



भारतीय प्रबंध संस्थान बेंगलूर
INDIAN INSTITUTE OF MANAGEMENT
BANGALORE

Report on
Evaluation of Framework of
Appraisal of Projects

A Study undertaken for the*
PAMD, Planning Commission, Government of India

By
Indian Institute of Management, Bangalore

March 18th 2014

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**This study was sponsored by the Planning Commission under the Scheme of Socio Economic Research of the Socio Economic Research Division, Planning Commission, Government of India.*

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Acknowledgements

We thank the Planning Commission for awarding this project to us. We are grateful to Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India, for providing us his valuable guidance for conducting this study.

We acknowledge and thank the Socio Economic Research Division of the Planning Commission for sponsoring this study under its Scheme of Socio Economic Research.

We are thankful to Ms. Anjali Goyal, Adviser, PAMD, Planning Commission for providing valuable insights on critical aspects that the proposals and appraisals can include. We thank her for all the fruitful discussions we had with her.

We thank Dr. Nagesh Singh, former Adviser, PAMD, Planning Commission for providing us with the overview of the appraisal process and his valuable insights based on his immense experience.

We are grateful to Dr. C. Chandramohan, Senior Adviser, Planning Commission for giving the perspective of Subject Divisions at the Planning Commission.

We would like to thank Shri. Shatrughan Lal, Consultant, PAMD for providing us with all requisite information and for sharing his experience in project appraisal.

Finally, we are thankful to PAMD, Planning Commission for all the support and co-operation.

1. Executive Summary

The Planning Commission, Government of India, is the highest planning body in India and one of its important role is appraising large projects that are funded by the central government. It plays a crucial role in project appraisal by ensuring that the projects are within broad plan priorities and policies; the projects are technically sound; and financially appropriate. Planning Commission and, specifically the, Project Appraisal and Monitoring Division (PAMD) play a critical role ensuring independent and professional appraisal of large projects, especially the social sector projects.

In India, projects fully or partially funded by the central government, i.e. Government of India, undergo a detailed process of formulation, appraisal and approval prior to implementation. The Ministry/ Department proposing a new scheme/ project which requires funding from the central government, first submits a Feasibility Report (FR) for the proposed scheme/ project, based on which the Planning Commission gives it an 'in principle' approval. Post this, the proposing Central Ministry/ Department prepares a proposal as per pre-defined format to obtain the necessary approvals from appropriate authorities depending on the size of the scheme/ project. However, before the scheme/ project can be given approval, it undergoes appraisal by different agencies during which Ministries/ Departments including the Planning Commission comment on the proposal.

The Study Objective

This study, undertaken by a team at the Indian Institute of Management, Bangalore (IIMB), aims at evaluating project appraisal framework adopted by the PAMD and broadly, the Planning Commission, Government of India. The focus of the study is especially restricted to large social sector projects which are more complex to appraise than infrastructural projects.

Methodology

Initially, a review of project formulation and appraisal processes followed by large government and international organizations globally was undertaken. The study focused on assessing the EFC Memo/ Proposal appraisal process at the Planning Commission. To analyse the EFC Memo/ Proposal appraisal process, a list of projects for the last five years was generated and finally, 25 projects were chosen based on select criteria mutually decided by the PAMD and the IIMB team. The documents concerning these 25 projects, especially the EFC Memos/ Proposals were collected by the IIMB team.

To undertake the assessment of the documents, a weighted scoring methodology was designed to: (i) assess EFC Memos/ Proposals and (ii) to assess the appraisal of these EFC Memos/ Proposals by the Planning Commission. The EFC memos were analyzed on the dimensions of: statement of proposal, program schedule, expenditure involved and reliability of cost estimates, operational capabilities, points on which decisions/ sanctions are required and Detailed Project Report. The comments of the Planning Commission, which are provided during the appraisal process, were evaluated on the dimensions of criticality, directionality, endorsement by others, discussion during EFC meeting and decision during EFC

meeting. Further, the timeline for each proposal was assessed against the timeframes prescribed by the guidelines.

Findings and Analysis

The quality of a project appraisal is expected to depend on the quality of the project proposal itself. Hence, focus was given to analyzing the quality of the EFC Memos/ Proposals as much as appraisal. At the outset, it should be mentioned the quality of the EFC Memos/ Proposals varied significantly.

The EFC Memos/Proposals appraised originated across years 2006 to 2011. The project wise scores on EFC Memo/Proposals ranged between 21 and 74, with the average being 45 (Figure 16). It was observed that while the average score reduced from 2006 to 2007, an upward trend in the average score was observed from 2007 to 2011 (Figure 17). A comparison of sectors revealed that proposals belonging to the 'Disaster Management' sector outperformed all other sectors in terms of the average, highest and lowest scores; however, proposals from the 'Health' sector were consistent underperformers in terms of these three scores (Figure 18). It was also observed that as the value of the proposal rose, the score of the EFC Memo/ Proposal decreased (Figure 19). Out of 25 EFC Memos/ Proposals, only 11 had more than one version of the EFC Memo. An increment in the total score was observed in six out of 11 proposals, with the highest increase in score seen in the case of the EFC Memo on ICT (Figure 20). It was also observed that the linkages of the project with the objectives and targets of five year plans are unclear.

An analysis of the comments made by Planning Commission on the 25 surveyed proposals suggested that a significantly large percentage of comments across years were 'critical' and 'directional'. This suggests that the PAMD and the Subject Divisions at the Planning Commission are making critical value additions through the appraisal process as they are: (i) commenting on key issues relating to the projects such as programme fit, programme inter relatedness, administrative and operational details, cost estimates and technicalities; and (ii) these comments are often direct and specific to elicit responses from the proposing Ministries/ Departments resulting in more clarity and concreteness.

However, variations were observed across sectors. For example, proposals belonging to the 'Child Welfare' and 'Others' sectors received relatively lower percentage of 'critical' comments; and in case of proposals from the 'Disaster Management' and 'Textiles' sectors, the percentage of 'directional' comments were lower than 'critical' comments. Further, in the years 2007 and 2010, relatively larger percentage of Planning Commission's comments were endorsed by other commenting agencies as well. It was also observed that as the value of the proposals rose, the number of comments by Planning Commission increased suggesting higher level of scrutiny during appraisal for high value projects.

For the purpose of assessing the time-lines across all appraisal steps of various EFC Memos/Proposals, the R.A.G analysis was adopted. It was observed that in case of most EFC Proposals/ Memos, the benchmarked timeframes for various steps have not been met. Specifically, for the step on 'Time taken between the Date of Draft EFC Memo/Proposal and Date of Note or Appraisal Note by PAMD', the

number of days delay ranged between 4 and 1144. This suggests that a review of these timelines could be undertaken.

Recommendations

Based on the above analysis, discussion and study of various appraisal methods, recommendations have been made on the 'Format of the EFC Memo/Proposal' and on the 'Project Appraisal Process at the Planning Commission'.

Format of the EFC Memo/Proposal

For the purpose of re-formatting of the EFC Memo/Proposal two formats have been designed: one for EFC Proposals less than INR 1000 Crores (Annexure IV) and another for EFC Proposals greater than (or equal to) INR 1000 Crores (Annexure V). The rationale for the same is explained in the concerned section. The sections of these proposed formats are presented below.

Proposed EFC Memo/Proposal Format (Project Value Less than INR 1000 Crores)	Proposed EFC Memo/Proposal Format (Project Value Greater than INR 1000 Crores)
<ol style="list-style-type: none"> 1. Project Identification 2. Project/ Scheme Cost 3. Policy and Project Context 4. Project Objectives & Targets 5. Project Design 6. Project Viability 7. Project Implementation & Monitoring 8. Project Risks 9. Additional Information 10. Decision Points 	<ol style="list-style-type: none"> 1. Project Identification 2. Project/ Scheme Cost 3. <i>Strategic Context of the Ministry/ Department</i> 4. Policy and Project Context 5. Project Objectives & Targets 6. Project Design 7. Project Viability 8. Project Implementation & Monitoring 9. Project Risks 10. Additional Information 11. Decision Points

The proposed EFC Memo/Proposal for projects greater than (or equal to) INR 1000 Crores seeks additional inputs on the following parameters owing to their scale such as Strategic Context of the Ministry/Department, Inter-Ministerial Involvements, Rationale for Expenditure Allocation across components.

Additionally the following steps have also been recommended which are applicable for both the EFC Memo formats.

Restructuring of the Format to follow a Logical Structure

The existing formats for EFC Memos/ Proposals, though may elicit all the required information, do not appear to follow any particular logical structure. The resulting EFC Memos/ Proposals may be comprehensive enough; however, they are quite unstructured, verbose and there is a chance of important information getting lost. The structure should be such that it should help the proposing

Ministry/ Department to frame its proposal comprehensively, logically and concisely; and present it in a concrete manner. The structure suggested for the EFC Memo/ Proposal format builds on the vertical hierarchy following from the 'Logical Framework Analysis'. This includes the disclosure of information on Objectives followed by Outcomes and Outputs and thereafter, by Activities and Inputs.

Introduction of Specific Sections for Linkages with Plans

Specific questions in Section 1 have been added to elicit the linkages with the plan objectives and targets. The proposing Ministry have to elaborate the linkages of the project with the overall plan framework for the Ministry. Wherever specific targets have been asked, these are again linked to plan targets, both with reference to financial and physical targets. This will help at the appraisal stage to link appraisal with five year plans.

Introduction of New Sections and Questions

A few new questions and sections have been introduced as part of proposed EFC Memo/Proposal format. Questions regarding Legal Framework and Stakeholders have been added to the section on Project Design. To ensure policy fit of the project/ scheme, the proposing Ministry/ Department is asked to quote the objectives from their RFD document within which the project/ scheme is envisaged in the section on Policy and Project Context. Under the section on Project/Scheme Cost the 'State-level' expenditure details are asked for. Additionally, State-level activity details are also sought under the section on Project Implementation and Monitoring.

Grouping of Questions on Similar Themes

Questions relating to 'on-going or previous schemes with similar or same objectives', belonging to the old EFC Memo format, have been grouped together. Questions relating to 'Resettlement & Rehabilitation and Disaster Management' which are not applicable for all projects have been grouped under the Section on Additional Information.

Modification of Ambiguous, Rhetorical and Long Questions

Questions which were observed to be either ambiguous, rhetorical or long have been modified and included as a part of the revised EFC Memo/ Proposal format.

Introduction of Standard Formats for Presentation of Information

To ensure consistency in presentation of information/data and relevant clarifications to questions in the EFC Memo/Proposal, tables have been introduced under certain questions as part of proposed format for EFC Memo/Proposals. Such pre-defined styles of presentation would help in reducing the often observed long textual answers.

Questions for which formats for answers are suggested include those concerning: details of previous and on-going schemes with similar/ same objectives, definition of objectives/ outcomes/ outputs, details of

stakeholders, details of project expenses vis-à-vis financing, schedule for project implementation, identification of risks among others.

These aforementioned suggested changes are in line with the illustrative check list, issued by the Planning Commission in January 2010, which highlights ‘major points on which data/ information should invariably be furnished in the EFC/ PIB memo’.⁵

Further a separate format is proposed for EFC Memo/ Proposal which are for Revised Cost Estimates (RCE) (Annexure VI).

Finally, it should also be mentioned that the capacities of the Ministries/ Departments will have to be built to strengthen EFC Memos/ Proposals. Watertight project proposals are as important as project appraisal and project management. Planning Commission could hold seminars to build these capacities in the Ministries/ Departments through academic institutions and international development agencies. The Ministries/ Departments could also engage management consultants to help them to convert their proposals, which might be strong on the technical front, into holistic project proposals which are sound on the project management front as well.

Project Appraisal Process at the Planning Commission

It has also been recommended that the PAMD at the Planning Commission use the ‘Appraisal Grid’ (Annexure VII) to consolidate its comments. As is presently done, we recommend that as a part of the Note for EFC/ Appraisal Note (which is prepared by the PAMD), a project summary is prepared which covers the basic profile of the project, justification of the project and the associated cost estimates. Following this, the comments and observations of the Planning Commission can be presented under the following heads:

- Project Summary
- List of areas wherein decisions required
- Policy and Project Context
- Technical Feasibility
- Financial Aspects
- Project Management – Administrative, Operational, Implementation
- Monitoring and Evaluation
- Risk Analysis

These would ensure that all critical components of the projects are appraised without any omission. Additionally, it is also suggested that the Subject Divisions at the Planning Commission use a specific ‘Appraisal Grid’ (Annexure VIII). This would ensure that expertise in their specified fields of development is incorporated and their crucial comments are highlighted.

⁵ Available at: <http://efc.planningcommission.nic.in/9May/14th-Jan-2010.pdf>

Further, additional aspects to be appraised for projects greater than (equal to) INR 1000 Crores have been included under the following broad categories:

- Strategic Fit
- Involvement of Ministries/Departments (other than proposing Ministry/ Department) at various stages of the project
- Expenditure allocation across components/sub-components

2. Introduction

Project appraisal is a key step in any project cycle. It is the step which decides whether a project will proceed from the formulation stage to the implementation stage. It is an ex-ante assessment of the project focused on scrutiny of the project proposal.

In India, projects fully or partially funded by the central government, i.e. Government of India, undergo a detailed process of formulation, appraisal and approval prior to implementation. One of the institutions at the centre of this process is the Planning Commission, Government of India. The Central Ministry/ Department proposing a new scheme/ project which requires funding from the central government, first submits a Feasibility Report (FR) for the proposed scheme/ project to the Planning Commission on the basis of which the Commission gives it an 'in principle' approval. The 'in principle' approval allows the scheme/ project to be included in the Five Year Plan document. After the 'in principle' approval, the proposing Central Ministry/ Department conducts an exercise with the Planning Commission to find resources to fund the scheme/ project.

Once the financial resources have been tied up, the proposing Central Ministry/ Department must prepare a proposal to obtain the necessary approvals from the appropriate authority depending on the size of the scheme/ project. One of the authorities is the Expenditure Finance Committee. The composition of this Committee depends on the scheme/ project to be approved. Before the scheme/ project can be given approval by the EFC, the appraisal of the proposal is undertaken wherein different agencies (Ministries/ Departments including the Planning Commission) comment on the proposal.

The Project Appraisal and Management Division (PAMD) at the Planning Commission is the key division which consolidates the comments of various divisions of the Planning Commission. The main objective of this study, undertaken by a team at the Indian Institute of Management, Bangalore (IIMB), is to broadly, evaluate frameworks of project appraisal and to specifically, assess the project appraisal process at the Planning Commission. The study was undertaken from July to September 2012.

The study has been presented in this report and its annexures (separate document). The following section, Section 3, gives a brief background on the guidelines for formulation, appraisal and approval of government plan funded projects in India and also defines the role of the PAMD in the same. Thereafter, Section 4 explains the methodology followed to undertake the assessment. Section 5 presents a review of methods for project formulation and appraisal undertaken by various large government and non-government organizations globally. The section thereafter, Section 6 presents the findings and analysis

of this study from an assessment of 25 EFC Memos and comments offered on them by the Planning Commission. Section 7 explains the recommendations to improve the project formulation and appraisal process and finally, Section 8 concludes the study.

3. Background⁶

This section describes the guidelines which have been prescribed regarding the formulation, appraisal and approval of government plan funded projects. From these guidelines it is evident that the entire process (including each step) is supposed to be completed within a pre-defined timeframe; different agencies, including the Planning Commission, appraise the projects by offering their comments on aspects of the memos/ proposals concerning their expertise and niche areas; and there exist appraisal forums, including Expenditure Finance Committees (EFCs), with differing compositions for different sizes (in terms of expenses) of projects and their appraisal limits have been increasing over the years.

During the appraisal process of projects to be appraised at EFCs, the Project Management and Appraisal Division (PAMD) at the Planning Commission (PC) consults various internal Subject Divisions of the PC and prepares a 'Note for Expenditure Finance Committee' which summarizes the project proposal and consolidates the comments of the Planning Commission on the proposal. This note is circulated to the Ministry/ Department proposing the project and to other concerned agencies prior to the EFC meeting.

3.1. Guidelines for Formulation, Appraisal and Approval of Government Plan Funded Projects

The guidelines concerning the formulation, appraisal and approval of Government Plan Funded Projects have been issued by the Plan Finance – II Division, Department of Expenditure, Ministry of Finance, Government of India. As per these guidelines, project preparation starts with preparation of a Feasibility Report (FR) by the Ministry/ Department which is proposing the project (referred to as the Administrative Ministry/ Department).⁷ The FR is submitted to the Planning Commission which then decides whether or not to give the project an 'in principle' approval. Projects which receive the 'in principle' approval from the Planning Commission are included in the Plan of the concerned Ministry/ Department.

After the 'in principle' approval has been received, the Administrative Ministry/ Department prepares a Detailed Project Report (DPR). As per the guidelines, the stakeholders' and the Financial Adviser's should continue to be associated with this process and services of experts or professional bodies might also be hired for the purpose of preparation of the DPR. A generic structure of the DPR has been presented in the Guidelines issued by the Plan Finance – II Division, Department of Expenditure, Ministry of Finance, Government of India (2003) (hereafter, referred to as Guidelines (2003)).

⁶ Information in this section is based on Guidelines for Formulation, Appraisal and Approval of Government funded plan schemes/projects released by the Plan Finance-II Division, Department of Expenditure, Ministry of Finance, Government of India on 7th May, 2003 and further amended on 15th November, 2007 and 1st April 2010.

⁷ The Guidelines (2003) define what the FR should include.

In addition to the DPR, the proposing Ministry/ Department also prepares a draft for the EFC (Expenditure Finance Committee) Memo/ Proposal. The DPR is then circulated along with the draft EFC Memo/ Proposal to the Department of Expenditure, Planning Commission and any other concerned Ministries for seeking their comments on the EFC Memo/ Proposal. After the comments are received by the Administrative Ministry/ Department, the final EFC Memo/ Proposal is prepared by it based on the comments received. This, along with the notice for the EFC meeting, is then circulated to the Department of Expenditure, Planning Commission and any other concerned Ministries. Thereafter, the EFC meeting is convened and the minutes of this meeting are issued.

A time period of 16 weeks is prescribed for appraisal of projects (excluding the time taken for preparation of DPR) as per the Guidelines (2003). Further, for each of the steps outlined above in the process, timeframes have also been prescribed. These are presented in the figure below.

Figure 1: Timeframes for Steps in Formulation, Appraisal and Approval of Government Plan Funded Projects

S. No.	Process Step	Timeframe*
1	Submission of the Feasibility Report (FR) to the Planning Commission (PC) by the Administrative Ministry/ Department	
2	Decision on “in principle” approval by the PC based on the FR	4 weeks
3	Preparation of DPR by Administrative Ministry/Department and circulating the same along with draft Expenditure Finance Committee (EFC)/ Public Investment Board (PIB) Memo	Varies from project to project
4	Comments to be offered on DPR and draft EFC/PIB memo by Planning Commission, Department of Expenditure (Ministry of Finance) and concerned Ministries/Agencies	6 weeks
5	Preparation of final EFC/PIB Memo based on DPR and comments received, and circulating the same to Planning Commission, Department of Expenditure (Ministry of Finance) and other concerned Ministries/Agencies	1 week
6	Convening of EFC/PIB meeting after receipt of final EFC/PIB Memo	4 weeks
7	Issue of minutes of EFC/PIB meeting	1 week
8	Submission for Approval of Administrative Minister and Finance Minister (for projects of Rs. 50 crores and above but less than Rs. 100 crores)*	2 weeks
9	Submission for Approval of Cabinet/ Cabinet Committee on Economic Affairs (for projects of Rs. 100 crores and above)*	4 weeks

*Note: These timeframes have been defined in the Guidelines (2003).

This study is focused on an assessment of the appraisal of the EFC Memo/ Proposal by the Planning Commission. In other words, the documentation for various projects which has been assessed as a part of this study belongs to steps 3 to 7 mentioned in the above table (highlighted in grey).

Though, this project analyses memos/ proposal for the Expenditure Finance Committee; however, there are different appraisal forums for projects of different sizes in terms of expenditure. The appraisal limits for these forums have been increasing over the last decade and these are presented in the figure below (EFCs which are the focus of this study are highlighted in grey).

Figure 2: Increasing Appraisal Limits of Different Appraisal Forums

S. No.	Appraisal Limits			Appraisal Forum
	Years			
	2003	2007	2010	
1	< Rs. 5 crore	< Rs. 15 crore	< Rs. 25 crore	Ministry/ Department concerned
2	Rs. 5 crore ≤ & < Rs. 25 crore	Rs. 15 crore ≤ & < Rs. 50 crore	Rs. 25 crore ≤ & < Rs. 100 crore	SFC (Standing Finance Committee of Ministry/ Department)
3	Rs. 25 crore ≤ & < Rs. 100 crore	Rs. 50 crore ≤ & < Rs. 150 crore	Rs. 100 crore ≤ & < Rs. 300 crore	Expenditure Finance Committee (EFC) [Chaired by Secretary of the proposing Ministry/Department]
4	Rs. 100 crore ≤ & < Rs. 200 crore and Rs. 200 crore ≤	Rs. 150 crore ≤	Rs. 300 crore ≤	Expenditure Finance Committee [Chaired by Secretary of the Department of Expenditure]/ Public Investment Board (PIB)

Source: Guidelines (2003) further amended on 15th November, 2007 and 1st April 2010

3.2. PAMD's Role in the Appraisal of the EFC Memo/ Proposal

The Project Appraisal and Management Division (PAMD) at the Planning Commission is mainly responsible to undertake techno-economic appraisal of all plan projects/schemes of Ministries/Departments of Government of India to facilitate investment decisions by the EFC/PIB (Public Investment Board). As a part of techno-economic appraisal, PAMD presently appraises Central Sector/Centrally Sponsored schemes/projects costing Rs. 50 crore and above, and prepares Appraisal Notes in consultation with the concerned Subject Divisions of the Planning Commission.⁸ Depending on the nature and size of the project, the Appraisal Notes prepared by the PAMD assist decision making on the proposal at various forums such as the Expenditure Finance Committee (EFC), Public Investment Board (PIB), Committee of Public Investment Board (CPIB) and Expanded Board of Railways (EBR). Further, the PAMD also develops formats and guidelines for the submission of proposals for projects / programmes and for their techno-economic evaluation, undertakes support research studies to improve methodology and procedure for appraisal of projects and programmes, and associates with Subject

⁸ Website of the Planning Commission (<http://planningcommission.nic.in/sectors/index.php?sectors=pamd>), accessed 15th September, 2012.

Divisions in Planning Commission in examining the proposals received from Departments/Ministries for grant of 'in principle' approval for new schemes.

4. Methodology

The Terms of Reference for this project given by the PAMD, Planning Commission to the IIMB team expected the scope of this study to include an examination of the quality of EFC Memos/ Proposals being received at the Planning Commission, an assessment of the appraisal process at the PAMD and to suggest a suitably modified framework for the EFC Memo/ Proposal and the appraisal process.

This study adopted a methodology with two components. The first component involved a review of project formulation and appraisal processes followed by large government and non-governmental organizations globally.

The second was focused on assessing the EFC Memo/ Proposal appraisal process at the Planning Commission. To analyse the EFC Memo/ Proposal appraisal process, documents concerning 25 EFC Memos/ Proposals were made available by the Planning Commission to the IIMB Study Team. To undertake the assessment of the documents, a weighted scoring methodology was designed to: (i) assess EFC Memos/ Proposals and (ii) to assess the appraisal of these EFC Memos/ Proposals by the Planning Commission. Further, the timeline for each proposal was assessed against the timeframes prescribed by the guidelines.

4.1. Review of Project Formulation and Appraisal Methods

Across the world, several methods are used for project formulation and appraisal by large governmental and non-governmental institutions. These methods gain greater importance when the projects are concerned with the social sector where the routine methods which involve quantitative analyses (such as viability analysis) cannot be applied. A review of these methods was carried out by the IIMB Study Team based on the documents and information available on the websites of these organizations with an emphasis on whether they could be adopted in the case of government plan funded projects in India. The findings from this review are presented in Section 5.

4.2. Pre-Project Investigations & Selection of EFC Memos

To finalize the methodology for the assessment of the EFC Memo/ Proposal appraisal process at the Planning Commission, pre-project investigations were undertaken. These included discussions with officials of the PAMD, Planning Commission, Subject Divisions of the Planning Commission as well as with the Deputy Chairman of the Planning Commission and detailed study of documentations concerning four EFC Proposals/ Memos.

During the pre-project investigations, it was noted that the EFC Proposals/ Memos follow a consistent format which requires the proposing Ministry/ Department to answer 26 pre-defined questions. This format with list of questions is attached in Annexure I. It was also noted that multiple agencies, including the Planning Commission, comment on each EFC Proposal/ Memo during the project appraisal which is often followed by the proposing Ministry/ Department submitting its responses to the comments.

Specifically, the Project Appraisal and Management Division (PAMD), a division of the Planning Commission, prepares a 'Note for the Expenditure Finance Committee (EFC)' wherein the comments of different divisions of the Planning Commission are consolidated, following which the EFC meeting is convened.

As a part of the pre-project investigations, first 75-80 EFC Memos/ Proposals were chosen from a list of 1188 proposals given by the Planning Commission to the IIMB Study Team based on year, sector and size of these Memos. Further, in consultation with the PAMD, Planning Commission, 25 of these were selected to be studied in detail. A summary of these EFC Memos in terms of month and year of origination, sector, sponsoring Ministry/ Department, size and nature of scheme is presented in the table below.

Table 1: Summary of EFC Memos Analyzed in this Study

S. No.	EFC Memo Name	EFC Memo Abbreviated Name ⁹	Month	Year	Sector	Sponsoring Ministry	Size (Rs. Crores)	Nature of Scheme
1	Enhancing Productivity and Competitiveness of Traditional Khadi Industries & Artisans	Khadi Productivity	June	2006	Rural Development	Ministry of Rural & Agro Industry	90	Central Sector Scheme
2	Ganga Action Plan (GAP) II	GAP II	August	2006	Environmental	Ministry of Environment & Forests	478.82	Centrally Sponsored Scheme
3	Permanent Shelter for Tsunami Affected People	Tsunami	August	2006	Disaster Management	Directorate General of Works, Central Public Works Department	1221	Central Sector Scheme
4	PURA	PURA	February	2007	Rural Development	Ministry of Rural Development	5950	Centrally Sponsored Scheme
5	Integrated Handloom Development Scheme (IHDS)	IHDS	March	2007	Textiles	Ministry of Textiles	800	Central Sector Scheme
6	Dryland Farming Systems	Dryland Farming	May	2007	Agriculture	Ministry of Agriculture	1548.74	Central Sector Scheme
7	Medicinal Processing Zone	Medicinal Processing Zone	May	2007	Health	Ministry of Health & Family Welfare	649	Centrally Sponsored Scheme
8	Mumbai Metro Rail	Mumbai Metro Rail	May	2007	Infrastructure	Ministry of Urban Development	2356	Not mentioned

⁹ In the text of this report, EFC Memos are referred to by their EFC Memo Abbreviated Names.

S. No.	EFC Memo Name	EFC Memo Abbreviated Name ⁹	Month	Year	Sector	Sponsoring Ministry	Size (Rs. Crores)	Nature of Scheme
9	Balanced use of Fertilizer	Use of Fertilizer	June	2007	Agriculture	Department of Agriculture & Cooperation	883	Central Sector Scheme
10	Catalytic Development Program	Catalytic Development	July	2007	Textiles	Ministry of Textiles	711.81	Centrally Sponsored Scheme
11	Integrated Child Protection Scheme (ICPS)	ICPS	July	2007	Child Welfare	Ministry of Women & Child Development	3907.32	Centrally Sponsored Scheme
12	Workshed Scheme for Khadi Artisans	Workshed for Khadi	August	2007	Rural Development	Ministry of Small Scale Industries	125	Central Sector Scheme
13	Education through Information & Communication Technology (ICT)	ICT	November	2007	Education	Ministry of Human Resource Development	10000	Central Sector Scheme
14	Rashtriya Madhyamik Shiksha Abhigyan (RMSA)	RMSA	December	2007	Education	Ministry of Human Resource Development	35567	Centrally Sponsored Scheme
15	Development of Nursing Services	Nursing Services	March	2008	Health	Ministry of Health and Family Welfare	2900	Centrally Sponsored Scheme
16	Upgradation of 1396 Government ITIs through PPP	ITIs	May	2008	Education	Ministry of Labour & Employment	2811	Central Sector Scheme + Centrally Sponsored Scheme
17	Polytechnics under NSDM	NSDM	April	2008	Education	Ministry of Human Resource Development	7448	Centrally Sponsored Scheme
18	State Extension Reforms	State Extension	May	2008	Agriculture	Ministry of Agriculture	2915.35	Centrally Sponsored Scheme
19	Adult Education & Skill Development	Adult Education	June	2008	Education	Ministry of Human Resource Development	5257	Central Sector Scheme
20	National Cyclone Risk Mitigation for Coastal States & UTs of India within Phase I in respect of AP & Orissa	Cyclone Risk Mitigation	March	2010	Disaster Management	Ministry of Home Affairs - (DM Division)	1496.71	Centrally Sponsored Scheme

S. No.	EFC Memo Name	EFC Memo Abbreviated Name ⁹	Month	Year	Sector	Sponsoring Ministry	Size (Rs. Crores)	Nature of Scheme
21	Teachers' Education	Teacher's Education	June	2010	Education	Ministry of Human Resource Development	9429	Centrally Sponsored Scheme
22	E-Health Initiatives including e-Telemedicine	E-Telemedicine	August	2010	Health	Ministry of Health and Family Welfare	120	Centrally Sponsored Scheme
23	Rajiv Awas Yojana (RAY)	RAY	May	2010	Housing	Ministry of Housing & Urban Poverty Alleviation	55000	Centrally Sponsored Scheme
24	Financial restructuring of NAFED	NAFED	February	2011	Agriculture	Ministry of Agriculture	920.21	Central Sector Scheme
25	Integrated Child Development Service (ICDS)	ICDS	November	2011	Child Welfare	Ministry of Women & Child Development	183855	Centrally Sponsored Scheme

Source: Authors

From the table it can be noted that the date of origin of the EFC Memos/ Proposals ranged from June 2006 to November 2011; their sizes ranged from Rs. 90 crore to Rs. 1,83,855 crore; and 9 were for Central Sector Schemes, 14 were for Centrally Sponsored Schemes, the EFC Memo on ITIs had both, Central Sector and Centrally Sponsored, components and the nature of scheme was not mentioned in the case of the EFC Memo on the Mumbai Metro Rail. The sectors covered in the selected EFC Memos/ Proposals included agriculture, child welfare, disaster management, education, health, rural development and textiles.

4.3. Assessment of EFC Memos

For the purpose of the assessment of the EFC Memos/ Proposals, six broad areas of questions were selected from the pre-defined questions in the format for EFC Memos/ Proposals (Annexure I). The areas chosen are as follows: statement of proposal, programme schedule, expenditure involved and reliability of cost estimates, operational capabilities, points on which decisions/ sanctions are required and the Detailed Project Report (DPR). The primary reason for the selection of these six areas was that they were applicable across all projects which are under consideration of this study.

Areas such as the following were not considered as they were not applicable for all projects: revised cost estimates, resettlement, disaster management, individual beneficiaries, previous schemes/ projects with similar/ same objectives and viability (economic and financial).

To analyse the answers provided in the EFC Proposals/ Memos for the questions in the aforementioned six areas, a weighted scoring method was adopted. Variations of the weighted scoring method are often

used for the purpose of project appraisal in case of projects where different non-monetary factors are to be assessed. For the six areas chosen, their weightings out of a maximum of 100 were decided based on their perceived relative importance to the EFC. These are presented below in Table 2.

Table 2: Components for Assessment of EFC Memos/ Proposals

Components for Assessment ¹⁰	Maximum Score
Statement of Proposal	25
Program Schedule	15
Expenditure Involved + Reliability of Cost Estimates	30
Operational Capabilities	15
Points on which decisions/sanctions are required	5
Detailed Project Report (DPR)	10
Total	100

Source: Authors

Thereafter, for the questions to be assessed in each of these six sections, weightings of the questions were decided. To maintain consistency and to avoid subjectivity during the scoring process of EFC Proposals/ Memos, a ‘Scoring Method’ was developed. For the first five components, the questions within each component which were given high weighting are listed in the following table. The total maximum scores of these add up to 67, i.e. two-thirds of the total score. The completed list of questions assessed with their maximum scores and ‘Scoring Method’ is presented in Annexure II. The findings and analysis from this scoring are presented in Section 6.1.

