

EQUITABLE GROWTH, FINANCE & INSTITUTIONS NOTES

The World Bank's Support for Decentralization in India: Lessons Learned from Enhancing Local Government and Service Delivery Projects

Petar Georgiev Stoykov and Serdar Yilmaz

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Cover design and layout: Maria Lopez / lopez.ten@gmail.com



Overview

This note presents lessons learned from the World Bank’s decentralization projects in four Indian states – [Karnataka](#), [Bihar](#), [Kerala](#) and [West Bengal](#) – between 2006-2019 (see Table 1 for project summary and Table 2 for full project details). The note synthesizes the main evaluation findings from the World Bank’s implementation completion and results reports and implementation completion report reviews of these projects.

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TABLE 1 - Projects Summary

PROJECT NAME	Karnataka Panchayat Strengthening Project (P078832)	Bihar Panchayat Strengthening Project (P102627)	Kerala Local Government and Service Delivery Project (P102624)	West Bengal Institutional Strengthening of Gram Panchayats (GPs) (P105990)
LEAD GLOBAL PRACTICE	Governance	Governance	Social, Urban, Rural and Resilience	Social, Urban, Rural and Resilience
INSTRUMENT	Specific Investment Loan	Investment Project Financing	Investment Project Financing	Specific Investment Loan
ACTUAL COST	(US\$M): 140.39	(US\$M): 54.18	(US\$M): 248.78	(US\$M): 198.70
BOARD APPROVAL	06/29/2006	09/27/2012	03/29/2011	06/08/2010
CLOSING DATE	03/30/2014	12/30/2019	12/29/2017	06/30/2016
IEG OUTCOME RATING	Moderately Satisfactory	Moderately Satisfactory	Satisfactory	Highly Satisfactory

In India, decentralization of service delivery responsibilities to state and local governments is a major policy tool to reduce poverty and to strengthen mechanisms for improving basic service delivery. Decentralization is expected to make the government more accessible, accountable and transparent by bringing policy makers and those responsible for service delivery closer to the communities they serve. In addition, decentralization is expected to provide opportunities to resolve local conflicts faster and empower the most vulnerable and disadvantaged groups.

There were both strong operational and policy level justifications for the Bank’s involvement in these four projects. On the policy side, the 73rd and 74th Constitutional Amendment Acts of

1992 gave Constitutional status to Panchayati Raj Institutions (PRIs) and urban local bodies (ULBs), paving the way for political as well as administrative empowerment of both rural and urban local governments. Over time, strengthening local governments became one of the most important governance challenges to inclusive growth and effective service delivery given the low levels of capacity at the local level. On the operational side, analysis of the Bank’s portfolio in India indicates that a substantial portion of investment lending operations are wholly or partly implemented either through PRIs/rural local bodies or its sub-committees and user groups. Therefore, there was a need to strengthen local governments to reduce bottlenecks to project implementation.



These four projects contributed to achieving the government's development objective of establishing robust local government systems to improve service delivery. Although they were led by two different Global Practices—Governance and Social, Urban, Rural and Resilience—their design properties, such as the project development objective (PDO), the project components and results indicators, were quite similar. All four projects aimed at strengthening the institutional capacity of the local governments to deliver services and undertake basic administrative and governance functions in a more effective, inclusive, accountable and sustainable manner.

It is worth mentioning that although similar in their objectives, these four projects differed notably in certain project design elements and in their local context. Kerala, for example, is a highly decentralized state and the project focused on both rural and urban local bodies while the other three projects covered only rural local bodies. In addition, the political will to decentralize was far greater in states like Kerala, Karnataka and West Bengal which have strong grassroot political systems and were already regarded as highly decentralized states. These were also the states which were first selected for Bank lending. Subsequently, Bihar was added into the portfolio, in line with the Country Partnership Framework's vision to operate in lagging states.

The operational design features of these projects were a fast-disbursing block grant component combined with technical assistance (TA) on capacity building. Block grants based on eligibility criteria to incentivize the local governments to implement much needed reforms in the area of public financial management (PFM) and procurement became an important part of the success story of these projects. The combination of PFM reforms aimed at clearing audit backlog and improving

accounting at the local level, as well as procurement reforms aimed at improving transparency in tendering of local contracts, played an important role in the attainment of key results.

