

DISCLOSURE WORKSHOP

OF

UTTARAKHAND DECENTRALIZED WATERSHED DEVELOPMENT PROJECT - PHASE- II (P131235)

Dated 10-10-2013

Venue: 1. Devashish Hotel,
Haldwani (Kumaon)

2. Ganga Resort,
Muni ki reti (Garhwal)



PROJECT DEVELOPMENT OBJECTIVE

The Project Development Objectives would be to increase the efficiency of natural resource use and productivity of rain-fed agriculture by participating communities in selected micro-watersheds of the State of Uttarakhand.

PROJECT DESCRIPTION:

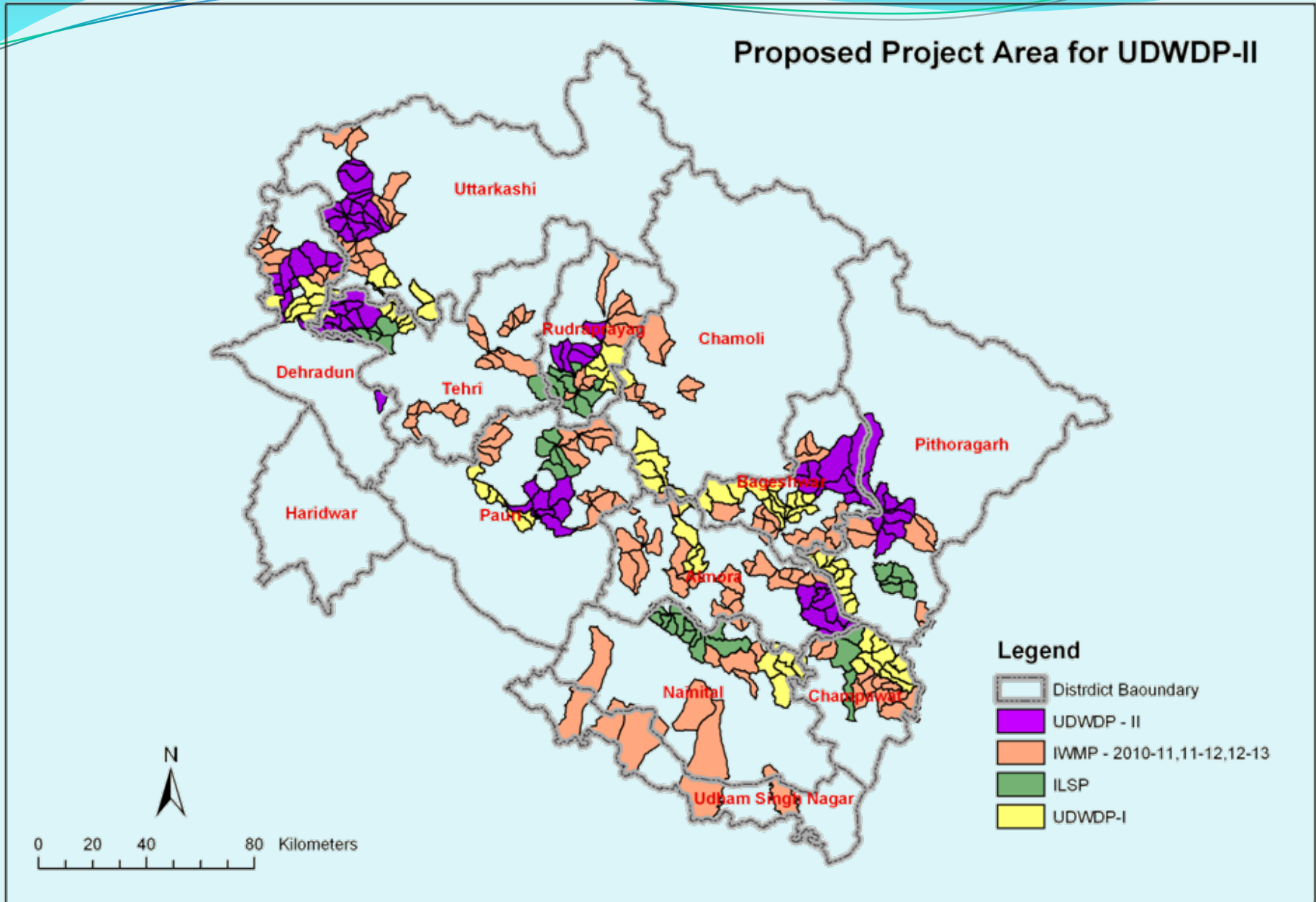
- ❖ **Project area:** Middle Himalayas adjoining the Gramya-I area in about 82 MWS covering an area of about 2.638 lakh ha.
- ❖ Project would re-visit the UDWDP Phase-I areas to consolidate its achievements especially with focus on agribusiness.
- ❖ Project proposes to benefit 3.18 lakh population of about 509 GPs, 1066 Revenue Villages and 59300 Households.

Details of Project Area Selected for UDWDP - II

DISTRICT	Development Blocks	No. of MWS	Area (Ha.)	Forest Area (Ha.)	Agriculture Area (Ha.)	Blank (Ha.)	Gram Panchayat		Revenue Villages	
							No.	Aera (Ha.)	No.	Area (Ha.)
Almora	Dhauladevi, Bhasiyanchana	9	28396	14987	12303	1106	85	24340.64	186	23835.00
Uttarkashi	Mori, Naugaon, Purola	17	45103	31233	9727	4143	67	10268.67	119	10012.56
Dehradun	Kalsi, Chakrata	9	29242	8778	8270	12194	49	23012.69	74	21925.85
Tehri	Jaunpur	13	31730	11977	8306	11447	72	18641.86	151	18553.44
Rudraprayag	Ukhimath, Jakholi, Augustmuni	6	19201	11609	7449	143	65	8572.05	119	8429.67
Pithoragarh	Munsiyari, Didihat, Berinag	9	25739	17206	6350	2383	59	22069.89	137	20568.19
Bageshwar	Kapkot	11	55296	35666	6672	12920	48	33328.47	82	33964.28
Pauri	Pokhara, Ekeshwar	7	26713	9373	10980	6360	57	10549.00	185	10451.14
Model MWS	Raipur	1	2417	1365	789	95	7	2232.85	13	2232.85
	18	82	263837	142194	70846	50791	509	153016.11	1066	149972.984