Table 3: Questions Assessed within Each Component with High Weighting

Component	Q. No. ¹¹	Question	Maximum Score	Scoring Method
Statement of Proposal	2 (d)	Reasons and justification for proposal.	7	Historical Background: 4 Mention of alternatives: 1; if there is a comparison between alternatives and proposed scheme with respect to economics then +1, if there are other relevant aspects being compared then additional +1
Statement of Proposal	2 (l)	What are the development “outcomes” and “outputs” of the scheme/project?	7	If outcomes are mentioned then 2 points; If outputs are mentioned then 3 points; If baseline is also mentioned then additional 2 points

¹⁰ These components are a part of the format for EFC Memo/ Proposal presented in Annexure I.

¹¹ These question numbers are as per the format for EFC Memo/ Proposal presented in Annexure I.

Component	Q. No. ¹¹	Question	Maximum Score	Scoring Method
Program Schedule	3 (c)	Whether physical and financial targets match with each other.	4	If there is a detailed tabulation year wise & component wise then 4 points; If there is either year-wise or component wise only then 2 points; if the answer is 'Yes' then only 1 point
Program Schedule	3 (d)	What is the target date for completion and when will the expected benefits commence?	5	If month and year is given or Plan Period is given then 3 points; If any details are given pertaining to commencement of benefits then 2 points, else 0
Expenditure Involved + Reliability of Cost Estimates	4 (a)	What is the total expenditure (non-recurring and recurring)	10	If total expenses (RC & NRC) along with year wise and component wise is provided then 10 points; If only year wise or only component wise is provided then 5 points; In case any project has already incurred expenses and the details have not been shared then -2
Expenditure Involved + Reliability of Cost Estimates	4 (d)	Phasing of expenditure	8	Phasing of expenditure is provided year-wise @ constant prices then 6 points; If phasing of expenditure @ completion cost is provided then + 2
Expenditure Involved + Reliability of Cost Estimates	4 (e)	Reference date and basis of cost estimates of various components.	6	If reference date / time period/ financial year is mentioned then 3 points; If basis is provided in full then +3 in case it is partial in nature then +1
Operational Capabilities	6 (a)	Operational capability	15	Only track record is mentioned then 2 points; Identification of agency that would develop capacity but no details w.r.t nature of capacity development then 5 points; Future plans to establish capacity/ capabilities in detail aligned with the components 6 points; If any of the above along with time-lines are mentioned then +2 points
Points on which decisions/sanctions are required.	26	Points on which decisions/sanctions are required.	5	If the statement just mentions the cost of project on which decision is expected then 2 points; If additional points are mentioned for decision to be taken then 5 points
TOTAL MAXIMUM SCORE			67	

Source: Authors

The Detailed Project Report is not a part of the EFC Proposal/ Memo format per se. However, according to the Guidelines (2003), the Detailed Project Report (DPR) for each scheme/ project is to be submitted and circulated along with the EFC Proposal/ Memo during the project appraisal process. Therefore, a weighting of 10 percent was given to the DPR or any attached document which could be treated as a DPR such as Guidelines for the scheme/ project proposed, Concept Note for the scheme/ project proposed.

A generic structure for the DPR has been prescribed in the Guidelines (2003), while many components of this structure are common to the components of the EFC Proposal/ Memo, four components that are not covered within the assessment components of the EFC Proposal/ Memo and ought to be disclosed for all projects are the legal framework, risk analysis, evaluation and sustainability. These four sub-components were, therefore assessed under the DPR component during the assessment of the EFC Proposal/ Memo. The details of these sub-components, including definitions as per the Guidelines (2003) and their 'Scoring Method', are available in Annexure II.

4.4. Assessment of Appraisal of EFC Memos by the Planning Commission

As mentioned earlier, the appraisal of EFC Memos/ Proposals is undertaken by the Planning Commission by way of providing comments on the EFC Memo/ Proposal. For the purpose of assessing these comments on each EFC Proposal/ Memo under consideration of this study, another scoring mechanism was developed. This is available as part of Annexure III.

The assessment of the projects under appraisal in the background of plan framework is not brought out explicitly often. It is as if every project is a fresh proposal and is being appraised on stand-alone basis. Even in the case of projects which are in the nature of renewal, assessment of its performance in the context of the plan target is quite weak.

Each comment was assessed on five parameters including the following: criticality, directionality, endorsement by other commenting agencies, discussion regarding the comment during the EFC meeting and decision relating to the comment during the EFC meeting. The scoring for each parameter was binary (0,1). The detailed definition of the assessing parameters is presented in the table below. The findings and analysis from this scoring are presented in Section 6.2.

Table 4: Definition of Parameters assessed while Scoring Comments of the Planning Commission

Parameter	Definition
Criticality	Defines the importance of the issue which is highlighted in the context of the subject of the scheme/ project proposal.
Directionality	Defines how direct and specific is the comment in terms of eliciting a response from the concerned department (however, this is not concerned with whether the

Parameter	Definition
	department actually gives 'good' response).
Endorsement by others	Defines whether departments or ministries (other than the Planning Commission) had also made a same or similar comment/observation.
Discussion during EFC Meeting	Defines whether the comment was discussed as part of the EFC meeting, with/without resulting in a decision.
Decision during EFC Meeting	Defines whether a decision was arrived at with respect to the comment during the EFC meeting.

Source: Authors

4.5. Assessment of the Timeline for Project Appraisal

During the assessment of each EFC Proposal/ Memo, the timeline as per the documentation was recorded according to various steps. The timeline for appraisal of each EFC Proposal/ Memo was assessed against the benchmark timeframes which are prescribed for the crucial steps as per the Guidelines (2003) to verify if different steps in the appraisal process met the prescribed timeframes.

The timeframes assessed were for time lapses between crucial steps including: submission of the draft EFC Proposal/ Memo, comments by concerned agencies, convening of EFC meeting and issue of minutes of EFC meeting.

The findings and analysis from the timeline assessment are presented in Section 6.3. Specifically, R.A.G. (Red, Amber, Green) analysis has been used to present time lapses between the various steps. R.A.G. analysis is a widely used tool to measure actual timelines vis-à-vis benchmarked timelines.

5. Methods for Project Formulation & Appraisal

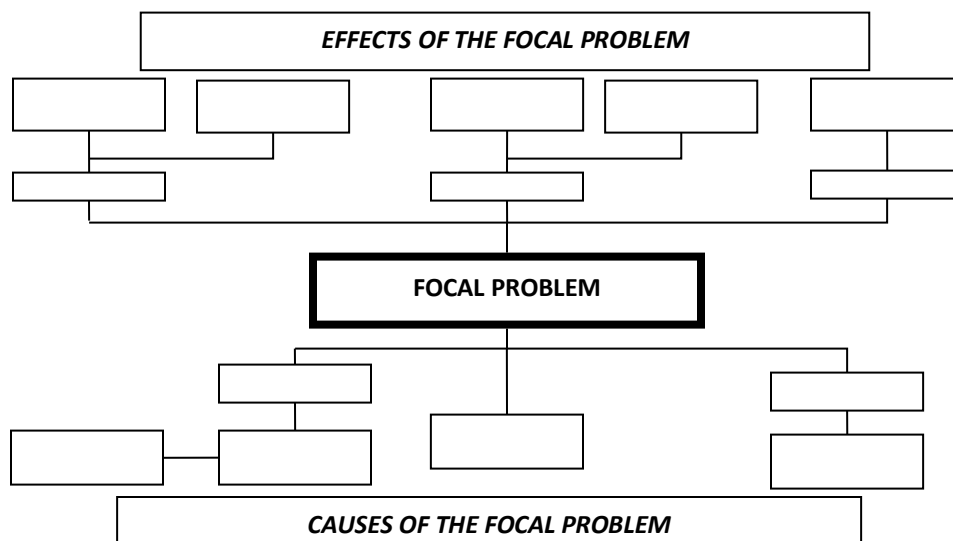
Several methods are used for project formulation and appraisal by large governmental and non-governmental institutions across the world. As is well known, project appraisal is a key step in any project cycle since it is an ex-ante assessment of a project and is crucial in deciding whether the project will be implemented or not. However, any project appraisal has to be done of a project prepared by the proposing agencies and hence, the outcome of the project preparation process is what is assessed during project appraisal.

Some of the methods often used for project appraisal and thereafter for appraisal include Problem Tree Analysis, Stakeholder Analysis and Logical Framework Analysis (LFA). Economic analysis including cost-benefit analysis or alternatively, social cost-benefit analysis might be undertaken as well. Further, techniques used in project identification and preparation, focussed on project management, include Gantt Chart preparation, Network Analysis techniques and linear and non-linear programming among other optimization techniques.

5.1. Problem Tree Analysis

Problem tree analysis is a method which maps out problems, showing their interconnections and predicting how a project might address those problems. The main objective of this analysis is to establish the cause and effect relationships between problems that exist and relations between the problems. The analysis is concerned with primarily three steps including: (a) defining the framework and subject for analysis; (b) identifying the main problems that are faced by the target groups and/or beneficiaries; and (c) visualizing the problems and their contributory factors in form of a diagram called the problem tree. Following is a generic structure of a Problem Tree.

Figure 3: Structure of a Problem Tree



Source: DFID, 2002

5.2. Stakeholder Analysis

Stakeholders of a project include those people or organizations that are likely to be affected by project and/ or can influence the success or failure of the project. A stakeholder analysis involves identification of all stakeholders, individuals and groups, which are likely to be affected either positively or negatively by a project and an analysis of their interests, problems, potentials etc. Most often, data on stakeholders is collected by undertaking workshops or focus group discussions with different groups of stakeholders. The crucial outcome of such an analysis is to develop strategies to get the most effective support possible for the project and reduce any obstacles which might hinder the success of the project (WHO).

A stakeholder analysis might be quite simplified to one which is more refined.

1. Readiness/ Power Matrix: Such a matrix is used to assess how ready different stakeholders to participate are and how much power do they have; where “readiness” is either the amount a stakeholder knows about the activity or a stakeholder’s view of the activity, whether positive or negative and “power” is the influence a stakeholder has over the success of the activity (DFID, 2002). A matrix such as the following might be used to present this analysis:

Figure 4: Structure of a Readiness/ Power Matrix

S. No.	Stakeholders	Readiness			Power		
		High	Medium	Low	High	Medium	Low
1			O	X	X		
2		X			O	X	
3		X					X
4				X		X	O

Note: “X” is the position at which the stakeholders are to start with and “O” is the position where the project/ programme wants them to move to; Source: DFID, 2002

2. Stakeholder Table and Importance/ Influence Matrix: In this case, first a stakeholder table is prepared wherein primary stakeholders (individuals and/or groups which are ultimately affected by an activity as either beneficiaries or dis-beneficiaries) and secondary stakeholders (all other individuals and/or groups who have an interest or an intermediary role in the activity) are listed with their interests and a value is assigned to priority of the interests (relative to the aims/priorities of the action being contemplated), and to assess the likely impact of any activity on them as positive or negative (ODI). A table such as the following is created:

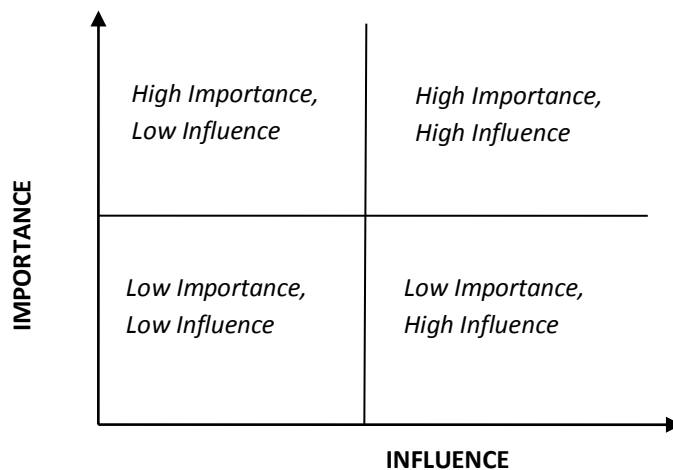
Figure 5: Structure of a Stakeholder Table

		Interests	Likely Impact of Activity (+/-)	Relative Priorities of Interest
Primary Stakeholders	1			
	2			
	3			
Secondary Stakeholders	1			
	2			
	3			

Source: Adapted from DFID, 2002

Further, using the data from the table, a 2 X 2 matrix or grid is prepared wherein the two axes are: important (low to high) and influence (low to high) and various stakeholders (individuals and groups) are placed in the matrix as per their importance and influence assessed in the table. A matrix such as the following might be used to present this analysis:

Figure 6: Structure of an Importance/ Influence Matrix



Source: Adapted from DFID, 2002

- Expected Utility Stakeholder Model: This model, developed by the World Bank, provides a 'consistent, systematic "modelled" framework' for analysis of perceptions of stakeholders and potential policy outcomes. To its credit, the model goes a step further than the earlier types of stakeholder analyses which rely only on qualitative assessments. Importantly, apart from analyzing the present support for the project/ policy, the model can probe how a change in a particular

stakeholder’s initial policy position might affect either the likelihood of reform or the level of consensus going forward (World Bank, 2004).

5.3. Risk Analysis

In recent decades the emphasis on undertaking a risk analysis during project preparation has increased. While some organizations choose to integrate the risk analysis with the LFA (explained later), there are many others which do a separate analysis of risk for their projects during the project preparation and mandatorily disclose the same in the project proposal.

Risk analysis is defined as the process of identifying risks, assessing their individual and collective potential for causing damage, and defining counter-measures (DFID, 2002). Various organizations present the risk assessments for their projects in different formats. A few of these are presented below:

Figure 7: Structure of Operational Risk Assessment Framework used by the World Bank

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measure

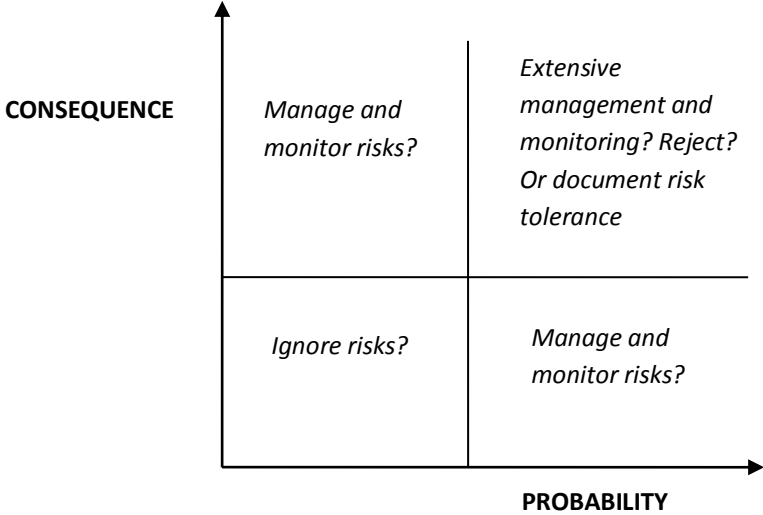
Overall Risk Rating at Preparation	Overall Risk Rating During Implementation	Comments

Figure 8: Structure of Risk Assessment Matrix used by the Department for International Development (DFID), HM Government, United Kingdom

		Impact		
		Low	Medium	High
Probability	Low	1	2	3
	Medium	4	5	6
	High	7	8	9

Overall Assessment of Programme Risk			
Risk Category	Number of Risks in selected matrix boxes	Impact	Probability
High Risk Programme	One or more in 9	High	High
	More than one in 6	High	Medium
	More than one in 8	Medium	High
Medium Risk Programme	One or more in 5	Medium	Medium
	One or more in 6	High	Medium
	One or more in 8	Medium	High
	One or more in 3	Low	High
	One or more in 7	High	Low
Low Risk Programme	One or more in 1	Low	Low
	One or more in 2	Medium	Low
	One or more in 4	Low	Medium
	One or more in 3	Low	High
	One or more in 7	High	Low

Figure 9: Diagram for Assessing Risk Factors used by Norwegian Agency for Development Co-operation (NORAD)



5.4. Logical Framework Analysis (LFA)

5.4.1. LFA – Original Framework

The Logical Framework Approach (LFA) to design and evaluate projects was first developed by a consulting firm, Practical Concepts Incorporated (PCI), for the US Agency for International Development (USAID) in 1979. The approach, as defined by PCI is, “a set of interlocking concepts which must be used together in a dynamic fashion to permit the elaboration of a well designed, objectively described and evaluable project” (PCI, 1979). The approach, therefore, is “not an integrated set of procedures, and nor is it a set of guidelines for the evaluation of a particular type of project” (Coleman, 1987).

As a part of the approach, a 4 X 4 Log Frame is developed. This Log Frame might also be referred to as the logical framework or the LFA matrix. While, the matrix summarizes the main elements of the project or programme under consideration and connects the different elements to each other, the approach refers to the overall process during which the elements which are included in the matrix are formulated (SIDA, 2005). The framework organizes information and activities such that the following three different points of view can be considered simultaneously: (i) ‘Program Management’ according to which those running the program/ project must manage for results and the management is held responsible for the results; (ii) ‘Basic Scientific Method’ according to which nothing is certain and all human activity can be viewed as a testing of hypotheses; and (iii) ‘System Analysis’ according to which no system is defined until the larger system of which it is a part is defined (PCI, 1979).

The matrix follows a vertical logic and a horizontal logic. While, the vertical logic identifies what the project intends to do, clarifies the relationship between project means and ends, and specifies the uncertainties concerning both the project itself and the social/physical/political environment within which the project is located; the objective of the horizontal logic is the measurement of the resources and results of a project, through the identification of ‘Objectively Verifiable Indicators’ and ‘Means of Verification’ for these indicators (Coleman, 1987). The logical framework for summarizing project design developed by the PCI (1979) is presented below.

Figure 10: Structure of a Logical Framework Matrix

Narrative Summary	Objectively Verifiable Indicators (OVI)	Means of Verification (MoV)	Important Assumptions
Goal	Measures of Goal Achievement	Sources of Information Methods used	Assumptions affecting Purpose-Goal linkage
Purpose	End of Project Status	Sources of Information Methods used	Assumptions affecting Outputs-Purpose linkage
Outputs	Magnitudes of Outputs Planned Completion Date	Sources of Information Methods used	Assumptions affecting Inputs-Outputs linkage
Inputs, Activities & Types of Resources	Nature and Level of Resources Necessary Cost Planned Starting Date	Sources of Information	Initial Assumptions about the Project

Source: PCI, 1979 and Coleman, 1987

The matrix presents the underlying ‘*if and then*’ logic of the logical framework approach. Starting from the bottom, left hand corner of the matrix the logic flows as follows: (i) *if* the activities are undertaken *and* the assumptions hold true *then* the outputs will be created; (ii) *if* the outputs are created *and* the assumptions hold true *then* the purpose will be achieved; and (iii) *if* the purpose is achieved *and* the assumptions hold true *then* a contribution to the goal will be made (DFID, 2002).

5.4.2. Advantages and Disadvantages of the LFA

Mikkelsen (1995) highlights the main advantages of the LFA including the following: (i) it ensures that the fundamental questions are asked and weaknesses are analysed to provide decision makers with better and relevant information; (ii) it guides a systematic and logical analysis of inter-related key elements which constitute a ‘well designed’ project; (iii) it improves planning by highlighting linkages between elements of the project and external factors; (iv) it provides a sound basis for systematic monitoring and analysis of the effects of a project; (v) it enables a common understanding and improved communication between the decision makers, managers and other actors involved in the project; (vi) it benefits the management and administration due to the standard procedures used in collection and analysis of information; (vii) it ensures continuity even if the original staff are replaced; (viii) it enables inter-sectoral and intra-sectoral comparative studies.

However, the approach is not without its limitations and these have also been emphasized by different actors in the development sector. The very basis of the logical framework which relies on the ‘if and then’ logic has been questioned, since it is widely accepted that such a linear linkage does not hold valid in a practical sense due to multiple external factors which are not in control of those implementing the project.

Gasper (2001) outlines the problems with both, the vertical and horizontal logics of the logical framework. With regard to the vertical logic, following limitations arise: (i) meanings of the levels are difficult to differentiate and apply; (ii) the need to specify a single ‘Goal’ and ‘Purpose’ leads to the danger of a tunnel vision and loss of synergies; (iii) since there is no explicit mention of a timeline for the project within the approach (and matrix), there might be an over-estimation of the ‘Purpose’; (iv) process objectives which concern how things are done rather than what end-state outcomes are achieved are difficult to include; (v) while the assumptions column is most crucial, it is often marginalized; and (vi) attention to alternatives and learning might be suppressed due to an over-emphasis on the linkage running from inputs to outputs to impact (purpose/ outcome and goal) (Gasper, 2001). With regard to the horizontal logic, most of the limitations that arise concern the indicators, including the following: (i) it is unclear to what degree are measurements required as some objectives may not be measurable; (ii) it is often presumed that the indicators are the targets which might lead to rigidity during implementation; (iii) partial indicators might be treated as perfect measures of all facets of the objectives leading, again, to a tunnel vision; (iv) incentives might be distorted if rewards are tied to indicators which have partial scope and validity; and (v) it is often less clear what is to be measured at the purpose and goal levels (Gasper, 2001).

5.4.3. Variations and Adaptations of the LFA

While the aforementioned approach is the original or the ‘first generation’ LFA, second and third generations of the approach have also been developed. The ‘second generation’ of the LFA, mostly pioneered by the European development organizations in the late 1980s and 1990s, recognized the importance of both, content of the design and the processes undertaken to attain the same (Dearden, 2001). This version of the LFA primarily integrated stakeholder analysis and problem tree analysis with the existing LFA. Further, the ‘third generation’ of the LFA, developed in the mid 1990s, aimed at combining the LFA with newly developed computer software packages to ease preparation and revision of matrices and at gaining better insights into indicators and the links of the LFA to the other planning methods including time scheduling, budgeting etc. (Gasper, 2001).

Presently, the LFA approach has been adopted by numerous multilateral organizations engaged in development across the globe such as the European Commission, DFID, SIDA, NORAD, GIZ (earlier GTZ), DANIDA, UN organizations including UNICEF, UNDP. Various steps of the LFA, including the development of the LFA matrix, and a presentation of the matrix so developed in the project proposal have to be undertaken as a part of the project preparation process at these organizations.

It ought to be noted that while the matrix presented in Figure 11 is what was initially developed by PCI for USAID, variations in terminology (for example, ‘Aim’ might be used instead of ‘Goal’, ‘Objective’ or ‘Outcome’ might be used instead of ‘Purpose’) have been made by organizations who are using the framework (SIDA, 2005). A comparison between terminologies used by different organizations of the results/ logical frameworks has been prepared by Jim Rugh for CARE International and InterAction’s Evaluation Interest Group and called the ‘The Rosetta Stone of Logical Frameworks’ (table presented below).

Figure 11: The Rosetta Stone of Logical Frameworks

	Ultimate Impact	End Outcomes	Intermediate Outcomes	Outputs	Interventions	
<i>Needs-based</i>	<i>Higher Consequence</i>	<i>Specific Problem</i>	<i>Cause</i>	<i>Solution</i>	<i>Process</i>	<i>Inputs</i>
CARE terminology ¹²	Program Impact	Project Impact	Effects	Outputs	Activities	Inputs
CARE Logframe	Program Goal	Project Final Goal	Intermediate Objectives	Outputs	Activities	Inputs
PC/LogFrame ¹³		Goal	Purpose	Outputs	Activities	
USAID Results Framework ¹⁴	Strategic Objective	Intermediate Results		Outputs	Activities	Inputs

¹² CARE Impact Guidelines, October 1999.

¹³ PC/LogFrame (tm) 1988-1992 TEAM technologies, Inc.

¹⁴ Results Oriented Assistance Sourcebook, USAID, 1998.

	Ultimate Impact	End Outcomes	Intermediate Outcomes	Outputs	Interventions	
USAID Logframe ¹⁵		Final Goal	Strategic Goal/ Objective	Intermediate results	Activities	
DANIDA + DfID ¹⁶	Goal		Purpose	Outputs	Activities	
CIDA ¹⁷ + GTZ ¹⁸	Overall goal		Project purpose	Results/outputs	Activities	Inputs
European Union ¹⁹	Overall Objective	Project Purpose	Results	Activities		
FAO ²⁰ + UNDP ²¹ + NORAD ²²	Development Objective		Immediate Objectives	Outputs	Activities	Inputs
UNHCR ²³	Sector Objective	Goal	Project Objective	Outputs	Activities	Input/Resources
World Bank	Long-term Objectives		Short-term Objectives	Outputs		Inputs
AusAID ²⁴	Scheme Goal		Major Development Objectives	Outputs	Activities	Inputs

Note: Some of these sources are not clear on distinction between columns 2 and 3 (Ultimate Impact and Project Goal);
Compiled by Jim Rugh for CARE International and InterAction's Evaluation Interest Group

Further, variations have also be made in the structure (for example, more rows might be added for more levels of purposes, 'Activities' and 'Inputs'/'Types of Resources' might be presented in separate rows, extra columns might be added which assign responsibilities, mention the frequency of collection of data) of the matrix when adopted by different organizations (SIDA, 2005).

In addition to using the logical frameworks, some organizations also use results frameworks. Results frameworks are similar to logical frameworks, with the difference being that it is mainly focussed on articulating results.

¹⁵ The Logical Framework Approach to portfolio Design, Review and Evaluation in A.I.D.: Genesis, Impact, Problems and Opportunities. CDIE, 1987.

¹⁶ A Guide to Appraisal, Design, Monitoring , Management and Impact Assessment of Health & Population Projects, ODA [now DFID], October 1995

¹⁷ Guide for the use of the Logical Framework Approach in the Management and Evaluation of CIDA's International Projects. Evaluation Division.

¹⁸ ZOPP in Steps. 1989.

¹⁹ Project Cycle Management: Integrated Approach and Logical Framework, Commission of the European Communities Evaluation Unit Methods and Instruments for Project Cycle Management, No. 1, February 1993

²⁰ Project Appraisal and the Use of Project Document Formats for FAO Technical Cooperation Projects. Pre-Course Activity: Revision of Project Formulation and Assigned Reading. Staff Development Group, Personnel Division, August 1992

²¹ UNDP Policy and Program Manual

²² The Logical Framework Approach (LFA). Handbook for Objectives-oriented Project Planning.

²³ Project Planning in UNHCR: A Practical Guide on the Use of Objectives, Outputs and Indicators for UNHCR Staff and Implementing Partners. Second Ver. March 2002.

²⁴ AusAID NGO Package of Information, 1998

Logical Framework Matrix – World Bank

World Bank uses a logframe which is a 16-box matrix to structure design of a project. The matrix used is presented below in Figure 12.

The first column of the matrix describes the causal logic of the objectives of the project and creates a crucial distinction between the program strategy (called the Country Assistance Strategy or CAS Goal), the project impact (represented by the Development Objective or DO), deliverables of the project (called Outputs) and the key activities (called Components). The second column is primarily for the disclosure of the performance indicators and targets for the CAS Goal, DO, Outputs and Components. The third column is concerned with the people, events and processes required as sources of data for the four levels of the narrative summary and the fourth column lists the assumptions, including risks, involved for each level.

Figure 12: Structure of Logframe used by the World Bank

Narrative Summary	Performance Indicators	M&E/ Supervision	Important Assumptions
Country Assistance Strategy (CAS) Goal			<i>(Goal to Super Goal)</i>
Higher objective to which this project, along with others, will contribute.	Indicators (increasingly standardized) to measure program performance.	The program evaluation system.	Risk regarding strategic impact.
Development Objective (DO)	Impact		<i>(D.O. to CAS Goal)</i>
The impact of this project. The change in beneficiary behavior, systems or institutional performance because of the combined output and key assumptions.	Measures that describe the accomplishment of the Project Development Objective(s). The value, benefit and return on investment.	People, events, processes, sources of data for organizing the project evaluation system.	Risk regarding program level impact.
Outputs			<i>(Output to D.O.)</i>
The project intervention. What the project can be held accountable for producing.	Indicators that measure the value added of implementation of the components.	People, events, processes, sources of data – supervision and monitoring system for project implementation.	Risk regarding design effectiveness
Components	Input/ Resources		<i>(Component to Output)</i>
The main component clusters that must be undertaken in order to accomplish the Outputs	Budget by component. Monetary, physical, & human resources required to produce the Outputs.	People, events, processes, sources of data and monitoring system for project design.	Risk regarding implementation and efficiency.

Source: World Bank Logframe Methodology Handbook²⁵

²⁵ Available at: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2005/06/07/000160016_20050607122225/Rendered/PDF/31240b0LFhandbook.pdf

Logical Framework Matrix – DFID

Department for International Development (DFID), HM Government, United Kingdom, has adopted the Logical Framework where the hierarchy in the first column flows from ‘Goal’ to ‘Purpose’ to ‘Outputs’ to ‘Inputs’. The structure of a typical log frame of the DFID is presented in Figure 13 below. The focus of the framework is on indicators for which baseline data has to be disclosed, followed by year-wise milestones and the ultimate target along with the source of data. For each output, the impact weighting (as a percentage) has to be decided too. Further, inputs are mainly listed in terms of the financial and human resource requirement. Assumptions concerning the purpose and the outputs as well as the risk rating for the outputs have also to be listed. The log of activities, with year-wise milestones is presented separately.

Figure 13: Structure of Logframe used by the Department for International Development (DFID), HM Government, United Kingdom

PROJECT NAME						
GOAL	Indicator 1	Baseline + Year	Milestone + Year	Milestone + Year	Target + Year	
		Source:				
PURPOSE	Indicator 1	Baseline + Year	Milestone + Year	Milestone + Year	Target + Year	Assumptions
		Source:				
INPUTS (£)	DFID (£)	Govt (£)	Other (£)	Total (£)	DFID SHARE (%)	
INPUTS (HR)	DFID (FTEs)					
OUTPUT 1	Indicator 1	Baseline + Year	Milestone + Year	Milestone + Year	Target + Year	Assumptions
		Source:				
IMPACT WEIGHTING	Indicator 3	Baseline + Year	Milestone + Year	Milestone + Year	Target + Year	
		Source:				RISK RATING
INPUTS (£)	DFID (£)	Govt (£)	Other (£)	Total (£)	DFID SHARE (%)	
INPUTS (HR)	DFID (FTEs)					

Note: Multiple indicators and outputs can be added depending on the project.

Results Framework – World Bank

As a part of the design of each project undertaken at the World Bank, a ‘Results Framework and Monitoring’ is prepared. A structure of this is presented in Figure 14. The emphasis of this framework is on disclosure regarding indicators to measure Project Development Objectives (PDOs) and Intermediate Results. For each indicator, information regarding the unit of measure, baseline data, cumulative target values, data source or methodology to be used for data collection, responsibility for data collection and a description of the indicator has to be completed.

Figure 14: Structure of Results Framework and Monitoring used by the World Bank

Project Development Objective(s) (PDO):										
PDO Level Results Indicators	Core	Unit of Measure	Baseline	Cumulative Target Values (Year-wise)			Frequency	Methodology for Data	Responsibility for Data Collection	Description (Indicator Definition etc.)
				1	2	3				
Indicator 1	○									
INTERMEDIATE RESULTS										
COMPONENT A										
Intermediate Result Indicator 1	○									
COMPONENT B										
Intermediate Result Indicator 1	○									

Note: Multiple indicators under the PDO and Intermediate Results can be added depending on the project.

Results Framework – USAID

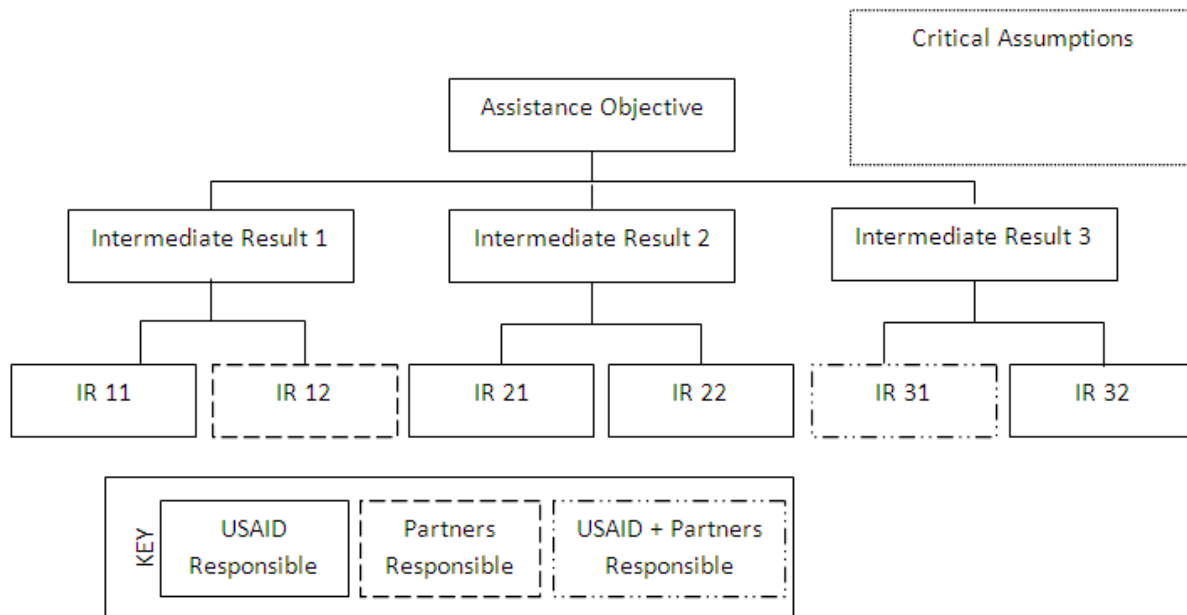
The United States Agency for International Development (USAID) has developed a results framework to help its project managers identify and focus on key objectives within a complex development environment.