When it comes to differences in design elements, unlike the other three projects, the Bihar project didn't include block or performance grants; it aimed to create physical infrastructure (which is a common intervention instrument in fragile contexts). The Karnataka project was innovative in using a block grant program to develop institutional capacity and promote the use of digital technology through satellite studios used for training purposes, a.k.a. SATCOMs. The West Bengal project implemented a successful capacity building program and disbursed performance-based grants based on annual performance assessments (APA). The Kerala project disbursed performance-based grants through a two-phased approach. The administrative and institutional systems necessary for the introduction of a full-fledged performance grant were established over the first two years of the project. From year three onwards, a performance-based qualification to receive a grant based on an annual performance assessment was applied.

The lessons learned from these projects can be useful for shaping future decentralization projects in India and elsewhere, particularly those seeking to improve service delivery systems and core governance institutions. In its first part, this note summarizes the most valuable and transferable lessons learned from these four projects. The lessons are thematically grouped and apply for more than one project. The second part of the note contains a table outlining the PDOs and main components of each project in detail, followed by a document references section (Table 3).



General Recommendations and 18 Lessons Learned:

Aligning PDO with the government's vision and priorities contributes to success. A major success factor in achieving PDO is the alignment of project design with the state governments' declared priorities. It is important that the projects support a long-term-vision of state governments for inclusive, responsive and accountable local governance, and that they encompass a critical mass of grassroots political leaders in order to promote development, social justice and cohesion. In both Kerala and West Bengal, the project design was aligned with the state governments' development objectives of further strengthening local systems and services. Because of this alignment and the advanced stage of decentralization reforms in these states, both projects delivered strong results.

Aligning the PDO with the World Bank's strategic vision and country program is a key anchor. Alignment of the PDO with the current Country Partnership Framework ensures consistency with the Bank's overall support for the country's development. Decentralization was a key pillar of the India Country Strategy and these four projects supported state governments in establishing a framework for decentralization of service delivery responsibilities.

Continuous dialogue with stakeholders in all stages of the project enhances commitment. Project design should be based on the Bank's continued dialogue with all stakeholders. Expanding the notion of ownership by proactively engaging stakeholders in the early stages of project design and establishing partnerships with all stakeholders, such as local self-government institutions, elected representatives and civil society organizations, broaden and deepen project ownership, creating demand outside of government. Early dialogue is also crucial for ensuring genuine client commitment to decentralized service delivery. These four projects were designed after a period of policy dialogue with state governments. For example, in the case of Bihar, the project design was based on the Bank's continuous dialogue during the previous six years.

An effective project design should adopt a blended approach of ensuring increased financing alongside strengthening capacity. Providing institutional and capacity building at various levels together with performance-based block grants resources helps with the successful design of projects. However, capacity building efforts need to be tailored, appropriately targeted and implemented to realize the full potential of the block grant system. In doing so, it is helpful to carry out a detailed capacity needs and gaps assessment prior to developing capacity development plans. In Bihar, a survey-based joint assessment provided evidence that capacity building had translated into improved service delivery responsiveness. The survey collected information about: (i) the availability of functionaries at the GP office; (ii) the availability of application forms and e-services submission facility; and (iii) visits required for submission of a service specific application. The blended approach was also effectively implemented in Karnataka where the project provided block grants to Ggram panchayats (GPs - village councils)¹ in the 39 poorest rural blocks (Taluks). At the same time, the capacity of all three levels of panchayats to manage resources, collect own revenues and deliver services was increased through measures such as (a) creating GP resource cells at the Taluk level; (b) developing a service delivery monitoring system; (c) providing training programs for officials working in panchayats through the State Institute of Rural Development; (d) adopting a computerized financial management system for GPs; and (e) putting in place environmental guidelines for GPs. Additionally, systems were put in place at the state level to enable the state government to oversee, facilitate and manage the panchayat system in general.