Proposed Project area for UDWDP Phase-II



THE PROJECT PERIOD : 7 years
2014 to 2021

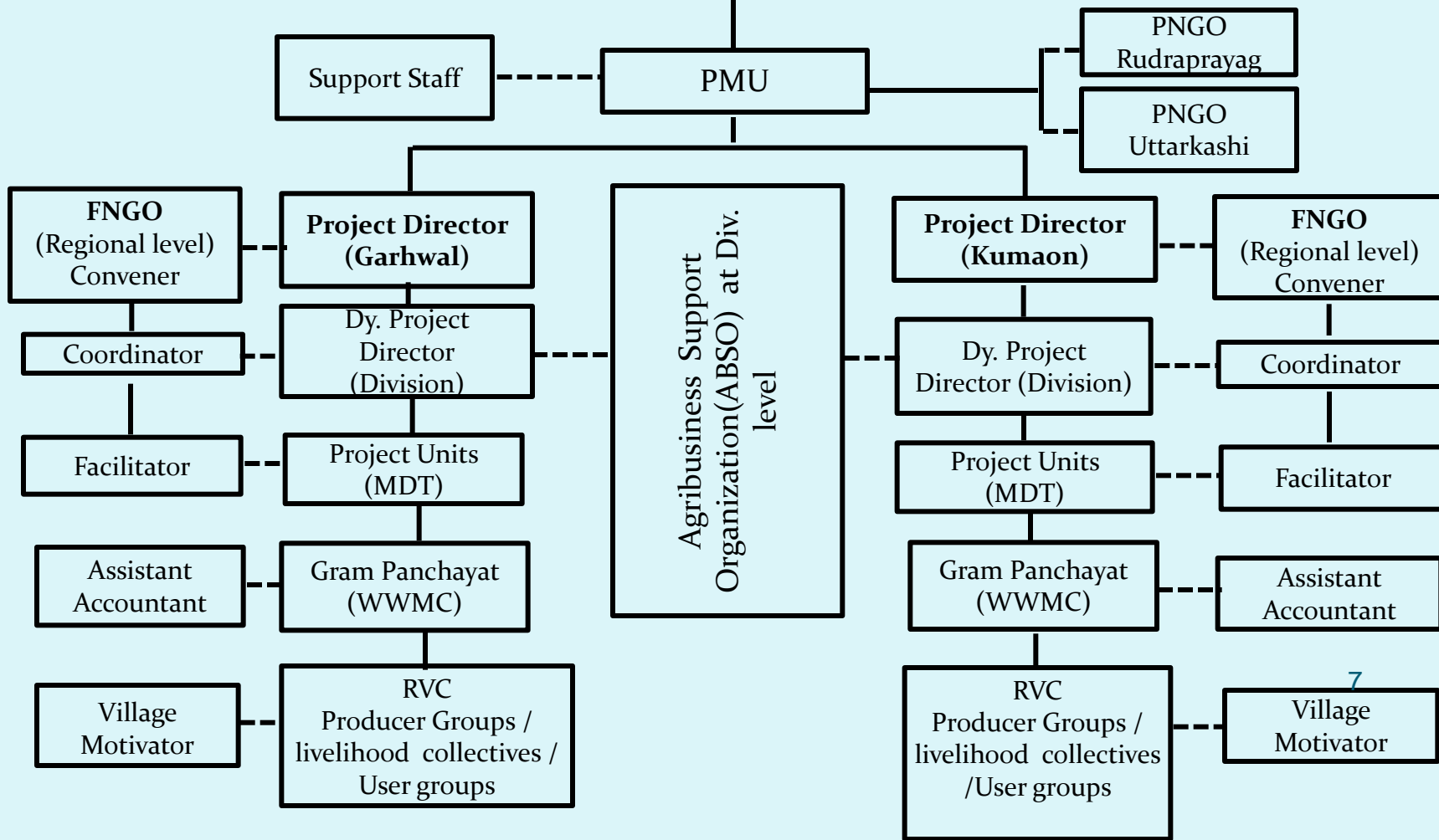
PROJECT FINANCING (in US million \$) [Revised]

Source	Total	%age
State	45.80	27.00
World Bank (IDA Credit)	121.20	71.30
Beneficiary Contribution	3.00	1.70
Total (Million \$)	170.00	100

UDWDP PHASE-II INSTITUTIONAL STRUCTURE

Watershed Management Department (Secretary)

Watershed Management Directorate (WMD)
(Chief Project Director)



SELECTION OF PROJECT AREA FOR UDWDP PHASE-II

- ❖ Covers 82 MWS in the Mid Himalayas region (between 700 mtr. to 2700 mtr. ASL).
- ❖ Selected areas with high population density and vulnerability to soil erosion.

EXCLUSION FACTORS

- ❖ MWS covered by externally aided projects after 1998.
- ❖ Area taken in the CSS of DoLR i.e. IWMP, IWDP, DPAP (>5 MWS) after 2001.
- ❖ PAs like National Parks, Wildlife Sanctuaries.
- ❖ Areas submerged in hydro-electric projects and covered by CAT Plans.

ELIGIBILITY CRITERIA

- ❖ Erodibility index.
- ❖ Rainfed area / Lack of irrigation facilities (areas shortlisted by the GoI as drought prone area blocks).
- ❖ Poverty- Remoteness and lack of infrastructure facilities.
- ❖ Predominance of SC and ST.
- ❖ MWS Contiguous to UDWDP-I, ILSP and IWMP areas.
- ❖ Cluster approach (more than 5 MWS).

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PROJECT COMPONENTS

- A. Social Mobilization and Participatory Watershed Planning
(US \$ 30 Million)

- B. Watershed Treatment and Rain-fed Area Development **(US \$ 90.3 Million)**

- C. Enhancing Livelihood Opportunities **(US\$18.7 Million)**

- D. Knowledge Management and Project Coordination **(US \$ 31 Million)**

PROPOSED DISBURSEMENT PROFILE

In Million US\$

Financial Year	Proposed Annual Disbursement	Percentage Disbursement
2013-14	3.00	1.76
2014-15	15.00	8.82
2015-16	28.10	16.52
2016-17	32.60	19.17
2017-18	31.00	18.22
2018-19	29.20	17.17
2019-20	27.70	16.28
2020-21	3.40	2.00
TOTAL	170.10	100.00

MONITORING IN THE PROJECT

- ❖ **Internal Monitoring** : By the WMD staff, through MIS/GIS and field visits.
- ❖ **External Monitoring**: Baseline Survey, concurrent monitoring, mid-term review and final impact evaluation.
- ❖ **Social Audit**: Participatory Monitoring and Evaluation (PM&E) at GP level by the Stakeholders.
- ❖ **Environmental and Social Safeguard Monitoring** : Integrated with the development and implementation of the GP/MWS plans.
- ❖ **Evidence based monitoring** : Short studies and consultancies.
- ❖ **Hydrological monitoring** : Continuous monitoring on surface runoff, reduction in silt load and increase in water availability on selected MWS.

AUDIT ARRANGEMENTS IN THE PROJECT

- ❖ **External Audit** – Annual AG audit of the project by the CAG.
- ❖ **Internal Audit**- Project will procure an independent audit firm for quarterly audit of project offices.
- ❖ **GP Audit** - All the Gram Panchayats in the project will be subjected to the annual mandatory audit by an independent audit firm.

**ENVIRONMENTAL AND SOCIAL
MANAGEMENT FRAMEWORK (ESMF)
IN**

**Uttarakhand Decentralized
Watershed Development Project,
Phase-II**

OBJECTIVE

To assure that impacts of the interventions made for watershed development are environment-friendly, socially acceptable and economically feasible to make them long lasting.

POSSIBLE ACTIVITIES IN GPWDP AND DEMONSTRATIONS SUBJECTED TO SCREENING BY ESMF GUIDELINES

WATERSHED TREATMENT

- ❖ **Creation of new and improvement of existing irrigation facilities for rainfed area development:** Village ponds, Irrigation Channel, Irrigation Tank, Roof Water Harvesting Tank, LDPE Tank.
- ❖ **Agriculture:** Repair of agriculture terraces and vegetative field boundary.
- ❖ **Horticulture:** New orchard development, rejuvenation of old orchards, homestead plantation.
- ❖ **Animal Husbandry:** Stall feeding programme, Mangers, Animal Chari.
- ❖ **Improvement Of Rural Connectivity:** Improvement of bridle path, small Bridge, culverts.

ACTIVITY FOR SOURCE SUSTAINABILITY AT MWS LEVEL SUBJECTED TO SCREENING BY ESMF GUIDELINES

- ❖ **Source Sustainability Measures for rejuvenation and recharging of water sources** through vegetative structures, plantations, soil conservation measures, vegetative trenches, dugout ponds, Dugout ponds with embankment, recharge pits etc.
- ❖ **Drainage Line Treatment and Soil Conservation:** Construction of Vegetative check dam, Construction of drystone check dam, Construction of cratewire check dam, Retaining Wall - Stream Bank Protection, Spur, Diversion Drain.
- ❖ **Minor Irrigation Programme:** Like construction of water channels, Irrigation tanks, LDPE Tanks, Drip irrigation system and rainwater harvesting tanks.