As per USAID (2010), a person looking at this framework ‘should be able to understand the basic theory for how key program objectives will be achieved.’ The three main definitions used in creating this framework are as follows (USAID, 2010):

- An Assistance Objective (AO) is the most ambitious result (intended measurable change) that a USAID Mission/Office, along with its partners, can materially affect, and for which it is willing to be held accountable.
- An Intermediate Result (IR) is an important result that is seen as an essential step to achieving a final result or outcome; it is a measurable result that may capture a number of discrete and more specific results.
- A Critical Assumption is a general condition under which the development hypothesis will hold true. Critical assumptions are outside the control or influence of USAID and its partners (in other words, they are not results), but they reflect conditions that are likely to affect the achievement of results in the Results Framework. Critical assumptions may also be expressed as risks or vulnerabilities

The structure for the results framework used by the USAID is presented below in Figure 15. In addition to having the aforementioned three elements, this framework also assigns responsibilities for various lower level Intermediate Results (IRs) to USAID and/or its partners.

Figure 15: Structure of Results Framework used by USAID



Source: USAID Performance Monitoring & Evaluation TIPS – Building a Results Framework, 2010

5.5. Project Management Techniques

After an organization has undertaken the logical framework approach and produced the log frame matrix for a particular project, the next step usually involve operationalizing the same by undertaking project scheduling using Gantt charts, network analysis; budgeting; resource planning; fixing responsibilities; and establishing monitoring and evaluation systems.

5.5.1. Gantt Chart

A Gantt Chart is a graphical representation, most often a horizontal bar chart, showing different project activities and tasks in sequential order with bars, which represent the estimated time required to complete them. The chart depicts the time relationship of activities, tasks, milestones and resources involved in a project and most importantly, it is flexible document which is updated regularly through the life of the project (Tasmanian Government, 2008).

Needleman (1993) gives a brief description of how a Gantt Chart is prepared. The project is first broken down into various tasks and subtasks and these are placed on a timeline. Thereafter, each task is assigned a start date, duration, and end date, and perhaps also the various resources attached to it such as specific personnel, a budget, equipment, facilities, and support services. For the purpose of presentation, the tasks are represented in horizontal bars (or boxes) against a vertical time scale, resulting in a Gantt Chart. The main utility of such a chart is for planning and scheduling a project and subsequently for monitoring the progress of the project against the base timeline.

A Gantt Chart is a relatively easy to prepare graphical representation of when project activities are scheduled to take place; however, this simplistic tool is unable to indicate details regarding the progress of activities and also unable to consider interdependencies between various activities.

5.5.2. Network Analysis

Network Analysis refers to methods used for planning, managing and controlling projects. Two methods often included under network analysis are the Critical Path Analysis (CPA) and Programme Evaluation and Technique Review (PERT) Analysis.

Critical Path Analysis (CPA)

Critical Path Analysis (CPA) (also known as the Critical Path Method (CPM)) is a 'mathematically based algorithm for scheduling a set of project activities' (Santiago and Magallon, 2009).

This analysis is an extension of the Gantt Chart wherein projects are divided into individual tasks or activities, which might either, be interdependent or independent of each other and the times for various job durations and completion differ significantly (Stelth and Roy, 2008). The analysis helps to identify the 'critical path' i.e. the path of project activities which would take the longest duration and the activities on this path are called the 'critical activities', implying that only if these activities are completed as scheduled, can the project be completed as scheduled.

A CPA enables decision makers and those involved in the implementation of a project to identify the best estimates of the time needed to complete the project and also helps in identifying any alternate paths or plans which can be undertaken to reduce the interruption and hurdles that may arise during the execution of various tasks of the project (Stelth and Roy, 2008).

The analysis consists of three different phases: Planning, Scheduling and Controlling. These three phases have been outlined in a document of the Centre for Financial and Management Studies at the University of London (2011) as follows:

- *Planning Phase* – This phase clarifies the objective of the project and the arrangement of project tasks into an order of precedence. While some tasks in this phase will be carried out in parallel, others will be carried out in series.
- *Scheduling Phase* – This phase develops from the planning phase and converts the plan into a feasible and readily implemented schedule, having analysed the path with reference to the optimum use of available resources such as time, human resources and equipment.
- *Control Phase* – This develops from the scheduling phase and allows actual progress to be monitored and corrections to be made to ensure adherence to the schedule or modified schedule.

Programme Evaluation and Review Technique (PERT) Analysis

A PERT Analysis is similar to CPA; however its distinguishing feature is that it takes into account uncertainties i.e. it uses probabilistic time estimates for various project activities. When this tool is used, estimates have to be made of an optimistic or shortest possible time under most favourable conditions, the 'most likely' time under 'normal' conditions and a pessimistic or longest time taken under most unfavourable conditions to complete each activity; this, in turn reduces the bias which tends to assume to the shortest possible times for completion of various project activities.

Tools available in Microsoft Project can be used to undertake CPA and PERT analyses.

6. Findings & Analysis

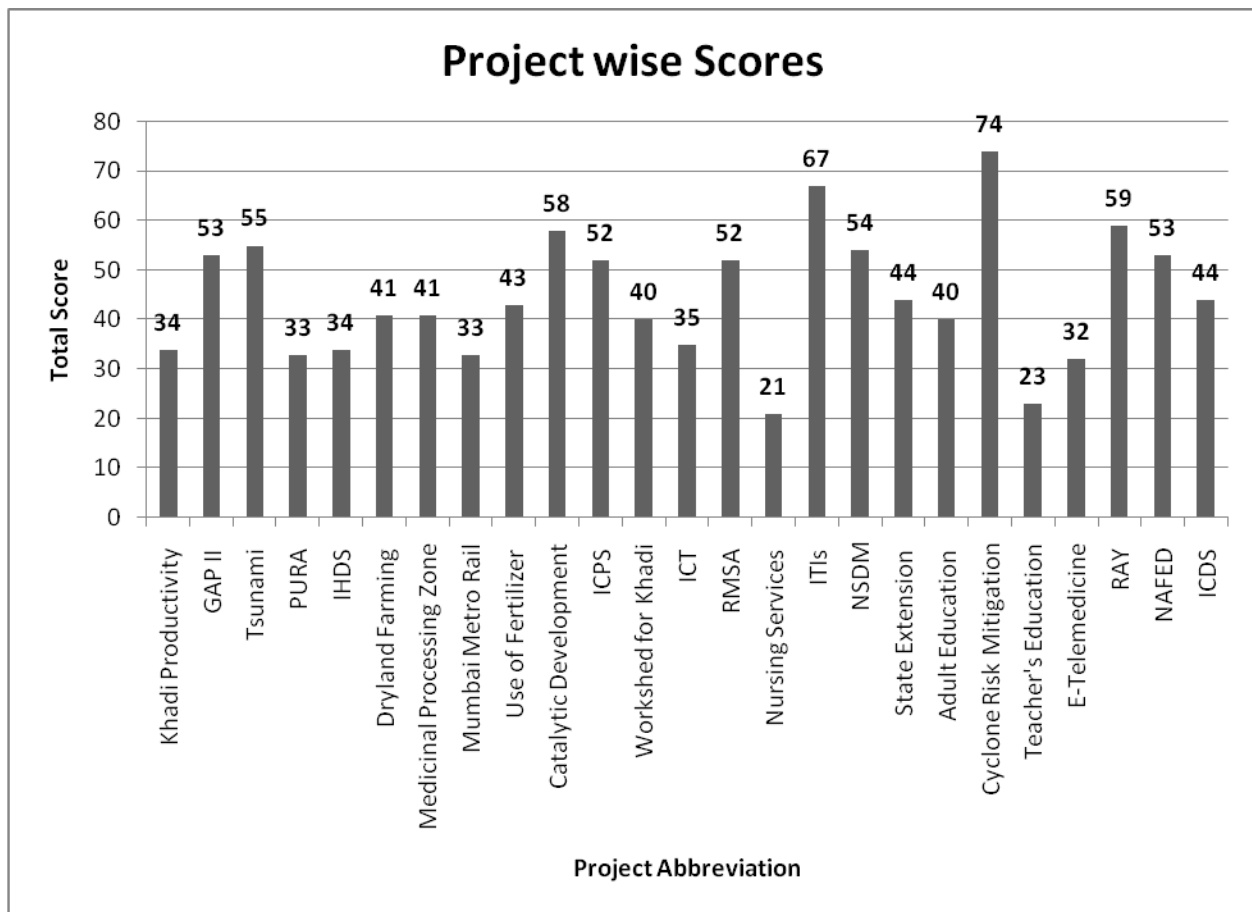
This section presents the findings and analysis from the assessment of the EFC Memos/ Proposals. The analysis is presented in three sub-sections: based on the scoring of the EFC Memos/ Proposals, based on the comments of the Planning Commission and based on the time taken for appraisal of EFC Memos/ Proposals.

6.1. Based on Scoring of EFC Memos/ Proposals

6.1.1. Project-wise Scores

The EFC Memos received a wide range of scores (scoring undertaken based on the methodology presented in Section 4.3) out of a maximum of 100. Below is a snapshot of scores achieved by the 25 EFC Memos. The average score across EFC Memos was 45, with the highest score of 74 achieved by the EFC Memo on Cyclone Risk Mitigation and the lowest score of 21 achieved by the EFC Memo on Nursing Services.

Figure 16: Project wise Scores of EFC Memos/Proposals



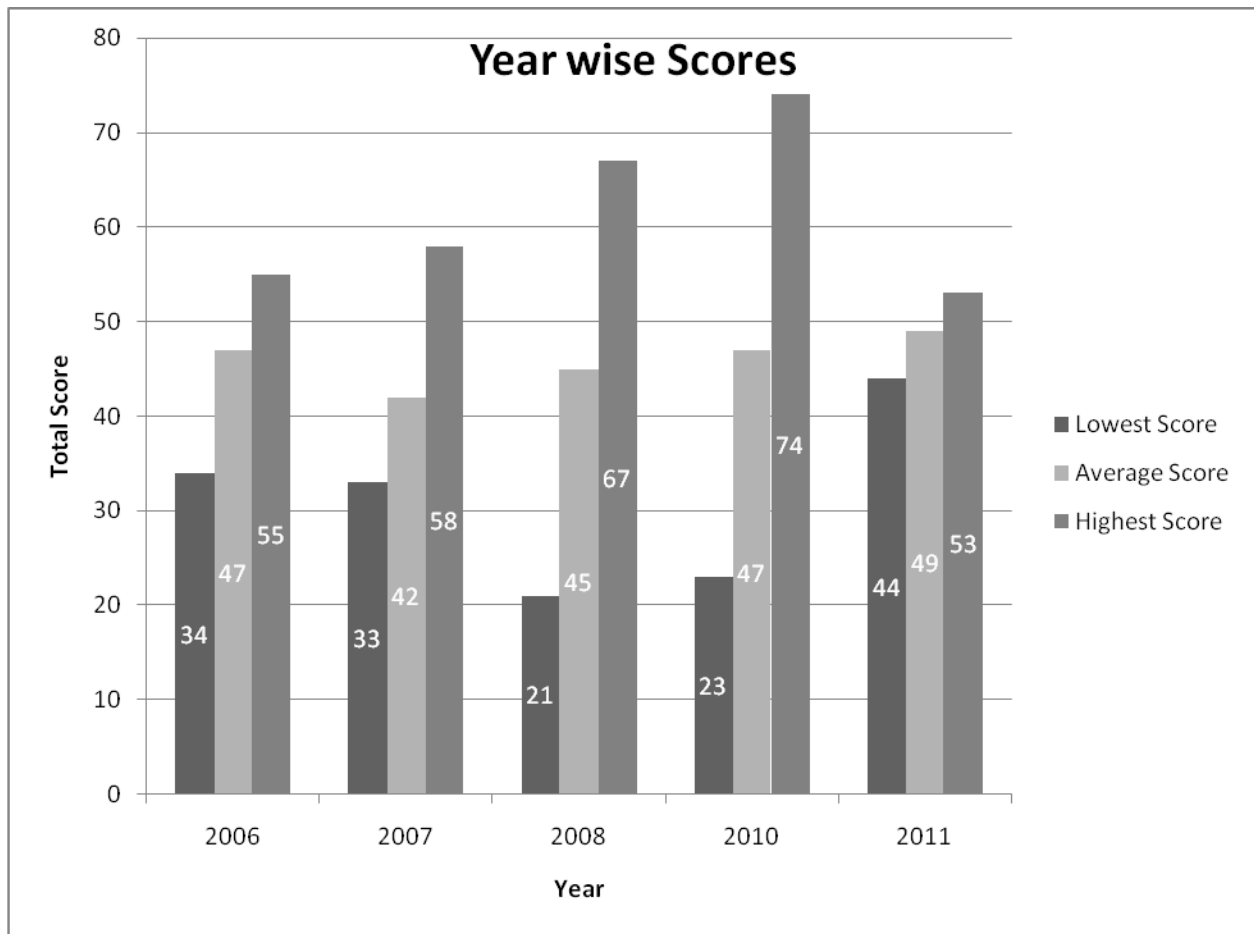
Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

6.1.2. Trend in Scores across Years

To understand the trend in scores of EFC Memos drafted in different years, the scores achieved by the EFC Memos across years (2006 to 2011) were considered. It was observed that while the average score reduced from 2006 to 2007, an upward trend in the average score was observed from 2007 to 2011, wherein the average increased from 42 to 49.

The highest score showed a gradual rise from 2006 to 2010 but a drastic fall from 2010 to 2011. However, the trend of the lowest score was observed to be U-shaped, decreasing from 34 to 21 from 2006 to 2008 and then rising up to 44 in 2011.

Figure 17: Year wise Scores of EFC Memos/Proposals



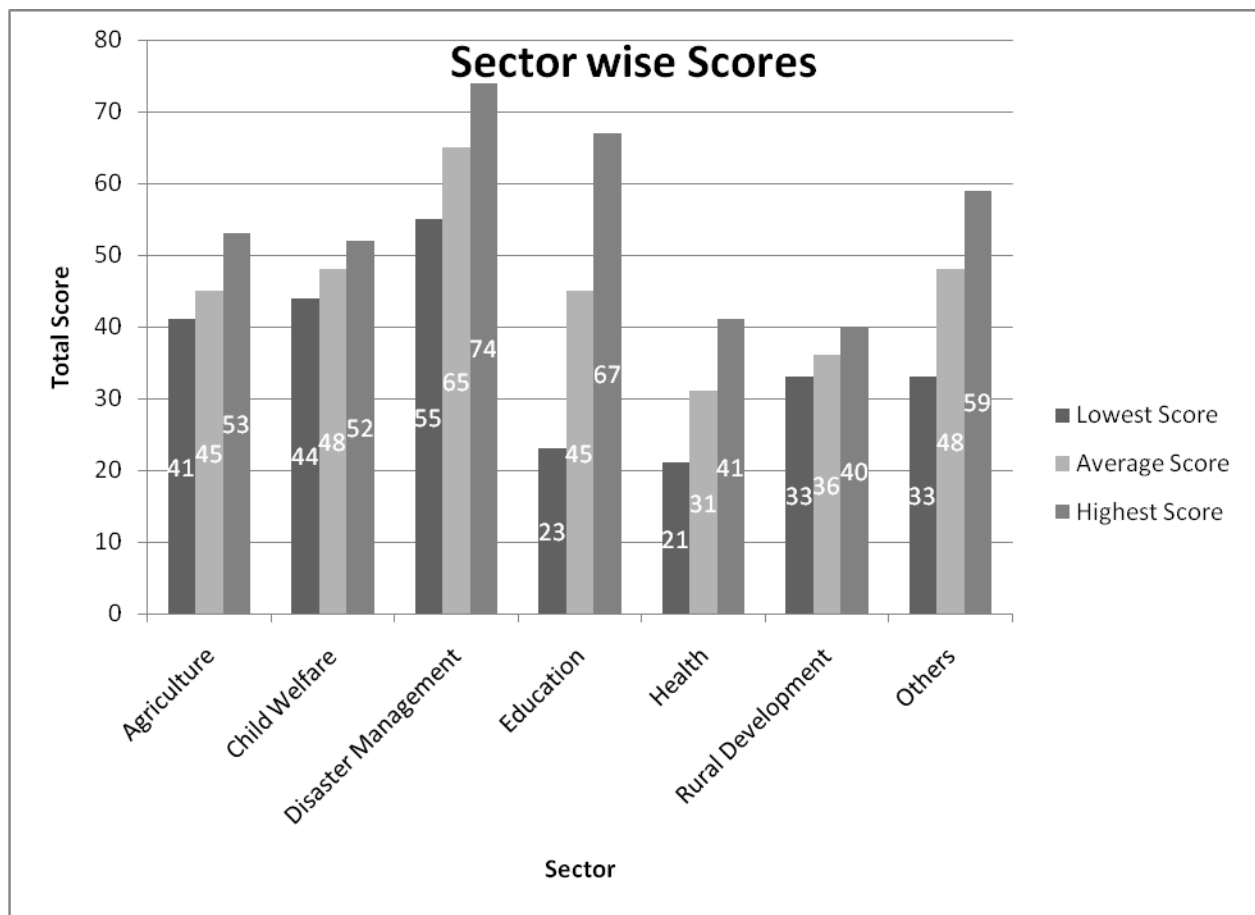
Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

6.1.3. Trends in Scores across Sectors

Further, to understand the variation in scores of EFC Memos/ Proposals belonging to different sectors, a sector-wise analysis of scores was undertaken. Disaster management outperformed all other sectors in terms of the average, highest and lowest scores; however, the health sector was a consistent underperformer in terms of these three scores.

It was observed that the highest score received by an EFC Memo/ Proposal in the health sector was equal to the lowest score achieved by an EFC Memo/ Proposal in the agriculture sector. This was lower than the lowest scores achieved by EFC Memos/ Proposals in the child welfare and disaster management sectors. The widest range of scores was observed in the education sector (ranging from 23 to 67) and the narrowest range of scores was observed in the rural development sector (ranging from 33 to 40).

Figure 18: Sector wise Scores of EFC Memos/Proposals

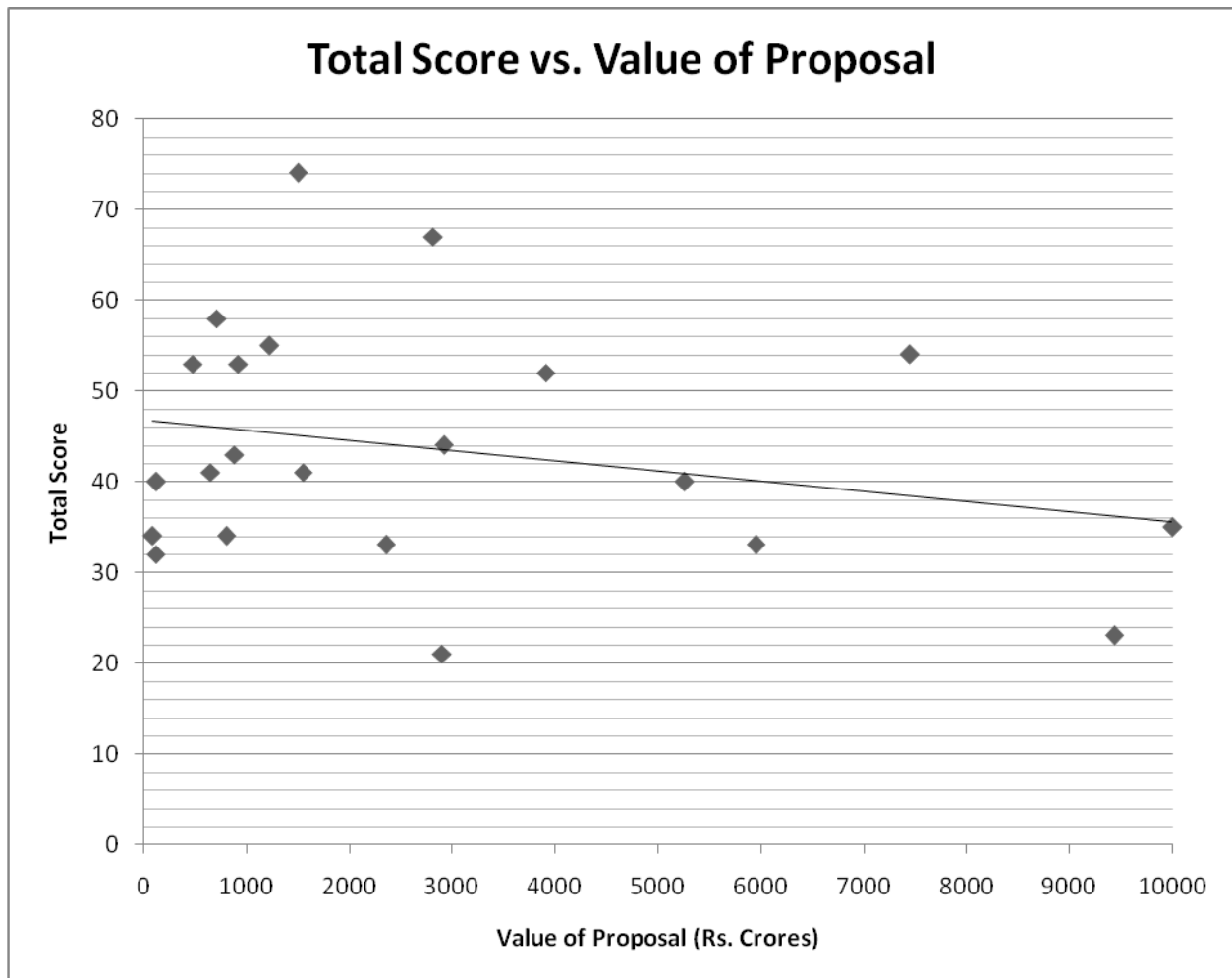


Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

6.1.4. Trends in Scores across Value of Proposals

The scores achieved by the EFC Memos/ Proposals were plotted against their value (in Rs. Crores) i.e. the cost of the projects/ schemes to the Central Government. Below is the graph that was obtained. It can be observed from this graph that as the value of the proposal rises, the score of the EFC Memo/ Proposal decreases. In other words, it seems that proposals asking for higher amounts of funding from the Central Government received relatively lower scores due to lower quality of answers to questions in the EFC Memo.

Figure 19: Total Score Vs. Value of Proposal



Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation, value of proposals considered are those mentioned in the first draft EFC Memos, 3 EFC Memos²⁶ which were proposed for amounts greater than Rs. 10000 crores are not considered; Source: Authors

²⁶ RMSA, RAY & ICDS

6.1.5. Comparison of Scores for proposals with more than one EFC Memo

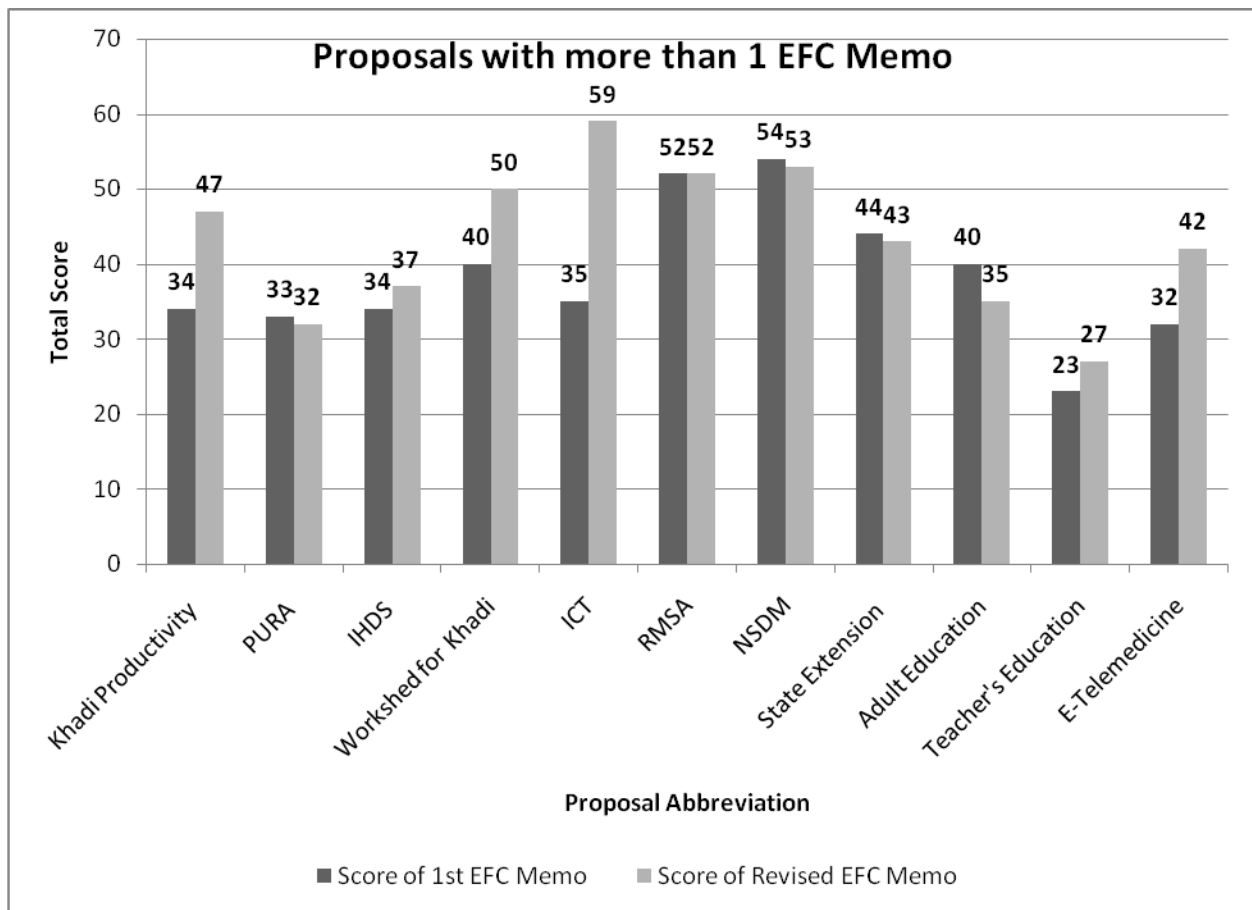
Out of 25 EFC Memos/ Proposals, it was observed that only 11 had more than one version of the EFC Memo. To compare the scores of different EFC Memos for the same project/ scheme, the scoring of the first draft EFC Memo and the most recent EFC Memo were undertaken. The scores (scoring undertaken based on the methodology presented in Section 4.3) achieved are presented in the figure below.

An increase in the total score was observed in six out of 11 proposals, with the highest increase in score seen in the case of the EFC Memo on ICT.

A decrease in the total score was observed in four out of 11 proposals. However, in three cases, the decrease was insignificant as the score fell by only 1 point. The revised EFC Memo for Adult Education was significantly weaker than the first draft as the total score decreased by 5 points.

Noticeably, the only proposal whose score remained constant was the EFC Memo on RMSA which is also highest in terms of value of project (Rs. 35,567 Crore).

Figure 20: Comparison of Scores where Proposals had more than 1 EFC Memo



Source: Authors

6.1.6. Detailed Component-wise Analysis

This sub-section presents the detailed component-wise break-up of scores across all 25 proposals. Scores achieved under individual components has been detailed out in “*Component-Wise*” tables below. This captures the scores for individual questions vis-à-vis the applicable weights.

Rows highlighted in grey indicate the lowest and highest scores for the particular component and the columns highlighted in grey indicate the sub-components with high weights for each component. The concluding paragraph under each component highlights strong and weak examples of responses from EFC Memos/ Proposals.

Table 5: Component wise break-up of total scores

Project Abbreviation	Component						Total Score
	Statement of Proposal	Program Schedule	Expenditure Involved	Operational Capability	Points for decision	DPR	
Weight	25	15	30	15	5	10	100
Khadi Productivity	13	11	5	0	3	2	34
GAP II	23	3	13	11	2	1	53
Tsunami	20	9	17	7	2	0	55
PURA	8	3	10	7	5	0	33
IHDS	14	3	8	5	2	2	34
Dryland Farming	13	9	11	3	5	0	41
Medicinal Processing Zone	12	8	12	5	2	2	41
Mumbai Metro Rail	15	7	3	5	3	0	33
Use of Fertilizer	15	2	16	5	5	0	43
Catalytic Development	16	7	23	6	2	4	58
ICPS	20	7	15	0	5	5	52
Workshed for Khadi	11	10	10	0	5	4	40
ICT	5	4	10	11	0	5	35
RMSA	14	7	21	3	5	2	52
Nursing Services	5	6	8	0	2	0	21
ITIs	13	12	25	5	5	7	67
NSDM	13	7	19	9	5	1	54
State Extension	13	9	10	5	5	2	44
Adult Education	17	7	10	0	5	1	40
Cyclone Risk Mitigation	22	10	21	13	5	3	74
Teacher's Education	12	5	1	0	5	0	23
E-Telemedicine	10	5	8	5	2	2	32
RAY	16	7	16	11	5	4	59
NAFED	15	15	18	0	5	0	53
ICDS	18	2	8	11	5	0	44

Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

Statement of Proposal

Scoring for the component; 'Statement of Proposal' was done by way of assessing 7 questions as part of EFC Memo format. A description of the questions along with the question numbers and the weights associated for the same is available in the table below. The total weight assigned to this component was 25 and the scores achieved by EFC Memos ranged between 5 and 23 with the average being 14.

Twelve out of 25 EFC Memos scored at least 60 percent (score of 15 or above) under this component.

Table 6: Break-up of 'Statement of Proposal' Component

Project Abbreviation	Nature of Scheme	Type of Proposal	Reasons and Justification	Location	Inclusion in the FYP	Estimated Yield	Outcomes, Outputs	Total
Question No.	2a	2c	2d	2e	2f	2g	2l	-
Weight	2	1	7	3	2	3	7	25
Khadi Productivity	1	0	0	2	2	1	7	13
GAP II	2	1	5	3	2	3	7	23
Tsunami	1	1	7	3	0	3	5	20
PURA	1	1	1	2	2	1	0	8
IHDS	1	1	6	1	2	3	0	14
Dryland Farming	1	1	7	3	2	1	0	15
Medicinal Processing Zone	1	1	5	0	2	3	0	12
Mumbai Metro Rail	0	1	6	3	2	3	0	15
Use of Fertilizer	1	1	6	2	2	3	0	15
Catalytic Development	1	1	5	2	2	2	3	16
ICPS	1	1	6	3	2	2	5	20
Workshed for Khadi	2	1	5	0	2	0	1	11
ICT	1	0	3	0	0	0	1	5
RMSA	1	0	4	0	2	2	5	14
Nursing Services	0	1	4	0	0	0	0	5
ITIs	1	0	4	2	2	2	2	13
NSDM	1	1	2	2	0	2	5	13
State Extension	1	1	5	1	2	3	0	13
Adult Education	1	1	7	2	2	3	1	17
Cyclone Risk Mitigation	1	1	7	3	2	3	5	22
Teacher's Education	1	1	5	0	2	1	2	12
E-Telemedicine	1	1	4	0	2	2	0	10
RAY	1	1	5	0	2	2	5	16
NAFED	1	1	7	3	2	1	0	15
ICDS	2	1	5	0	2	3	5	18

Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

The EFC Memo/ Proposals on Dryland Farming and Cyclone Risk Mitigation provided a detailed historical background, specified alternatives vis-à-vis the proposal and also provided cost comparisons as a part of answer to question 2(d). However, the EFC Memo/ Proposal on PURA provided an answer to the same question which runs into several paragraphs, with vital information not highlighted. The EFC Memo/ Proposal on GAP II provided complete details of outcomes and outputs in quantitative and qualitative terms while answering question 2(l). On the other hand, the EFC Memos/ Proposals on Workshed for Khadi and Adult Education provided very vague information only on outcomes.

Program Schedule

Scoring for the component, '*Program Schedule*', was done by way of assessing 4 questions as part of EFC Memo format. A description of the questions along with the question numbers and the weights associated for the same is available in the table below. The total weight assigned to this component was 15 and the scores achieved by EFC Memos ranged between 2 and 15 with the average being 7.

EFC Proposal on NAFED scored a full 15 points by providing complete and relevant details for this section. Two proposals on Use of Fertilizer and ICDS scored the lowest score of 2. Seven out of 25 EFC Memos scored at least 60 percent (score of 9 or above) under this component.