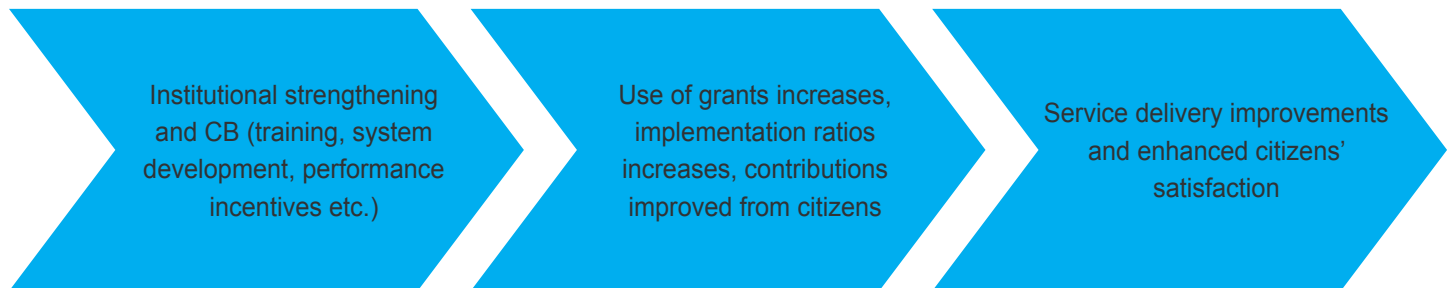
Institutional strengthening is important for improving service delivery and enhancing citizen satisfaction. Institutional improvements result in better utilization of funds, which translates to better fund and project implementation ratios and improved levels of citizen satisfaction (see figure 1

1. Gram Panchayat is a basic village governing institute in Indian villages. It is a democratic structure at the grass-roots level. It is a political institute, acting as [cabinet](#) of the village. (Source: [Gram panchayat - Wikipedia](#))

below). Experience from the Kerala project shows that incentive-based allocations promote better planning, PFM, and governance across a broad range of core areas. Compared to the baselines, there are significant improvements in the quality of planning documents (procurement plans, revenue enhancement plans, planning and budgeting for maintenance and operations), fund absorption capacity (not only the performance-based grants, but also of all untied grants), and project completion rates, as well as in the involvement of citizen groups in local planning and implementation.

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FIGURE 1



Building on the foundation of strong ownership and mitigating risks due to political changes are important for successful project implementation. Strong top-down commitment is critical to the implementation of decentralization projects. Even with political support at the top, it is also essential to minimize disruptions to project implementation due to changes in the political and executive leadership. This underlines the need to fully understand the political economy of decentralization and to find measures to mitigate potential political risks. It also underlines the importance of ensuring a strong policy framework and enabling environment for decentralization reforms in parallel to bottom-up strengthening. In the case of the West Bengal project, the state government had a strong commitment to project implementation. The PDO was well aligned with the state government’s vision to deepen the devolution of powers and functions to rural GPs. Although the project was prepared at a time when various decentralization processes had already been underway in the state and there was a change in the state government at the initial phase of the project, the project implementation continued without disruption because of the project team’s proactive dialogue with government counterparts. In addition, the national and panchayat-level elections during the project implementation did not affect the achievement of the PDO.

Adopting a results-based approach by focusing on selected development outcomes that are decided in collaboration with project stakeholders (state government departments) is critical in achieving results. In the context of result-based lending, designing a robust

results measurement framework with solid indicators and establishing a sound monitoring and evaluation (M&E) system are important factors in creating momentum for the successful implementation of a project. A results-based focus requires a sound and objective performance measurement system, an incentive system that is incremental and progressive, and a robust independent verification system outside of the government. In the Bihar project, the results-based approach consisted of the introduction of a series of disbursement linked indicators (DLIs) to provide incentives for the state government to properly equip the newly constructed Bhawans (local government offices of the Panchayats) and staff them with key personnel. GPs with newly constructed Panchayat Sarkar Bhawans (PSBs - local administration buildings) were considered functional only when they had key public officials in place, and two positions available part-time for fixed office hours. Gram Sabhas² were to be held in accordance with the Panchayati Raj Institutions Act. Standing Committees had to be constituted and performing mandated duties. Bhawans had to be equipped with adequate furniture, fixtures, and computers and other peripherals for smooth functioning, and the publishing of basic information. The verification protocol was agreed upon with the government, and the DLIs were verified by a third-party agency before disbursement.

