

Government of Rajasthan
State Project Management Unit
District Poverty Initiatives Project

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F-1 (66) RD/DPIP/PA/2002

Date 09.06.2003

CIRCULAR

Workshop was organized at IGPR&GVS on “Effective Project Management” on 8th to 9th May 2003, in which DPM, Manager Project Appraisal, DPC of NGO, NGOs Technical experts, IGPR &GVS faculty and officers from DPMU participated. During workshop various issues were discussed for the simplification of sanctioning process of sub-projects. These included certain items for which instructions had already been issued for simplification of procedures but problems still persisted. Keeping in view the various suggestions and recommendation/ feedback received from DPMUs, NGOs and other participatory agencies the following instructions are being issued in order to ensure the quick implementation of the sub-projects. In this context the World Bank team also emphasized on trusting the CIGs and community organizations while simplifying procedures.

1. Seeking opinion from Expert/s on Panel:

DPMUs are receiving a wide range of sub-projects. There are few projects, which require the assistance of Expert/s on panel and the others do not require any special technical assistance. It was decided that the sub-projects, which do not have any special technicality and the sub-projects, which are of repetitive in nature, are not required to be sent to the Panel of Experts for technical assistance. DPMUs will list out the sub-projects that are prototype and in which technical appraisal has already been done similar sub-project submitted earlier. These types of sub-projects will be sanctioned immediately if they are on the same lines as the already sanctioned sub-projects. DPMUs may sanction the standard service sector sub-projects like Band Baja, Shuttering, Tent House as well as micro-enterprise projects involving traditional skills like leather, pottery, printing, ironworks, etc without depending on assistance of Line Deptt. / Panel of Experts, as they do not require technical clearance. Community's local experts, practitioners and NGO technical expert's appraisal will be treated final in such cases. For finalization of such type of sub-projects, it should be seen that the items and cost proposed in sub-project should be in proportion to demand and users preference shall also be studied. For example items proposed in Band Baja

should not be so technically complex that can not be repaired easily and users paying capacity also does not sufficient for the same in the locality or villages covered the CIG.

2. Sanctioning Power:

The sanctioning power of authorities has been revised for DPIP. Now the DPMs are delegated the power to sanction the sub-projects up to Rs. 3.00 lacs. The sub-projects between Rs. 3.00 lacs to Rs. 13.50 lacs will be sanctioned at the Distt. Collector level. The sub-projects costing more than Rs. 13.50 lacs will be referred to the SPMU Jaipur. For such sub-project/s a committee under the Collector comprising of district level officer of line department, NGO's technical experts and DPM will be constituted for appraisal and recommending the sub-projects. Here rapid appraisal of sub-projects will be done by Manager Project Appraisal. Detailed guidelines for NIT's etc. will be circulated on approval of competent authorities.

Revised delegation of powers for recommendation and sanction of Sub-Project will be as follows:

S.No.	Sub-Project cost	Appraising and Recommending officer	Sanctioning officer
1.	Up to Rs.3.00 lacs	Manager Project Appraisal, DPMU	DPM
2.	Rs. 3.00 lacs to Rs. 13.50 lacs	District Project Manager & Manager Project Appraisal, DPMU	Distt. Collector
3.	More than Rs. 13.50 lacs	Committee under District Collector	State Project Director,

3. Sanctioning Committee:

The requirement of getting sub-projects sanctioned from District Project Sanctioning Committee has been abolished. The sub-projects can be sanctioned as per power delegated in para 2 above. The DPMU can sanction the duly submitted sub-projects within their prescribed limit and beyond this limit the DPM and Manager (PA) will recommend the Sub-Project to Collector for sanction. If Collector needs some clarification then Collector may call DPC/DPM/NGO's Expert for assistance and clarification.

4. Rapid & Detailed Appraisal:

First the Rapid Appraisal then detail appraisal of sub-projects will be done as per guidelines. The rapid appraisal will involve the checking of

all support document necessary with sub-projects proposals where as in the detail appraisal the sub-projects will be tested only on the basis of pay back period to be based on cash flow for 5 to 7 years. Sophisticated analytical tools like the sensitivity and other analysis is not required to check the financial viability of small sub-project/s (below Rs. 13.50 lacs). Manager Project Appraisal is delegated the power to recommend waiver of any document which he satisfied is not adding any value in the sub-project/s. However approval of Collector for such waiver is must.

5. Sub-project Time Frame:

To ensure time bound sanction & execution of sub-projects, the time limits at various levels require to be stipulated again. Now the DPMU will complete the necessary work with in the stipulated time limit assigned for that particular work. The time limits for completion of various tasks summarized as follows:

S. No.	Task	Allotted time limit	Responsible officer/Agency
1	Approval of CIG	Within 10 days of receipt of proposal	DPM
2	Submission of Sub-Project proposal	Within 3 months from approval of CIG	NGO /DPC
3	Sanctioning of Sub-Project/s	With in 15 days from receipt of the proposal from NGO/CIG	DPM
4	Signing of MOU	Within 15 days from date of sanction	NGO/CIG
5	Release of funds	Within 10 days of signing of MOU with CIG	DPM
6	Completion of sub-projects	6 months from release of first installment	NGO, Expert/s on Panel
7	Sustenance of sub-projects	Three months from completion of sub-project/s	NGO & NGO's experts

a Submission of Sub-Project Proposals:

The NGO will submit the sub-projects within 3 months from approval of CIG from DPMU. The sub-project proposals should be completed in all respects containing all necessary documents.