Table 7: Break-up of 'Program Schedule' Component

Project Abbreviation	Scrutiny of Project Scheme	Schedule for Construction	Matching of Physical & Financial Targets	Completion Date and Benefits	Total
Question No.	3a	3b	3c	3d	-
Weights	3	3	4	5	15
Khadi Productivity	3	0	4	4	11
GAP II	0	0	0	3	3
Tsunami	1	2	1	5	9
PURA	2	0	0	1	3
IHDS	1	0	1	1	3
Dryland Farming	1	0	4	3	8
Medicinal Processing Zone	1	0	2	5	8
Mumbai Metro Rail	1	0	1	5	7
Use of Fertilizer	1	0	1	0	2
Catalytic Development	1	0	1	5	7
ICPS	1	0	1	5	7
Workshed for Khadi	1	0	4	5	10
ICT	0	0	1	3	4
RMSA	3	1	0	3	7
Nursing Services	1	1	1	3	6
ITIs	3	3	1	5	12
NSDM	1	3	1	2	7
State Extension	1	1	2	5	9
Adult Education	1	0	1	5	7
Cyclone Risk Mitigation	3	3	1	3	10
Teacher's Education	1	0	1	3	5

Project Abbreviation	Scrutiny of Project Scheme	Schedule for Construction	Matching of Physical & Financial Targets	Completion Date and Benefits	Total
E-Telemedicine	3	0	0	2	5
RAY	3	0	1	3	7
NAFED	3	3	4	5	15
ICDS	0	1	1	0	2

Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

The EFC Memo/ Proposal on Dryland Farming was one of the only which provided year-wise as well as component-wise physical and financial targets in a tabular format, while answering question 3(c).

Expenditure Involved and Reliability of Cost Estimates

Scoring for this component, '*Expenditure Involved*', was done by way of assessing 5 questions as part of EFC Memo format. A description of the questions along with the question numbers and the weights associated for the same is available in the table below. The total weight assigned to this component was 30 and the scores achieved by EFC Memos ranged between 1 and 25 with the average being 13.

6 out of 25 EFC Memos scored at least 60 percent (score of 18 or above) under this component.

Table 8: Break-up of 'Expenditure Involved and Reliability of Cost Estimates' Component

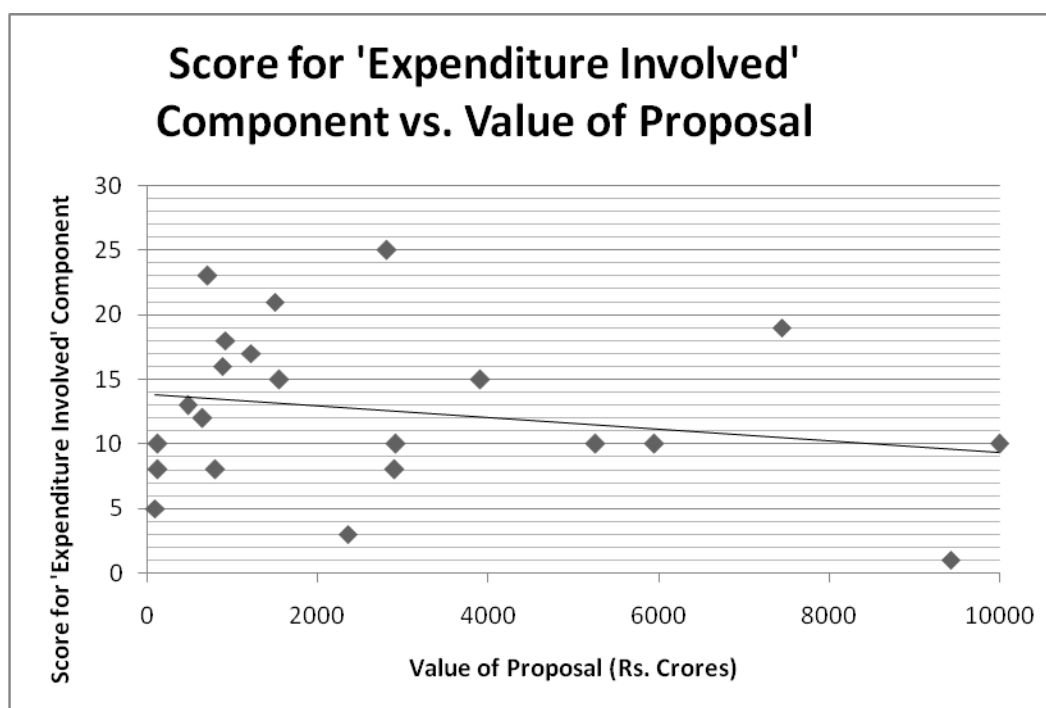
Project Abbreviation	Total Expenditure (RC& NRC)	Other Financial obligations	Phasing of Expenditure	Reference Date and Basis	Pre-Project Investigations	Total
Question No.	4a	4b	4d	4e	5a	-
Weights	10	2	8	6	4	30
Khadi Productivity	5	0	0	0	0	5
GAP II	10	0	0	1	2	13
Tsunami	5	0	6	6	0	17
PURA	5	1	4	0	0	10
IHDS	5	2	0	0	1	8
Dryland Farming	10	0	0	3	2	15
Medicinal Processing Zone	5	0	4	3	0	12
Mumbai Metro Rail	0	2	0	0	1	3
Use of Fertilizer	10	0	6	0	0	16
Catalytic Development	8	2	8	3	2	23
ICPS	10	1	0	4	0	15
Workshed for Khadi	10	0	0	0	0	10
ICT	10	0	0	0	0	10
RMSA	10	2	6	0	3	21
Nursing Services	1	0	6	0	1	8
ITIs	10	2	8	3	2	25
NSDM	10	0	6	3	0	19
State Extension	3	0	6	0	1	10
Adult Education	10	0	0	0	0	10
Cyclone Risk Mitigation	10	0	6	3	2	21

Project Abbreviation	Total Expenditure (RC& NRC)	Other Financial obligations	Phasing of Expenditure	Reference Date and Basis	Pre-Project Investigations	Total
Teacher's Education	1	0	0	0	0	1
E-Telemedicine	5	0	3	0	0	8
RAY	3	0	6	4	3	16
NAFED	10	2	6	0	0	18
ICDS	8	0	0	0	0	8

Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

Out of all the components, the 'Expenditure Involved' component carried the highest weighting of 30, hence, the scores for this component was plotted against the values of the proposals to observe a trend, if any. It appears that the score for this component decreases as the value of the proposal increases. This implies that for projects involving larger costs, the quality of responses in the EFC Memo format to questions relating to expenditure weakened.

Figure 21: Score for 'Expenditure Involved' Component Vs. Value of Proposal



Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation, value of proposals considered are those mentioned in the first draft EFC Memos, 3 EFC Memos²⁷ which were proposed for amounts greater than Rs. 10000 crores are not considered; Source: Authors

²⁷ RMSA, RAY & ICDS

While answering question 4(a), the EFC Memo/ Proposal on RMSA drew references to various annexures wherein complete cost details were provided. However, the EFC Memo/ Proposal on Teachers' Education provided only the total project approved costs without any details of year wise and component wise expenses while answering the same question. The EFC Memos/ Proposals on Catalytic Development and ITIs provided year-wise phasing of expenditure for various programmes under the schemes while answering question 4(d); however, the EFC Memo/ Proposal on E-Telemedicine provided an aggregate-level of phasing of only recurring expenditure.

Operational Capability

Scoring for the component, 'Operational Capability', was done by way of assessing 1 question as part of EFC Memo format. A description of the question along with the question number and the weights associated for the same is available in the table below. The total weight assigned to this component was 15 and the scores achieved by EFC Memos ranged between 0 and 13 with the average being 5.

Six out of 25 EFC Memos scored at least 60 percent (score of 9 or above) under this component.

However, 7 out of 25 EFC Proposals had not answered the question on 'Operational Capability'.

Table 9: Break-up of 'Operational Capability' Component

Project Abbreviation	Operational Capability	Total
Question No.	6a	-
Weights	15	15
Khadi Productivity	0	0
GAP II	11	11
Tsunami	7	7
PURA	7	7
IHDS	5	5
Dryland Farming	3	3
Medicinal Processing Zone	5	5
Mumbai Metro Rail	5	5
Use of Fertilizer	5	5
Catalytic Development	6	6
ICPS	0	0
Workshed for Khadi	0	0
ICT	11	11
RMSA	3	3
Nursing Services	0	0
ITIs	5	5
NSDM	9	9
State Extension	5	5
Adult Education	0	0
Cyclone Risk Mitigation	13	13
Teacher's Education	0	0
E-Telemedicine	5	5
RAY	11	11

Project Abbreviation	Operational Capability	Total
NAFED	0	0
ICDS	11	11

Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

The EFC Memo/ Proposal on Cyclone Risk Mitigation provided details including track record, agencies and future plans to establish capacity. Further, implementation arrangements were also annexed and responsibilities of various units to be set-up were mentioned while answering question 6(a). However, EFC Memos/ Proposal on Dryland Farming merely identified the agencies that would be involved in the implementation of the scheme. Further, the EFC Memo/ Proposal on RMSA gave a vague answer mainly stating, “The capacity of the State Governments to implement the new scheme will be further enhanced to institutional and policy reforms in order to make delivery system efficient, transparent and effective.”

Points for Decision

Scoring for the component; ‘Points for Decision’ was done by way of assessing 1 question as part of EFC Memo format. A description of the question along with the question number and the weights associated for the same is available in the table below. The total weight assigned to this component was 5 and the scores achieved by EFC Memos ranged between 2 and 5.

Seven out of 25 proposals merely stated the total cost of project as the sole point on which decision had to be taken in the EFC meeting. In other words, these proposals did not lay emphasis on other critical aspects of project for decision making.

Table 10: Break-up of ‘Points for Decision’ Component

Project Abbreviation	Points for Decision	Total
Question No	26	-
Weights	5	5
Khadi Productivity	3	3
GAP II	2	2
Tsunami	2	2
PURA	5	5
IHDS	2	2
Dryland Farming	5	5
Medicinal Processing Zone	2	2
Mumbai Metro Rail	3	3
Use of Fertilizer	5	5
Catalytic Development	2	2
ICPS	5	5
Workshed for Khadi	5	5
ICT	0	0
RMSA	5	5
Nursing Services	2	2
ITIs	5	5
NSDM	5	5

Project Abbreviation	Points for Decision	Total
State Extension	5	5
Adult Education	5	5
Cyclone Risk Mitigation	5	5
Teacher's Education	5	5
E-Telemedicine	2	2
RAY	5	5
NAFED	5	5
ICDS	5	5

Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; EFC Memo on ICT received a score of zero as the page with the question was missing from the document; Source: Authors

DPR (Detailed Project Report)

Scoring for the component; 'DPR' was done by way of assessing 4 aspects details for which are available in the table below. The total weight assigned to this component was 10 and the scores achieved by EFC Memos ranged between 0 and 5.

In 7 out of 25 Projects had nil scoring because either 'DPR' or 'DPR like' document was missing, alternatively even if such a document was available, the same did not cover the four aspects below.

Table 11: Break-up of 'DPR' Component

Project Abbreviation	Legal Framework	Risk Analysis	Evaluation	Sustainability	Total
Question No.	6	13	14	17	
Weights	2	2	3	3	10
Khadi Productivity	0	0	1	1	2
GAP II	0	0	0	1	1
Tsunami	0	0	0	0	0
PURA	0	0	0	0	0
IHDS	0	0	2	0	2
Dryland Farming	0	0	0	0	0
Medicinal Processing Zone	0	0	2	0	2
Mumbai Metro Rail	0	0	0	0	0
Use of Fertilizer	0	0	0	0	0
Catalytic Development	0	0	2	2	4
ICPS	2	0	2	1	5
Workshed for Khadi	0	0	2	2	4
ICT	0	0	2	3	5
RMSA	0	0	2	0	2
Nursing Services	0	0	0	0	0
ITIs	2	2	2	1	7
NSDM	0	0	0	1	1
State Extension	0	0	2	0	2
Adult Education	0	0	1	0	1
Cyclone Risk Mitigation	2	1	0	0	3
Teacher's Education	0	0	0	0	0

Project Abbreviation	Legal Framework	Risk Analysis	Evaluation	Sustainability	Total
E-Telemedicine	0	0	0	2	2
RAY	1	0	2	1	4
NAFED	0	0	0	0	0
ICDS	0	0	0	0	0

Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

The DPR attached with the EFC Memo/Proposal on ITIs was the only one with complete details on Legal Framework, Risk Analysis, Monitoring & Evaluation and partial details on Sustainability.

6.1.7. Sub-components with Nil Scores

Out of the total number of questions assessed as part of EFC Memo format, it was observed that certain questions received nil scores either on account of the answer being irrelevant to question or on account of question being omitted or the question being answered as '*Not Applicable*' without any justification for the same.

The below table indicates details of such questions along with their weights and the total number of proposals where the scoring was Nil.

Table 12: Sub-Components with Nil Scores

Question No.	Details of Question	Weight	No. of Proposals that scored 0	Project Abbreviations
2 (d)	Reasons and Justifications	7	1	Khadi Productivity
2 (l)	Outcomes, Outputs	7	10	PURA, IHDS, Dryland Farming, Medicinal Processing Zone, Mumbai Metro Rail, Use of Fertilizer, Nursing Services, State Extension, E-Telemedicine, NAFED
3 (d)	Completion Date and Benefits	5	2	Use of Fertilizer, ICDS
4 (a)	Total Expenditure (RC & NRC)	10	1	Mumbai Metro Rail
4 (d)	Phasing of Expenditure	8	11	Khadi Productivity, GAP II, IHDS, Dryland Farming, Mumbai Metro Rail, ICPS, Workshed for Khadi, ICT, Adult Education, Teachers' Education, ICDS
4 (e)	Reference Date and Basis	6	15	Khadi Productivity, PURA, IHDS, Mumbai Metro Rail, Use of Fertilizer, Workshed for Khadi, ICT, RMSA, Nursing Services, State Extension, Adult Education, Teachers' Education, E-Telemedicine, NAFED, ICDS
6 (a)	Operational Capabilities	15	7	Khadi Productivity, ICPS, Workshed for Khadi, Nursing Services, Adult Education, Teachers' Education, NAFED

Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

6.2. Analysis of Comments by the Planning Commission

As part of Project Appraisal process, the PAMD at the Planning Commission prepares a Note for Expenditure Finance Committee (EFC). It was observed that this note followed a consistent format across all projects for capturing critical information for the EFC. The major sections as part of PAMD note are: (i) Project Profile (ii) Background and Justification (iii) Proposed Scheme (iv) Plan Outlay (v) Cost Estimates (vi) Findings/Recommendations/Conclusions/Observations.

The PAMD collates the comments of various divisions associated with Planning Commission and presents them in the last section of the note, which is thereafter circulated.

For the purpose of this analysis, as mentioned before, each of these comments was scored on 5 major criteria viz: Critical, Directional, Endorsed by Others, Discussion in EFC Meeting and Decision in EFC Meeting. The table below summarizes the data with respect to all the comments across 25 proposals.

Table 13: Scoring of Comments by Parameter

Project Abbreviation	Total	Critical	Directional	Endorsed by Others	Discussion in EFC Meeting	Decision in EFC Meeting
Khadi Productivity	6	6	6	2	2	0
GAP II	15	9	13	0	2	0
Tsunami	11	9	9	0	2	0
PURA	19	16	16	5	0	0
IHDS	23	18	18	4	4	2
Dryland Farming	16	12	9	4	N.A.	N.A.
Medicinal Processing Zone	16	15	14	9	N. A.	N. A.
Mumbai Metro Rail	22	17	17	2	2	0
Use of Fertilizer	15	12	13	4	5	0
Catalytic Development	19	18	14	7	4	4
ICPS	19	15	11	8	6	5
Workshed for Khadi	7	6	6	2	3	1
ICT	28	22	27	18	23	13
RMSA	20	15	17	6	8	3
Nursing Services	25	18	20	8	N. A.	N. A.
ITIs	14	11	14	4	1	0
NSDM	17	14	9	3	6	7
State Extension	24	19	24	1	3	0
Adult Education	5	5	3	2	0	3
Cyclone Risk Mitigation	17	15	13	2	2	1
Teacher's Education	14	13	13	4	N. A.	N. A.
E-Telemedicine	11	9	9	4	5	4
RAY	29	27	20	12	11	10
NAFED	5	5	5	0	N. A.	N. A.
ICDS	24	17	21	9	N. A.	N. A.

N.A indicates there was no Minutes of Meeting document available; Source: Authors

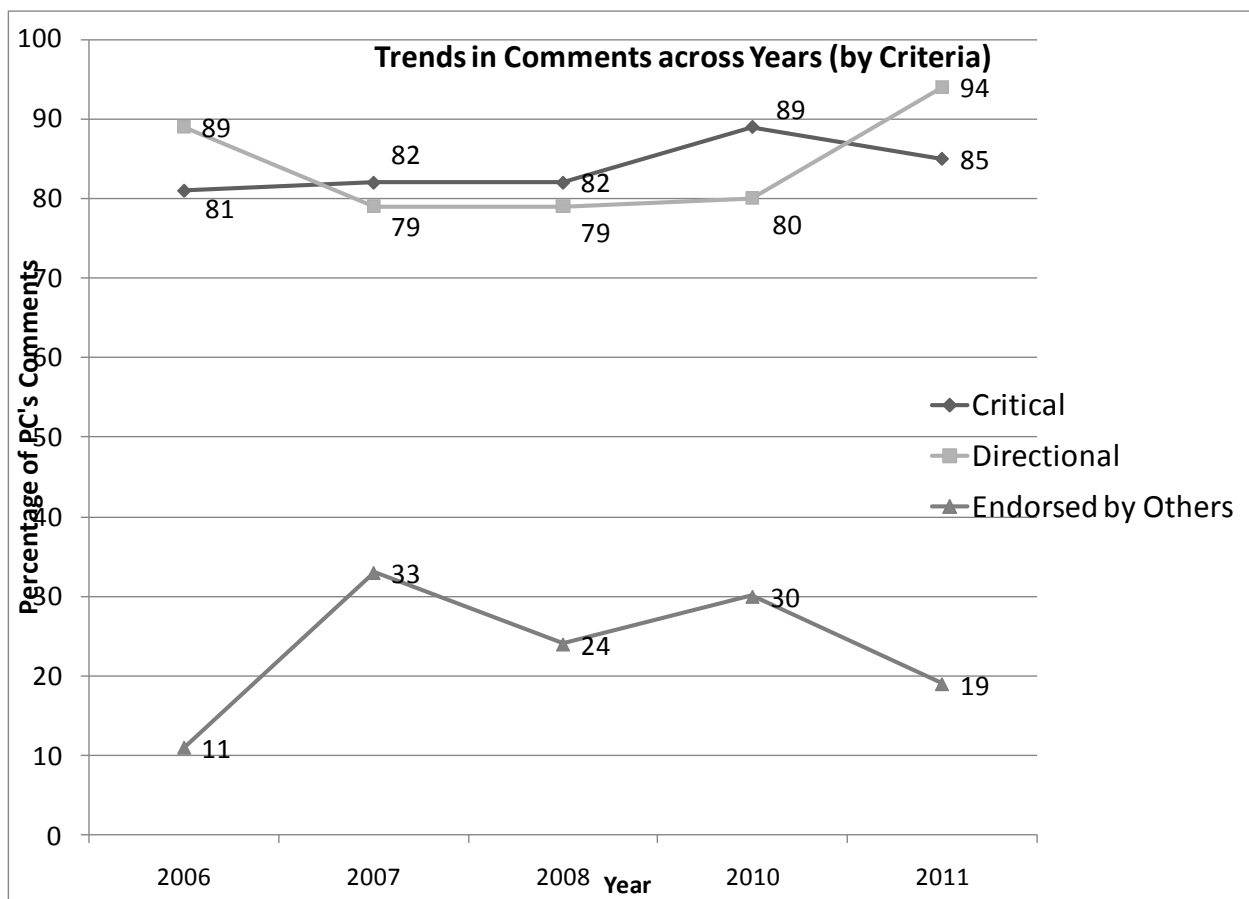
6.2.1. Trends in Comments across Years

To observe the trend in comments across years, the proposals were segregated year wise and an average percentage was calculated for each criteria. The graph hence plotted is presented below.

Significantly large percent of comments across years are Critical as well as Directional. Though there was a decline in percent for comments 'Directional' in nature, an upward trend in the same is seen since 2008. Comments 'Critical' in nature have been consistently averaged at over 80 percent across years.

In the years 2007 and 2010, relatively larger percentage of PC's Comments were endorsed by other commenting agencies as well.

Figure 22: Trends in Comments across Years



Source: Authors

6.2.2. Trends in Comments across Sectors

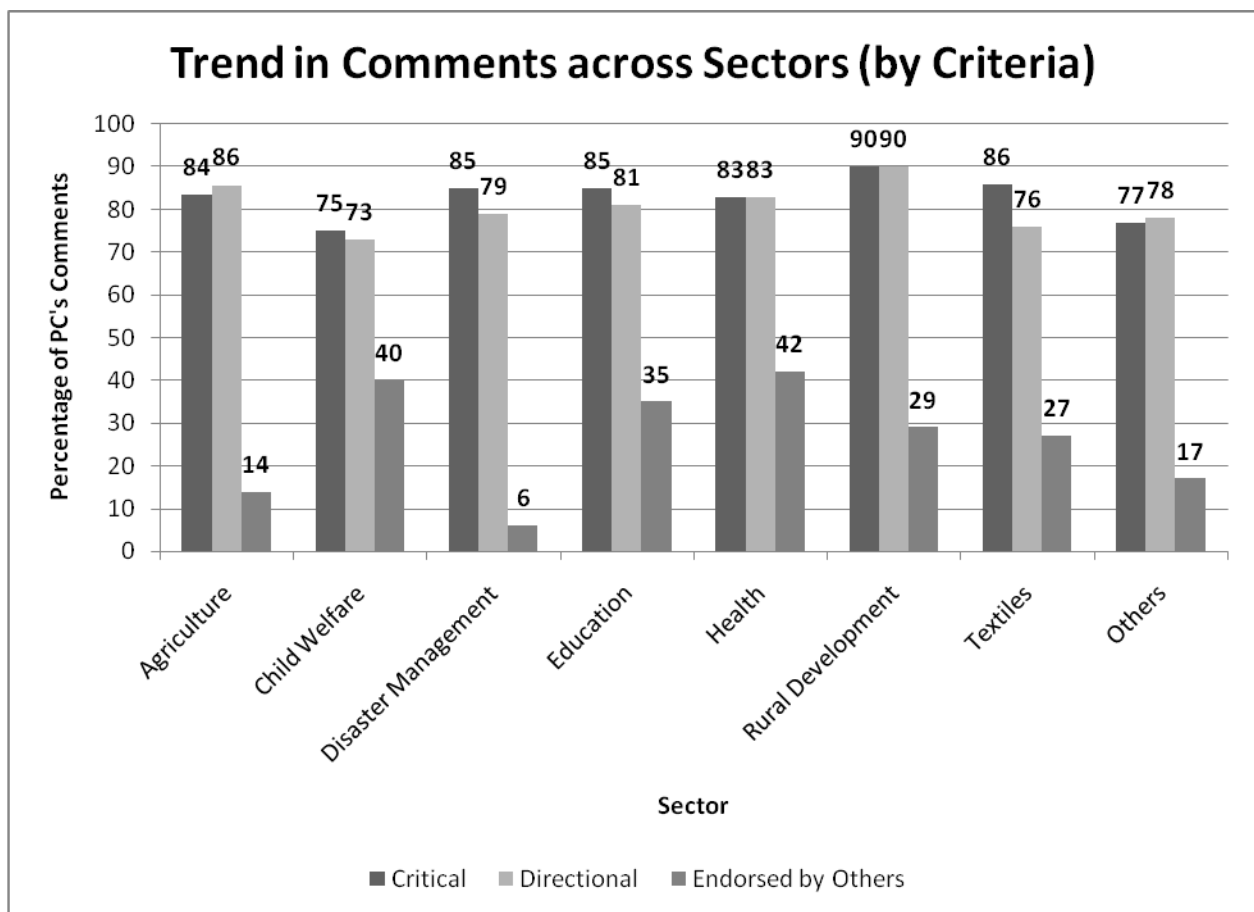
To observe the trend in comments across Sectors, the proposals were segregated sector wise and an average percentage was calculated for each criteria. The graph hence plotted is presented below.

‘Child Welfare’ and ‘Others’ sectors were observed to have relatively lower percentage of Critical Comments.

For ‘Disaster Management’ and ‘Textiles’ Sectors the percentage of ‘Directional Comments’ were lower than ‘Critical Comments’. This implies that though the comments were relevant to the nature of the project, they could have been more forthright.

Health, Child Welfare and Education Sectors had higher percentage of PC’s comments endorsed by other commenting agencies as well.

Figure 23: Trends in Comments across Sectors

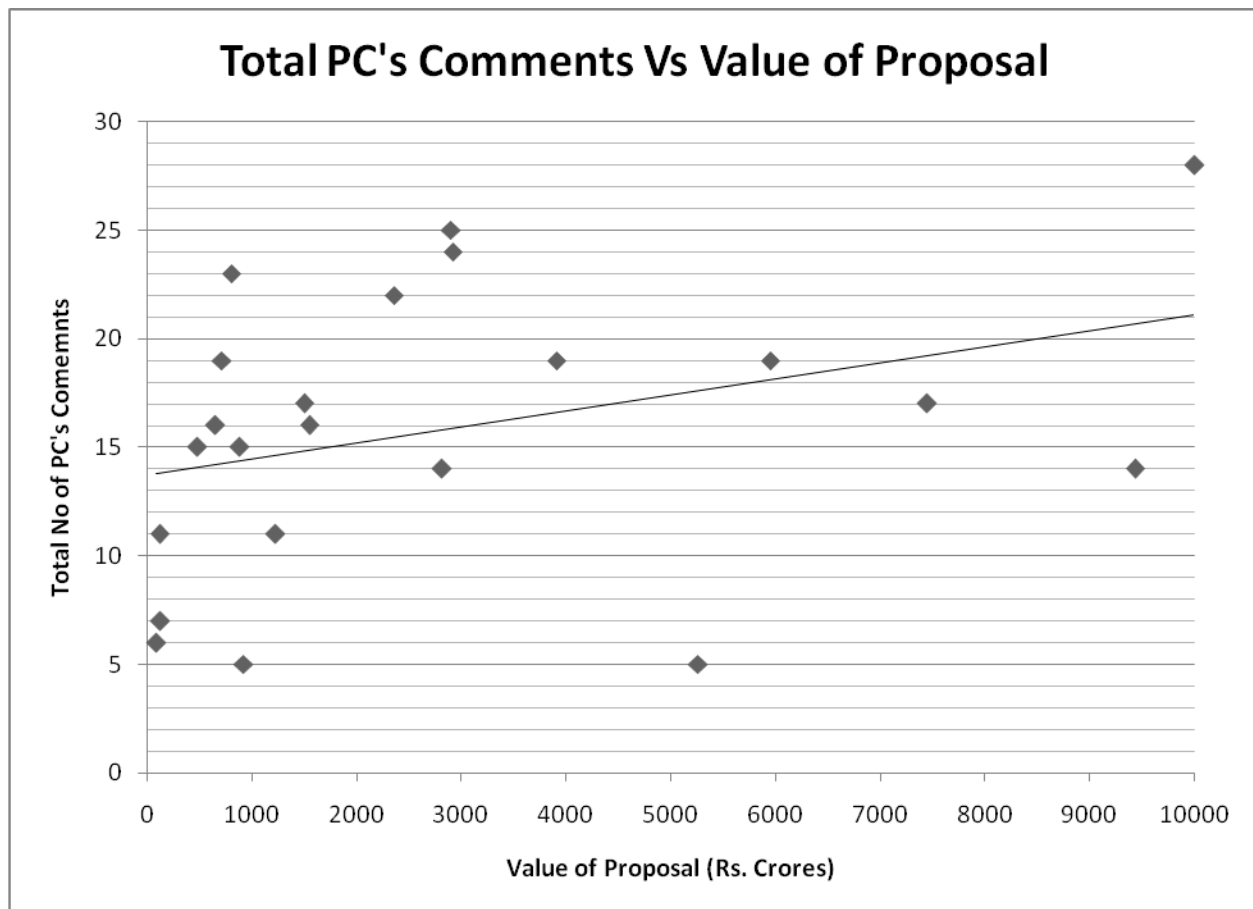


Source: Authors

6.2.3. Trend in Number of Comments across Value of Proposals

The total number of comments made by PC on the EFC Memos/Proposals were plotted against the value of Proposal (in Rs. Crores) i.e. the cost of the projects/ schemes to the Central Government. Below is the graph that was obtained. It can be observed from this graph that as the value of the proposal rises, the number of comments by PC increases as well. This implies that that proposals asking for higher amounts of funding from the Central Government underwent higher degree of scrutiny by the Planning Commission.

Figure 24: Total Comments Vs. Value of Proposal



Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation, value of proposals considered are those mentioned in the first draft EFC Memos, 3 EFC Memos²⁸ which were proposed for amounts greater than Rs. 10000 crores are not considered; Source: Authors

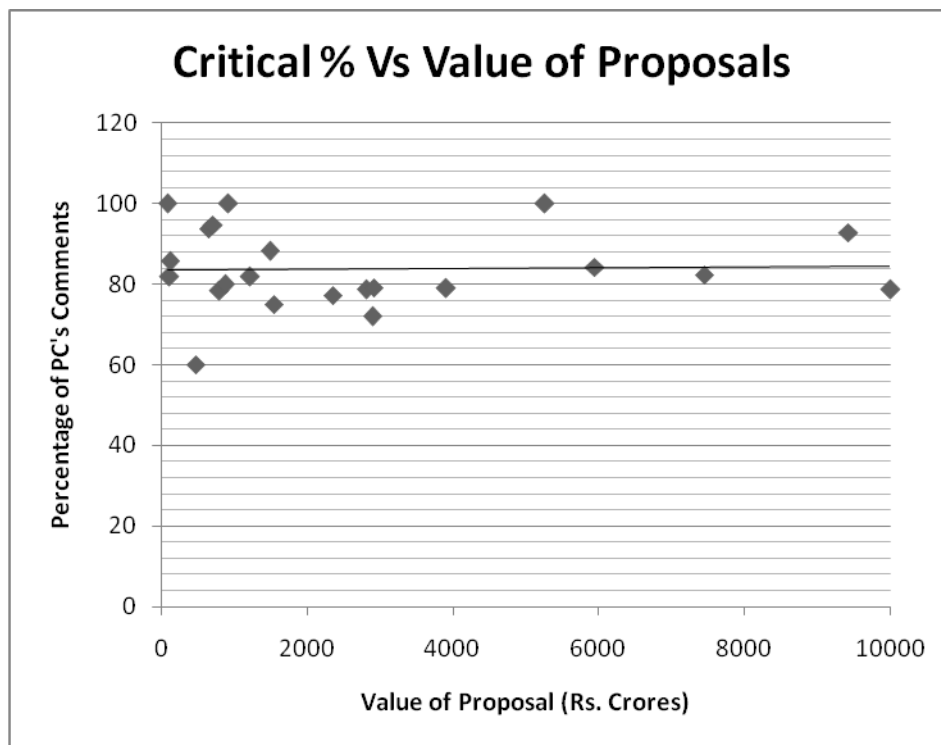
²⁸ RMSA, RAY & ICDS

6.2.4. Trends in Nature of Comments across Value of Proposals

For the purpose of this analysis, the percentage of comments, by nature were plotted against the respective value of projects across all proposals. The resulting graphs are presented below.

In case of comments 'Critical' and 'Directional', no significant trends were observed despite the wide range in value of proposals. However in case of comments 'Endorsed by Others', the percentage of comments, endorsed by other commenting agencies were noticeably higher as the values of proposals increased.

