP respectively during the same period – while Rajasthan spent only 2.7 percent. Increasing capital expenditure will be essential to build the infrastructure necessary for sustainable and inclusive urbanization, including housing for low-income segments of the population as well as water and sanitation infrastructure.

11. Enhancing fiscal space will be critical for Rajasthan to sustainably increase expenditures in priority areas and deliver on its agenda for sustained and inclusive growth. A combination of expenditure rationalisation – particularly of support to the power sector, improving the efficiency of existing expenditures and revenue enhancement is necessary to create adequate fiscal space and increase capital expenditure in Rajasthan. Simultaneously, Rajasthan needs to increase the efficacy of expenditures, especially on the social sectors. These efforts will enable Rajasthan to accelerate

necessary public investments and enhance service delivery. The scope for immediate rationalization is limited, and committed expenditures account for approximately 60 percent of all expenditures. The report "Rajasthan - A Strategy for Sustained and Inclusive Growth" also stresses that successful implementation of Rajasthan's inclusive growth strategy will require conducting fiscal policy in a sustainable manner, while spending better and spending more. The delivery of hi gh quality health, education and social protection services, as well as needed infrastructure, requires an improvement in the efficiency of expenditure, an increased level of resources to finance larger spending in some areas, and a stable fiscal policy stance to ensure spending programs receive predictable funding.

12. Given the limited fiscal space, achieving higher development outcomes and more value for public expenditure requires higher allocative efficiency of public expenditure, as well as a stronger accountability and control framework. Rajasthan has recognized this for several years now, which is reflected in the PFM reforms that the government has undertaken, and has reached a a certain degree of maturity in its public finance management (PFM) systems. These reforms included implementation of a complete web based solution - the Integrated Financial Management System (IFMS), for capturing government's financial transactions including budget planning, preparation, allocation and distribution, fund management, treasury operations and accounting . All departments, including drawing officers, are now on IFMS, and the banks and the state auditor draw electronic data from this application. The state enacted the Rajasthan Transparency in Public Procurement (RTPP) Act in May 2012, to regulate procurement and provided the framework for strengthening procurement regulations to enhance accountability and efficiency in public procurement. The state further framed rules under the Act and were notified in January 2013. Another major initiative taken by GoR was the introduction of "Bhamashah" scheme for citizen empowerment through financial inclusion, women empowerment and efficient service delivery by enrolling women as the head of family. On the accountability side, quality of audit impact has been enhanced through reforms such as development of database of audit reports and compliance that tracks responses on audit observations. Further, on the revenue side, Commercial Tax Department (CTD) has been modernizing the business processes and IT systems by implementing an internal portal and a web portal for public interface for providing extensive information and e-services to the taxpayers. GoR has also introduced an online Government receipts system for almost all government revenues to facilitate taxpayer convenience.

13. The Bank has been partnering with GoR in its reform agenda. In 2005 a State Financial Accountability Assessment (SFAA) was carried out which helped GoR identify specific opportunities for more effective financial management and control over public resources. In the most recent engagement, the Bank (2012), supported GoR, through an Institutional Development Fund (IDF) Grant, the Rajasthan Public Financial Management and Procurement Capacity Building Project which included revision of Budget Manual, modernization and simplification of Financial and Treasury Rules, enhancing Quality of Audit Impact and improving Public Procurement outcomes by enactment of the Rajasthan Transparency in Public Procurement Act and Rules.

14. GoR is now keen to undertake next generation of reforms in PFM, through World Bank support. GoR's intent for PFM reforms is aptly articulated in the core documents with an aim to improve the fiscal health, accountability and service delivery in the state. The State aims to address the gaps in current reforms continuum as well as take up several innovative reforms. With this aim, GoR is keen to undertake further PFM reforms taking a multi-pronged approach.