- b Sanctioning at DPMU level:**
After getting sub-projects proposal from NGO/CIG, the DPMU will scrutinize the sub-projects. If the sub-projects fulfill all the required formalities then the DPMU will sanction the sub-projects immediately. If there is any minor shortcoming in the proposal then the DPMU will remove these shortcomings with the help of NGO/CIG. The process of sanctioning of sub-projects will be completed with in 15 days from the receipt of sub-projects.
- c Release of Funds:**
DPMU will release the funds to CIG (required DPIP component) with in 10 days from signing of Memorandum of Understanding (MOU) with CIG. The NGO/CIG will ensure the deposition of required beneficiary contribution in terms of cash, kind and labour before attaining the agreed milestone in order to get the required amount released from the bank.
- d Completion of sub-project:**
NGO & Expert/s on Panel will ensure the completion of sub-project with in six months from release of 1st installment. A sub-project should be completed with in six months because this would help the CIG to save time & money.
- e Sustenance of sub- project:**
NGO and NGO's expert will keep a watch on the sustainability of a sub-project for three months after its completion. This exercise would help the CIGs in their post sub-project completion activities also.

6. Revenue records for Land Based activities

In order to expedite the procedures laid down for taking up Land Based activities where revenue record/maps are required for ascertaining the location of the land in question, it has been decided that Nazari Naksha (Visual map) will suffice in performing the proposed construction of assets. However it must be got approved by the Ward Sabha/ Gram Sabha for community validation.

7. Land based Activities under Community works

Activities like anicut pasture development, social forestry can be proposed as community infrastructure works on community land through VDA/GP, provided the competent authority's approval is taken for revenue/ forest/ Panchayat lands. Moreover, these sub-projects will be appraised according to guidelines that are laid down for community infrastructure works.

8. Limitation of six months for purchasing Milch Cattle, Goats, Sheep, etc.:

Earlier it was decided through circular No. F-1(66) RD/DPIP/ PA/2002 dated 06.11.2002 that only those groups that have survived and functioned as an SHG for at least six months should be eligible for Milch animal /other assets under DPIP. Now it has been decided that if the community is confident to handle the sub-project the limitation of six months can be relaxed. The CIGs will be eligible to purchase Milch cattle and other animals along with assets required for sub-project regardless of its functioning as an SHG for six months.

9. Cash Flow statement for Land based activities:

Land based activities viz. reclamation of land, leveling, bunding, fencing, etc. are taken on cultivable waste and fragmented land that are generally unused so it has been decided that it is not necessary the cash flow statements for such sub-projects should show profit. The Land based activities on such land can be taken even if the fund flow statement is not showing financial viability. However it must be kept in view that adding values in land would certainly increase the income of CIG.

10. Training to CIG:

Now the skill development trainings to CIG members will be included as a part of sub-projects and for this the cost, type, duration of training will be indicated in the sub-project proposal as per existing formats already in application form. The sub-projects that do not include proper justification about the training component would not be entertained. Instructions in this regard has already been issued from SPMU vide letter No. F-3 (7-Tonk) RD/DPIP/2001 dated 16.5.2003.

(M. S. Khan)
State Project Director

Copy for information & necessary action to:

1. P.S. to DC, Government of Rajasthan, Jaipur.
2. P.S. to Principal Secretary RD, Government of Rajasthan, Jaipur.
3. PA to State Project Director.
4. Task Manager, World Bank, New Delhi.
5. Distt. Collector-Baran, Churu, Dausa, Dholpur, Jhalawar, Rajsamand & Tonk
6. District Project Manager-Baran, Churu, Dausa, Dholpur, Jhalawar, Rajsamand & Tonk.
7. District Project Coordinator (I Clusters) –BCT- Churu, MSGDJSN-Dausa, Lupin-Dholpur, IIRD-Jhalawar, Viswas Sansthan-Rajsamand & CECEOEDCON-Tonk.
8. DPC (II Clusters) – ASSEFA-Baran, URMUL-Churu, BAIF-Dausa, GVNML-Dausa, PRADAN- Dholpur, ANARDE-Jhalawar, Sewa Mandir-Rajsamand, Viswas Sansthan-Rajsamand & Kumarappa-Tonk BAIF-Tonk.
9. DPC (III cluster) – Srijan, Sadguru
10. Officer Incharge (DPIP), IGPR & GVS, Jaipur.

(V. K. Sharma)
GM Project Appraisal