- ❖ **Fodder Production Programme:** Adoption of Fodder Minikit, Napier Crop Border Plantation.
- ❖ **Forestry:** For enhancing fuel and fodder availability, enhancing vegetative cover and source sustainability, plantation activities will be carried out in identified area.
- ❖ **Establishment of Kisan/ Community / Mahila Nursery for afforestation Activities :**Interested farmer and women groups will be encouraged to develop forest nursery in suitable areas.
- ❖ **Energy conservation and reducing dependence on forest based fuelwood through promotion of alternative energy measures** such as Gas Plant, Solar equipment / Alternate Energy, Water mill modernization, Bio fuel - pine briquetting.

DEMONSTRATION ACTIVITIES SUBJECTED TO SCREENING BY ESMF GUIDELINES

Demonstration activities for -

- ❖ High yielding agriculture crops,
- ❖ Adoption support for high yielding agriculture crops,
- ❖ Demonstration for high yielding vegetable crops,
- ❖ Adoption support for high yielding vegetable crops,
- ❖ Erection of poly houses, poly tunnels etc.
- ❖ Demonstration of bio/ vermi compost,
- ❖ Creation of NBCs and stall feeding facilities like- Animal shelter, mangers etc.

ACTIVITIES UNDER VULNERABLE GROUP AND TRANSHUMANT PLAN SUBJECTED TO SCREENING BY ESMF GUIDELINES

VULNERABLE GROUP

- ❖ Individual activity Like- Bee keeping, Tailoring, Black smith, Carpenter, Barber, Poultry, Shop etc.
- ❖ Group activity like- Tent house, Band party, weaving and knitting, Food processing, Fiber works etc.

TRANSHUMANT

- ❖ Animal health camp, Vaccination, Tent & Solar light facilities, Jute blankets for protection from cold and warmth for lambs and pregnant sheep, tubes for feeding the baby animals. Etc.

ESMF Includes :

- ❖ Environmental and social issues to be kept in mind during the planning and implementation of project.
- ❖ Environmental and Social Guidelines (ESG)
- ❖ Monitoring arrangements of ESMF implementation
- ❖ Agriculture specific Safeguard Strategies →
- ❖ Grievance Redressal Mechanism →
- ❖ Environmental and Social Code of Practices →

ENVIRONMENTAL AND SOCIAL GUIDELINES (ESG)

The environmental and social guidelines would promote the ability of communities to select a package of sub-projects and activities which will not only minimize or mitigate the negative environmental and social impacts but also enhancing the positive impacts.

SCREENING GUIDELINES ON ENVIRONMENT AND SOCIAL SAFEGUARDS

Selection criteria for the project activities.

The thrust has been given to implement such activities which not only minimize the negative environmental and social impacts but also enhancing the positive impacts. To ensure it, an 'Environmental and Social code of Practices (ESCP)' has been developed and annexed in this guideline (Annexure-VII). →

SCREENING GUIDELINES ON ENVIRONMENT AND SOCIAL SAFEGUARDS

Selection criteria for the project activities.

- ❖ The activities which causes negative impacts to the environment, should be excluded as listed in Format- 1a. →
- ❖ The activities which causes negative impacts to the environment but will be needful, can only be implemented after carrying out a limited Environmental Assessment (ESA) under project as listed in Format-1b. →

PROPOSAL OF MITIGATION MEASURES FOR POSSIBLE NEGATIVE IMPACTS OF THE ACTIVITIES

- ❖ In GPWDPs, it should be ensured that the mitigation measures for the possible negative impacts have also been proposed for implementation. The possible negative impact and the mitigation measures thereof are listed in Table 3 (Annexure-VIII), which shall be properly considered and incorporated in the GPWDP during the PRA exercise.



ENVIRONMENTAL AND SOCIAL ASSESSMENT (ESA)

- ❖ The ESA would be used as a tool to evaluate the possible positive and negative impacts of the proposed watershed activities.
- ❖ To assess all the environmental and social impacts of activities, Format-2 should be used at the planning phase. →
- ❖ The possible environmental (A to S) and social (T to Z3) impacts listed in Table-1, should be discussed by RVC and WWMC and mentioned as positive or negative in the format. →
- ❖ The code of proposed mitigation measures as per ESCPs table (Annexure-VII) should also be mentioned in the format. Several experience sharing exercises and Annexure VIII could be used for this purpose. → →


IMPLEMENTATION OF ESG

ESG IMPLEMENTATION STAGES

The environment and social aspects to be considered, implemented and monitored by all project partners will be done in four stages from the preparation of Gram Panchayat Watershed Development Plan (GPWDP) and the action plan for the transhumant population, to the execution of project activities.

STAGE 1

Sensitization of project staff, villagers (includes settled tribes) and transhumant population (henceforth referred as transhumant} regarding environment and social issues to be considered in the project.

The Annexure IV and V (Past Experiences) provide for environment and social issues should be considered. 

Role/ Responsibility and Outcome of Stage 1

Institution	Responsibility
WMD	To develop training module for ESA, arrange training on the subject and develop information, education and communication (IEC) material.
MDT/PNGOs/FNGOS	To sensitize the villagers and make them aware on environmental and social issues and provide information regarding ESA safeguards to villagers.
Village Level Institutions (WWMCof GP, RVC , VP, UG, SHG)	To accept and assimilate the ES considerations.
Outcome	
Village community is aware of ESG and capable of applying ESG to process RVC Proposals. The WMD will perform similar role on the action plan for transhumant.	

STAGE 2

Selection of sub-projects / activities at Revenue village level with the help of ESG to be included in the RVC Proposals and the action plan for transhumant and Social Assessment (ESA) for activities proposed by RVC at the Gram Panchayat level (WWMC).

Table 2 & 3 (Annexure VII & VIII) will be used as reference for mitigation measures that may be required for negative impacts. Annexure VIII provides comprehensive list of subprojects / activities and their possible negative impacts.

Role/ Responsibility and Outcome for Stage 2

Institution	Responsibility
MDT/PNGO	Facilitation and guidance regarding ESCP as whole and for individual sub-projects / activities. To advice on safeguards, IPM and Transhumants.
FNGO	To assist the MDT/PNGO with special reference to vulnerable groups like women, SC, ST, BPL, etc.
Executive committee of RVC/WWMC	To check the Proposals are compliant to ESCP
Outcome	
Draft GPWDP and action plans for transhumant follows the ESCP and conforms to ES Guidelines.	

STAGE 3

Review of Draft GPWDP and action plan for transhumant through field appraisal by DPD. The DPD and partner NGO (PNGO) may designate authorized person for the appraisal.

DPD/PNGO will certified that the ESCP guidelines has properly been followed in GPWDP (Annexure VI,VII & VII i.e Table 2,3 & 4 will be followed)



Role/ Responsibility and Outcome of Stage 3

Institution	Responsibility
DPD/PNGO	Field appraisal of Draft GPWDP/action plan for transhumant. Make observations on Plan regarding compliance to ESG, Technical and Financial issues. Recommend the Transhumant Plan to Project Director after review.
Project Director	Approval of Transhumant Plan with observations.
Gram Panchayat	Convene meeting of Gram Sabha to approve and adopt GPWDP and Transhumant action plan.

Outcome

GPWDP/action plan for transhumant approved in compliance with ESG.

STAGE 4

Implementation, Monitoring and Learning of GPWDP and action plan for transhumant.