15. The first prong is to address the gaps in current reforms continuum on the expenditure side and adaptively calibrate these reforms to be more effective. Actual compliance with the provisions in RTPP Act and the internal control framework still remains a challenge due to lack of capacity and skills. Audit institutions in the state (internal audit and local fund audit) need to be re-organized and

reoriented towards in-time and action-oriented reporting which will help enhance executive response and accountability. On the planning side, although a functional institutional mechanism for Decentralized Participative Planning (DPP) exists in the state, ye t the concept of DPP is considerably diluted and needs an overhaul to enhance its effectiveness.

16. The second prong is to address gaps on revenue side and modernize systems for better service delivery and improved performance. This includes strengthening revenue systems and capacity in Commercial Tax Department and Transport Department. With respect to Excise administration, GoR has undertaken a number of e-governance initiatives over time; however, there is still a need for a comprehensive institutional reforms and capacity building strategy. One of the critical needs identified in the “Rajasthan - A Strategy for Sustained and Inclusive Growth” report is to strengthen revenue management and administration with an aim to modernize tax administration, systems and processes, forms and be ready for transition to the new regime under Goods and Services Tax. This will pave the way for creating more fiscal space for developmental expenditure.

17. The third prong is to undertake niche, advanced and innovative reforms that build on reforms already undertaken. These second-generation reforms leverage the systems and capacities built and acquired by GoR in the course of undertaking existing reforms. The commitment control system is expected to leverage the information systems like IFMS, already in place to aggregate commitment information for better decision making by line managers. This further lends itself to a Contract Management and Public Investment Management (PIM) framework that can then be built on top of these systems – and will lead to better effectiveness of expenditure. There is also a recognized need to strengthen cash and debt management in the state to support development of a debt management strategy and implement systems which will help reduce overall interest costs. On planning side, GoR intends to leverage its capabilities in collecting and curating huge quantities of administrative, transactional and unstructured ‘big data’ to facilitate analysis at the regional and/or household level for decision making with respect to planning, budgeting, forecasting, monitoring & evaluation. Several of these initiatives are being undertaken at sub-national level for the first time in India and would require learning and adapting from other similar experiences.

C. Proposed Development Objective(s)

Development Objective(s)

The Project Development Objective (PDO) is: "to contribute to improved budget execution, enhanced accountability and greater efficiency in revenue administration in GoR".

Key Results

The achievement of the PDO will be monitored by the following PDO level indicators: (a) Strengthened budget execution by improving controls over commitment; (b) Strengthened public procurement framework and capacity (including training minimum 5% female employees of the department); (c) Institutional strengthening (IS) of Local Fund Audit Department (LFAD); and (d) Improving effectiveness of Tax Audit in Commercial Taxes Department.

D. Project Description

18. The project is an Investment Project Financing (IPF) of US$21.7 million with a combination of technical assistance (TA) and DLI-based financing. The project has been designed to focus on specific priorities identified by GoR, including consolidation of the work already done (such as IFMS) and further broaden the reform areas to realize the full benefits. The main activities of the project are

grouped in two technical components (i) Strengthening Public Financial Management Framework & (ii) Strengthening Expenditure and Revenue Systems that seek to improve public expenditure management and revenue administration in Rajasthan. The third component is Project Management. Components 1 and 3 will finance inputs, while Component 2 will finance a combination of inputs and DLIs.

Component 1: Strengthening Public Financial Management Framework:

19. This component will support GoR's efforts in enhancing effectiveness of local and internal audit institutions, strengthening planning and management of public investments, strengthening decentralized participative planning and leveraging data to inform policy action. This component is technical assistance and will finance expenditures on consultancies and goods. It has four sub-components.

Sub Component 1.1: Strengthening effectiveness of the state's audit institutions

20. Through this sub-component, the project will support the following activities to strengthen the local fund audit and internal audit function - (i) diagnostic or situational analysis (AS IS) of the current mandate, organization, functions and processes; (ii) developing an audit strengthening plan (reform strategy) recommending an appropriate organization structure, a relevant model for risk-based approach and skills up-gradation; (iii) developing/modernizing audit manual ; (iv) suggesting options for an audit management software and implementation support thereof; (v) demonstrating value-addition through risk-based audit pilots ("proof of concept") with the objective of shifting focus to more advanced audit techniques, systems audit, risk-based audit and management audits; (vi) conducting training needs analysis and capacity building; and (vii) handholding support.