It is important to seek synergies that complement existing government mechanisms. Given their size, Bank projects have limited impact unless they can contribute to mainstream government programs. Sometimes programs can also be designed not as stand-alone projects, but instead to work

2. The Gram Sabha work as the general body of the Gram Panchayat. The members of the Gram Panchayat are elected by the Gram Sabha. (Source: [Gram panchayat - Wikipedia](https://en.wikipedia.org/wiki/Gram_Sabha))

through the government system, if the financial management systems of the government are sufficiently reformed and offer enough assurances for the Bank's fiduciary requirements. In terms of the support to the grant system, all projects, except for the Bihar project, provided block grants to the GPs in addition to the general State Finance Commission (SFC) and Central Finance Commission (CFC) grants. In its second phase, the West Bengal project has linked the project resources to the other block grant funding sources in an integrated scheme for performance-based grants. It has developed a system in which there is a direct link between each performance enhancement (performance measure point) and the actual allocation for each GP. In addition, the project managed to consolidate grant management measurement schemes at the state level—all block grants to the GPs are now following one common system of performance assessment. This unified grant management scheme is rolled out to the entire state, covering 3,342 GPs, with joint guidelines and government rules and regulations for all kinds of grants. Furthermore, seeking synergies with existing government systems helps avoid conflicts and consequent delays during implementation. In the case of the Kerala project, the project implementation arrangements involved multiple agencies and the project reporting relationships conflicted with governmental reporting systems. This led to institutional coordination issues and resulted in substantial delays.

Local elite capture is always a risk that needs to be mitigated in decentralization reforms. In fact, at times it may result in displacing exclusionary practices from the center to the local level, where local elites take control of the new power and resources offered by the decentralization process. In the case of the Bihar project, some believe that the availability of buildings for PRI functions has mitigated local elite capture and strengthened participation and the outreach of services to the wider population. In addition, the project chose to invest significant operational energy in raising awareness and building the capacity of citizens and leadership from disadvantaged groups to meaningfully participate in local governance and undertake collective action that benefits them as well as the broader community.

When local government institutions have a permanent functioning office, the cost of accessing services from GPs is reduced for local residents. In Bihar, [two surveys](#) demonstrated that the construction of a local government office, equipped with personnel, furniture, fixtures, and other peripherals, helped build responsive, inclusive, and accountable institutions. The surveys found a number of advantages of permanent offices compared to temporary

ones, such as: (i) permanent offices constructed at a location according to the choice of the community are more accessible than temporary offices; (ii) females feel much safer visiting permanent functional offices with waiting areas, separate toilets and breastfeeding rooms; (iii) local governments with permanent functional offices are more responsive in accepting applications; and (iv) issuance time of relevant certificates is shorter in permanent offices.

Establishing female-friendly physical facilities is a strong boosting factor for social inclusion. The Bihar project has become a symbol of women's emancipation and the inclusion of vulnerable peoples. The project integrated feedback and input from women in the villages on how the offices are designed and where they are located. The project ensured that these local offices are equipped with separate toilets for women which are not located in a remote corner of the village. Therefore, the office toilets are constructed with due attention to accessibility, safety, and connectivity. Office spaces include a place for young mothers to breastfeed and a meeting room for women's self-help groups. The whole experience of creating these local offices stands in sharp contrast to the past when the elected representatives (all men) functioned either from their homes or from limited spaces provided in schools or community centers.

To ensure the long-term sustainability of local government and service delivery projects, capacity building of local governments should be an integral part of the project design. In the case of the Kerala project, the project supported the Kerala Institute of Local Administration and the State Institute for Rural Development through infrastructure augmentation and systems modernization for delivery of training programs, curriculum development, and strengthening HR capacities. Involvement of the local capacity building institutions was one of the key sustainability measures put in place to ensure that the project-supported capacity building interventions (preparation of manuals, training needs assessment, training curriculum and calendar) so that support would be continued beyond the project on a sustainable basis. In this regard, working with local training and capacity building institutions is essential for the continuous capacity building of local officials.