Role/ Responsibility and Outcome of Stage 4

Institution	Responsibility
MDT/Unit Office	Provide technical inputs/trainings for activities facilitate in record keeping; ensure participation and capacity programs are in conformity with ESG and GPWDP and the action plan for the transhumant. Facilitate WWMC and other Village level institutions in participatory monitoring and learning (M & L).
DPD/PNGO	Ensure all reporting requirements from WWMC to Project are facilitated by them. Ensure the implementation of all subprojects / activities in conformity to ESG and technical specifications laid down by the project. Ensure release of funds to WWMC as per the GPWDP schedule. Internal M & L

Role/ Responsibility and Outcome of Stage 4

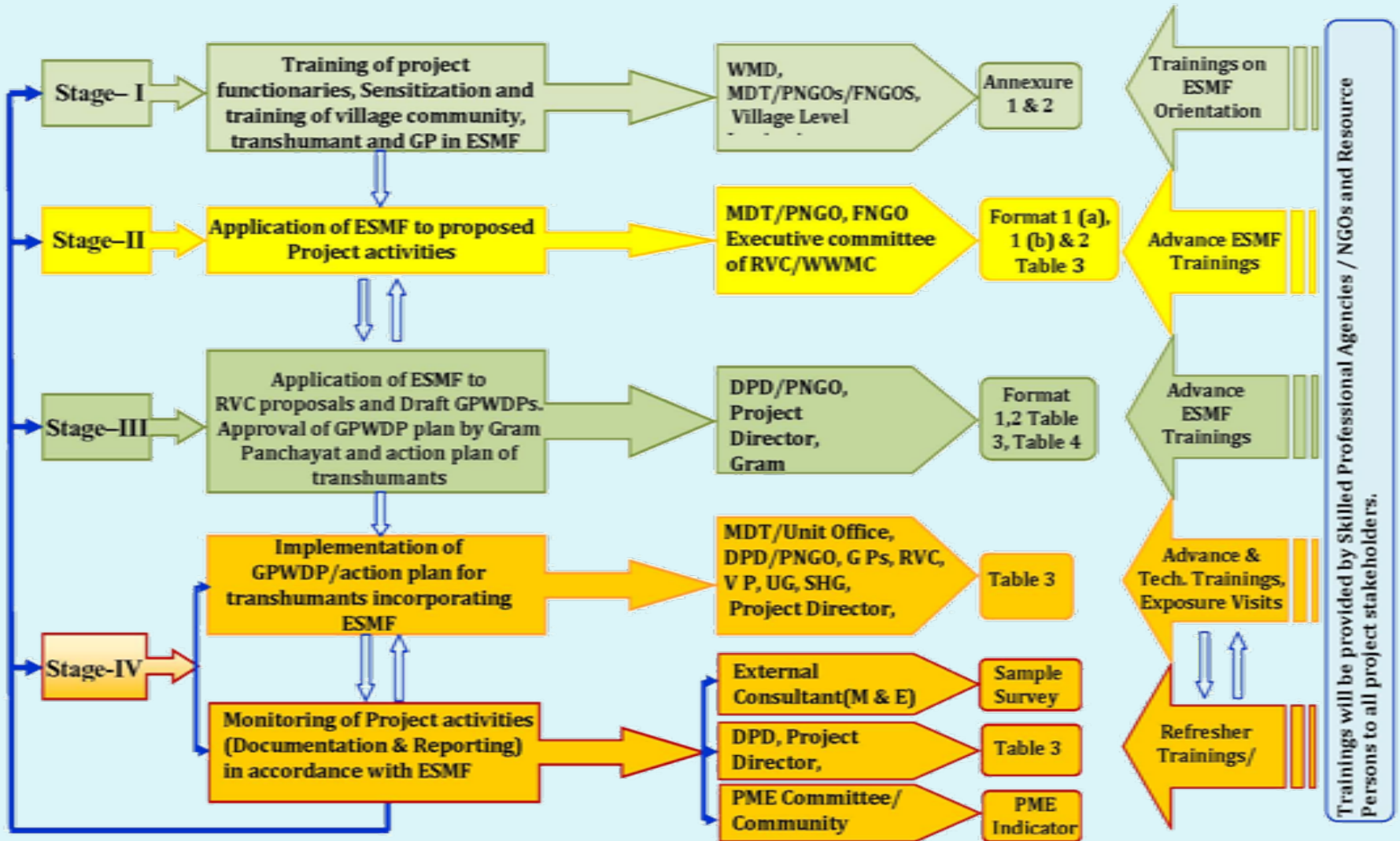
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Institution	Responsibility
Gram Panchayat	Procurement, implementation, record keeping as per ESG and other manuals of the Project
Gram Panchayat, RVC , Van Panchayat, UG, SHG	Participatory monitoring and learning
External Consultant (M & E)	Impact evaluation by sample survey
Project Director	Supervision of M & L activities in the area and documentation of learning
WMD	Collation of all M & L in project area and outside project area. Documentation of learning

Outcome

Attainment of project objectives in conformity with ESCP and ESGs and learning for improvement in future.

APPLICATION OF ESMF ON PLANNING AND IMPLEMENTATION





Financial System Manual



- ❖ **Success of the project** - Financial Discipline, technical feasibility and administrative capability.
- ❖ **Project responsibility** - Ensure effective use of the funds for the intended purpose and reporting of the same to the institutions and the stakeholders.
- ❖ **Purpose of the manual** - To provide assistance and guidance to the users and stake holders on relevant accounting policies, budgeting, accounting and reporting requirements.
- ❖ **Financial Management Systems** – Manual for WMD for procurement and accounting and manual for community procurement by the Gram Panchayat.



THE MAIN OBJECTIVES OF THE FMS ARE:

- ❖ Proper recording of transactions in the manual mode and yet providing coding systems for ultimate computerization of accounts.
- ❖ Budgeting and fund flows mechanism
- ❖ Fixation of authority and obligations at critical levels for major players.
- ❖ Monitoring and evaluation systems through an effective Management Information System.
- ❖ Establish effective internal controls and internal and external audit systems.
- ❖ Meet financial reporting requirements of various stakeholders including the State Government and the World Bank.