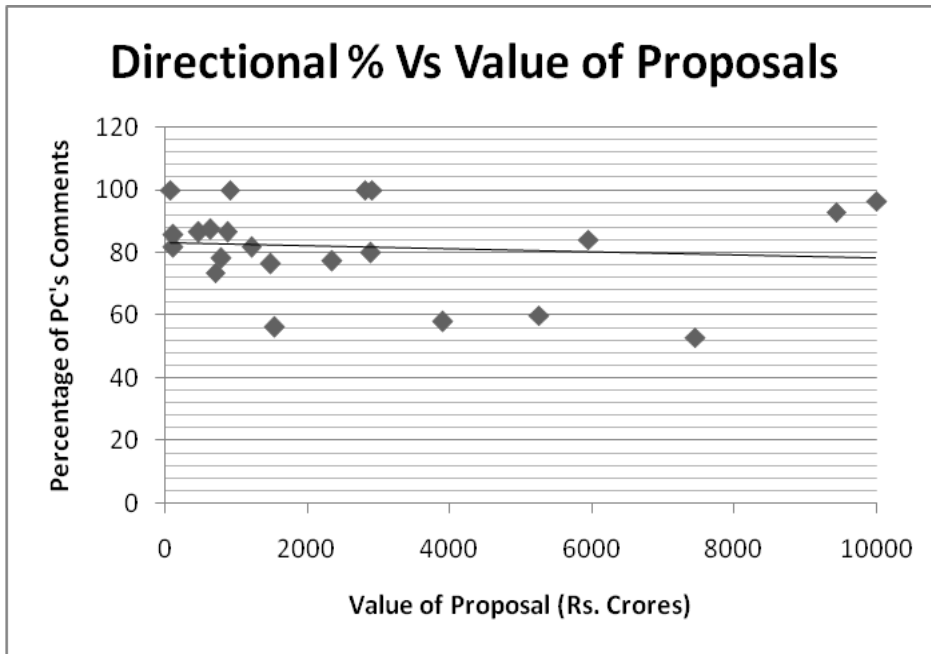
Figure 25: Critical % Vs. Value of Proposals



Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation, value of proposals considered are those mentioned in the first draft EFC Memos, 3 EFC Memos²⁹ which were proposed for amounts greater than Rs. 10000 crores are not considered; Source: Authors

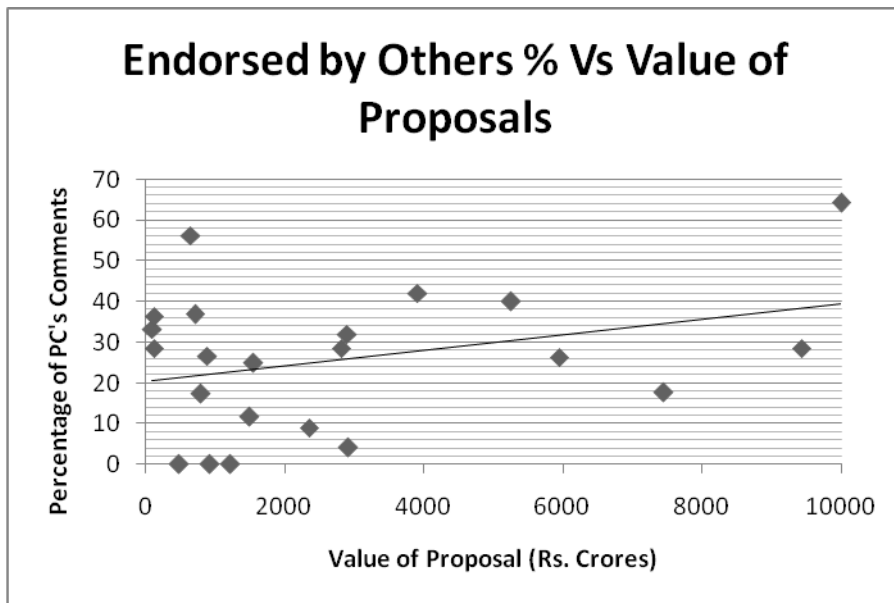
²⁹ RMSA, RAY & ICDS

Figure 26: Directional % Vs. Value of Proposals



Source: Authors

Figure 27: Endorsed by Others % Vs. Value of Proposals



Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation, value of proposals considered are those mentioned in the first draft EFC Memos, 3 EFC Memos³⁰ which were proposed for amounts greater than Rs. 10000 crores are not considered;

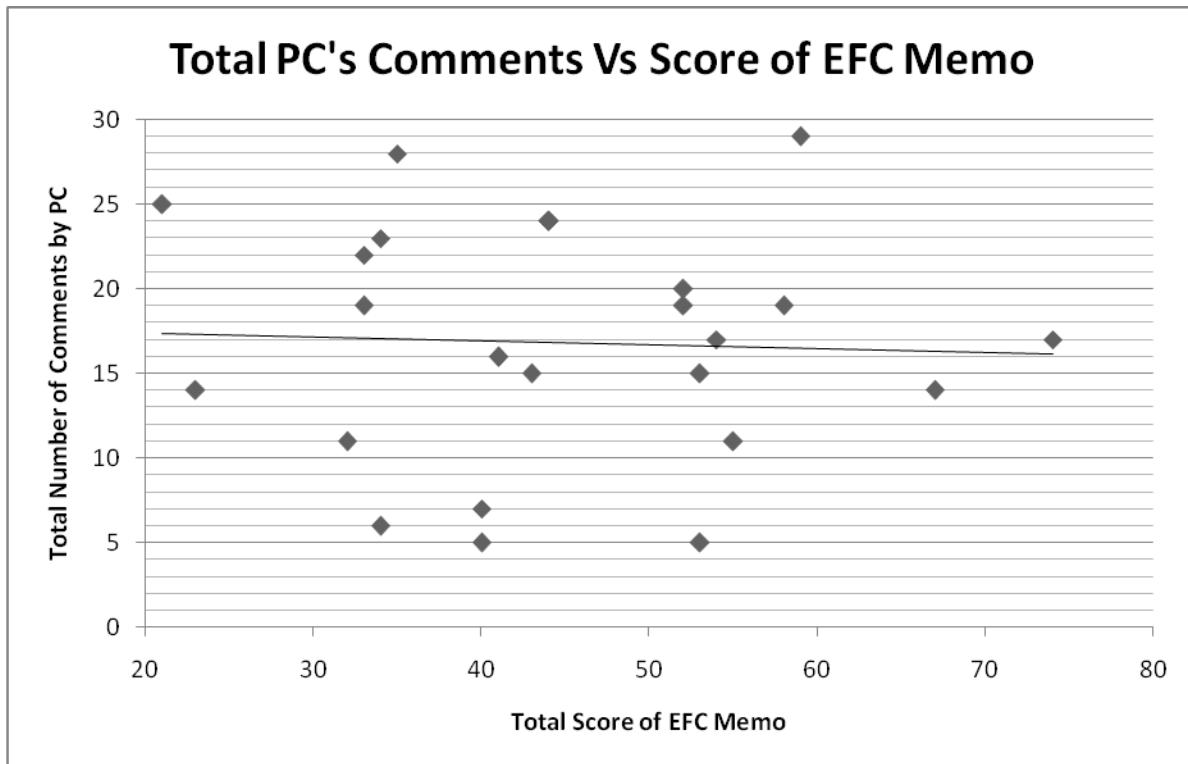
Source: Authors

³⁰ RMSA, RAY & ICDS

6.2.5. Trend in Number of Comments across Scores of EFC Memos

As part of this analysis, the total numbers of comments by PC were plotted against the total scores achieved by EFC Memos/Proposals. While one would expect the number of comments to reduce considerably as the Total Score of the EFC Memo increases, the graph below does not indicate the same.

Figure 28: Total Comments Vs. Score of EFC Memos/Proposals



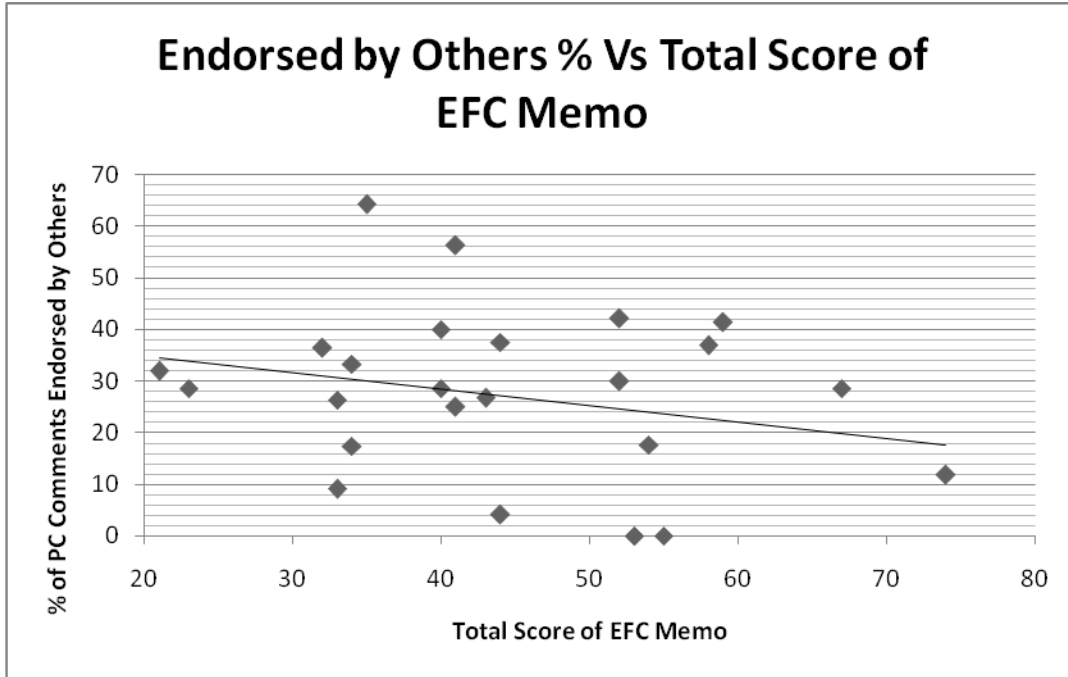
Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

6.2.6. Share of Comments Endorsed by Others across Scores of EFC Memos

As part of this analysis, the total percentage of PC's Comments 'Endorsed by Others' were plotted against the total scores achieved by EFC Memos/Proposals. In case of EFC Memos/Proposals with relatively lower scores it was observed that a greater percentage of the comments made by PC were also endorsed by other commenting agencies.

This implies that EFC Memos/Proposals with lower quality of information/response elicited similar comments by various commenting agencies including the Planning Commission.

Figure 29: Share of Comments Endorsed by Others Vs. Score of EFC Memos/Proposals



Note: Scores displayed in this figure are for first draft EFC Memos in cases where multiple EFC Memos were available in the documentation; Source: Authors

Value Addition by PAMD

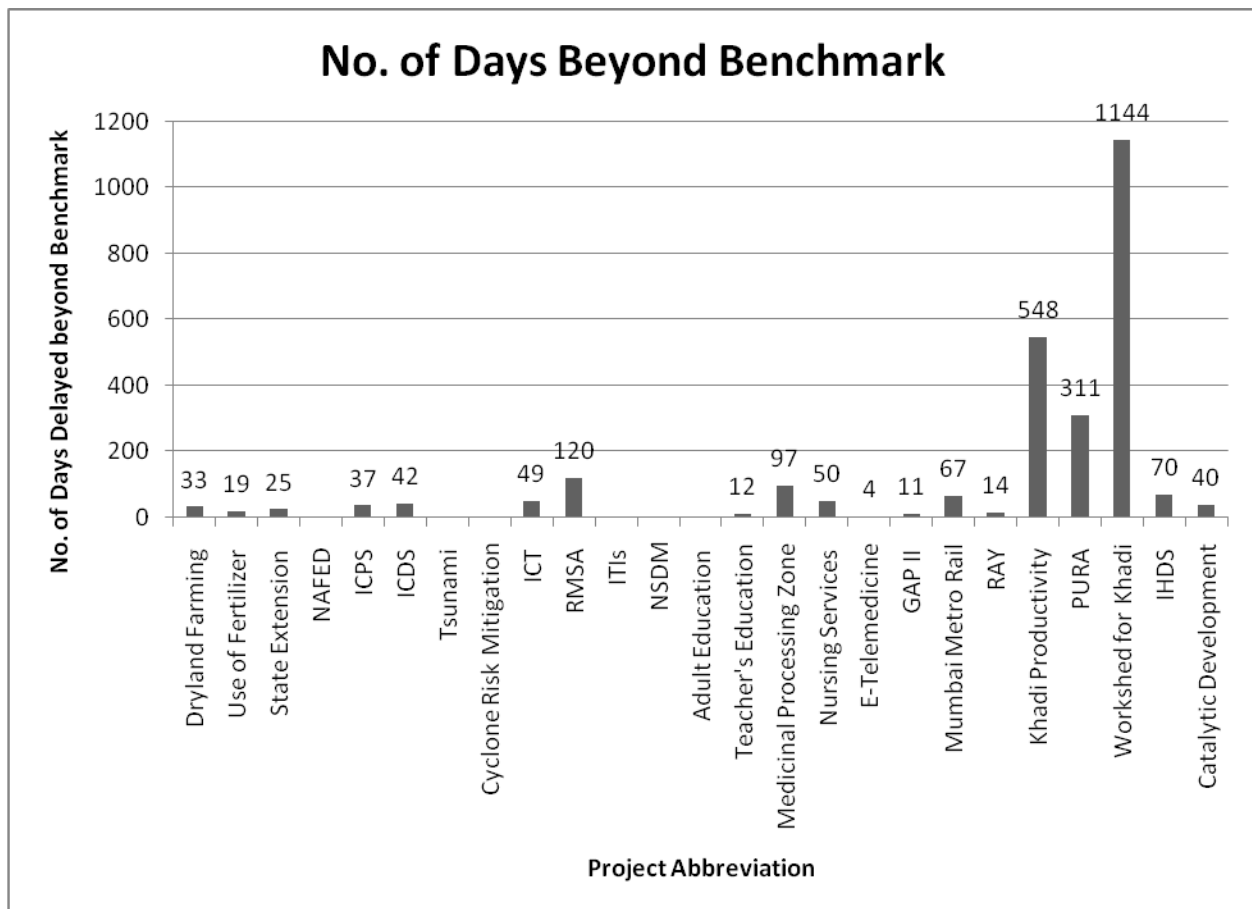
Overall, from the above analysis it can be concluded that the PAMD and the Subject Divisions at the Planning Commission are making value additions during the appraisal process as they are: (i) commenting on important issues in the context of the projects such as matters related to project management (both, administrative and operational details), cost estimates and technicalities; and (ii) these comments are often direct and specific to elicit responses from the proposing Ministries/ Departments. However, it must be noted that despite these critical and directional comments, proposing Ministries/ Departments may choose to give elusive replies.

Further, in the years 2007 and 2010, relatively larger percentage of Planning Commission’s comments were endorsed by other commenting agencies as well. It was also observed that as the value of the proposals rose, the number of comments by Planning Commission increased suggesting higher level of scrutiny during appraisal for high value projects.

6.3. Time Taken for Appraisal of Proposals

The below graph indicates delay in number of days in the Preparation of the PAMD Note during the Appraisal Process (Time taken between the Date of Draft EFC Memo/Proposal and Date of Note or Appraisal Note by PAMD at the Planning Commission). As per Guidelines 2003 issued, the benchmark timeframe for this step is 42 days. The below graph indicates the number of days delay ranges between 4 and 1144. Six Projects without any value/bars in the graph indicate that there was no delay in Preparation of the PAMD Note.

Figure 30: No. of Days Beyond Benchmark



Source: Authors

For the purpose of comparing time-lines across all appraisal steps of various EFC Memos/Proposals, the R.A.G analysis was adopted. Red, Amber or Green rating was provided based on comparison of the 'Actual Timeframes' to the 'Benchmark Timeframes' (Guidelines 2003). The resulting table is presented below. Out of the projects that were delayed during the Preparation of the PAMD Note, 9 Projects experienced greater than 100% delay as compared to the Benchmark Timeframe of 42 days.

It was also observed that Minutes of Meeting (EFC Meeting) were not available as part of documentation in 11 Projects. Further out of these in 6 Projects, though the EFC Meeting was held, the

Minutes of the same are missing from the documentation. In the balance 5 Projects, there are no details available in the documentation to ascertain if the EFC Meeting took place.

In the case of only 1 Proposal (E-Telemedicine) were the Minutes of the Meeting furnished in a week's time (Within Benchmark Timeframe). In the remaining 13 Projects the circulation of the Minutes of Meeting had a delay greater than 100%.

Table 14: R.A.G Analysis Snapshot

Project Abbreviation	Time between PAMD Note and EFC Memo	Time between EFC Meeting and PAMD Note	Time between issue of Meeting Minutes and Date of EFC Meeting	Overall Cycle Time
Khadi Productivity	590	33	43	666
GAP II	53	55	68	176
Tsunami	18	41	17	76
PURA	353	517	-	-
IHDS	112	2	48	162
Dryland Farming	75	-	-	-
Medicinal Processing Zone	139	70	-	-
Mumbai Metro Rail	109	-3	-	-
Use of Fertilizer	61	52	31	144
Catalytic Development	82	10	-	-
ICPS	79	174	22	275
Workshed for Khadi	1186	22	27	1235
ICT	91	50	98	239
RMSA	162	47	28	237
Nursing Services	92	-	-	-
ITIs	36	45	21	102
NSDM	24	26	30	80
State Extension	67	27	-	-
Adult Education	41	125	75	241
Cyclone Risk Mitigation	19	-	-	-
Teacher's Education	54	-	-	-
E-Telemedicine	46	102	7	155
RAY	56	6	15	77
NAFED	35	164	-	-
ICDS	84	35	-	-
Benchmark Timeframes	6 weeks = 6*7 Days = 42 Days	5 weeks = 5*7 Days = 35 Days	1 week = 1*7 Days = 7 Days	12 weeks = 12*7 Days = 84 Days
Key	GREEN - No Delay	AMBER - Up to 100% delay	RED - More than 100% delay	

Source: Authors

The above table seems to suggest that in case of most EFC Proposals/ Memos, the benchmarked timeframes for various steps have not been met. Commenting agencies including the Planning Commission are likely to take more time and effort while appraising proposals with higher value or higher degree of complexity or multiple objectives. Therefore, the authority responsible for deciding the benchmarked timeframes might review these and make mutually acceptable changes.

Specifically, the timelines may be revisited for the step '*Time between PAMD Note and EFC Memo*'. The timeline could be linked to the value of the proposed scheme/project. Since additional inputs are expected to be sought for an EFC Memo/Proposal greater than (equal to) INR 1000 Crores (Proposed EFC Memo Format in Annexure V), the PAMD/Subject Divisions at Planning Commission may require additional time to appraise the same.

7. Recommendations

This section explains the recommendations of the IIMB Study Team on the EFC Memo/ Proposal format and the project appraisal process at the Planning Commission. The findings and analysis presented in the preceding section, and various frameworks presented in Section 5 form the basis for these recommendations.

7.1. EFC Memo/ Proposal Format

Since the EFC Memo/ Proposal is the basis for the appraisal process, the information presented in the prescribed EFC Memo/ Proposal format are critical to the appraisal. The format of the EFC Memo/ Proposal needs to undergo some crucial changes to enable improved EFC Memos/ Proposals which would in turn make the appraisal process more effective and meaningful. The discussion below highlights the concerns identified and the suggested changes in the EFC Memo/ Proposal format.

7.1.1. Concerns Identified

Detailed below are the various concerns with the existing EFC Memo/ Proposal format, which adversely impact the quality of responses. These concerns are identified based on the EFC Memos/ Proposals studied under this project.

Single EFC Memo Format Irrespective of Value

Currently, there is only one EFC Memo/ Proposal format which is to be followed across schemes/ projects irrespective of their value. In other words, a proposal for a sum as large as Rs. 1,83,855 crore, is not required to provide any additional details, as compared to a proposal for an amount as low as of Rs. 90 crore.

The summary statistics for 1188 EFC Memos/ Proposals from 2006 to 2011, indicate that while only 22 percent of the memos fall under the category of greater than Rs. 1000 crores; however, they contribute to 89 percent, in terms of value, of all memos for the same time period.

Table 15: Summary Statistics for 1188 EFC Memos (2006-11)

Category of Proposal	No of Proposals	% of Proposals	Total Value under category	% of Value
Upto 500 Crores	770	65	131361.34	6
501 to 1000 Crores	164	14	117517.16	5
1001 to 10000 Crores	223	19	692547.63	31
Greater than 10000 Crores	31	3	1288611.63	58
Grand Total	1188	100	2230037.76	100

Source: Authors

Lack of Overall Logical Framework and Weak Linkages

The current checklist and the Memo format is quite comprehensive but can be presented in a more logical manner. Presently, many such frameworks are available. The proposed framework is in line with logical framework. The existing structure does not bring out the overall plan objectives and targets in the background of which a particular project is proposed. Also, it is important that the activities of the projects are closely linked with the plan objectives.

Vague Questions

It is observed that some of the questions are vague due to which they do not elicit a clear cut response from the concerned Ministry/ Department. For example, question number (2j) asks, *“Whether any evaluation had been done? If so, broad findings of such evaluation studies may be given.”* This question does not flow from previous questions and does not mention ‘evaluation of what’. It has often resulted in routine replies.

Rhetorical Questions

Some questions are observed to be very rhetorical, implying these questions are asked in a manner which does not elicit a detailed response. For example, question (3a) asks, *“Has the project/ scheme been worked out and scrutinized in all its details?”* This question lacks concreteness and is prone to different interpretations by the departments.

Long Questions Seeking Multiple Answers

There are a few questions which are very long and elicit multiple answers, which often the proposing Department/ Ministry fail to address or address partially. For example, question (4b) asks, *“Details of the scheme of financing clearly bringing out the financial obligations undertaken by the PSU/Ministry with or without the proposal under consideration. In other words, details of commitment on account of on-going projects to be funded from internal resources of the PSU may be given in the EFC Note along with the requirement and availability of funds for the project under consideration. In case of schemes / programmes, Five Year Plan Outlay for the Ministry/Department and commitments on on-going schemes/programmes along with the requirement and availability of funds for the scheme/programme may be furnished.”* It is preferable to have a main question followed by explanation of the same.

Questions relating to a Similar Theme are scattered

Questions regarding the same theme are sometimes found to be scattered across the EFC Memo/ Proposal. For example, question numbers (2b), (2h) & (2j) seem to refer to previous schemes with similar/ same objectives. Similarly, question numbers (2i), (2k) & (24) are all regarding comments received from several agencies including concerned Ministries and Planning Commission, Parliamentary/ Departmental Committee(s) & Financial Adviser. These could have been grouped under major

categories. The format should be such that it helps the proposers to formulate their proposal in a structured way.

Critical Questions Currently Not Included in EFC Memo Format

Presently, there is no question in the EFC Memo/ Proposal which seeks inputs on the '**strategic fit**' or the '**policy fit**' of the proposed project/ scheme. The project linkages with the plan objectives and targets are clearly spelt out. In other words, there is no question which addresses the issue of the relevance of the project/ scheme to the macro domain of the Ministry/ Department. This poses the risk of each proposal being treated in an isolated manner.

There are also no questions in the EFC Memo/ Proposal format asks the proposing Department/ Ministry to present details regarding the **Monitoring and Evaluation** of the scheme/ project being proposed. While this information is required in the DPR, most proposals are not accompanied with a DPR which carries these details.

Further, the format for the EFC Memo/ Proposal does not require the proposing Department/ Ministry to disclose the aspects of **Risks** that the proposing project/ scheme might face and the risks' mitigating strategies. While such a disclosure is required in the DPR, however, most proposals are not accompanied with a DPR which carries these details.

Projects/ schemes being proposed are often Centrally Sponsored³¹ . Therefore, it is crucial to ask the proposing Ministry/ Department to disclose specific **State-level Details** pertaining to financing and other obligations.

Currently, there are no questions seeking information regarding the **Legal Framework** within which the proposed project/ scheme is to be implemented. Further, there are no details asked regarding **Stakeholders**.

Inconsistent Format for Presentation of Answers

Since certain questions are broad, the proposing Ministries/ Departments tend to present a whole lot of written material running into several pages which do not necessarily clarify. For example, the existing format for the EFC Memo/ Proposal does not prescribe a set format for presentation of answers relating to timeline of the project, outputs and outcomes, expenditure and financing details, etc. Questions could be made more concrete to elicit specific responses from Ministries/ Departments.

³¹ Schemes which deal with subjects not on the Union list but are funded by a Department/ Ministry of the Central Government and implemented by State agencies.

7.1.2 Recommended Changes in EFC Memo/ Proposal Format

The format in which the EFC Memo/ Proposal is to be submitted underwent a change in March 2012.³² Since all the proposals in this study followed the earlier EFC Memo/ Proposal format, the recent format was not evaluated as a part of this study.

Based on indications from Table 15 (Summary Statistics for 1188 EFC Memos (2006-11)), two EFC Memo/Proposal formats have been designed: one for EFC Proposals less than INR 1000 Crores and another for EFC Proposals greater than (or equal to) INR 1000 Crores. The proposed EFC Memo/ Proposal formats are presented in Annexures IV and V.

The proposed EFC Memo/Proposal for projects greater than (or equal to) INR 1000 Crores seeks additional inputs on the following parameters owing to their scale such as Strategic Context of the Ministry/Department, Inter-Ministerial involvement, Rationale for Expenditure Allocation across components. The table below presents the details of these questions.

Question Number	Question	Details
2	Context of Five Year Plan	The project should clearly specify the particular category of plan objective that it seeks to address and how it will fulfill the objective and targets.
2	Strategic Context of the Ministry/Department	Proposer to provide details for Key Macro aspects such as: Vision Statement, Mission Statement, Objectives, Baseline Data, Geographic Distribution, Benchmark/Standards
3.8	List the Ministry(s)/Department(s) (Other than proposing ministry) which would be involved at different stages of the project.	Introduction of a standard format for presenting additional details such as: Ministry/Department; Project Stage and Responsible For
4.1	List all components and sub-components along with proposed expenditure allocations for each of these.	Introduction of a standard format for presenting additional details such as: Project Component/Sub-Component; Proposed Expenditure and Rationale of Expenditure Allocation

Further a separate format is proposed for EFC Memo/ Proposal which are for Revised Cost Estimates (RCE) and this is presented in Annexure VI.

For the purpose of suggesting changes to the format of the EFC Memo/ Proposal, both the versions of the EFC Memo/ Proposal format have been considered. Further, it has also been ensured that the

³² Available at:

http://www.finmin.nic.in/the_ministry/dept_expenditure/plan_finance2/Revised_EFC_Format090312.pdf

suggested changes are in line with the illustrative check list, issued by the Planning Commission in January 2010, which highlights ‘major points on which data/ information should invariably be furnished in the EFC/ PIB memo’.³³

These changes broadly include: restructuring of the format to follow a logical structure; introduction of new sections and questions; introduction of new formats for capturing ‘Strategic Snapshot’ and RCE; grouping together of questions on similar themes; removal of ambiguity in questions and introduction of standard formats for presentation of answers.

The recommended changes to the format by the study team are explained in this section.

Restructuring of the Format to follow a Logical Structure

Both the available formats for EFC Memos/ Proposals, though may elicit all the required information, but do not appear to follow any particular logical structure. The structure should be such that it should help the proposer to frame his proposal comprehensively, logically and concisely. The structure suggested for the EFC Memo/ Proposal format builds on the vertical hierarchy following from the Logical Framework Analysis (LFA, explained in Section 5.4 of this report).

This includes the disclosure of information on Objectives (Section 3 of Annexure IV), followed by Outcomes and Outputs (Section 3 of Annexure IV) and thereafter, by Activities and Inputs (Sections 5 and 6 of Annexure IV). Additionally one of the Activities is ‘Monitoring of Outcomes and Outputs’ which is also part of Section 6 of Annexure IV.

Introduction of New Sections and Questions

A few new questions and sections have been introduced as part of proposed EFC Memo/Proposal format. Questions 4.1 and 4.7 regarding Legal Framework and Stakeholders respectively have been added to the section on Project Design. To ensure policy fit of the project/ scheme, the proposing Ministry/ Department is asked to quote the objectives from their RFD document within which the project/ scheme is envisaged in the section on Policy and Project Context.

Under the section on Project/Scheme Cost, the ‘State-level’ expenditure details have been asked for. Additionally, State-level activity details have also been sought under the section on Project Implementation and Monitoring.

Separate sections on Monitoring and Risk as present in the EFC Memo/Format version March 2012 have been retained.

Grouping of Questions on Similar Themes

³³ Available at: <http://efc.planningcommission.nic.in/9May/14th-Jan-2010.pdf>

Questions 2 (b) , 2 (h) and 2 (j) (relating to ‘on-going or previous schemes with similar or same objectives’), belonging to the old EFC Memo format, have been grouped together in the proposed EFC Memo/Proposal format.

Questions relating to ‘Resettlement & Rehabilitation and Disaster Management’ which are not applicable for all projects have been grouped under the Section on Additional Information.

Modification of Ambiguous, Rhetorical and Long Questions

Questions which were observed to be either ambiguous, rhetorical or long have been modified and included as a part of the revised EFC Memo/ Proposal format. The table below presents the details of such questions.

Table 16: Recommended changes for ambiguous, rhetorical and long questions

Question No.	Type of Concern	Recommended Changes
2 (d) – Reasons and Justifications of Proposal	Question is very long asking for multiple answers, which often the proposing Department/ Ministry fail to answer or answer partially.	Added as questions 2.1 and 2.2 under Section on Justification of Project
2 (b), (h), (j) – Question on previous schemes with overlapping objectives	Scattered and Vague	Grouped under question 2.3
2 (i), (k), 24 – Question on involvement of other concerned ministry/consultation	Scattered and Vague	Grouped under Section on Additional Information
3 (a) – Scrutiny of project scheme in all details	Rhetorical question asked in a manner which does not elicit a detailed response.	Added as question 2.3 as part of Section on Justification of Project
3 (c) – Physical and Financial targets	Rhetorical question asked in a manner which does not elicit a detailed response.	Introduced question 5.2 with tabular format
6 (a) – Operational Capability	Question is very long asking for multiple answers, which often the proposing Department/ Ministry fail to answer or answer partially.	Introduced Sections on Project Implementation and Monitoring, and Project Risks

Source: Authors

Introduction of Standard Formats for Presentation of Answers

To ensure consistency in presentation of information/data and relevant answers to questions in the EFC Memo/Proposal, tables have been introduced under certain questions as part of proposed format for EFC Memo/Proposals. Such pre-defined styles of presentation would help in reducing the often observed long textual answers.

The various sections from the proposed format for the EFC Memo/ Proposal³⁴ with the accompanying tabular formats in which the answers should be given are presented below.

Comparison of proposed project with alternatives that have been considered

Parameter/Criteria	Proposed Project	Alternative 1	Alternative 2
Main Features			
Cost			
Time			
Expected Benefits			
Others*(Please Specify)			

Details of outlay and expenditure on schemes with overlapping objectives

Scheme Name	Outlay	Expenses Incurred
Scheme 1		

Details of Objectives of proposed scheme/project

Objectives	Details
Objective 1	
Objective 2	

Outcomes & Outputs proposed to be achieved

Outcomes	Indicator	Unit of Measure	Baseline Data	Target(s)		
				Year 1	Year 2	Year 3
Outcome 1						
Outcome 2						

³⁴ Complete version presented in Annexure IV.

List of Stakeholders along with their readiness

S. No.	Stakeholders	Responsible for	Readiness		
			High	Medium	Low
1					
2					

Project/Scheme Cost: Recurring, Non-Recurring, During Project Implementation and Post Project Implementation on Asset Maintenance

Level (Central/State/District/ Others)	Expenditure Head	Reference Date for cost estimate	Basis of Expenditure Estimate	Cost Estimate	
				Year 1	Year 2

Year wise Physical and Financial Targets

Components	Year				Total	
	Year 1		Year 2		Physical Total	Financial Total
	Physical	Financial	Physical	Financial		
Component 1						
Component 2						
Component 3						

Details of Projected Expenditure Vis-a-vis Financing

Expenditure			Financing				Funding Gap	
NRC Expenditure	RC Expenditure	Total	Financing already	Central Ministry	State Government	External Source	Funding Gap by how	Proposal to fill funding

				secured				much?	gap
Year 1									
Year 2									
Total									

Schedule for Project Implementation under major activities, along with time-lines and different levels of government

Major Activity/Head	Level of Government	Timeline for implementation

Outcomes & Outputs – Monitoring of Scheme Outcomes and Outputs

Outcomes	Details regarding Data		
	Agency Responsible for Data Collection	Methodology for Data Collection	Frequency of Data Collection
Outcome 1			
Outcome 2			

List of Agencies/Committees/Other Concerned Ministries that have been consulted and their comments

Name of Ministry / Agency	Comments/Observations	Response of Proposing Ministry
Ministry 1		
Agency 1		

Finally, it should also be mentioned that the capacities of the Ministries/ Departments will have to be built to strengthen EFC Memos/ Proposals. Watertight project proposals are as important as project

appraisal and project management. Planning Commission could hold seminars to build these capacities in the Ministries/ Departments through academic institutions and international development agencies. The Ministries/ Departments could also engage management consultants to help them to convert their proposals, which might be strong on the technical front, into holistic project proposals which are sound on the project management front as well.

7.1.3 Model EFC Memo

We have attempted to provide a model EFC memo to indicate how various questions can be addressed (Annexure IX). We have used ICDS as the case. ICDS is a comprehensive case and supported by documents. We have tried to complete the Memo using the existing memo and other related documents. This may indicate how the logical sequence can be achieved and how concretization can be ensured. Attempt has also been to link physical targets with objectives clearly. These are also related to financial targets. However, it should be mentioned here that these are indicative only as these are based on available documents and the Team is limited by its limited exposure to the domain. In some cases, we have also indicated missing data. This annexure should hopefully clarify the suggested format. In the suggested format clarifications are provided against select concepts.