Ensuring coherence and continuity of the project implementation team is of prime importance for successful project implementation and M&E. In the Kerala project, implementation arrangements could have been better supported if the Project Monitoring Unit (PMU) had a longer-serving project director and other staff in key

positions. Implementation arrangements could also have been supported by stronger systems for monitoring, evaluation and reporting through a bottom-up information flow approach. These posed challenges in monitoring the progress of sub-project implementation at the local level. Eventually, the project had to rely on the office of the district coordinator, which presented its own constraints and challenges in terms of information flow. In essence, M&E systems are key for success, as decentralization programs by definition multiply the number of administrative units involved in implementation. M&E systems must include well-defined and easy to measure indicators and the ability to access them in real-time to inform project management. Additionally, in the case of West Bengal, separation of the executing and evaluating agencies helped ensure the objectivity and integrity of performance assessment. This was accomplished through the use of consulting firms managed by the implementing agency rather than the executing agency for the external audit of the annual performance assessments. Maintaining the integrity of the performance evaluation system was key to the success of the project.

Strong leadership and stable project teams in the implementing agency as well as at the Bank, and close collaboration between the two teams are key to effective project implementation. This was clearly demonstrated in the West Bengal project. There was continuity in the leadership roles both on the bank side and the borrower side. The same project task team leader (TTL) led the project preparation activities, appraisal, and negotiations. On the borrower side, there was stability in the state leadership. The same state Minister of Panchayats, Principal Secretary and the Project Manager were part of the project preparation from the beginning. This enabled the two teams to build mutual trust and collaborative relationship. In addition, continuity of staff in State Coordination Unit (SCU) and District Coordination Units (DCUs) as well as mentoring teams working with GPs resulted in their growing familiarity with project requirements and procedures and compliance with them. After a steep learning curve in the beginning, the staff were able to perform project implementation and management tasks in a skillful and efficient way.

When implementation delays threaten the achievement of results, proactivity and flexibility in restructuring are of central importance to bring the project back on track. Lending operations need to calibrate their expected outcomes and results framework against the situation on the ground both in terms of capacity, previous experiences, political economy constraints and the specific problem they seek to address.

In the case of the Bihar project, the initial PDO, results framework and operational design did not sufficiently take into account the scale of the challenge, the capacity constraints, and the poor governance context of the state. Under difficult circumstances, the project team remained flexible, adopted innovative solutions and achieved unexpected results. An example of this was the ability to use newly constructed PSBs as temporary COVID-19 isolation centers. The provision of toilets, water, and electricity was originally thought of as a way of enhancing the inclusion of women and other underserved citizens. However, they became important for providing the basic necessities and hygiene required for quarantine, especially for migrant workers temporarily unable to return to their homes.

Innovative and tailored tools and approaches are needed for long-lasting impact. A challenging context does not necessarily imply that governance focused projects cannot be delivered. Success depends on the tools and approaches applied, which should be relatively innovative, simple, engaging and tailored to the context. In the case of Bihar, the construction of the PSBs could have been subjected to a greater level of transparency and citizen engagement in the design and construction of the buildings, which would have made them more transformative. This would have complemented the innovative mechanisms already applied, such as the e-Project Management System, other ICT tools and the third-party verification and quality audit. The project could have been more innovative in this sense and sought to identify approaches to strengthen transparency and accountability in the public sector, and possibly have built budget literacy. Embracing such approaches is critical to making governance-oriented reforms harder to reverse and more sustainable. In the case of West Bengal, the team implemented an innovative approach with a selected group of higher-capacity GPs that resulted in spill-over effects on non-participating GPs. The project only selected a third of the GPs within the state, which had better capacity and performance to begin with. This was meant to mitigate the risk of GPs with low capacity not being able to meet the requirements of a performance-based block grant system. The project had spillover effects on non-project GPs: increased interest in and accumulated knowledge of performance-based financing; exchange of knowledge and expertise between project and non-project GPs; and mainstreaming of ISGPP frameworks and tools.

Effective communication and good documentation are two critical tools for improving transparency and citizen participation. The impact evaluation of the West Bengal project showed that providing information to community

members resulted in their increased and active participation in various GP meetings. Dissemination of project information to GP residents through various channels, such as GP information booklets, TV commercials, radio spots, notice boards, hoardings and wall writings, ensured that community members were well informed and could participate effectively in the GP platforms. The original target of reaching 1000 GPs was exceeded by 235% as project information was disseminated in all 3347 GPs within the State of West Bengal.