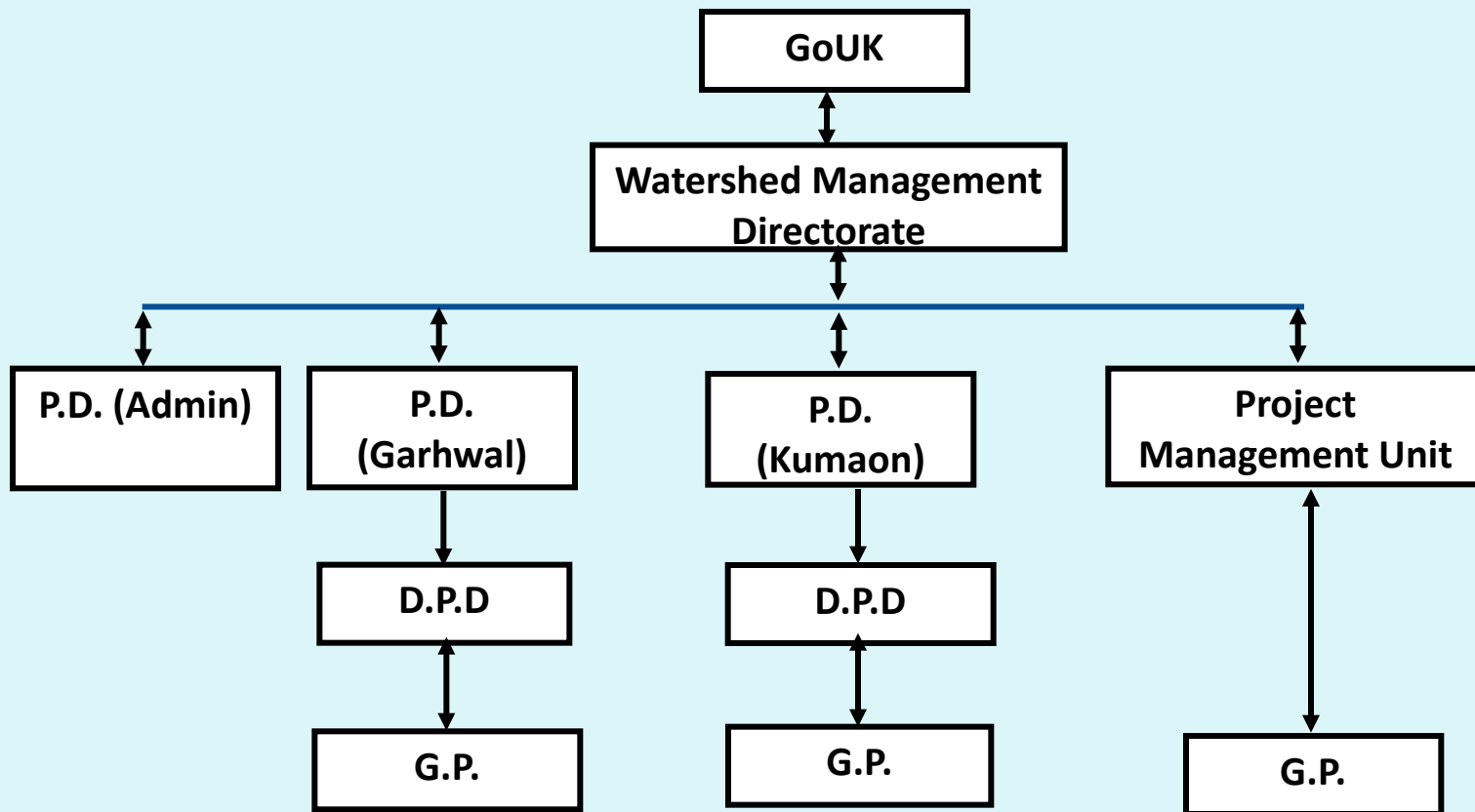
- ❖ The Uttarakhand Decentralized Watershed Development Project Phase-II will follow the standard financial Management System of the State.
- ❖ The budget head allotted to the project is - “अनुदान संख्या-17 लेखाशीर्षक- 2401- फसल कृषि कर्म-00-आयोजनागत-800- अन्य योजनाएं-97- वाह्य सहायतित योजना-02- उत्तराखण्ड विकेन्द्रीकृत जलागम विकास परियोजना “Vide G.O. No. 151/XIII(II)/2013-04(09)/2013 Dt. 16 July, 2013.
- ❖ The Manual proposed is same as it was used for UDWDP Phase-I, except small variation with regard to computerization of the accounts in the new project.

ACCOUNTING ORGANIZATIONAL STRUCTURE

Officers	At office of WMD	At office of the Project Director	At office of the Deputy Project Director	Project Management Unit Cell
Finance Controller /Senior Finance Officer	✓			
Assistant Finance/Accounts Officer	✓		✓	✓
Finance/ Account Officer		✓		
Accountant - Budget	✓	✓	✓	✓
Assistant Accountant - Audit	✓			✓
Assistant Accountant - Cashier at DDO	✓	✓	✓	✓
Assistant Accountant - Expenditure & Reimbursement	✓			
Data Entry Operator cum Computer Operator trained in TALLY	✓	✓	✓	✓
Contractual commerce graduate	✓	✓	✓	✓

BUDGETING PROCESS IN THE STATE

OVERALL BUDGET FLOW



Note:

Upward movement signifies that the Budget planning will start at G.P level and move upwards. Downward arrows signify that the Budget has been approved by the State Govt., it will flow to requisite accounting .



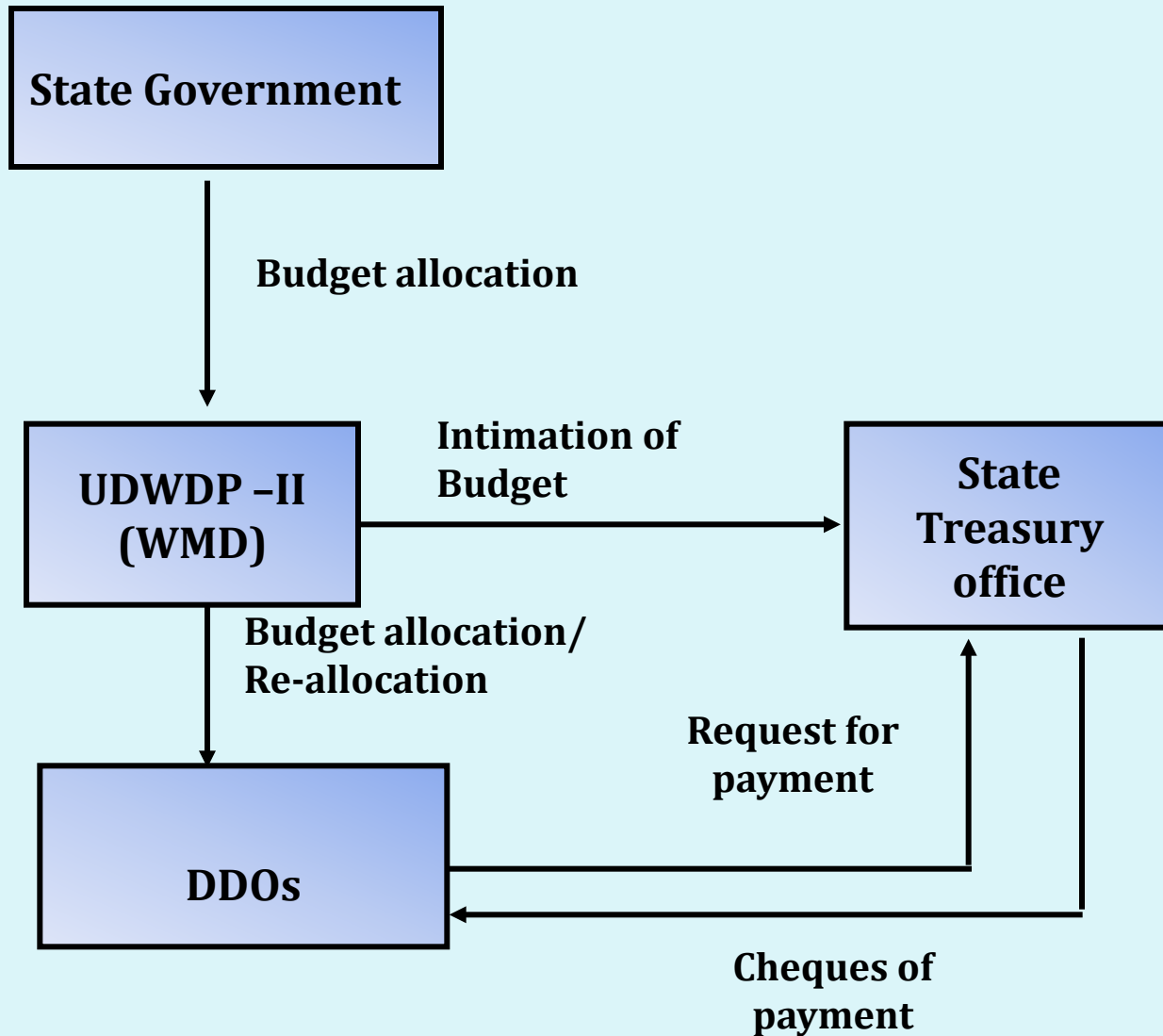
The Annual Work plan at WMD is sent to Steering Committee for its approval. Subsequently it is sent to the State Govt. as a working paper to Expenditure wise Budget. On passing of the Budget, the WMD shall intimate the budgetary allocation to PDs, PMU. Similarly PDs & DPDs shall intimate the budgetary allocation to GP.