7.2. Project Appraisal by the Planning Commission

Presently, as a part of project appraisal process, the PAMD at the Planning Commission prepares a Note for Expenditure Finance Committee (EFC). This note follows a consistent format across all projects for capturing critical information for the EFC. The major sections as part of PAMD note are: (i) Project Profile (ii) Background and Justification (iii) Proposed Scheme (iv) Plan Outlay (v) Cost Estimates (vi) Findings/Recommendations/Conclusions/Observations.

7.2.1 Concerns Identified

The comments of various divisions associated with Planning Commission are usually presented in the last section of the note. These comments cover operational, administrative, financial, policy, project management and technical aspects relating to the proposed project/ scheme. However, these comments do not appear to follow any specific logical structure.

In addition, the comments of the concerned Subject Division(s) are presently not highlighted as a part of the Note for EFC. In other words, since the Subject Division(s) of the Planning Commission are known to have domain knowledge, it is critical that their comments are identifiable. This might also help in ensuring that their expert views concerning strategic fit, technical aspects such as benchmarks etc. are duly captured.

In contrast to social projects, it is observed that many international and leading agencies while appraising infrastructural projects use standard financial return models based on calculations of Internal Rates of Returns (IRRs) and Net Present Values (NPVs). Further, to take into account social and environmental factors, social cost-benefit analyses may be carried out, as is done at organizations such as UNIDO (United Nations Industrial Development Organization). Financial institutions follow appraisal models which are based on guidelines, priorities, and lending principles of respective banks.

International Agencies such as the World Bank and African Development Bank, follow structured a project appraisal method. A typical World Bank project appraisal document has the following sections: Strategic Context, Project Development Objectives, Project Description, Project Implementation, Key Risks and Mitigation Measures and an Appraisal Summary. The Appraisal Summary covers the following aspects: economic and financial analysis, technical, financial management, procurement, social and environmental. Similarly, a typical African Development Bank project appraisal report has the following sections: Strategic Thrust & Rationale, Project Description, Project Feasibility (which includes economic and financial performance and environmental and social impacts), Project Implementation, Legal Framework and Recommendations.

Hence, the next section aims to highlight ways in which the PAMD at the Planning Commission could improve appraisal process, which is documented in the form of the Note for EFC.

7.2.2. Recommended Changes in the Appraisal Process

It was noted that all the proposals in this study followed a consistent format for PAMD Note preparation; however, the comments of Planning Commission were not presented in any specific

pattern. Comments were observed to oscillate from one aspect (say, policy) to another (say, technical) without any particular order. Only in some cases, it was seen that the comments regarding the cost or financial aspects were grouped together.

As is presently done, we recommend that as a part of the Note for EFC, a project summary is prepared which covers the basic profile of the project, justification of the project and the associated cost estimates. Following this, the comments and observations of the Planning Commission can be presented under the following heads. This would ensure that all critical components of the projects are appraised without any omissions.

- Project Summary
- List of areas wherein decisions required
- Policy, Plan and Project Context
- Technical Feasibility
- Financial Aspects
- Project Management – Administrative, Operational, Implementation
- Monitoring and Evaluation
- Risk Analysis

The details of the appraisal aspects concerning the aforementioned components are presented in the 'Appraisal Grid for PAMD, Planning Commission' in Annexure VII. A similar document for appraisal by Subject Divisions of the Planning Commission is also suggested. This appraisal grid is presented in Annexure VIII.

Additional aspects to be appraised for projects greater than (equal to) INR 1000 Crores have been included under the following broad categories:

- Strategic Fit
- Involvement of Ministries/Department (other than proposing ministry) at various stages of the project
- Expenditure allocation across components/sub-components

Further, in case of projects greater than or equal to INR 1000 Crores, the PAMD and the respective Subject Division at the Planning Commission could also ask the proposing Ministry/ Department to present their EFC Memo/ Proposal in the form of a presentation.

8. Conclusion

This study on the evaluation of the project appraisal methodology and process at the Planning Commission, Government of India revealed lacuna in the process. It is, therefore, recommended that changes be brought about in both, the format of the EFC Memo/ Proposal as well as in the appraisal process undertaken by various divisions in the Planning Commission.

For the purpose of re-formatting of the EFC Memo/Proposal two formats have been designed: one for EFC Proposals less than INR 1000 Crores and another for EFC Proposals greater than (or equal to) INR 1000 Crores. Additionally the following steps have also been recommended: restructuring of the format to follow a logical structure, introduction of new sections and questions, grouping of questions on similar themes, modification of ambiguous, rhetorical and long questions and introduction of standard formats for presentation of answers.

It has also been recommended that the PAMD at the Planning Commission use the 'Appraisal Grid' to consolidate its comments. This grid should contain following broad aspects: strategic fit, technical feasibility, financial aspects, project management – administrative, operational, implementation, monitoring and evaluation, and risk analysis, to ensure a holistic approach in appraisal. Additionally, it is also suggested that the Subject Divisions at the Planning Commission use the Appraisal Grid. This would ensure that expertise in their specified fields of development is incorporated and their critical comments are highlighted.

9. Annexures and References

Attached as a separate document.



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Evaluation of Framework of Appraisal of Projects

Annexures and References to Report

A Study for the

PAMD, Planning Commission, Government of India

By

Indian Institute of Management, Bangalore

October 2012

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Annexure I - EFC Memo Format

Format of EFC/SFC Memorandum

- 1) Sponsoring Ministry/Department
- 2) Statement of proposal
 - a) Whether Central Scheme or Centrally Sponsored? In the case of new CSS or CSS with changed parameters, funding pattern etc. whether approval of full Planning Commission has been obtained.
 - b) Whether there are schemes with overlapping objectives and coverage in other Ministries and States? If so, the details of such schemes and the scope for integration.
 - c) New Proposal/Modified/Revised Cost Estimate.
 - d) Reasons and justification for proposal, indicating historical background, circumstances in which the need have arisen, whether other alternatives have been considered and what detailed studies have been made in regard to the proposal for establishing its need, its economics and other relevant aspects.
 - e) If it is location specific, basis for selection of location.
 - f) Has the proposal been included in the Five Year Plan and what are the provisions in the Five Year Plan and in the current annual plan? Is any modification proposed?
 - g) What is the estimated yield from the Project and what are the economic implications?
 - h) In case of ongoing scheme/project, present status and benefits already accrued to the beneficiaries may also be furnished.
 - i) Have other concerned Ministries and Planning Commission been consulted and if so, with what results?
 - j) Whether any evaluation had been done? If so, broad findings of such evaluation studies may be given.
 - k) Has the proposal or its variant been gone into by any Committee, Departmental or Parliamentary, if so, with what result and what decisions have been taken?
 - l) What are the development "outcomes" and "outputs" of the scheme/project? The development outcomes and outputs should be specified in measurable and monitorable terms along with baseline data against which the impact of the scheme will be assessed. (An illustration of the distinction between "outcomes" and "outputs" is available under the National River Conservation Programme – setting up of an STP/Laboratory is an "output" while improvement of river water quality to a prescribed standard is a development "outcome"
 - m) Please specify whether the scheme envisages support to individual beneficiaries and if so, please provide the following details:
 - (i) The mechanism of identification of the potential beneficiary of the scheme may be detailed

- (ii) The linkage of the beneficiary identification mechanism with the Unique ID (Aadhar) numbers provided/ to be provided by the UIDAI maybe explained.

3) Programme Schedule

- A. Has the project/scheme been worked out and scrutinised in all its details?
- B. What is the schedule for construction, indicating the position separately relating to plant and machinery and civil works, raw materials, manpower etc. together with year-wise phasing.
- C. Whether physical and financial targets match with each other.
- D. What is the target date for completion and when will the expected benefits commence?
- E. If the project involves dislocation of human settlements, the resettlement costs should be included fully in the project cost. The resettlement Plan should also be indicated in the project implementation schedule. The resettlement cost may be worked out on the following basis:
 - i. The cost of land required to resettlement would be as indicated by the District/State Authorities;
 - ii. The compensation to be paid to the displaced persons. This compensation cost is dependent on the rates indicated by District/State Authorities. Thus the total compensation cost may be worked out on the basis of these rates.
- F. Does the project involve any creation/modification of structural/engineering assets including land reclamation or changes to existing land use plans? If yes, then the costs involved in prevention and mitigation of disaster(s) (natural and man-made) would need to be included fully in the project cost.
 - a. What is the location of the project area? Reason for selecting the site. Have possible alternative sites been considered? Is the type of activity envisaged in the area compatible with the provisions of relevant NDMA Guidelines?
 - b. Identify the possible risks and analyse the likelihood and impact from earthquakes, floods, cyclones and landslides due to the location of the project sites as well as through secondary evidence.
 - c. What are the land use directives, regulations applicable? List preventive measures enshrined in regulations which are to be complied with and confirm compliance.
 - d. Based on the prioritization of risks, the mitigation measures being contemplated, both structural and non-structural. Confirmation that the implementation of the selected mitigation measures will not create new risks.

- e. Confirmation that the design and engineering of the structure has taken into consideration the National Building Code 2005, the appropriate BIS Codes and the NDMA guidelines. Other sources such as Indian Road Congress Manual, Ministry of Road Transport, Highways and Shipping manual, Railway Board manual, Central Public Health Engineering Organisation (Min. of Urban Development) manual, Central Electricity Authority manual and Central Water Commission manual etc may also be consulted where applicable.
- f. Has the cost of disaster treatment/mitigation measures been included in the overall project cost?
- g. Also indicate that the whole process of risk assessment has been done based on available information and secondary evidence and the mitigation measure(s) are in conformity with the statutory and other regulatory requirements and are the most viable ones in the present circumstances.

4) Expenditure involved:

a) What is the total expenditure (non-recurring and recurring):

Indicate the position year-wise and also whether any budget provision has been made and if not, how it is proposed to be arranged? Has any expenditure been incurred already?

b) Details of the scheme of financing clearly bringing out the financial obligations undertaken by the PSU/Ministry with or without the proposal under consideration. In other words, details of commitment on account of on-going projects to be funded from internal resources of the PSU may be given in the EFC Note along with the requirement and availability of funds for the project under consideration. In case of schemes / programmes, Five Year Plan Outlay for the Ministry/Department and commitments on on-going schemes/programmes along with the requirement and availability of funds for the scheme/programme may be furnished.

c) What is the foreign exchange component (separately for non-recurring and recurring expenditure)? What are the items of expenditure involving foreign exchange and expenditure on foreign experts? Has clearance of E.A.D. been obtained and has availability of credit facilities been explored and if so, with what result?

d) Phasing of expenditure (non-recurring and recurring) :

- i. On constant prices;
- ii. On completion cost.

e) Reference date and basis of cost estimates of various components.

- 5) Reliability of Cost Estimates and other parameters:
- a. Has pre-project investigations been arrived at in detail and details of area where changes in project parameters could be anticipated?
 - b. To what extent cost estimates are firmed up?
- 6) Operational Capabilities:
- a. Operational capability of PSU/Department/Implementing Agency/Ministry to undertake the tasks required for the implementation of the proposal under consideration. For this purpose, track record of the PSU in respect of the projects already implemented/under implementation may be highlighted and also steps proposed for ensuring timely execution of the project under consideration.
 - b. In case of RCE proposals, variance analysis of cost increase due to price escalation, variation in exchange rates/custom and other statutory duties and levies, change in scope, under estimation, addition/alteration, etc. is to be given.
 - c. In case of continuing Social Sector Schemes of:
 - i. Estimate of committed liabilities at the end of previous plan;
 - ii. Whether this been transferred to States/non-plan head.
- 7) Add statements showing:
- a) The number of posts required and the pay scales, together with basis adopted for staffing, both in current year and future years; (A separate proposal for creation of posts may be sent to JS (Pers), Department of Expenditure at least two weeks before the circulation of EFC Note).
 - b) Expenditure on buildings and other works and its basis and phasing; and,
 - c) Expenditure on stores and equipment.

8) Viability:

Information is to be given if benefits accruable from the projects/schemes are quantifiable and can be translated in monetary term.

a. Financial IRR

- i. At constant prices;
- ii. On completion cost basis.

b. Economic IRR

- i. At constant prices;
- ii. On completion cost basis.

9) Whether Nodal Officer (Chief Executive for the project) has been appointed. If yes, give details about his status, past experience in implementing such projects, number of years left for superannuation etc.

10) Date of approval of original cost or firmed up cost.

11) Original or firmed up approved cost together with FE component.

- a. Fixed cost;
- b. Completion cost.

12) Present cost (completion cost) together with FE component.

13) Earlier project completion schedule.

14) Revised project completion schedule.

15) Brief reasons for time overrun in clear terms.

16) Variance analysis of increase in completion cost under the following heads:

- a. Escalation.
- b. Exchange rate variation.
- c. Change in scope.
- d. Statutory levies.
- e. Addition/deletion.
- f. Under estimation.

- g. Other (Specify).
- 17) Quantification of increase in cost on account of time overrun.
 - 18) Present status of physical progress of the project.
 - 19) Expenditure incurred and commitments made so far.
 - 20) Effect of revision in capital cost estimates on cost of production and profitability with reference to earlier approved capital cost of the project.
 - 21) Whether, at the stage when funds to the extent of 50% of the approved cost were released, the mandatory review of the cost estimates was done by the project authorities and the administrative ministry? If so
 - a. The date when, as a result of mandatory review, project authorities and the administrative Ministry became aware that the cost of the project is likely to be exceeded by more than 5% of the originally approved cost due to reasons other than price escalation, exchange rate variations statutory levies etc. and the date when RCE was drawn up and brought before EFC.
 - b. A statement showing commitments made by the project authorities/Administrative Ministries in the EFC/PIB Memorandum regarding reliability of cost estimates, pre-project investigations, land acquisition, completion schedule etc. and during the PIB meeting with regard to the project at the time of seeking project approval and the status regarding their fulfilment.
 - c. Have the reasons for the time and cost overrun been gone into thoroughly and responsibility fixed? If so, details in this regard may be indicated.
 - 22) Whether the issue of cost and time over run was brought before EC/QPR? If so, details of decision taken in EC/QPR & further follow up action.
 - 23) For RCE proposals requiring CCEA approval, report/ recommendations of the Standing Committee and Action Taken Report may be appended.
 - 24) Whether Financial Adviser's concurrence/comments on EFC Memo have been obtained? If so, details thereof
 - 25) Supplementary Information.
 - 26) Points on which decisions/sanctions are required.

Annexure II – Scoring Method - EFC Memo/Proposal

Scoring for the “Statement of Proposal” Component:

STATEMENT OF PROPOSAL				
Q. No.	Question	Actual Score Given	Total Score	Scoring Method
2 (a)	Whether Central Scheme or Centrally Sponsored? In the case of new CSS or CSS with changed parameters, funding pattern etc. whether approval of full Planning Commission has been obtained.		2	If nature of scheme to be clearly specified then 1 point; If there is an annexure with “FR” & “In Principle” approval then +1
2 (c)	Is it a new Proposal/Modified/Revised Cost Estimate?		1	Nature of proposal mentioned clearly +1
2 (d)	Reasons and justification for proposal, indicating historical background, circumstances in which the need have arisen, whether other alternatives have been considered and what detailed studies have been made in regard to the proposal for establishing its need, its economics and other relevant aspects.		7	Historical Background: 4 Mention of alternatives: 1; if there is a comparison between alternatives and proposed scheme w.r.t economics then +1, if there are other relevant aspects being compared then additional +1
2 (e)	If it is location specific, basis for selection of location		3	If location choice is left to state and no basis for choice is given then 0; If location is specified, but no basis is given then 1 point; If basis is defined and states are left to chose the location then 2 points; If both details are present then 3 points
2 (f)	Has the proposal been included in the Five Year Plan and what are the provisions in the Five Year Plan and in the current annual plan? Is any modification proposed?		2	If provisions in FYP and/or current annual plan is mentioned then 2 points; Mere mention of Yes/No then 0 points
2 (g)	What is the estimated yield from the Project and what are the economic implications?		3	If the answer is vague then 1 point, if the answer is in quantified terms or qualitative terms then 3 points
2 (l)	What are the development “outcomes” and “outputs” of the scheme/project? The development outcomes and outputs should be specified in measurable and monitorable terms along with baseline data against which the impact of the scheme will be assessed		7	If outcomes are mentioned then 2 points; If outputs are mentioned then 3 points; If baseline is also mentioned then additional 2 points
Total			25	

Scoring for “Program Schedule” Component:

PROGRAM SCHEDULE				
Q. No.	Question	Actual Score Given	Total Score	Scoring Method
3 (a)	Has the project/scheme been worked out and scrutinized in all its details?		3	If the answer is just “yes” then 1 point; If details are also provided then +2 points
3 (b)	What is the schedule for construction, indicating the position separately relating to plant and machinery and civil works, raw materials, manpower etc. together with year-wise phasing.		3	If the year wise and component wise (Expenditure Head) break-up is present then 3 points; If either of the 1 is present then 2 points
3 (c)	Whether physical and financial targets match with each other.		4	If there is a detailed tabulation year wise & component wise then 4 points; If there is either year-wise or component wise only then 2 points; If the answer is Yes then only 1 point
3 (d)	What is the target date for completion and when will the expected benefits commence?		5	If month and year is given or Plan Period is given then 3 points; If any details are given pertaining to commencement of benefits then 2 points, else 0
	Total		15	

Scoring for the “Expenditure Involved & Reliability of Cost Estimates” Component:

EXPENDITURE INVOLVED + RELIABILITY OF COST ESTIMATES				
Q. No.	Question	Actual Score Given	Total Score	Scoring Method
4 (a)	What is the total expenditure (non-recurring and recurring): Indicate the position year-wise and also whether any budget provision has been made and if not, how it is proposed to be arranged? Has any expenditure been incurred already?		10	If total expenses (RC & NRC) along with year wise and component wise is provided then 10 points; If only year wise or only component wise is provided then 5 points; In case any project has already incurred expenses and the details have not been shared then give -2 (Look for mobilization strategy in other projects for further review)
4 (b)	Details of the scheme of financing clearly bringing out the financial obligations undertaken by the PSU/Ministry with or without the proposal under consideration. In other words, details of commitment on account of on-going projects to be funded from internal resources of the PSU may be given in the EFC Note along with the requirement and availability of funds for the project under consideration. In case of schemes / programs, Five Year Plan Outlay for the Ministry/Department and commitments on ongoing schemes/programs along with the requirement and availability of funds for the scheme/program may be furnished.		2	If all details relevant to question (including FYP outlay for ministry/department, Commitments on ongoing schemes/programs, requirement and availability of funds for the scheme/program under consideration) are provided then 2 points; If partial details are provided then 1 point; If no details are provided then 0 point
4 (d)	Phasing of expenditure (non-recurring and recurring): (i) On constant prices; (ii) On completion cost		8	Phasing of expenditure is provided year-wise @ constant prices then 6 points; If phasing of expenditure @ completion cost is provided then + 2
4 (e)	Reference date and basis of cost estimates of various components.		6	If reference date / time period/ financial year is mentioned then 3 points; If basis is provided in full then +3 in case it is partial in nature then +1
5 (a)	Has pre-project investigations been arrived at in detail and details of area where changes in project parameters could be anticipated?		4	If pre-project investigations have been provided then 2 points; If areas where project parameters are anticipated to be changed are mentioned then +1 if these details are quantified then and additional +1
	Total		30	

Scoring for the “Operational Capabilities” Component:

OPERATIONAL CAPABILITIES				
Q. No.	Question	Actual Score Given	Total Score	Scoring Method
6 (a)	Operational capability of PSU/Department/Implementing Agency/Ministry to undertake the tasks required for the implementation of the proposal under consideration. For this purpose, track record of the PSU in respect of the projects already implemented/under implementation may be highlighted and also steps proposed for ensuring timely execution of the project under consideration .		15	Only track record is mentioned then 2 points; Identification of agency that would develop capacity but no details w.r.t nature of capacity development then 5 points; Future plans to establish capacity/capabilities in detail aligned with the components 6 points; If any of the above along with time-lines are mentioned then +2 points
	Total		15	

Scoring for the “Points on which Decisions/ Sanctions required” Component:

POINTS ON WHICH DECISIONS/SANCTIONS REQUIRED				
Q. No.	Question	Actual Score Given	Total Score	Scoring Method
26	Points on which decisions/sanctions are required.		5	If the statement just mentions the cost of project on which decision is expected then 2 points; If additional points are mentioned for decision to be taken then 5 points
	Total		5	

Scoring for the “Detailed Project Report” Component:

DETAILED PROJECT REPORT				
Q. No.	Question	Actual Score Given	Total Score	Scoring Method
(vi)	Legal Framework <i>(This section should present the legal framework within which the project will be implemented and strengths and weakness of the legal framework in so far as it impacts on achievement of project objectives.)</i>		2	If there is a mere identification of legal framework within which the project would be implemented then 1 point; If additional details or analysis of the same are provided then +1
(xiii)	Risk Analysis <i>(This section should focus on identification and assessment of project risks and how these are proposed to be mitigated. Risk analysis could include legal/contractual risks, environmental risks, revenue risks, project management risks, regulatory risks, etc.)</i>		2	If risks are identified then 1 point; If details pertaining to mitigation of risks are provided then +1
(xiv)	Evaluation <i>(This section should focus on lessons learnt from evaluation of similar projects implemented in the past. Evaluation arrangements for the project, whether concurrent, mid-term or post-project should be spelt out. It may be noted that continuation of projects/schemes from one Plan period to another will not be permissible without an independent, in depth evaluation being undertaken.)</i>		3	If any past experience of evaluation of similar projects are quoted then 1 point; If evaluation methods of the project being proposed are mentioned then 2 points
(xvii)	Sustainability <i>(This section should present issues relating to sustainability, including stakeholder commitment, operation and maintenance of assets after project completion, and other related issues should be addressed in this section.)</i>		3	If details pertaining to stakeholder commitment are mentioned then 2 points, if the point on operation and maintenance of assets is not applicable to the project then 3 points; additional 1 point if details pertaining to operation and maintenance of assets are provided.
	Total		10	

Annexure III – Scoring Method – Comments

S. No.	Commenting Department	Proposal Name	Criterion				
			Critical (Yes = 1, No = 0)	Directional (Yes = 1, No = 0)	Endorsed by others (Yes = 1, No = 0)	Discussion during EFC meeting (Yes = 1, No = 0)	Was any decision taken during EFC meeting (Yes = 1, No = 0)
1	Planning Commission						
2	Planning Commission						
3	Planning Commission						
4	Planning Commission						
5	Planning Commission						

Annexure IV – Proposed EFC Memo/Proposal Format (Project Value Less than INR 1000 Crores)

Proposed EFC Memo/Proposal Format (Project Value Less than INR 1000 Crores)

1 Project Identification

- 1.1 Title of the project/ scheme:
- 1.2 Name of the sponsoring agency (Ministry/Department/ Autonomous Body/ Central PSE):
- 1.3 Nature of Scheme (Select from below)
 - a) Central Sector Scheme
 - b) Centrally Sponsored Scheme
 - c) Additional Central Assistance
- 1.4 Mention the relevant Objectives of the Plan which this Project addresses and how it seeks to meet the objectives
- 1.5 Mention the relevant programme under which the project is proposed and how it seeks to fulfil the targets of the programme.
- 1.6 Discuss the performance gap of the relevant plan targets / programme targets and how this project seeks to address it.
- 1.7 Nature of Proposal (Select from below)
 - a) New Proposal
 - b) Modified Proposal
 - c) Revised Cost Estimate

(In case of nature is selected as Revised Cost Estimate, please complete the 'RCE Proposal Format')
- 1.8 Proposed duration of the project:
- 1.9 Mention time gap between Date of Approval and Date of Implementation of project/ scheme:

2 Project/Scheme Cost

- 2.1 Total cost of the project over the proposed duration (*Mention in figures only*):

2.2 Provide the project cost estimate for its scheduled duration along with a break-up of year-wise, component-wise expenses segregated into non-recurring and recurring expenses, while also indicating the reference date and basis for cost-estimates. *(Complete the tables below)*

a) Non Recurring Cost Estimates⁵

Level	Expenditure Head	Reference Date for cost estimate	Basis ⁶ of Expenditure Estimate	Cost Estimate ⁷	
				Year 1	Year 2
(Central/State/District/Others)					

b) Recurring Cost Estimates – During Project Implementation

Level	Expenditure Head	Reference Date for cost estimate	Basis ⁸ of Expenditure Estimate	Cost Estimate	
				Year 1	Year 2
(Central/State/District/Others)					

c) Recurring Cost Estimates – Post Project Implementation on Asset (Indicate for 3 years, post commencement of Operations)

Level	Expenditure Head	Reference Date for cost estimate	Basis ⁹ of Expenditure Estimate	Cost Estimate	
				Year 1	Year 2
(Central/State/District/Others)					

⁵ Civil-Works estimates should be based on CPWD/PWD rates and norms along with layout plans, designs etc.

⁶ For example quotations, in-house data, market price.

⁷ Price level preferably within 6 months.

⁸ For example: quotations, in-house data, market price.

⁹ For example: quotations, in-house data, market price.

- 2.3 Indicate cost components that can vary, the factors that could cause the variation and the extent of the expected variation.
- 2.4 In case the project/ scheme involve payout of subsidy, the year wise expected outgo, up to the last year of payout, may be indicated.
- 2.5 What is the foreign exchange component (separately for non-recurring and recurring expenditure)? What are the items of expenditure involving foreign exchange and expenditure on foreign experts? Has clearance of E.A.D. been obtained and has availability of credit facilities been explored and if so, with what result?
- 2.6 Mention details of other financial commitments under the sponsoring Ministry.
- 2.7 Details of Projected Expenditure vis-à-vis Financing

	Expenditure			Financing				Funding Gap	
	NRC Expenditure	RC Expenditure	Total	Financing already secured	Central Ministry (Plan Finance)	State Government	External Source	Funding Gap by how much?	Proposal to fill funding gap
Year 1									
Year 2									
Year 3									
Total									

3 Policy and Project Context

- 3.1 Quote the objectives from the 'RFD' document of the Ministry/ Department within which this proposed project/ scheme is envisaged. *(Attach the relevant 'RFD' document of the Ministry/Department)*
- 3.2 Describe the historical background and context of the proposed project/ scheme
- 3.3 Provide details of previous and on-going schemes with overlapping objective
- List down schemes with overlapping objectives
 - Details of outlay and expenditure on the aforementioned schemes

Scheme Name	Outlay	Expenses Incurred
Scheme 1		

- Mention key findings of evaluation/achievements of aforementioned schemes
(This section should elaborate the section 1.3 and 1.4)

- d) Explain how the proposed scheme would be taking care of the suggestions of the evaluation and would integrate with the aforementioned schemes
(This section should elaborate on Sec 1.5 in terms of performance gap)

- 3.4 Explain the comparison of the proposed project/ scheme with the alternatives that have been considered. (Complete the table below).

Parameter/Criteria	Proposed Project	Alternative 1	Alternative 2
Main Features			
Cost			
Time			
Physical targets (Please Specify)			
Expected Benefits			
Others*(Please Specify)			

- 3.5 In case the table for question 3.4 has not been completed, kindly provide reasons for why other alternatives have not been considered.

4 Project Objectives and Targets

- 4.1 Define objectives¹⁰ of the proposed scheme/ project.

Plan Objectives	Description
Objective 1	
Objective 2	
Objective 3	

Project Objective	Description
Project Objective 1	
Project Objective 2	
Project Objective 3	

- 4.2 Mention the specific targets (Outcomes and Outputs) proposed to be achieved. These targets should be measurable and monitor-able, against baseline data. (Complete the tables below).

Project Objective 1

Outcomes¹¹

¹⁰ An objective is a succinct statement of the key goal(s) being pursued over the medium- to long-run. Objectives reflect the key components of the intended strategy (OECD, 2002).

¹¹ Outcomes are the impact on, or consequences for, the community of the activities of the government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for

Outcomes	Indicator	Plan Target	Baseline Data	Target(s)		
				Year 1	Year 2	Year 3
Outcome 1						
Outcome 2						
Outcome 3						

Project Objective 1

Outputs¹²

Outputs	Indicator	Plan Target	Baseline Data	Target(s)		
				Year 1	Year 2	Year 3
Output 1						
Output 2						
Output 3						

4.3 Indicate the physical and financial targets in a tabular format year-wise.

Components	Year				Total		
	Year 1		Year 2		Plan Target	Physical Total	Financial Total
	Physical	Financial	Physical	Financial			
Component 1							
Component 2							
Component 3							

5 Project Design

5.1 Identify the legal framework within which the project/ scheme will be implemented.

5.2 List all components and sub-components of the project.

5.3 If the project or scheme is location¹³ specific:

a) State basis of location selected (*it should provide for socio economic basis and regional considerations*)

government interventions. Improving the health status of the population is an example of an outcome (OECD, 2002).

¹² Outputs are the goods and services produced by the organisation. Outputs are delivered to an external party (usually to the public either individually or collectively) and comprise the majority of day-to-day interaction between people and government. Outputs include things such as issuing licences, investigations, assessing applications for benefits and providing policy advice.(OECD, 2002).

¹³ Ensure Inter-Regional equity

b) State location

5.4 If the project involves creation/ modification of structural and engineering assets please provide the following:

- a) Schedule for construction (*with year-wise phasing*)
- b) Details of asset maintenance (*Provide details of agency responsible for the same and how it will be maintained and who would provide the resources*)

5.5 In case of beneficiary oriented project/ scheme, indicate mechanism for identification of the beneficiary.

5.6 State specific requirements concerning land acquisition and/or environmental clearances, if any.

5.7 Specify by when the project can be started on approval of the programme / project.

5.8 Present the list of various Stakeholders along with their readiness in the following tabular format

No.	Stakeholders ¹⁴	Responsible For	Commitment		Indicate Buy-in Strategies (In case of 'No' Commitment)
			Yes	No	
1					
2					

6 Project Viability

6.1 In case of Projects which have identified stream of financial returns, the financial internal rate of return may be calculated. The hurdle rate is considered at 12%.

6.2 In case of projects where financial returns are not readily quantifiable (typically social development projects), the economic rate of return may be estimated and Social Cost Benefit Analysis¹⁵ may be presented.

7 Project implementation and monitoring

7.1 Indicate schedule for project implementation under major heads/activities along with time-

¹⁴ Stakeholders of a project include those people or organizations that are likely to be affected by project and/ or can influence the success or failure of the project.

¹⁵ A document which could be referred to for the same is the UK Government's Green Book: Appraisal and Evaluation in Central Government, available at: http://www.hm-treasury.gov.uk/d/green_book_complete.pdf

lines and different levels of government

Major Activity/Head/Component	Target	Level of Government	Timeline for implementation
Objective 1 -			

7.2 Operational and Human Resource capabilities:

- i. Mention steps to develop operational capabilities¹⁶
- ii. Provide Institutional Framework for implementation (in flow chart form)
- iii. In case of additional manpower requirement, please indicate the phased requirement over the project timeline (i.e. year-wise break- up of the manpower requirement)

7.3 Monitoring for the project/ scheme proposed by Outcomes and Outputs

Outcomes

Outcomes	Details regarding Data		
	Agency Responsible for Data Collection	Methodology for Data Collection	Frequency of Data Collection
Outcome 1			
Outcome 2			

Outputs

Outputs	Details regarding Data		
	Agency Responsible for Data Collection	Methodology for Data Collection	Frequency of Data Collection
Output 1			
Output 2			

8 Project Risks

8.1 Indicate foreseeable risks which can affect the project design, costing and implementation of the project.

Identified Risk	Impact of Risk	Mitigation Strategy ¹⁷

¹⁶ Recognize differential capacities of the states as part of Pre-Implementation strategy

Risk factor 1		
Risk factor 2		

9 Additional Information

9.1 Social Cost Benefit Analysis¹⁸ may be presented in case of projects where financial returns are not readily quantifiable.

9.2 Please indicate if the project involves dislocation of human settlements. (Yes/ No)

(This compensation cost is dependent on the rates indicated by District/State Authorities. Thus the total compensation cost may be worked out on the basis of these rates.)

- i. If yes, indicate the cost of land required to resettlement would be as indicated by the District/State Authorities
- ii. If yes, indicate the compensation to be paid to the displaced persons.

9.3 Please indicate if the project involves land reclamation or changes to existing land use plans. (Yes/ No)

- i. If yes, indicate the costs involved in prevention and mitigation of disaster(s) (natural and man-made).
- ii. If yes, analyze the likelihood and impact from earthquakes, floods, cyclones and landslides due to the location of the project sites.
- iii. Has the cost of disaster treatment/mitigation measures been included in the overall project cost? (Yes/ No)
- iv. What are the land use directives, regulations applicable? List preventive measures enshrined in regulations which are to be complied with and confirm compliance.
- v. Please confirm that the design and engineering of the structure has taken into consideration the National Building Code 2005, the appropriate BIS Codes and the NDMA guidelines.