Sub-component 1.2: Strengthening planning, management and monitoring of capital expenditures/projects in Rajasthan

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21. This sub-component will derive synergies from commitment control, contract management module/monitoring and necessary decision support systems and support i) assessment of the current public investment management policies and procedures in GoR, including PPPs (identification of gaps), development of a roadmap for strengthening public investment management, development of a policy matrix; ii) suggesting possible IT applications and iii) capacity building of staff of GoR for strengthened public investment management function including management of risks.

Sub-component 1.3: Strengthening Decentralized Participative Planning (DPP) in Rajasthan

22. This sub-component will support (i) diagnostic or situational analysis (AS IS and TO BE); (ii) development of a state decentralized planning framework; (iii) automation of DPP process using Plan Plus software of Ministry of Panchayati Raj, GoI or other suitable application; (iv) conducting pilots and capacity building in DPP and the selected software and (v) handholding support covering one planning cycle. This sub-component will also benefit from the outputs from the activities under sub-component 1.4 on the use of data for policy action.

Sub-component 1.4: Using Data for Policy Action

23. This sub-component will support development of an adaptive implementation framework for the following activities of the project: i) identify and prioritize indicators, stock taking of existing data, data quality, vetting and improvement, support data linkages and coordination across different line

departments and agencies; ii) generate simple, measurable, trackable and actionable indices initially for key sectors and ultimately construct an index to measure welfare of households and places using methods including, but not limited to, time series forecasting, predictive forecasting, predictive modeling, cluster analysis, machine learning, and social network analysis; iii) design and implement a mechanism to validate and evaluate the indicators/ indices and suggest improvement as may be necessary; iv) develop dashboards to allow easy reporting and visualization of indicators /indices and to formulate policies with regard to data access, usage and privacy within the GoR rules and regulations; v) develop capacity of officials in IT, planning and other departments in data analysis.

Component 2: Strengthening Expenditure and Revenue Systems

24. The objective of this component is to support GoR in strengthening revenue and expenditure systems through capacity building and improvements in information technology. This will be achieved by: supporting implementation of the procurement framework in Rajasthan, including capacity building on Rajasthan Transparency in Public Procurement Act and Rules; strengthening cash/debt management; implementing commitment control and contract management; enhancing revenue administration by modernizing information systems in CTD, Excise and Transport departments. This component has two complementary parts—TA and DLI-based financing. The sub-components under this component are as follows:

Sub-Component 2.1: Capacity building on Rajasthan Transparency in Public Procurement Act and rules

25. The project will support the following activities:

i. Supporting implementation of RTPP Act and rules: This activity will provide advisory support to SPFC in achieving its mandate and will assist in (a) developing/ updating Standard Bid Documents; (b) developing a procurement management information system; (c) developing, maintaining and disclosing a list of debarred bidders by the state government or procuring entity; (d) developing framework and rules for registration of bidders, contract management and specific procurement methods.

ii. Capacity building and skill development: The activities include (a) carrying out training needs analysis (TNA); (b) developing a strategy, modules, curriculum and materials for training; (c) developing IT enabled e-learning systems; (d) training in public procurement to officials, bidding community, and other stakeholders which includes certification and accreditation of a core group of officials in selected high spending departments. The training would lead to certification, accreditation, and professionalizing the procurement functionality in the state.

iii. Impact assessment of e-Tendering System: This activity would support an impact assessment study to understand its benefits, carry out spend analysis / data analytics to assess government procurement spend at the category level and thus obtain deeper insights and identify areas requiring improvement.