System to Release funds

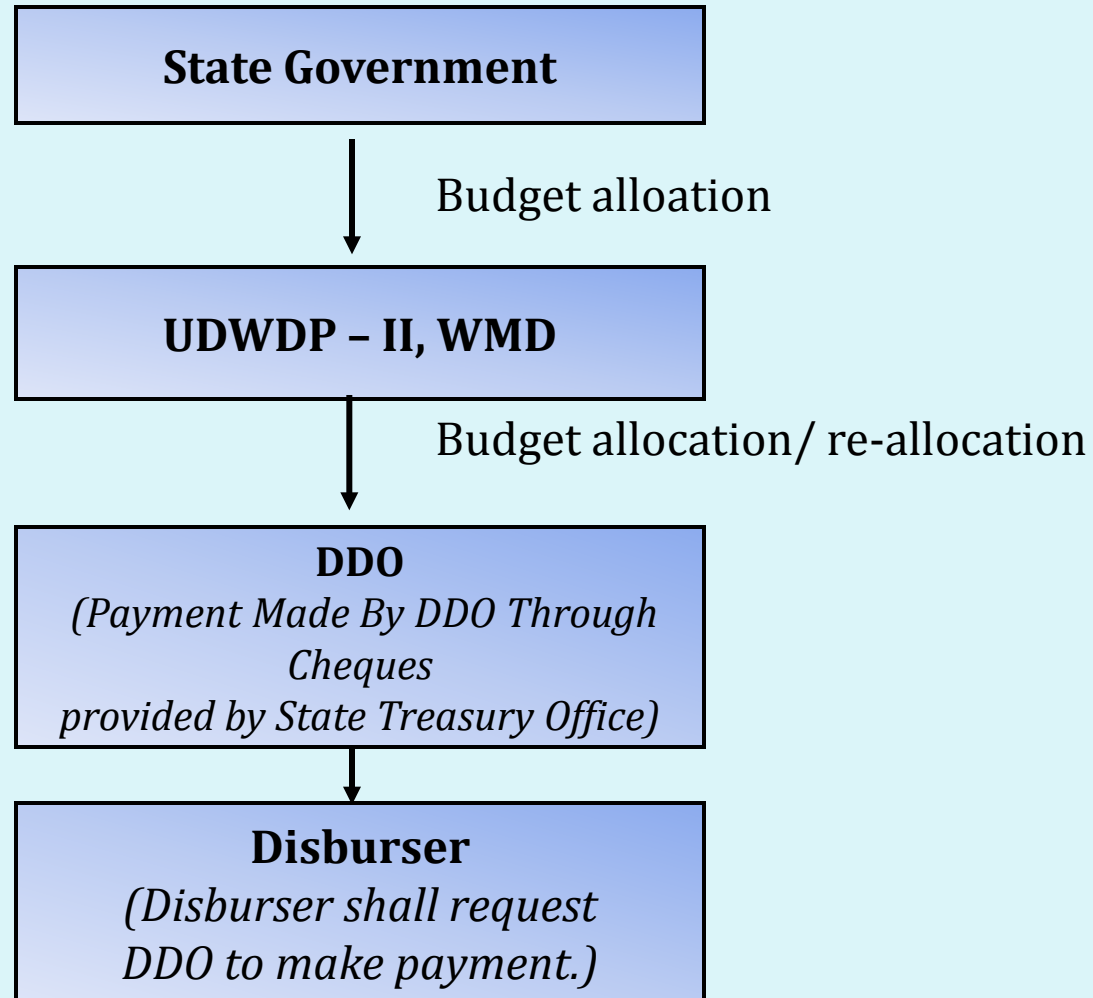
The funds shall be made available to the DDOs(PDs, DPDs & PMU) through the following systems:

- 1) Treasury System
- 2) Non-treasury system (CCL)

FLOW OF FUNDS PROCESS – TREASURY SYSTEM



FLOW OF FUND PROCESS- NON-TREASURY SYSTEM





BENEFICIARY CONTRIBUTION MADE BY COMMUNITY TO GP

- ❖ The beneficiaries are the individuals/group of individuals who would benefit from the developmental activities undertaken in the Project.
- ❖ The beneficiary contribution to the Project (as discussed in the subsequent paragraphs) would be received directly by the body undertaking the developmental activity i.e., Gram Panchayats
- ❖ The contribution from the beneficiaries can be in any of the following manner:
 - 1) Contribution-in-cash
 - 2) Contribution-in-kind
 - labour contribution
 - material contribution



FINANCIAL AND ACCOUNTING POLICIES

- Keeping in view the structure of the project, which involves two separate bodies i.e. WMD as nodal body and Gram Panchayat as executing agency, separate sets of Financial and Accounting policies have been framed. The Financial and Accounting policies regarding Gram Panchayats have been covered separately under Financial Systems Manual for Gram Panchayats.
- It should be noted that the financial & accounting policies contained in this manual shall supplement the policies given in State Financial Rules.



MODE OF PAYMENTS MADE TO GP

The payment made to the Gram Panchayat should be treated as Grant in Aid & charged as expenses under head Grant-in-Aid. At the time of receipt of the monthly bill, the Grant in aid will be adjusted to the extent of the completed work. While the payment made against the running bills will be treated as addition to the Grant in aid. The project would not claim the advances from the Bank, but however would claim the actual expenditure paid to the GPs.



THE COMPUTERIZATION OF THE FINANCIAL MANAGEMENT SYSTEM

The computerization of the Financial Management System is proposed to be carried out at the offices of the WMD, PDs and DPDs. Till then all accounts at various offices of the Project shall be maintained manually and subsequently computerized. However, the proposed accounting and financial management procedures cater to needs of both the manual and computerized systems of book keeping.



DETERMINATION OF ACCOUNTING CENTERS

The accounting for the project will be done at:

- ❖ Gram Panchayat
- ❖ DPD office
- ❖ Project Director office.
- ❖ Project Monitoring Unit (PMU)
- ❖ Partner NGO
- ❖ Chief Project Director office.



PREPARATION OF THE CLAIM STATEMENT.

- ❖ At the end of each month, the claim statement in the prescribed form shall be prepared manually in the first phase and subsequently through the system when computerization takes place.
- ❖ The claims raised by the DDOs shall be consolidated at hierarchy levels taking in account their own share of expenditure. Till such time the computerization takes place consolidation will be done manually.
- ❖ The detailed record of claims made shall be recorded in Claim Register. The consolidated claim will be sent to CAAA by CPD.



TYPES OF REPORTS

(1) INTERNAL REPORTS:

S.NO	TITLE OF REPORT	REPORT NO.	PERIODICITY	BY WHEN	PREPARED BY	SUBMITTED TO
1.	Monthly Progress Report	I M1	Monthly	3 rd of following month	Unit Officer	DPD
2.	Monthly Progress Report	I M2	Monthly	7 th of following month	DPD	WMD
3.	Monthly Progress Report	I M3	Monthly	3 rd of following month	PD	WMD
4.	Cumulative Sub component wise Quarterly Progress Report	I Q1	Quarterly	7 th of the following month	Unit Officer	DPD
5.	Cumulative Gram Panchayat Progress Report	I Q2	Quarterly	15 th of the following month	DPD	WMD

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S.NO	TITLE OF REPORT	REPORT NO.	PERIODICITY	BY WHEN	PREPARED BY	SUBMITTED TO
6.	Cumulative Physical and Financial Progress Report	I Q3	Quarterly	10 th of following month	DPD	WMD
7.	Cumulative Physical and Financial Progress Report	I Q4	Quarterly	10 th of following month	PD	WMD
8	Cumulative Stock Statement	I A1	Annual	10 th of following month	DPD	WMD
9	Interim Unaudited Financial Report (IUFR)					
10	Activity wise monthly abstract of expenditure and beneficiary contribution	R-1	Monthly	3 rd of following month	Unit Officer	DPD
11	Cumulative activity wise monthly progress reporting	R-2	Monthly	3 rd of following month	Unit Officer	DPD