(Other sources such as Indian Road Congress Manual, Ministry of Road Transport, Highways and Shipping manual, Railway Board manual, Central Public Health Engineering Organization (Min. of Urban Development) manual, Central Electricity Authority manual and Central Water Commission manual etc. to be consulted where applicable.)

9.4 List down details of other Concerned Ministry/ Agencies / Committee that have been consulted.

¹⁷ Mitigation Strategy may be ignored in case Identified Risk is Positive in nature.

¹⁸ A document which could be referred to for the same is the UK Government's Green Book: Appraisal and Evaluation in Central Government, available at: http://www.hm-treasury.gov.uk/d/green_book_complete.pdf

9.5 Annex the Comments/Observations made by each of them listed above as per tabular format mentioned below.

Name of Ministry / Agency	Comments/Observations	Response of Proposing Ministry
Ministry 1		
Agency 1		

10 **Points on which decisions/sanctions are required.**

Annexure V – Proposed EFC Memo/Proposal Format (Project Value Greater than INR 1000 Crores)

- 1 Project Identification**
- 2 Project/Scheme Cost**
- 3. Strategic Context of the Ministry/Department**

- 4. Policy and Project Context**

- 5. Project Objectives and Targets**

- 7. Project Viability**

- 8. Project implementation and monitoring**

- 9. Outcomes**

- 10. Project Risks**

- 11. Points on which decisions/sanctions are required.**

Proposed EFC Memo/Proposal Format

(Project Value Greater than or Equal to INR 1000 Crores)

3 Project Identification

1.1 Title of the project/ scheme:

1.2 Name of the sponsoring agency (Ministry/Department/ Autonomous Body/ Central PSE)

1.3 Mention the relevant Objectives of the Plan which this Project addresses and how it seeks to meet the objectives

1.4 Discuss the relevant programme under which the project is proposed and how it seeks to fulfil the targets of the programme.

1.5 Linkages among Plan, Programmes , Activities and Targets.

Plan / Programme Objectives	Project Objectives	Activity	Physical targets
Programme Objective 1	Project Objective 1	Activity 1	Annual Target

1.6 Discuss the performance gap of the relevant plan targets / programme targets and how this project seeks to address it.

This should include summary of evaluation studies done and the implementation of the gaps.

1.7 Nature of Scheme (Select from below)

- a) Central Sector Scheme
- b) Centrally Sponsored Scheme
- c) Additional Central Assistance

1.4 Nature of Proposal (Select from below)

- a) New Proposal
- b) Modified Proposal
- c) Revised Cost Estimate

1.5 Proposed duration of the project:

1.6 Mention start up time from the Date of Approval of the Project:

2 Project/Scheme Cost

2.1 Total cost of the project over the proposed duration (*Mention in figures only*):

2.2 Provide the project cost estimate for its scheduled duration along with a break-up of year-wise, component-wise expenses segregated into non-recurring and recurring expenses, while also indicating the reference date and basis for cost-estimates. (*Complete the tables below*)

i. Non Recurring Cost Estimates¹⁹

Level	Expenditure Head	Reference Date for cost estimate	Basis ²⁰ of Expenditure Estimate	Cost Estimate	
				Year 1	Year 2
(Central/State/District/Others)					

ii. Recurring Cost Estimates – During Project Implementation

Level	Expenditure Head	Reference Date for cost estimate	Basis ²¹ of Expenditure Estimate	Cost Estimate	
				Year 1	Year 2
(Central/State/District/Others)					

iii. Recurring Cost Estimates – Post Project Implementation on Asset (Indicate for 3 years, post commencement of Operations)

Level	Expenditure Head	Reference Date for cost estimate	Basis ²² of Expenditure Estimate	Cost Estimate	
				Year 1	Year 2

¹⁹ Civil-Works estimates should be based on CPWD/PWD rates and norms along with layout plans, designs etc.

²⁰ For example: quotations, in-house data, market price.

²¹ For example: quotations, in-house data, market price.

²² For example: quotations, in-house data, market price.

(Central/State/District/Others)				Year 1	Year 2

2.3 Indicate cost components that can vary, the factors that could cause the variation and the extent of the expected variation.

2.4 In case the project/ scheme involve payout of subsidy, the year wise expected outgo, up to the last year of payout, may be indicated.

2.5 What is the foreign exchange component (separately for non-recurring and recurring expenditure)? What are the items of expenditure involving foreign exchange and expenditure on foreign experts? Has clearance of E.A.D. been obtained and has availability of credit facilities been explored and if so, with what result?

2.6 Mention details of other financial commitments under the sponsoring Ministry.

2.7 Details of Projected Expenditure vis-à-vis Financing

	Expenditure			Financing				Funding Gap	
	NRC Expenditure	RC Expenditure	Total	Financing already secured	Central Ministry Plan Funds	State Government	External Source	Funding Gap by how much?	Proposal to fill funding gap
Year 1									
Year 2									
Year 3									
Total									

2.8 Vision Statement

(Vision is an idealized state for the department. It is the big picture of what the leadership wants the department to look like in the future. It is a long-term statement which is not expected to change from year to year unless the department is dramatically restructured.)

Strategic Context of the Ministry/Department²³

3.1 Quote the objectives from the 'RFD' document of the Ministry/ Department within which this proposed project/ scheme is envisaged. *(Attach the relevant 'RFD' document of the Ministry/Department)*

3.2 Mission Statement

(Mission is the who, what and why of the department's existence. It is the roadmap towards achieving the vision.)

3.3 Objectives

(Objectives represent the developmental requirements to be achieved by the department in a particular sector by a selected set of policies and programmes over a specific period of time (short-medium-long))

(This section should elaborate the section 1.3 and 1.4)

3.4 Baseline Data

(Data with reference to aforementioned Objectives to which improvements are foreseen i.e. data collected before the schemes of the Ministry/ Department are launched for the aforementioned Annual Year and against which monitoring and evaluation will be undertaken.)

(This section should elaborate on Sec 1.5 in terms of performance gap)

3.5 Geographic Distribution

(Preferably a GIS representation of the above mentioned baseline data on a map of India (including State and District boundaries) to ascertain existing regional inequities.)

3.6 Benchmark/Standards

(Universal benchmarks/ standards concerning each of the objectives of the Ministry/ Department.)

²³ Information provided hereunder to be in line with the Annual RFD document of the concerned Ministry/Department. Kindly attach the relevant RFD Document.

4 Policy and Project Context

- iii. Quote the objectives from the 'RFD' document of the Ministry/ Department within which this proposed project/ scheme is envisaged. (Attach the relevant 'RFD' document of the Ministry/Department)
- iv. Describe the historical background and context of the proposed project/ scheme
- v. Provide details of previous and on-going schemes with overlapping objective
 - a) List down schemes with overlapping objectives
 - b) Details of outlay and expenditure on the aforementioned schemes

Scheme Name	Outlay	Expenses Incurred
Scheme 1		

- c) Mention key findings of evaluation/achievements of aforementioned schemes
- d) Explain how the proposed scheme would be taking care of the suggestions of the evaluation and would integrate with the aforementioned schemes
 - vi. Explain the comparison of the proposed project/ scheme with the alternatives that have been considered. (Complete the table below).

Parameter/Criteria	Proposed Project	Alternative 1	Alternative 2
Main Features			
Cost			
Time			
Physical targets (Please Specify)			
Expected Benefits			
Others*(Please Specify)			

- vii. In case the table for question 4.4 has not been completed, kindly provide reasons for why other alternatives have not been considered.
- d. **Project Objectives and Targets**

- i. Define objectives²⁴ of the proposed scheme/ project.

Plan Objectives	Description
Project Objective 1	Description
Project Objective 2	
Project Objective 3	

²⁴ An objective is a succinct statement of the key goal(s) being pursued over the medium- to long-run. Objectives reflect the key components of the intended strategy (OECD, 2002).

- ii. Indicate how the aforementioned Objectives would fulfil the major objectives of the Ministry/Department (Indicated in 2.3)
- iii. Mention the specific targets (Outcomes and Outputs) proposed to be achieved. These targets should be measurable and monitor-able, against baseline data. (Complete the tables below).

Project Objective 1

Outcomes²⁵

Outcomes	Indicator	Plan Target	Baseline Data	Target(s)		
				Year 1	Year 2	Year 3
Outcome 1						
Outcome 2						
Outcome 3						

Project Objective 1

<u>Project Outputs²⁶</u>	Indicator	Plan target	Baseline Data	Target(s)		
				Year 1	Year 2	Year 3
Output 1						
Output 2						
Output 3						

- iv. Mention the Success Indicators (from the RFD Document) relevant to the Proposed Project/Scheme.
- v. Indicate the physical and financial targets in a tabular format year-wise.

Components	Year				Total		
	Year 1		Year 2		Plan Target	Physical Total	Financial Total
	Physical	Financial	Physical	Financial			
Component 1							

²⁵ Outcomes are the impact on, or consequences for, the community of the activities of the government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for government interventions. Improving the health status of the population is an example of an outcome (OECD, 2002).

²⁶ Outputs are the goods and services produced by the organisation. Outputs are delivered to an external party (usually to the public either individually or collectively) and comprise the majority of day-to-day interaction between people and government. Outputs include things such as issuing licences, investigations, assessing applications for benefits and providing policy advice.(OECD, 2002).

Component 2							
Component 3							

e. Project Design

- i. Identify the legal framework within which the project/ scheme will be implemented.
- ii. List all components and sub-components of the Project.
- iii. If the project or scheme is location²⁷ specific:
 - a) State basis of location selected (*it should provide for socio economic basis and regional considerations*)
 - b) State location
- iv. If the project involves creation/ modification of structural and engineering assets please provide the following:
 - c) Schedule for construction (*with year-wise phasing*)
 - d) Details of asset maintenance (*Provide details of agency responsible for the same and how it will be maintained and who would provide the resources*)
- v. In case of beneficiary oriented project/ scheme, indicate mechanism for identification of the beneficiary.
- vi. State specific requirements concerning land acquisition and/or environmental clearances, if any.
- vii. Specify by when the project can be started on approval of the programme / project.
- viii. List the Ministry(s)/Department(s) (Other than proposing ministry) which would be involved at different stages of the project.

No.	Ministry/Department	Project Stage	Responsible For
1			
2			
3			

²⁷ Ensure Inter-Regional equity

- ix. Present the list of various Stakeholders along with their readiness in the following tabular format

No.	Stakeholders ²⁸	Responsible For	Commitment		Indicate Buy-in Strategies (In case of 'No' Commitment)
			Yes	No	
1					
2					

f. Project Viability

- i. In case of Projects which have identified stream of financial returns, the financial internal rate of return may be calculated. The hurdle rate is considered at 12%.
- ii. In case of projects where financial returns are not readily quantifiable (typically social development projects), the economic rate of return may be estimated.

g. Project implementation and monitoring

- i. Indicate schedule for project implementation under major heads/activities along with time-lines and different levels of government

Major Activity/Head/Component	Level of Government	Timeline for implementation

ii. Operational and Human Resource capabilities:

- iv. Mention steps to develop operational capabilities²⁹
- v. Provide Institutional Framework for implementation (in flow chart form)
- vi. In case of additional manpower requirement, please indicate the phased requirement over the project timeline (i.e. year-wise break- up of the manpower requirement)

²⁸ Stakeholders of a project include those people or organizations that are likely to be affected by project and/ or can influence the success or failure of the project.

²⁹ Recognize differential capacities of the states as part of Pre-Implementation strategy

iii. Monitoring for the project/ scheme proposed by Outcomes and Outputs

Outcomes

Outcomes	Details regarding Data		
	Agency Responsible for Data Collection	Methodology for Data Collection	Frequency of Data Collection
Outcome 1			
Outcome 2			

Outputs

Outputs	Details regarding Data		
	Agency Responsible for Data Collection	Methodology for Data Collection	Frequency of Data Collection
Output 1			
Output 2			

h. Project Risks

9.1 Indicate foreseeable risks which can affect the project design, costing and implementation of the project.

Identified Risk	Impact of Risk	Mitigation Strategy ³⁰
Risk factor 1		
Risk factor 2		

i. Additional Information

i. Social Cost Benefit Analysis³¹ may be presented in case of projects where financial returns are not readily quantifiable.

ii. Please indicate if the project involves dislocation of human settlements. (Yes/ No)

(This compensation cost is dependent on the rates indicated by District/State Authorities. Thus the total compensation cost may be worked out on the basis of these rates.)

³⁰ Mitigation Strategy may be ignored in case Identified Risk is Positive in nature.

³¹ A document which could be referred to for the same is the UK Government's Green Book: Appraisal and Evaluation in Central Government, available at: http://www.hm-treasury.gov.uk/d/green_book_complete.pdf

- iii. If yes, indicate the cost of land required to resettlement would be as indicated by the District/State Authorities
- iv. If yes, indicate the compensation to be paid to the displaced persons.

iii. Please indicate if the project involves land reclamation or changes to existing land use plans. (Yes/ No)

- vi. If yes, indicate the costs involved in prevention and mitigation of disaster(s) (natural and man-made).
- vii. If yes, analyze the likelihood and impact from earthquakes, floods, cyclones and landslides due to the location of the project sites.
- viii. Has the cost of disaster treatment/mitigation measures been included in the overall project cost? (Yes/ No)
- ix. What are the land use directives, regulations applicable? List preventive measures enshrined in regulations which are to be complied with and confirm compliance.
- x. Please confirm that the design and engineering of the structure has taken into consideration the National Building Code 2005, the appropriate BIS Codes and the NDMA guidelines.

(Other sources such as Indian Road Congress Manual, Ministry of Road Transport, Highways and Shipping manual, Railway Board manual, Central Public Health Engineering Organization (Min. of Urban Development) manual, Central Electricity Authority manual and Central Water Commission manual etc. to be consulted where applicable.)

- iv. List down details of other Concerned Ministry/ Agencies / Committee that have been consulted.
- v. Annex the Comments/Observations made by each of them listed above as per tabular format mentioned below.

Name of Ministry / Agency	Comments/Observations	Response of Proposing Ministry
Ministry 1		
Agency 1		

j. Summary and Points on which decisions/sanctions are required.

Linkages of the Objectives and Strategies	
Assessment of the Targets	
Assessment of the Institutional Arrangements / Preparedness	

Assessment of the Intervention proposed	
Provision and adequacy of Finance	
Assessment of cost / expenditure estimates	
Adequacy of Personnel	
Risk analysis	

Annexure VI – Proposed EFC Memo/Proposal Format for RCE Proposals

- 1.1 Details of physical progress achieved and expenditure incurred and commitment made so far may be given.
- 1.2 Date of latest approved, revised and proposed completion schedule of the project along with time overrun and reasons thereof may be elaborated.
- 1.3 Item-wise cost variance between approved (latest) cost and revised cost as propose may be given.

Type of Expense	Expense Center	Component	Old Cost Estimate	Revised Cost Estimate	Reason for variance in cost
Recurring/Non-Recurring	(Central/State/others)	Expenditure Head			

- 1.4 The underlying justification for increases in cost due to various factors may be explained.
- 1.5 State Earlier and Revised completion Schedule
- 1.6 Effect of revision in capital cost estimates on cost of production and profitability / viability with reference to earlier approved capital cost of the project
- 1.7 Report of Standing Committee to fix the responsibility for cost and time overrun along with action taken report on its recommendations may be appended with the EFC / PIB memo.
2. Points on which decisions/sanctions are required.

(Kindly attach the latest EFC Memo along with the same. In case the RCE is greater than or equal to INR 1000 Crores, kindly attach the EFC Memo Format applicable for 'Project Value Greater than or Equal to INR 1000 Crores)

Annexure VII – Appraisal Grid for PAMD, Planning Commission

1. Project Summary
2. List of areas wherein decisions required
3. Policy, Plan, Programme and Project Context
 - Due diligence of linkages among Plan Objectives, Programme Objectives and Project Objectives.
 - Linkages with Objectives from RFD document relevant to proposed scheme/project
 - Strategic fit with the Plan Objectives and Programme targets: Does the project seek to fulfil the plan objectives and there is a clearly spelt out plan of action. It should specify clearly how the project will help the Ministry to fulfil its targets and by how much.
 - Are the linkages clearly spelt out s project will seek to meet these gaps.
 - Details of previous and on-going schemes with overlapping objectives
 - Comparison with alternatives that have been evaluated
4. Technical Feasibility
 - Assess detailed technical aspects.
5. Financial Aspects
 - Make project plan for varying levels of financing . What is only 70% financing is provided and in that case what will be achieved.
 - Accommodated in the FYP or Annual Budget: Does it have adequate provisions in the budget.
 - Validity of Cost Estimates: Are all aspects of cost taken into consideration and provided for with reasonable estimations.
 - Project Viability: In economic projects, it can undertake formal financial analysis. In socio economic projects, it can discuss the Social Cost Benefit Analysis.
 - Sources of Financing and Funding of Financial Gap: Have all sources been identified, committed and strategies provided for funding of financial gap.
 - In case of Funding Gap, details of reallocation of funds within the Ministry/Department.

- Sensitivity analysis: Has it been done and what are the ranges of financing required and timelines. It is a what if analysis. Analysis will be varied depending on resources, time, personnel, etc.

6. Project Management – Administrative, Operational, Implementation

- Assess the institutional preparedness
- Appraise whether the various activities are well-planned
(For example, a proposal for ITI should specify how the problem of shortage of trainers is going to be addressed and how the courses are going to be identified and designed.)
- Geographical Distribution considered for implementation
- Assess willingness of State Governments to participate (in case of Centrally Sponsored Schemes)
- Pre requisite for various phases including processes like clearances
- Project management structure: Activities, milestones, timeliness, and financial flows.
- Project implementation agencies
- Human Resource Capabilities
- Stakeholders' involvement and engagement

7. Sensitivity Analysis

Evaluate effectiveness of the programme / project for various levels of outcome and outputs.

8. Monitoring and Evaluation

- Methods to Monitor and Evaluate achievement of Outputs and Outcomes, including what will be monitored in terms of the outcomes, benchmarks, baselines, and indicators.
- Agencies responsible and funds for the same.

9. Risk Analysis

- Identification of risks and their Impacts
- Undertake a gross sensitivity analysis of time and cost and arrive at range of estimations
- Assess the Mitigation Strategies proposed

10. Additional Aspects to be considered for Projects greater than INR 1000 Crores

- Strategic Fit
 - Fit with the Vision and Mission and Priorities of the Ministry/ Department and its relevant programmes
 - Scale of problem solved vis-à-vis baseline: It should indicate the overall extent of the problem and how much it proposes to address.
 - Baseline Data Vs Universal Benchmarks and Standards
 - Geographic Distribution
- Involvement of Ministries/Department (other than proposing ministry) at various stages of the project
 - Assessment of past coordinated efforts
 - Need for involvement of other ministries/department as part of proposed scheme/project
- Expenditure allocation across components/sub-components
 - Assess basis of prioritization

Annexure VIII – Appraisal Grid for Subject Divisions, Planning Commission

1. Policy, Plan and Project Context

- Mention of Objectives from RFD document relevant to proposed scheme/project
- Strategic fit with the Plan Objectives and Programme targets: Does the project seek to fulfil the plan objectives and there is a clearly spelt out plan of action. It should specify clearly how the project will help the Ministry to fulfil its targets and by how much.
- Justification for the project: Does the PC support the justification for the programme and are there any qualifications.
- Details of previous and on-going schemes with overlapping objectives
- Comparison with alternatives that have been evaluated

2. Technical Feasibility

- Assess detailed technical aspects. This will be a key focus of the appraisal of the Subject division. Wherever necessary it can seek the help of technical agencies to give specific suggestions.
- Consideration of Benchmarks in the sector (*Consider those benchmarks relevant to the proposed scheme/project which would enable progress towards Outcomes and Outputs*)
- Strategic Fit
 - Fit with the Vision and Mission and Priorities of the Ministry/ Department and its relevant programmes
 - Scale of problem solved vis-à-vis baseline: It should indicate the overall extent of the problem and how much it proposes to address.
 - Baseline Data Vs Universal Benchmarks and Standards
 - Geographic Distribution
- Assess how the Proposed Project/Scheme would address the Technology Gaps, Capacity Gaps and Human Resource Gaps.

- Assess Inter-linkages of the Proposed Project/Scheme with other Programs (Inter and Intra Ministry)

3. Financial Aspects

- Accommodated in the FYP or Annual Budget: Does it have adequate provisions in the plan and annual budget.
- Validity of Cost Estimates: Are all aspects of cost taken into consideration and provided for with reasonable estimations.
- Project Viability: In economic projects, it can undertake formal financial analysis. In socio economic projects, it can discuss the Social Cost Benefit Analysis.
- Sources of Financing and Funding of Financial Gap: Have all sources been identified, committed and strategies provided for funding of financial gap.
- In case of Funding Gap, details of reallocation of funds within the Ministry/Department.
- Sensitivity analysis: Has it been done and what are the ranges of financing required and timelines.

4. Project Management – Administrative, Operational, Implementation

- Appraise whether the various activities are well-planned
(For example, a proposal for ITI should specify how the problem of shortage of trainers is going to be addressed and how the courses are going to be identified and designed.)
- Geographical Distribution considered for implementation
- Assess willingness of State Governments to participate (in case of Centrally Sponsored Schemes)
- Pre requisite for various phases including processes like clearances
- Project management structure: Activities, milestones, timeliness, and financial flows.
- Project implementation agencies
- Human Resource Capabilities
- Stakeholders' involvement and engagement

5. Monitoring and Evaluation

- Methods to Monitor and Evaluate achievement of Outputs and Outcomes, including what will be monitored in terms of the outcomes, benchmarks, baselines, and indicators.
- Agencies responsible and funds for the same.

6. Risk Analysis

- Identification of risks and their Impacts
- Undertake a gross sensitivity analysis of time and cost and arrive at range of estimations
- Asses the Mitigation Strategies proposed

7. Additional Aspects to be considered for Projects greater than INR 1000 Crores

- Involvement of Ministries/Department (other than proposing ministry) at various stages of the project
 - Assessment of past coordinated efforts
 - Need for involvement of other ministries/department as part of proposed scheme/project
- Expenditure allocation across components/sub-components
 - Asses basis of prioritization

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Annexure IX

Proposed EFC Memo/Proposal Format (Project Value Greater than or Equal to INR 1000 Crores)

A Model Format: ICDS as the case

This proposal format has been filled up by scrutinising different documents and Annexures (letters and Office Memorandums) such as:

- a. EFC Memo
- b. Guidelines for Constitution of Monitoring and Review Committees at different level to review progress in implementation of ICDS scheme issued by MWCD on March 31, 2011. (Annex XXIV) of Strengthening and Restructuring of ICDS – A Broad Framework for Implementation.
- c. Strengthening and Restructuring of ICDS – A Broad Framework for Implementation.

1 Project Identification

1.1 Title of the project/ scheme: INTEGRATED CHILD DEVELOPMENT SERVICES (ICDS)

1.2 Name of the sponsoring agency (Ministry/Department/ Autonomous Body/ Central PSE): MINISTRY OF WOMEN AND CHILD DEVELOPMENT, GOVERNMENT OF INDIA

1.3 Nature of Scheme (Select from below)

- a) Central Sector Scheme
- b) Centrally Sponsored Scheme
- c) Additional Central Assistance

1.4 Nature of Proposal (Select from below)

- a) New Proposal
- b) Modified / Extended Proposal
- c) Revised Cost Estimate

(In case of nature is selected as Revised Cost Estimate, please fill in RCE Proposal format)

1.5 Proposed duration of the project: ONGOING

1.6 Mention time lag from Date of Approval¹

Three months from the date of approval (For illustration).

NOTE: For this document 1.6 can be deleted here because this question is covered in question 5.7

1.7 Total cost of the project over the proposed duration (*Mention in figures only*):

- Total cost of Rs 2,54,740 crore
- Total GOI share of Rs 1,83,855.
- An average annual GOI share of about Rs 36,000 crore is estimated for effectively implementing the ICDS.

(**Note:** A detailed summary of cost estimates is available on Page 36 of the EFC Memo, Section II on Cost Estimates.)

¹ Time Lag = Start Date Minus Date of Approval

2. Prepared by Prof G Ramesh, Prof Nagadevara, Ranjini C R and Ms Shahana Sheikh of IIM Bangalore for Planning Commission.

• SL NO	Major Heads	Plan Period (Rs In Crore)		
		GOI Share	State Share	Total
A. SUMMARY BUDGET				
1	RECURRING	1,63,214	64,621	2,27,835
2	NON RECURRING	20,641	6,263	26,905
	TOTAL	1,83,855	70,885	2,54,740
B				
RECURRING BUDGET				
1	Salary: i) For existing post ii) For Additional posts Total	13,816 14,286* 28,102*	1534 1580* 3,114*	15,350 15,866* 31,216*
2	Honoraria	47,054	5,228	52,282
3	SNP	54,836	52,255	1,07,091
4	ECCE	2,261	251	2,512
5	Rent	4,520	502	5,021
6	PSE Kit	3,004	334	3,338
7	Medicine Kit	721	80	801
8	Flexi Fund	630	70	700
9	Uniform and Badges	894	99	994
10	Untied fund for voluntary action, NGO etc	5,557	-	5,557
11	Untied fund for Creche	1,502	1,152	2,654
12	Untied fund for link worker	1,302	145	1,447
13	Monitoring	1,405	141	1,546
14	Training	1,763	61	1,824
15	Hiring, POL and Maintenance	3,691	410	4,101
16	IEC (Including IYCF activities)	1,096	122	1,218
17	Sneha Shivir	470	52	522
18	Grading and Accreditation	29	3	32
19	Rewards	18	-	18
20	RSBY and AKBY	668	171	838
21	Pension and other social securities	991	110	1,101
22	Admin Expenses	1,074	119	1,193
23	Contingencies	718	80	798
24	TA	1,108	123	1,231
	Total	1,63,414	64,621	2,28,035
C. NON RECURRING				
1	Construction of AWCs	15,225	4,775	20,000
2	Construction of CDPO offices	105	195	300
3	Weighing scales replacement @ 20% per annum and other non recurring expenses	630	70	700
4	AWC upgradation and Maintenance cost	2,625	875	3,500
5	Cost of establishment (including furniture, computers and other necessary requirements)	1,378	151	1,529
6	Purchase of vehicles	248	28	275
7	Repair cost for existing AWCs @ 8.33% of total rent at project and AWC level	360	40	401
	Total	20,346	6,358	26,704

2.1 Vision Statement

The vision of ICDS is to ensure holistic physical, psychosocial, cognitive and emotional development of children under 6 years of age (with special emphasis on children under 3 and maternal care) as well as promotion of optimal early childhood care, development and learning.

NOTE: From Page 20, section 3.2 of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*.

(Vision is an idealized state for the department. It is the big picture of what the leadership wants the department to look like in the future. It is a long-term statement which is not expected to change from year to year unless the department is dramatically restructured.)

2.2 Mission Statement

The mission of ICDS would be to empower States and UT Administrations to carry out the required reforms for achieving the vision to reduce under-nutrition in children under three years of age and to enhance development and learning outcomes in all children under six years of age. (for illustration)

NOTE: *(Mission is the who, what and why of the department's existence. It is the roadmap towards achieving the vision.)*

(Mission Statement has not be mentioned anywhere in the ICDS documents. The above statement is for illustration only)

2.3 Objectives

1. To improve the nutritional and health status of pre-school children in the age-group (0-6 years);
2. To lay the foundation of proper psychological development of the child;
3. To reduce the incidence of mortality, morbidity, malnutrition and school drop-out;
4. To achieve effective coordination of policy and implementation amongst the various departments to promote child development;
5. To enhance the capability of the mother to look after the normal health and nutritional needs of the child through education.

NOTE: (Culled out from page 38 of EFC Memo, Section I on Historical Background)

(Objectives represent the developmental requirements to be achieved by the department in a particular sector by a selected set of policies and programmes over a specific period of time (short-medium-long))

2.3.1 Mapping of Objectives and Package of services and activities

These are mentioned for illustration

- | |
|---|
| <ol style="list-style-type: none">1. OBJECTIVE 1: To improve the nutritional and health status of pre-school children in the age-group (0-6 years); |
|---|

Package of Services	Activities
Supplementary Nutrition	1 Provide Morning Snack, Hot cooked meal and Take Home Rations as per norms
Health services	1 Weight monitoring and tracking using growth charts

Note: Objectives should be consistent. Right now, they are different in different documents. Activities undertaken for each objective should be clearly mentioned.

2.4 Baseline Data

Annual data of ICDS, AHS, NFHS, DLHS, Independent Surveys

Note: (Data with reference to aforementioned Objectives to which improvements are foreseen i.e. data collected before the schemes of the Ministry/ Department are launched for the aforementioned Annual Year and against which monitoring and evaluation will be undertaken.)

2.4.1 Geographic Distribution

ICDS is reaching out to approximately 9.75 crore beneficiaries through a network of 12.88 lakh operational AWCs

Note: (Preferably a GIS representation of the above mentioned baseline data on a map of India (including State and District boundaries) to ascertain existing regional inequities.)

2.5 Benchmark/Standards

(Universal benchmarks/ standards concerning each of the objectives of the Ministry/ Department.)

Mention here Adoption of WHO growth standards, nutritional standards or nutritional index or morbidity assessment index here.

For example see table below:

NUTRITIONAL AND FEEDING NORMS ISSUED BY MWCD (Feb, 2009)		
Category	Calories (K Cal)	Protein (g)
Children (6-72 months)	500	12-15
Severely underweight Children (6-72 months)	800	20-25
Pregnant women and nursing mothers	600	18-20

(Note: From page 55, 1.2, Supplementary Nutrition, Annexure I of Strengthening and Restructuring of ICDS – A Broad Framework for Implementation).

2 Policy and Project Context

3.1 Quote the objectives from the 'RFD' document of the Ministry/ Department within which this proposed project/ scheme is envisaged. (*Attach the relevant 'RFD' document of the Ministry/Department*)

One of the objectives in the RFD document states:

Laying foundation for development of children below 6 years with a focus on supplementary nutrition, pre-school, non-formal education and to enhance awareness and capacity of mothers to meet the nutritional and health needs of the child.

(Note: RFD Document Attached)

RFD Objective is not comprehensively stated for ICDS. It is not clear from where ICDS Mission and objectives flow from.

Note: The linkage between policy content and objectives of the project and thereafter the activities should be clearly stated.

3.2 Describe the historical background and context of the proposed project/ scheme.

Launched in 1975, ICDS, is a unique early childhood development programme aimed at addressing health, nutrition and development needs of young children, pregnant and nursing mothers. These objectives are sought to be achieved through a package of six services comprising (i) supplementary nutrition (ii) immunization (iii) health check-up, (iv) referral services, (v) pre-school non formal education and (vi) nutrition and health education.

In 2010, Prime Minister's National Council on India's Nutrition Challenges and the National Advisory Council recommended strengthening and restructuring ICDS by forging institutional convergence with NRHM and TSC and providing flexibility for local action and empower mothers and community to have a stake in the programme.

Note: This can be as brief as possible. (From page 38, Section I on Historical Background of EFC Memo).

3.3 Provide details of previous and on-going schemes with overlapping objectives

(Note: This table below has been taken from page 70, Annexure VII A of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*.)

Issues of Convergence with ICDS

Ministry (Partnership with organizations)	Issues for Convergence
MHFW/NRHM MHFW,ICMR.NIN, Nutrition Foundation of India, BPNI, PFI, Pediatric Association of India, IIPS, MCI, National level colleges)	<ul style="list-style-type: none"> * Regular Fixed Monthly VHNDs * Joint training of ANMs and AWWs on IMNCI and IYCF * Adoption of joint MCP Card and New WHO Child Growth Standards * Concerted efforts for ANC / PNC checkup and rehabilitation of severely underweight children. * Earmarking a counter for referrals of AWCs and officials recognition to referral slips of AWWs. * Increasing priority to MCHN support services through ANMs, designated MOs for ICDS beneficiaries. * Immunization Sessions. * Ensure availability and supply of medicine kits, drugs and contraceptives. * Ensure health services to ECD centres beyond ICDS like ECE under SSa, Creches, NOGs etc. * Joint visits of AWW and ANMs to ECD centres beyond AWC. * Joint review and planning meetings at the state, District and Block level. * Participation of in Village Sanitation and Nutrition Committee meetings. * Joint planning and implementation by ANM ASHA and AWW in SABLA, Kishori Shakti Yojna and Nutrition Programme of Adolescent Girls. * Ayush package/tools and linkages with Practitioners.
Department of Drinking Water and Sanitation, Ministry of Rural Development Ministry of HRD, State Resource Centres	<ul style="list-style-type: none"> * Provision of safe drinking water and sanitation facilities in all habitation and AWCs * Constitution of Joint Village, Health, Sanitation and Nutrition Committees. * Implementation of Vector Borne Diseases Control Programme (VBDCP) activities by the village and Sanitation Committees (VHSC) for prevention of vector borne disease at the village level out of annual untied grants of Rs. 10,000 to each VHSC. * Community mobilization on importance of sanitation facilities and health and hygiene education programmes particularly in school and anganwadis. * Capacity building programmes for ASHA, ANMs, MPH, AWW & other officials under TSC. * Integrated Information Education Communication (IEC) action plans.
Ministry of Rural Development NIRD, SIRDs	<ul style="list-style-type: none"> * Implementation of the enabling provision for women and children under NREGS. * Construction & repairs of AWCs, kitchen and other facilities of AWCs to funded under NREGS. * Ensure employment for families of malnourished children. * Preference for construction of AWCs in works undertaken out of funds for post natural calamity. * Supply of smokeless chullahs at AWC.
Sarva Shiksha Abhiyan, School Education and Literacy, Ministry of HRD, NCERT, NCTE, SCERT and higher learning organizations for child development	<ul style="list-style-type: none"> * Harmonisation with primary Schools for direct enrolment. * Joint planning in SSA PIP. * Preferably collocating AWC in primary school wherever feasible. * Monthly fixed village ECCE day. * Local teacher participation in ECCE day. * School Readiness Packages.