Sub-component 2.2: Strengthening Cash and Debt Management

26. This sub component supports i) Evaluation of debt and cash management practices and procedures, using Debt Management Performance Assessment (DeMPA) tool (conducted in FY 2016), ii) Modernize debt recording systems, iii) preparation of reliable Medium Term Debt Strategy (MTDS), Debt Sustainability Analysis (DSA) report, Consolidated debt database used to prepare analytical outputs and iv) Strengthen staff capacity by (a) hiring experts on debt and cash management analytics;

and (b) trainings for staff on DSA, MTDS, financial market analysis, cash-flow modeling, and other need based courses. The quality of cash flow forecasts can be improved over time, supported by better commitment management, strengthened monitoring of project implementation, and improved macro-fiscal forecasts to support reliable revenue estimates.

Sub-Component 2.3: Strengthening Commitment Control and Contract Management

27. This activity will support GoR in the development and establishment of a Commitment Control System (CCS) including an associated Management Information System (MIS) for aggregating contract information (through an interface solution) that will facilitate expenditure control and better cash management. This system would support decision making and set the ground for developing a complete contract management system in the next phase, meeting internationally acceptable parameters. This is envisaged to be done through – (i) an AS IS and TO BE study of present system of commitment control, system of allocating funds to individual projects and available data in respect of contracts entered into by the line departments; (ii) developing a Policy on Commitment Control; (iii) preparing detailed procedures; design and (iv) developing an automated solution for CCS; conducting workshops/training sessions to disseminate the proposed information systems; handholding support including support in O & M, roll-out to departments. Further, it is intended that a Contract Management System that will build on proposed commitment management system will be develope d piloted in one Civil and one Non-Civil works spending department during the project period.

Sub-Component 2.4: Strengthening Revenue Systems and Capacity Building

Commercial Taxes

28. The aim is to support activities that would i) increase operational efficiency of the Commercial Tax Department (CTD) through staff capacity building, functional strengthening and upgraded IT systems to support transition to the new indirect tax regime in the country. Project will, therefore, will support CTD with the following activities: i. Conducting a diagnostic of revenue administration & management and developing a medium-term road map; ii. Capacity Building of Commercial Taxes Department through: a) Training Needs Assessment (TNA) and b) Enhancement of IT systems in CTD; iii. Establishment of a Business Intelligence Unit (BIU); iv. Conducting Third Party Systems Audit of RajVista and GST e-services for adherence to documented procedures, identify security gaps and suggest potential areas for improvement; and v. Performance of non-GST Taxes and Non-tax revenue

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Excise

29. The project would support excise department to further strengthen its e-governance system and improve the regulation of this growing sector. Specifically, this will include conducting an institutional assessment study of the Department, strengthening of IT and support infrastructure and supporting capacity building and training of officials.

Transport

30. The Project will support Department of Transport by supporting a business process reengineering study, which will inform Transport Department's steps in the direction of improving its revenue collection, regulatory and service delivery functions, and increasing accountability by upgrading its business processes.

Component 3: Project Management and Capacity Building

31. This component will support costs on implementation, coordination, monitoring, learning, communication, change management and evaluation, including project related costs - staffing for the project, consultancies, training and related material, office equipment, and operational costs.

Component Name:
Strengthening Public Financial Management Framework
Comments (optional)

Component Name:
Strengthening Expenditure and Revenue Systems
Comments (optional)

Component Name:
Project Management and Capacity Building
Comments (optional)

E. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

32. The project will be implemented in the state of Rajasthan. The state has two distinct regions western arid and eastern semi arid regions. More than 60 percent of the state is under desert with an average rainfall of 57cm. The state has about 9% of its area under forest. The state has vast reserves of metallic and non metallic minerals. However the project activities will not have any adverse impacts on the environment as no construction/refurbishment works are proposed. There could be a need for e-waste management due to the investments in IT equipment. Compliance with e-waste management rules will be made mandatory under the project. .

33. Although Rajasthan has areas with high concentration of Schedules Tribes including Tribal Sub Plan areas as per the Schedule V of the constitution of India, the nature of the project activities are technical assistance and cross cutting over the entire state. No activity is likely to affect any of the Tribal populations. Tribals are not direct beneficiaries under the project and the project does not anticipate any construction activities so far.