(2) EXTERNAL REPORTS

S.NO	TITLE OF REPORT	REPORT NO.	PERIODICITY	BY WHEN
1.	Statement of Sources and utilization of funds for the quarter	IUFR 1	Quarterly	30 th of following month
2.	Statement of Sources and utilization of funds (Cumulative)	IUFR 2	Quarterly	30 th of following month
3	Division wise expenditure statement	IUFR 3	Quarterly	30 th of following month
4	Statement of Sources and utilization of funds (Division wise statement)	IUFR 4	Quarterly	30 th of following month
5	Claims reconciliation statement	IUFR 5	Quarterly	30 th of following month
6	Contract wise payments	IUFR 6	Quarterly	30 th of following month
7	Cumulative Gram Panchayat Progress report	IUFR 7	Quarterly	30 th of following month



AUDIT ARRANGEMENTS

- ❖ Audit of accounts, statements and reports provides means to ensure accuracy and check in financial system of an organization. To ensure proper functioning of the financial system on prescribed norms in the Manual, the Project requires an systemic auditing arrangement. Four types of audits would be carried out as follows:
 - Statutory Audit of Project offices by CAG on annual basis.
 - Internal Audit of Project offices and 20% of Gram Panchayats by Financial Review Consultants on quarterly basis.
 - Post Procurement Review audit by World Bank on annual basis.
 - Mandatory audit of Gram Panchayats by a firm of Chartered Accountants on annual basis.

CHART OF ACCOUNTS

A/c Code	Account Head		A/c Code	Account Head
01	Salaries		11	Stationery
02	Wages		12	Office equipment & furniture
03	Dearness Allowance		13	Telephone
04	Travelling Allowance		14	Purchase of Staff Cars/ Vehicles
05	Transfer TA		15	Maintenance of vehicles
			16	(Petrol & other lubricants)
				Professional Services
06	Other allowances		17	Building Rent
07	Honorarium		18	Publication
			19	Advertisement & publicity
			20	Grant in Aid
08	Office Expenses		24	Major
09	Electricity			
10	Water Tax			

Contd...



A/c Code	Account Head	
25	Minor Constructions	
26	Machinery /Equipment	
27	Medical Treatment	
29	Maintenance	
42	Other expenses	
44	Training	
45	LTC	
46	Purchase of Computer/ Hardware/ Software	
47	Maintenance of Computers & Purchase of Stationery	



FINANCIAL SYSTEM MANUAL OF GRAM PANCHAYAT

- ❖ Financial Manual of Project for Gram Panchayats will follow the standard procedures of rules given in Panchayati Raj Act.
- ❖ 10% of Annual Work Plan will be transferred as advance from divisional office to selected GPs under a dedicated separate account created for the Project. Subsequent fund will be transferred to GP on the basis of running bills.
- ❖ Each GP will be assisted by a Account Assistant preferably from the same GP hired by the Gram Panchayats.
- ❖ Disbursement of Project Fund will be carried out by the joint signature of Gram Pradhan and a Woman Ward member instead of Panchayat Secretary. (Vide G.O. No. 525/XII/86(53)2006 dated 26-07-2006)
- ❖ Reporting requirements will be done from Gram Panchayat to Unit level officers and from Unit level officer to division level.



Project Procurement Manual



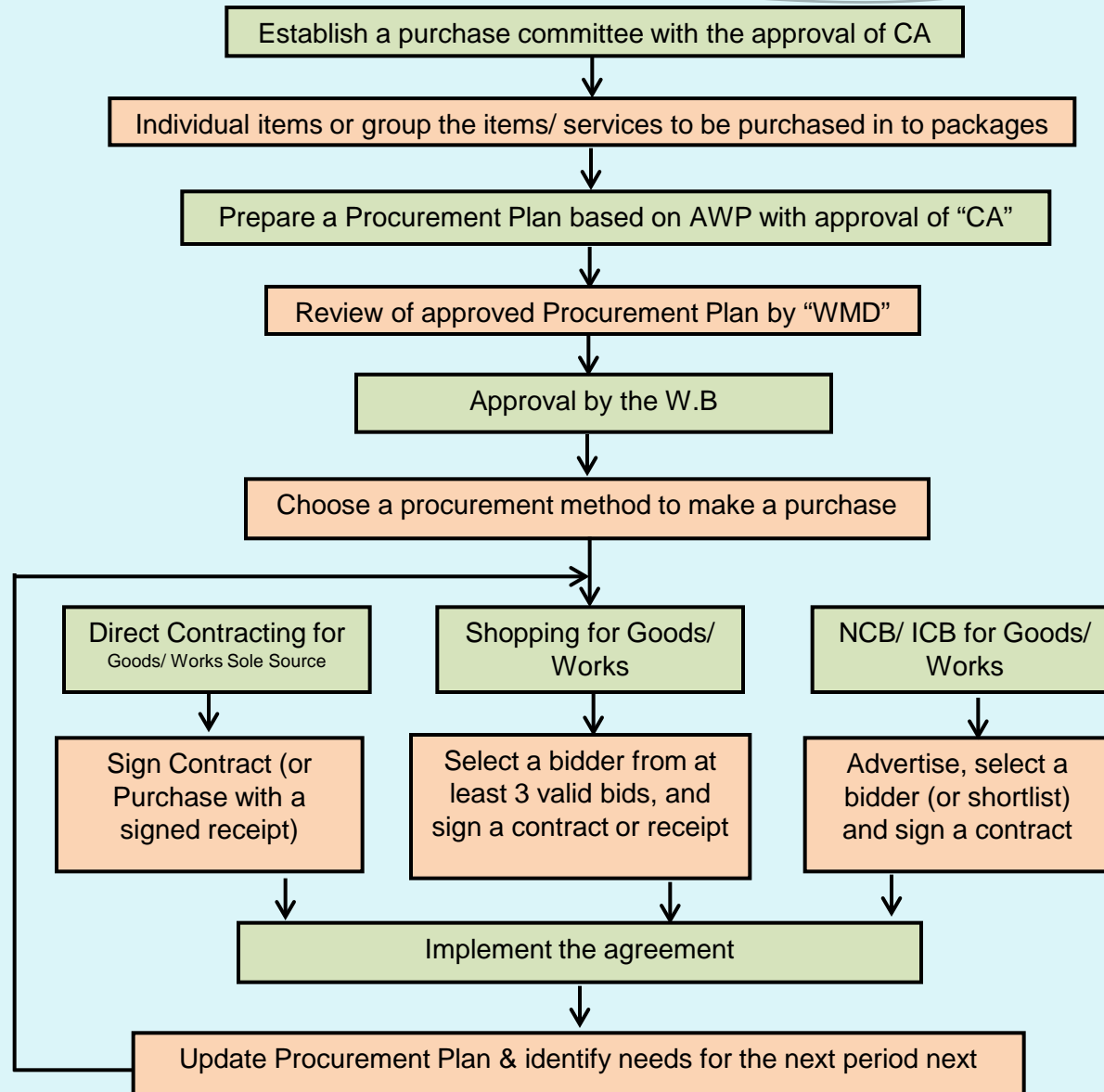
PROCUREMENT PRINCIPLES & VALUE THRESHOLD

The 10 guiding principles which govern the administration of public procurement are:-

- ❖ Accountability:
- ❖ Competition
- ❖ Consistency
- ❖ Effectiveness
- ❖ Efficiency
- ❖ Fair-dealing
- ❖ Integrity
- ❖ Informed decision-making
- ❖ Responsiveness
- ❖ Transparency



PROCUREMENT PROCEDURES



Note: CA- Competent Authority



PROCUREMENT AT WMD

Procurement at WMD will consist of:

- a. Works (construction of small work such as the renovation/repair/construction of staff quarters, office buildings, etc, at various levels)
- b. Goods (office equipment such as computers, furniture, supplies, vehicles, communications equipment, etc)
- c. Individual Consultant services and NGOs that support the project components like PNGO, FNGO, External M&E, Agribusiness Support Organization, Internal Auditor etc.