The combination of capacity building and block grants can deliver powerful support for meaningful decentralization provided the focus is on all 3 Fs - functions, funds and functionaries.

An effective and efficient system for resource transfers from the central to the state and local government should be established as a conducive factor for successful decentralization and improved performance of local governments. Unconditional grants are key in this respect, as their importance underpins meaningful participation. The West Bengal project experience demonstrated that this combined approach enabled GPs to improve their performance on institutional aspects, especially on the timely preparation of annual plans and budgets, execution of sub-projects, citizen engagement, accounting, and monitoring and reporting. A well-

designed APA system resulted in credible allocation of grants, while improved planning processes and increased community participation also helped to enhance effective utilization of the block grants. In addition, mentoring, as a key element of capacity building, is a prerequisite for enhancing project achievements. The mentoring model for capacity building proved to be very effective due to the close interaction with key stakeholders. It gave GP officials and elected representatives the confidence to successfully utilize the block grants to implement the service delivery elements of the project.

In conclusion, as the practice of decentralization is taking root all over the world, the number of projects addressing different aspects of decentralization is increasing in the World Bank's portfolio. By analyzing these four projects in India, key transferable lessons were synthesized that can be widely applied across Bank operations. In short, these lessons include: the importance of political will, ownership and continuity of senior management (on both Bank and client side); proper design of M&E systems; and project flexibility, adaptation and innovation. These lessons are all relevant to the wider Bank teams. Employing the recommendations outlined in this note will enhance the Bank's operational effectiveness and will allow the institution to deliver better solutions for its clients.

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TABLE 2 - Detailed Information on the Selected Decentralization Projects in India

PROJECT NAME	Karnataka Panchayat Strengthening Project (P078832)	Bihar Panchayat Strengthening Project (P102627)	Kerala Local Government and Service Delivery Project (P102624)	West Bengal Institutional Strengthening of Gram Panchayats (GPs) (P105990)
LEAD GLOBAL PRACTICE	Governance	Governance	Social, Urban, Rural and Resilience	Social, Urban, Rural and Resilience
INSTRUMENT	Specific Investment Loan	Investment Project Financing	Investment Project Financing	Specific Investment Loan
ORIGINAL COMMITMENT	(US\$M): 133.33	(US\$M): 84	(US\$M): 260	(US\$M): 200
ACTUAL COST	(US\$M): 140.39	(US\$M): 54.18	(US\$M): 248.78	(US\$M): 198.70
BOARD APPROVAL	06/29/2006	09/27/2012	03/29/2011	06/08/2010
CLOSING DATE	03/30/2014	12/30/2019	12/29/2017	06/30/2016

PROJECT NAME	Karnataka Panchayat Strengthening Project (P078832)	Bihar Panchayat Strengthening Project (P102627)	Kerala Local Government and Service Delivery Project (P102624)	West Bengal Institutional Strengthening of Gram Panchayats (GPs) (P105990)
PROJECT DEVELOPMENT OBJECTIVE	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.	To support Bihar's capacity to promote and strengthen inclusive, responsive, and accountable Gram Panchayats in selected districts across the state.	To enhance and strengthen the institutional capacity of the local government system in Kerala to deliver services and undertake basic administrative and governance functions more effectively and in a sustainable manner.	To develop institutionally strengthened Gram Panchayats in the Recipient's State of West Bengal.
PROJECT COMPONENTS	<p>Component 1: Block grants to Gram Panchayats (US\$ 113.33m): Providing block grants to 1,343 Gram Panchayats in the 39 poorest rural blocks (Taluks) of the State of Karnataka.</p> <p>Component 2: Capacity Building and Information Systems for Constituents (US\$ 1.43m): Supporting community organizations (such as women's self-help groups), watershed associations, drinking water committees, and others) in participating in the new Panchayat planning process, voice their demands from government, and access services and programs, as well as in providing relevant and easy-to-understand information to constituents.</p>	<p>Component 1 (US\$49.1m): Panchayat Sarkar Bhawan (PSB - local administration buildings): Construction and making functional PSBs in approximately 300 GPs.</p> <p>Component 2 (US\$2.4m): Capacity building for Panchayati Raj Institutions: through: a) Institutional strengthening, building the core institutional capacity of panchayats, including in basic administrative, planning and financial management capacity; and b) Nurturing development-oriented panchayat leadership and local initiatives in the following areas: nutritional status of women and children, quality of drinking water, and village sanitation.</p>	<p>Component 1: Performance Grants (US\$238.6m). This component provided an annual, performance-based grant to all 978 Gram Panchayats and 60 Municipalities (collectively referred to as 'local governments') in Kerala.</p> <p>Component 2: Capacity Building (US\$11.2m). This component provided capacity building inputs to strengthen and supplement the existing systems and human resources of local governments to enhance their institutional performance.</p> <p>Component 3: Enhancing State Monitoring of the Local Government System (US\$3.4m). This component supported the strengthening of</p>	<p>Component 1: Grants to Gram Panchayats (US\$ 263.60m)</p> <p>Subcomponent 1.1. Block Grants</p> <p>Subcomponent 1.2. State Funded Untied Grants</p> <p>Component 2: Capacity building for GPs (US\$10.73m)</p> <p>Subcomponent 2.1. Systems development support</p> <p>Subcomponent 2.2. Mentoring support</p> <p>Subcomponent 2.3. Formal training</p> <p>Subcomponent 2.4. Demand-led support</p> <p>Subcomponent 2.5. Exposure visits</p>