F. Environmental and Social Safeguards Specialists

Sangeeta Kumari, Social Safeguards Specialist

Sita Ramakrishna Addepalli, Environmental Safeguards Specialist

II. IMPLEMENTATION

34. Due to multiplicity of agencies, there will be a clear need for an enhanced coordination and project management in the proposed project. The overall management and coordination of the project activities will be the responsibility of the Finance Department under the overall leadership of the Finance Secretary, Budget. A Project Steering Committee is in the process of being established which will provide strategic direction and overall guidance to the project. This committee will be chaired by Additional Chief Secretary, Finance and will comprise of Finance Secretaries, PD and the Secretaries/ HODs of relevant implementing departments. The Project Director (PD) shall be the Member Secretary and the convener for the committee meetings. This committee shall provide overall strategic direction to the project and will meet at least once

every six months.

35. The Project Management committee will be chaired by Finance Secretary, Budget and will comprise of all Nodal officers of relevant departments. This committee shall review and monitor the progress under various components/activities of the project. The PD shall be the Member Secretary and the convener for the committee meetings which will meet at least once every quarter. It is expected that the committee would meet more frequently during the initial phase of the project implementation.

36. A Project Management Unit (PMU) has been established in the Economic Affairs Division (EAD) of the Finance Department with the Joint Secretary (EAD) as Project Director. PD is supported by a team of functional experts from within the government and external consultants and nodal officers from the participating departments. A full-time coordinator from CTD and Nodal officers have been deputed to PMU from at each of the concerned departments. The PMU will be fully responsible for coordinating and implementing the project. Procurement will be carried out at PMU in close coordination with the concerned departments.

37. Each of the participating departments will lead the technical part of the respective reform interventions including contract management, monitoring implementation and signing off on deliverables. For each of the component/sub-component, a nodal person has been put in place for each of the implementing department including the Budget Division, Commercial Taxes Department, the Directorate of Treasuries and Accounts, Directorate of Inspection, Department of Panchayati Raj, the Local Fund Audit office, Department of IT and Department of Planning. The annual expenditure plan for each year shall be prepared by PMU in coordination with concerned departments and shall be laid out in the meeting of the Project Steering Committee (PSC) for its approval. Once the expenditure plan, is approved, PMU and departments would work as per the plan. Any revisions/changes to the plan would be put up before the PSC on a regular basis for ratification. Further details of project responsibilities, accountability and decision-making authority during implementation will be laid out in a Project Implementation Plan.

III. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	The project does not involve any constructions and/or refurbishment works. There are no expected environmental impacts from the soft investments proposed by the project.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	Although Rajasthan has high concentration of scheduled tribes including tribal sub-plan

		areas, the project does notrequire interaction with tribal population directly as the the nature of the project activities are largely studies on current systems and practices, IT based FM systems improvement and staff training.
Involuntary Resettlement OP/BP 4.12	No	No physical construction is proposed. Hence, land take or loss of asset or livelihood is not anticipated under the project.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
No safeguard policies are triggered, hence no safeguard actions are required by the Project Implementing Entity.
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

B. Disclosure Requirements

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.
If in-country disclosure of any of the above documents is not expected, please explain why::

C. Compliance Monitoring Indicators at the Corporate Level

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The World Bank Policy on Disclosure of Information						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	[]	No	[]	NA	[X]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes	[]	No	[]	NA	[X]
All Safeguard Policies						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	[]	No	[]	NA	[X]
Have costs related to safeguard policy measures been included in the project cost?	Yes	[]	No	[]	NA	[X]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	[]	No	[]	NA	[X]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	[]	No	[]	NA	[X]

V. Contact point

World Bank

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Title:Lead Financial Management Spec

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VII. Approval

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Approved By:		
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Country Director:	Name: Hisham A. Abdo Kahin (CD)	Date: 13-Oct-2017