PROCUREMENT OF GOODS AND WORKS

Modes of Procurement

The methods of procurement to be followed for Goods & Civil

Works are:

- ❖ **International Competitive Bidding (ICB) [NA to the Project]**
- ❖ **National Competitive Bidding (NCB) [NA to the Project]**
- ❖ **Shopping [Maximum procurement will be done under this method]**
- ❖ **Direct Contracting [Applicable to Seed, Seedlings, Livestock Procurement, Satellite imageries etc]**
- ❖ **Rate Contract [Applicable to Vehicles, Computers etc.]**
- ❖ **Limited International Bidding (LIB) [NA to the Project]**



PROCUREMENT OF SERVICES

Methods for Procurement of Services

- ❖ **Quality and Cost Based Selection (QCBS) [Most of the NCB like – FNGO, PNGO, External M&E, Hydrological Monitoring etc.]**
- ❖ **Quality Based Selection (QBS)**
- ❖ **Fixed Budget Selection (FBS)**
- ❖ **Individual Consultant Method [Applicable for Environment, Social Dev. Specialist, GIS Consultant, IEC Consultant, MIS etc.]**
- ❖ **Least Cost Method (LCS) [For small & minor studies]**
- ❖ **Consultant Qualification Based Selection (CQS)**
- ❖ **Single Source Selection (SSS)**

Proposed thresholds for Procurement Methods and Prior Review as per World Bank Guidelines

Expenditure Category	Contract Value Threshold	Procurement Method	Review procedure by World Bank
Works	Works estimated to cost more than US \$ 40 million	International Competitive Bidding (ICB)	All contracts prior review by the World Bank [NA for the Project]
Works and Non-Consulting Services	works estimated to cost more than US\$ 100,000 and less than or equal to US\$ 40 million	National Competitive Bidding (NCB)	Prior review by the Bank - first two contract regardless of value and all subsequent contracts costing more than US\$ 5 million. All other contracts will be post reviewed [NA for the Project]
	works estimated to cost equivalent of US\$ 100,000 or less	Shopping (at least three quotations from qualified Contractors)	Post review only [Only this category is applicable to the Project]

Expenditure Category	Contract Value Threshold	Procurement Method	Review procedure by World Bank
Goods/equipments/machines/furniture/vehicles/proprietary products (seeds, saplings, livestock etc.)	Contracts estimated to cost more than or equal to US\$ 300,000	International Competitive Bidding (ICB)	Prior review by the Bank – first two contracts regardless of value and all subsequent contract costing more than US\$ 500,000 [NA for the Project]
	contracts estimated to cost more than USD 100,000 and less than US\$ 300,000	National Competitive Bidding (NCB)	Prior review by the Bank – first two contracts regardless of value and all subsequent contracts will be post reviewed. [NA for the Project]
	Less than US\$100,000 equivalent	Shopping (at least three quotations from qualified suppliers)	Post review only [This category is applicable to the Project]
	Proprietary times <US\$20,000 equivalent	Direct Contracting (supported by justifications)	Post review only [This category is applicable to the Project]

Expenditure Category	Contract Value Threshold	Procurement Method	Review procedure by World Bank
Services	more than US\$ 200,000	Quality and Cost Based Selection (QCBS)	Prior review by the Bank for first each contract and all subsequent contracts valued above US\$ 200,000. All others will be post reviewed. [Applicable to FNGO, PNGO, External M&E, Hydrological monitoring]
	Less than US\$ 200,000 or equivalent	Quality and Cost Based Selection (QCBS)/Consultant Qualification (CQS)/Least Cost Selection (LCS)/single source. Shortlist may comprise entirely of national consultants.	[Applicable to Agribusiness Support Agency]
	Less than US\$ 25,000 equivalent	Individual Consultant	[Applicable to Environment, Social, GIS, MIS, Commerce Graduate etc.]



DELEGATION OF POWER TO WMD IN UDWDP-I

❖ Vide G.O. No. 984/490(5)/ Krishi Avam Jalagam/ 200 dated 18-10-2004 for procurement of Goods and Works

S. No.	Procurement Methods	Provision as per Fin. Rules Vol. 5 Part-I	Delegation for Project Procurement /threshold
1	Without quotation	Goods/ Works upto Rs. 2500	For Goods- 500 US\$ For Works – 2000 US\$
2	By Quotation	Procurement under Goods/ Works Rs. 2500.00 Maximum Rs. 15000.00	For Goods US\$ 500 to US\$ 30000. For Works US\$ 2000 to US\$ 50000
3	By Tender	Procurement of Goods / Works more than 15000.00	For Goods more than US\$ 30000 For Works more than US\$ 50000
4	Proprietary items	--	Procurement by Direct Contracting to WMD



Community Procurement Manual

Procurement needs at GP level

It is envisaged that GPs will procure goods, works & services for the activities to be undertaken by GPs and that can be broadly classified as under:-

Sl. No	Category	Goods and Materials	Works & Services
1.	NRM/Forestry	Seeds, plants, Polythene bags, Sheets, Barbed/GI wire, iron, boulder and other local material, fencing poles / angle and tools & equipments etc.	Capacity Building needs Skilled and unskilled labour for execution of works and supervision
2.	Soil/Water Conservation	Boulder, local material, GI wire and sheets, sand, stones, Cement, Barbed/GI wire and GI pipes, poly-sheets etc.	
3.	Bridle path improvement & const. of small bridges/ culverts	Boulder, local material, GI wire and sheets, sand, stones, Cement, Barbed/GI wire.	

Contd.

Sl. No	Category	Goods and Materials	Works & Services
4.	Minor Irrigation	Cement, sand, coarse sand, Low Density Polyethylene sheet, HDP pipe, Micro Sprinkler, Drip irrigation pipe and poly tanks.	Capacity Building needs Skilled and un-skilled labour for execution of works and supervision
5.	Horticulture	Horticulture tools, Poly house, Poly tunnel, barbed wire, Poly-sheets, plants and HYV Seeds, bio-fertilizer inputs and polythene bags and tools & equipments etc.	
6.	Agriculture	Seeds, bio-pesticides/fertilizer, material for organic forming, molasses blocks and tools & equipments etc.	
7.	Animal Husbandry	Bull, Grass Tufts/ Seedlings, Chaff Cutter, Cement and other local material for mangers/shelters and tools & equipments etc.	
8.	Energy Conservation	Solar /Bio-gas equipments, Pine Briquetting machine and stove	



- ❖ Project Implementation Agency (PIA) At GP level is Gram Panchayat and Procurement Committee is Water and Watershed Management Committee (WWMC).
- ❖ Procurement agency at GP level will be – Gram Panchayat (GP), Revenue Village Committee (RVC), User Group (UG), Van Panchayat (VP), Livelihood Committees (LL), Farmer Interest Groups (FIG), Individuals etc.
- ❖ In case of refusal from procurement agencies the work can be sublet to contractors by GP (Procurement Committee)
- ❖ Participatory monitoring and evaluation will be done by a team consisting of different stakeholders.
- ❖ Annual mandatory audit by a firm of Chartered Accountant.



Thank you