PROJECT NAME	Karnataka Panchayat Strengthening Project (P078832)	Bihar Panchayat Strengthening Project (P102627)	Kerala Local Government and Service Delivery Project (P102624)	West Bengal Institutional Strengthening of Gram Panchayats (GPs) (P105990)
	<p>Component 3: Building the capacity of Panchayats (US\$ 14.97m): Increasing the capacity of all three levels of Panchayats in managing resources, collecting revenues and delivering services.</p> <p>Component 4: Building the capacity of the State (US\$ 3.0m): Putting in place systems at the state level to enable it to oversee, facilitate and manage the Panchayat system in general and the Karnataka Panchayats Strengthening Project in particular.</p>	<p>Component 3 (US\$0.5m): Strengthen State Government capacity to manage a gradual decentralization and empowerment process through: a) The establishment of a regulatory framework for Panchayati Raj Institutions (PRIs); b) Monitoring of panchayat finance and performance; and c) Expanded annual audit coverage.</p> <p>Component 4 (US\$ 0) - Dropped: Panchayat Performance Grant to reward panchayats with exceptional performance.</p> <p>Component 5 (US\$4.1m): Project Management and Coordination. The implementation agency - Bihar Gram Swaraj Yojana Society had four critical roles: catalyst for the Government of Bihar's vision for empowering PRIs, technical support, coordination of activities and fiduciary responsibility.</p>	<p>the state's performance monitoring systems for Local Self Governments (LSGs) in Kerala.</p> <p>Component 4: Project Management (US\$6.8m). This component supported the Project Management Unit (PMU) within the Local Self-Government Department (LSGD) for overall coordination, implementation, monitoring and evaluation of the project.</p>	<p>Subcomponent 2.6. Strengthening of the GP internal audit function,</p> <p>Component 3: State oversight and monitoring of PRIs (US\$1.76m)</p> <p>Component 4: Program Management and Implementation (US\$7.78m)</p> <p>Subcomponent 4.1. Project Information, Education and Communications (IEC)</p> <p>Subcomponent 4.2. Project Management Support</p> <p>Subcomponent 4.3. Project Reporting</p>

TABLE 3 - Project Documents References

<p>1. Karnataka Panchayat Strengthening Project (P078832) Project Appraisal Document (PAD) Implementation Completion and Results Report (ICR) Implementation Completion Report Review (ICRR)</p>	<p>2. Bihar Panchayat Strengthening Project (P102627) Project Appraisal Document (PAD) Implementation Completion and Results Report (ICR) Implementation Completion Report Review (ICRR)</p>
<p>3. Kerala Local Government and Service Delivery Project (P102624) Project Appraisal Document (PAD) Implementation Completion and Results Report (ICR) Implementation Completion Report Review (ICRR)</p>	<p>4. West Bengal Institutional Strengthening of Gram Panchayats (GPs) (P105990) Project Appraisal Document (PAD) Implementation Completion and Results Report (ICR) Implementation Completion Report Review (ICRR)</p>