Ministry of Panchayati Raj, SIPRD/SIRDS	* Provide support in mobilization and sensitization of village community * Collaboration and coordination of PRIs with Monitoring & Review Committees at different levels to review progress in implementation of ICDS Scheme.
Ministry of I & B Song and Drama Division)	* Support for IEC
Ministry of Social Justice and Empowerment.	* Extending disability detection services through AWC. * Referrals to District Rehabilitation centres/ Health System. * Devising special training courses for AWWs and other functionaries through RRTCs. * Preparation of reference material for AWWs on early detection of disabilities. * Block level special centres for early intervention.

a) Mention key findings of evaluation of the programme under consideration so far.
(Note: See page 9, Section 2.1.3, Lessons/Suggestions from State APIPs (2011-2012).
Strengthening and Restructuring of ICDS – A Broad Framework for Implementation).

b) Explain how the proposed scheme would be taking care of the suggestions of the evaluation and would integrate with the aforementioned schemes

Based on the learning from various States and inputs received from States through series of consultations as well as from Annual Programme Implementation Plans (APIPs) key gaps in the implementation, management, supervision and monitoring of present ICDS programme have been identified. Major gaps in effective implementation of ICDS can be categorised in two broad categories: Programmatic gaps and operational issues. For example:

Problem	Steps already initiated / proposed
1. Inadequate focus on under 3s	
2. Inadequate focus on Early Childhood Education	
3. Poor data management, information system	
4. Lack of comprehensive programme implementation guidelines	

Note: Here clear actionable solutions have to be mentioned. Refer to page 8, Sections 2.1.1 and 2.1.2 of 8, of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*.

3.3 Explain the comparison of the proposed project/ scheme with the alternatives that have been considered. (Complete the table below).

Parameter/Criteria	Proposed Project	Alternative 1	Alternative 2
Main Features	Moving from rented space to new building	Selectively moving to new building	Outsourcing to NGOs.
Cost			
Time			
Physical targets (Please Specify)			
Expected Benefits			
Others*(Please Specify)			

3.4 In case the table for question 2.3 has not been completed, kindly provide reasons for why other alternatives have not been considered.

3 Project Objectives and Targets

4.1 Define objectives² of the proposed scheme/ project.

Objectives	Current Status	Stretched Target Achievable Targets (End 12 th Plan)
Reduction in underweight children below 3 years	42.5% (NFHS-3) for below 5 years	10 percentage point
Reduction in underweight children below 5 years	40.4% (NFHS-3) for below 3 years	20%
Reduction in prevalence of anaemia in pregnant-women	57.9% (NFHS-3)	20%

Note: (Refer to Report of the Inter-Ministerial Group on ICDS Restructuring, Annex – ID, page 12 for a complete table)

4.2 Indicate how the aforementioned Objectives would fulfil the major objectives of the Ministry/Department (indicated in 2.3)

Objectives of Ministry	Objectives of Programme

4.3 Mapping of Objectives and package of services

Objectives	Package of Services

² An objective is a succinct statement of the key goal(s) being pursued over the medium- to long-run. Objectives reflect the key components of the intended strategy (OECD, 2002).

Objective 1	Early Childhood Care and Education (ECCE)/pre-school Non Formal Education
Objective 2	Supplementary nutrition
Objective 3	Infant and Young Child Feeding (IYCF) Promotion and Counselling
Objective 4	Maternal Care and Counselling
Objective 5	Care, Nutrition and Hygiene Education

4.3 Mention the specific targets (Outcomes and Outputs) proposed to be achieved. These targets should be measurable and monitor-able, against baseline data. (Complete the table below).

4.3.1 Outcomes³

Outcomes	Indicator	Unit of Measure	Baseline Data	Target(s)		
				Year 1	Year 2	Year 3
Outcome 1	Percentage of children weighted at birth within 24 hours	Current Status 46.5% (NCAER, 2009)	AHS/Independent Surveys	90%	Not Available	Not Available
Outcome 2	% of children initiated breastfeeding within one hour of birth	Current Status 40.5% (DLHS-3)	NFHS/DLHS/AHS	75%	Not Available	Not Available
Outcome 3	% of children exclusively breastfed till 6 months	46% (NFHS-3)	NFHS/DLHS/AHS	75%	Not Available	Not Available

³ Outcomes are the impact on, or consequences for, the community of the activities of the government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for government interventions. Improving the health status of the population is an example of an outcome (OECD, 2002).

4.3.2 Components, Core Interventions and Outcomes:

(Note: This table has been adapted from page 11 of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*). One more column on **Outcomes** need to be added here.

Sl. No.	Components	Services	Core Interventions	Target Group	Service Provider	Outcomes
1.	Early Childhood Care Education & Development (ECCED)	Early Childhood care and Education (ECCE)/Pre-school Non-formal Education	<ul style="list-style-type: none"> * Home based guidance for parents * Early stimulation * Early screening and referral * Optimal IYCF Practices * Monthly Monitoring & Promotion of Child Growth & Developmental Milestones. * Fixed Village ECCE Days 	0-3 years Parents/ca regivers	Second AWW cum Child Care & Nutrition Counsellor	
			<ul style="list-style-type: none"> * Non formal preschool education: <ul style="list-style-type: none"> a) activity based b) semi-structured play and learning method * Quarterly Monitoring & Promotion of Child Growth & Developmental Milestones. * Fixed Village ECCE Days 	3-6 years Parents/ca regives	AWW	
		Supplementary Nutrition	<ul style="list-style-type: none"> * Morning snack, Hot Cooked Meal And THR as per norms 	6 m – 3yrs 3-6 years P& L Mothers	AWW/Second AWW/ AWH/ SHGs/others	
2.	Care & Nutrition Counselling	Infant & Young child Feeding (IYCF) Promotion & Counselling	<ul style="list-style-type: none"> * One to one counselling for optimal breastfeeding practices * One to one counselling on complementary feeding * Counselling to ensure food intake * Home visit and follow up 	P&L mothers. Mothers of children under 3 yrs	Second AWW cum nutrition counsellor/ supervisors ASHA/ ANM	
		Maternal Care and Counselling	<ul style="list-style-type: none"> * Early registration of pregnancy, 3 or more ANC, Institutional delivery and PNC * Counselling on diet, rest and IFA compliance during Home Visit * Monitoring weight gain * Examination for pallor and oedema and any danger signs * Home based counseling for essential newborn care * Counseling and lactational support * Counseling on spacing 	P&L Women	ASHA/ANM/M O/Second AWW cum nutrition counsellor	

		Care, Nutrition, Health & Hygiene Education	<ul style="list-style-type: none"> * Monthly health and nutrition education sessions * Education on improved caring practices-feeding, health and hygiene and psychosocial. * Knowledge sharing for care during Pregnancy, lactation and adolescence * Promotion of local foods and family feeding. * Appropriate food demonstration * Celebration of nutrition week, Breastfeeding week, ICDS day etc 	P&L Mother and other caregivers , community and families	AWW/Second AWW cum nutrition counsellor/supervisors	
		Community based Management of underweight children	<ul style="list-style-type: none"> * 100% weighing of all eligible children and identification of underweight children * Referral to NRCs/MTCs for children requiring medical attention * 12 day Nutritional counseling and care sessions for moderate and severe underweight children (SNEHA SHIVIRs) * 18 day home care and follow up during home visit * Monitoring of weight gain after 12 days and 18 days 	Moderately and Severely underweight children & their mothers/ caregiver	AWWs/AWH/supervisors/ Mothers Group/PRIs. / SHGs/MO/ Doctor on Call ASHA and ANM as facilitator	
3.	Health Services	Immunization and micronutrient supplementation	<ul style="list-style-type: none"> * Regular Fixed Monthly VHNDs * Primary Immunization * Boosters * TT for Pregnant women * Vitamin A supplementation * IFA Supplementation * Deworming * Counselling 	0-3 years 3-6 years P&PL Mothers	ANM/MO/ASHA/ AWWs as facilitator	
		Health Check Up	<ul style="list-style-type: none"> * ANC/ PNC/ JSY * Support for IMNCI/JSSK * Identification of severe underweight children requiring medical attention * Support to Community based management of underweight children 	0-3 years 3-6 years P&L Mothers	ANM/MO/Doctor on call ASHA/AWWs as facilitator	
		Referral Services	<ul style="list-style-type: none"> * Referral of severely underweight to health NRCs * Referral for complications during pregnancy * Referral of sick newborns *Referral of sick children 	0-3 years 3-6 years P&L Mothers	ANM/MO/Doctor on Call/ASHA/AWWs	
4.	Community Mobilization, Awareness,		* Information dissemination & awareness generation on entitlements, programmes behaviors and practices	Families & Communi	FNB/Dist. & Block Resource Centres/ ICDS	

	Advocacy & IEC		* Sharing of nutritional status of children at gram sabha meetings * Linkage with VHSNC * Voluntary Action Groups * Village contact drives	ty	Management	
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Note: Outcomes have to be clearly explained.

Outputs⁴:

Outputs	Indicator	Unit of Measure	Baseline Data	Target(s)		
				Year 1	Year 2	Year 3
Output 1						
Output 2						
Output 3						

4.4 Mention the Success Indicators (from the RFD Document) relevant to the Proposed Project/Scheme

Available on page 4 and 5 of the RFD document

4 Project Design

4.1 Identify the legal framework within which the project/ scheme will be implemented.

ICDS in Mission Mode: In order to strengthen the existing service delivery mechanism by introducing ICDS in a mission mode with ICDS Missions at National, State and Districts levels.

(Note: For details refer to page 19, Section 2.2.3 (i) and 20, Section 3.1 *of Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*).

4.2 List all components and sub-components of the Project.

1. Early childhood Care Education and Development
2. Care and Nutrition Counselling
3. Health Services
4. Community Mobilization, Awareness and IEC

Note: Refer to 4.3.2 above or see detailed table for sub-components on page 11 and 12, Section (iii) of Strengthening and Restructuring of ICDS – A Broad Framework for

⁴ Outputs are the goods and services produced by the organisation. Outputs are delivered to an external party (usually to the public either individually or collectively) and comprise the majority of day-to-day interaction between people and government. Outputs include things such as issuing licences, investigations, assessing applications for benefits and providing policy advice.(OECD, 2002).

Implementation).

4.3 If the project or scheme is location⁵ specific:

a) State basis of location selected (*it should provide for socio economic basis and regional considerations*)

b) State location

ICDS is being implemented all over India

4.4 If the project involves creation/ modification of structural and engineering assets please provide the following:

a) Schedule for construction (*with year-wise phasing*)

Refer to page 6, Section 2.1 to 8 of EFC Memo

b) Details of asset maintenance (*Provide details of agency responsible for the same and how it will be maintained and who would provide the resources*)

Refer to page 8, Section 2.2 of EFC Memo

4.5 In case of beneficiary oriented project/ scheme, indicate mechanism for identification of the beneficiary. Anganwadi workers, ASHAs, Health Workers register pregnant women and children in the community/habitat under their jurisdiction.

4.6 State specific requirements concerning land acquisition and/or environmental clearances, if any. Refer to page 10, Section (a) regarding construction of building. Land would be provided by the State government or would be an add-on in existing Government premises.

4.7 Specify by when the project can be started on approval of the programme / project.
ICDS is an ongoing programme

4.8 List the Ministry(s)/Department(s) (Other than proposing ministry) which would be involved at different stages of the project.

ICDS is a centrally sponsored scheme and there are no other schemes with overlapping objectives and coverage in other Ministries and States. However there are issues of convergence with different ministries such as Health, Department of Drinking Water and Sanitation, Ministry of Rural Development, Sarva Shiksha Abhiyan, Ministry of HRD and Ministry of Social Justice and Empowerment.

No.	Ministry/Department	Project Stage	Responsible For
1	HFW		

⁵ Ensure Inter-Regional equity

2	Department of Drinking Water and Sanitation, Ministry of Rural Development		
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Note: See page 70, Annexure VII A of Strengthening and Restructuring of ICDS – A Broad Framework for Implementation.

Present the list of various Stakeholders along with their readiness in the following tabular format

No.	Stakeholders ⁶	Responsible For	Commitment		Indicate Buy-in Strategies (In case of 'No' Commitment)
			Yes	No	
1	Pregnant Women				
2	Lactating Mothers				
3.	AWWs/ASHAs				
4	NGOs				

NOTE: Ministries and programme managers usually fall short of identifying all the stakeholders. A complete list of stakeholder has to be prepared regularly and updated.

5 Project/Scheme cost

5.1 List all components and sub-components along with objective

Project Component/Sub-Component	Proposed Expenditure	Unit Cost Estimates			
		Recurring (Rs)		Non Recurring	
		Eg: Per Child		Eg: Per Centre	

⁶ Stakeholders of a project include those people or organizations that are likely to be affected by project and/ or can influence the success or failure of the project.

5.2 Provide the project cost estimate for its scheduled duration along with a break-up of year-wise, component-wise expenses segregated into non-recurring and recurring expenses, while also indicating the reference date and basis for cost-estimates. *(Complete the tables below)*

a) Non Recurring Expenditure Estimates⁷

This refers more to expenditure than cost. These are outlays.

Level	Expenditure Head	Reference Date for cost estimate	Basis ⁸ of Expenditure Estimate	⁹	
(Central/State/District/Others)			This is not available		
State level					
District level (see Page 196)					

b) Recurring Expenditure Estimates – During Project Implementation

Level	Expenditure Head	Reference Date for cost estimate	Basis ¹⁰ of Expenditure Estimate	Cost Estimate	
(Central/State/District/Others)			This is not available	Year 1	Year 2
State level					
District level					

c) Recurring Expenditure Estimates – Post Project Implementation on Asset (Indicate for 3 years, post commencement of Operations)

Level	Expenditure Head	Reference Date for cost estimate	Basis ¹¹ of Expenditure Estimate	Cost Estimate	
(Central/State/District/Others)			This is not available	Year 1	Year 2

⁷ Civil-Works estimates should be based on CPWD/PWD rates and norms along with layout plans, designs etc.

⁸ For example quotations, in-house data, market price.

⁹ Price level preferably within 6 months.

¹⁰ For example: quotations, in-house data, market price.

¹¹ For example: quotations, in-house data, market price.

Ongoing					

D Unit cost estimates: Non Recurring

This pertains to one time investment per activity.

<i>Unit Cost</i>	<i>Rs</i>
<i>Investment per additional AWC</i>	
<i>Investment per district center</i>	

D Unit cost estimates : Recurring

This pertains to each of services to be provided.

<i>Unit Cost</i>	<i>Rs</i>
<i>Cost per normal child (6-72 months)</i>	
<i>Cost per AW center</i>	
<i>Cost per diet</i>	
<i>Cost per pregnant woman or lactating mother</i>	
<i>Cost per severely malnourished child</i>	

(Note: Refer to Annexure XX on page 104, Revision of Financial norms for supplementary nutrition - Cost Indexation in *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*.

5.3 Indicate the physical and financial targets in a tabular format year-wise.

Total									
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Important but is not available

6 Project Viability

6.1 In case of Projects which have identified stream of financial returns, the financial internal rate of return may be calculated. The hurdle rate is considered at 12%.

6.2 In case of projects where financial returns are not readily quantifiable (typically social development projects), the economic rate of return may be estimated.

7 Project implementation and monitoring

8.1 Indicate schedule for project implementation under major heads/activities along with time-lines and different levels of government

Major Activity/Head/Component	Level of Government	Timeline for implementation
		Important but is not available

7.1 Operational and Human Resource capabilities:

- i. Mention steps to develop operational capabilities¹²

(Note: Refer to page 27, Section 4.6, Strengthening Human Resources and Training and Capacity building of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*).

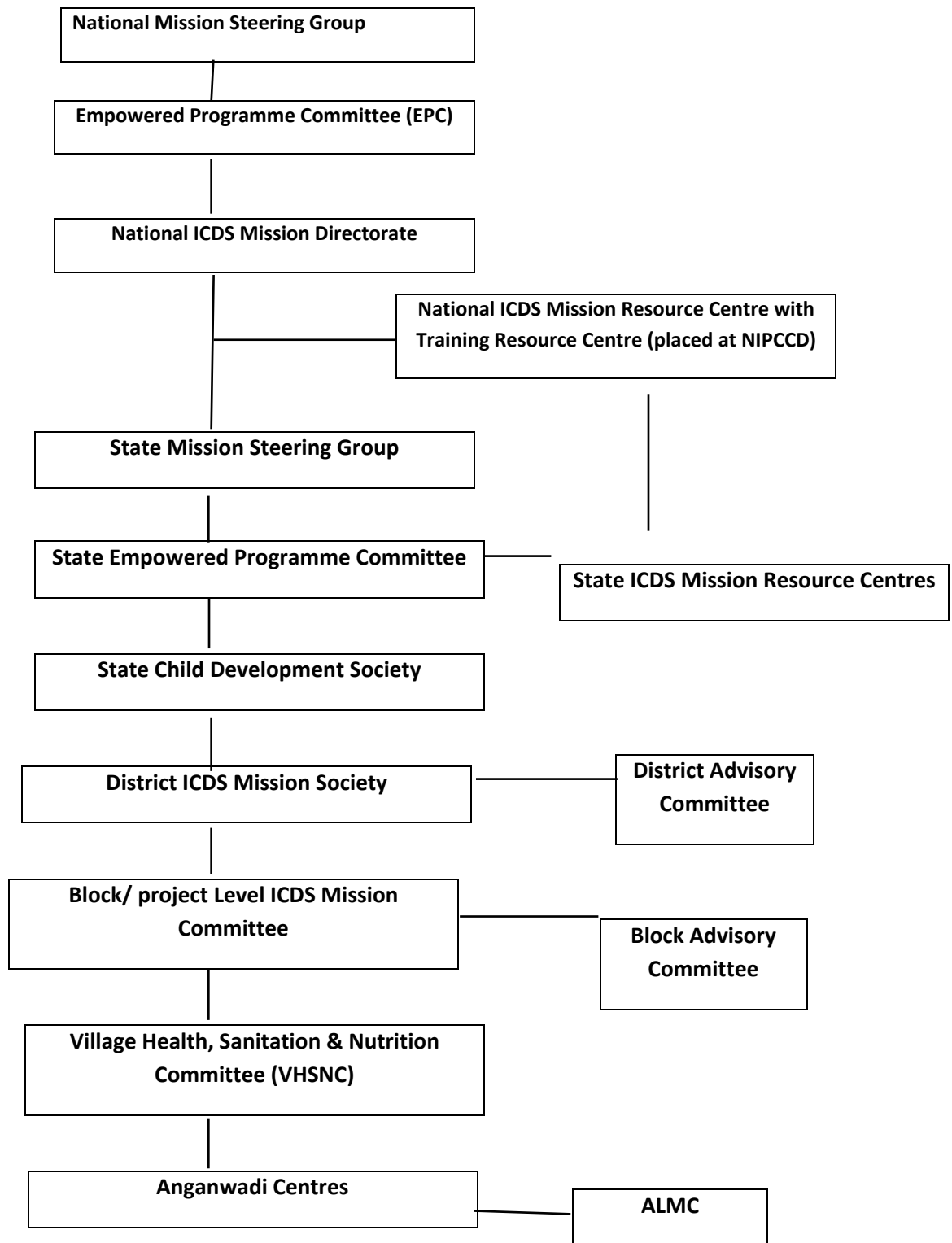
- ii. Provide Institutional Framework for implementation (in flow chart form)

(Note: From page 20 of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*).

Today it is a well-recognized fact that if appropriate and timely investment of resources is made for strengthening the ICDS Scheme, it has the potential of reducing under-nutrition in children under three years of age and enhancing early development and learning outcomes in all children under six years of age. In order to realise this vision, implementation of ICDS in the **Mission Mode** with flexibility in implementation on the lines of NRHM and SSA is the utmost priority at this stage. ICDS in Mission Mode would require a strong implementation, monitoring and supervision

¹² Recognize differential capacities of the states as part of Pre-Implementation strategy

mechanism right from central level to the grassroots levels. ICDS mission would envisage creating such arrangements at all levels. The existing service delivery mechanism will be strengthened through setting up of a National ICDS Mission Directorate and Child Development Societies at State and District levels. These Missions will be responsible for the effective implementation of ICDS. It is also proposed to create advisory bodies at all levels to oversee and guide the ICDS Mission. An Empowered Committee at the National level will be set up and equipped with the decision making powers. An overview of the proposed institutional arrangements is given as under:



- iii. In case of additional manpower requirement, please indicate the phased requirement over the project timeline (i.e. year-wise break-up of the manpower

requirement)

Project timeline and phased requirement needs to be mentioned, but presently is not available

7.2 Monitoring for the project/ scheme proposed by Outcomes and Outputs

- d. Page 25, Section 15 of EFC Memo Common Review Mission, Jan sunvai and Community owned accreditation system
- e. Refer to *Guidelines for Constitution of Monitoring and Review Committees at different level to review progress in implementation of ICDS scheme* issued by MWCD on March 31, 2011. (Page 121 Annex XXIV) of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*.
- f. Strengthening Monitoring, Review and Evaluation under ICDS Mission (Page 143 Annex XXV) of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*.

Outcomes

Outcomes	Details regarding Data		
	Agency Responsible for Data Collection	Methodology for Data Collection	Frequency of Data Collection
Outcome 1	Health Workers and ASHA of Health Department	Survey of their respective habitat	Annual
Outcome 2 Gain in WEight	Anganwadi Workers	Survey of their respective habitat	Annual

Outputs

Outputs	Details regarding Data		
	Agency Responsible for Data Collection	Methodology for Data Collection	Frequency of Data Collection
Output 1			

Output 2			
How many children are being weighed regularly			

8 Project Risks

9.1 Indicate foreseeable risks which can affect the project design, costing and implementation of the project.

Identified Risk	Impact of Risk	Mitigation Strategy ¹³
Risk factor 1 : Food Poisoning		
Risk factor 2 : Quality of Food		Quality control and checks

9 Additional Information

9.1 Social Cost Benefit Analysis¹⁴ may be presented in case of projects where financial returns are not readily quantifiable.

9.2 Please indicate if the project involves dislocation of human settlements. **No**

(This compensation cost is dependent on the rates indicated by District/State Authorities. Thus the total compensation cost may be worked out on the basis of these rates.)

- i. If yes, indicate the cost of land required to resettlement would be as indicated by the District/State Authorities
- ii. If yes, indicate the compensation to be paid to the displaced persons.

9.3 Please indicate if the project involves land reclamation or changes to existing land use plans.

No. Not Applicable

- i. If yes, indicate the costs involved in prevention and mitigation of disaster(s) (natural and man-made).
- ii. If yes, analyze the likelihood and impact from earthquakes, floods, cyclones and landslides due to the location of the project sites.
- iii. Has the cost of disaster treatment/mitigation measures been included in the overall project cost? (Yes/ No)
- iv. What are the land use directives, regulations applicable? List preventive measures enshrined in regulations which are to be complied with and confirm compliance.

¹³ Mitigation Strategy may be ignored in case Identified Risk is Positive in nature.

¹⁴ A document which could be referred to for the same is the UK Government's Green Book: Appraisal and Evaluation in Central Government, available at: http://www.hm-treasury.gov.uk/d/green_book_complete.pdf

- v. Please confirm that the design and engineering of the structure has taken into consideration the National Building Code 2005, the appropriate BIS Codes and the NDMA guidelines.

(Other sources such as Indian Road Congress Manual, Ministry of Road Transport, Highways and Shipping manual, Railway Board manual, Central Public Health Engineering Organization (Min. of Urban Development) manual, Central Electricity Authority manual and Central Water Commission manual etc. to be consulted where applicable.)

- g. List down details of other Concerned Ministry/ Agencies / Committee that have been consulted. See below and Annexure VII A (page 70) of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation*.

9.4 Annex the Comments/Observations made by each of them listed above as per tabular format mentioned below.

See Annex XIII, of *Strengthening and Restructuring of ICDS – A Broad Framework for Implementation* for the complete list. Illustration given below.

Name of Ministry / Agency	Comments/Observations	Response of Proposing Ministry
PMOs Office	A community based monitoring system at the grass root level and IT based monitoring system at the district, state and national level may be put in place.	Para V of the guidelines dated 31.3.2011 (page 121 to 132 of the framework document) for Constitution of Monitoring and Review Committee at different levels provide for constitution of Anganwadi Level Monitoring and Support Committee which include community based organisation. The role of the said committee has been defined therein. There is a proposal to put in place IT based monitoring system at the district, State and national level (refer to sub-para 2c, page 24 of the proposal).
Ministry of Finance, Department of Expenditure	MWCD is requested to obtain in principle approval and tie-up for the requisite funds with (Planning Commission) before mooted the current proposal as particularly since the proposed scale up is so high.	As per the PMO letter dated 17.10.2011, the in-principle approval of the Planning Commission is not necessary. Further the comments received from the Planning Commission has supported the proposal.
Planning Commission	The evaluation study conducted by the NCAER in 2010 has concluded that there is wide divergence between statistics on nutritional statistics, registered beneficiaries etc. Therefore, it is recommended that there is a need to engage a third party for data generation. The ministry may indicate the action taken in this regard.	Appropriate provisions have already been made under the ICDS Mission. Section – 16 of the EFC Note (Ref page 24) provides for strengthening ICDS MIS that includes arrangements for entry, analysis and validation of data generated through various means including involvement of an external agency with requisite experience.
Ministry of Health and FW	The Community based management of malnourished children including SAM shall be prime responsibility of MWCD who would refer suitable cases for	The management of severely and moderately underweight children is the joint responsibility of MWCD and MoHFW. Under the proposed ICDS Mission, this will be undertaken through community based interventions aided by jointly

	Facility Based Management to the health department. This needs to be stated unambiguously.	prepared protocols for early identification, stabilization and management. The AWCs, VHNDs and home visits will be the means of early identification following which the appropriate community based management for early stabilisation and / or referral for facility based management will be undertaken. The health workers (ANMs and ASHAs) are already part of the VHND platform and will have primary role in early identification and stabilisation at the community level as well as taking an informed decision of referral to facility based management. Besides the ANM will be required
Ministry of Housing and Urban Poverty Alleviation	It is observed that the focus of ICDS is concentrated in rural areas. The recently completed NCAER (2011) study on ICDS for the Planning Commission states that rural areas have more than twice the coverage of urban areas. The study found that under ICDS, 26% of rural mothers and 41% of rural children were covered as opposed to 11% urban mothers and 18% or urban children.	The ICDS scheme has been universalized post 2005-06 across the country covering all habitations. The samples covered by NCAER study were primarily pertaining to AWCs that were operational in 2005-06 by when only 50% of the habitation were covered across the country. Since 2008-09, the schme has been universalised to cover 14 lakh habitations across the country of which 12.95 AWCs were operational (as on 30 th November 2011) with a total number of 1.14 lakh AWCs in urban habitation.
Ministry of Tribal Affairs (NGO Division)	As per the NFHS-III survey and all other available data, ST population is a highly undernourished population group. Therefore, in the Strengthening and Restructuring of ICDS special provisions for ST population are needed to bring them at par with other population groups. The EFC memorandum contains special provision for 200 high-burden districts such as additional AWW/Nutrition counsellor, preference in organising SNEHA SHIVIRs for undernourished children. It is suggested that similar special provision are also extended to scheduled Areas, some of which are not covered in these 200 identified high-burden districts	The existing guidelines already provide for relaxed population and financial norms for opening of AWCs and other ICDS related activities in the hilly and tribal areas. Most of the tribal areas where the incidence of malnutrition is high are included in the proposed 200 high burden districts. However, the States would be given flexibility to bring similar proposals in the APIP depending on the need to cover scheduled areas as well as any other districts across the country using the untied fund with approval of the EPC.
Department of Rural Development	Construction of 'Anganwadi' is not a admissible activity under MGNREGA and therefore funds of MGNREGA cannot be leveraged for construction of Anganwadi.	Noted. As communicated vide MoRD letter of 17 October 2011, this item is now in the proposed list of admissible items of work. The department may therefore consider including construction of AWC as one of the admissible activities under the MGNREGA. In larger habitation or village having more than 1 AWC and where MGNREGA work is not limited to 100 days for set of women workers, feasible model of crèche provision of MGNREGA may converge with AWC-cum-Creche on pilot basis.
Ministry of HRD, Dept of School Education and Literacy	The EFC note makes reference to the recommendations of the National Advisory Council (NAC) for a reformed and strengthened ICDS, but does not make any mention of the NAC recommendation that children upto 4	The recommendations of the NAC were deliberated and settled by the IMG in the meetings held on 12 th and 28 th July 2011. (See detailed response see page 316)

	years be provided ECCE experiences through the ICDS, and that a pre-school section be provided in all government primary schools to ensure continuity in the child's educational growth. D/SE&L had conveyed concurrence to the NAC recommendation vide letter No.14-10/2011-EE.8 dated July 2011, and this factual position may be specifically incorporated in the EFC note.	
Ministry of Drinking Water and Sanitation	Chapter 2.1 (i) Page -7 of EFC: Under the NRDWP of Ministry of Drinking Water and Sanitation, one of the goals is to provide drinking water facilities to all rural anganwadis housed in Government/community buildings. Assistance is provided on a 50:50 Centre: State sharing basis to States for this purpose.	There are 14 lakh approved AWCs under the ICDS Scheme, of which only about 7 lakh AWCs are operating from their own building/school building/others with little space or operating from verandah. The remaining AWCs are either functioning from the rented premises and / or the house of AWWs. Since the provisions of NRDWP are only restrictive to Government / Community buildings in rural areas, a large number of AWCs get left out. The provisions of NRDWP may be extended to cover all AWCs.

10 Points on which decisions/sanctions are required.

Refer to page 52, Section 25 of the EFC Memo

- (i) Continued implementation of ICDS, along with changes proposed for strengthening and restructuring of ICDS, during the XII Five Year Plan;
- (ii) Approval for proposals contained in para 2 © of this EFC Memo;
- (iii) Approval for creation of posts as per proposal contained at para 7 of this EFC Memo and as per details in Annexure VII to be operationalised in a phased manner;
- (iv) Approval for implementation of ICDS in Mission Mode as per the Broad Framework for Implementation of ICDS Mission including illustrative financial norms for listed activities with space for flexibility and innovation to States;
- (v) Approval for the constitution of the Mission Steering Group (NMSG) and Empowered Programme Committee (EPC) at national and State levels for effective planning, implementation, monitoring and supervision of ICDS Mission;
- (vi) Approval for delegation of powers to the Empowered Programme Committee (EPC) to approve APIs as well as make modifications of norms of approved schemes/items of expenditure/add new schemes, within the overall budget of ICDS Mission/Ministry of Women and Child Development;
- (vii) Approval of the National ICDS Mission Directorate to be headed by the Joint Secretary level officer as Mission Director (as per detailed given in section – of this EFC Note) and to vest it with adequate administrative and financial powers by the EPC as deemed necessary, to

- enable the Directorate for working towards achieving the agreed vision and outcomes of the ICDS Mission;
- (viii) Creation of a separate ICDS Mission Budget head to allow flexibility and integration within the child development and nutrition sectors and for convergent action with wider determinants of maternal and child nutrition.
 - (ix) Approval on the allocation of financial resource for ICDS Mission during 12th Five Year Plan (2012 – 2016), i.e., Rs 1,80,055 crore with average annual GOI share of about Rs 36,000 crore;
 - (x) Approval on proposed revision and inclusion of norms under ICDS Mission given at Annex – XII.
 - (xi) Approval for carrying out any such modifications in operational modalities by the Ministry of Women and Child Development as may be warranted, from time to time, for effective implementation of the ICDS Scheme.

Note: *Decisions /Sanctions required should be a self-contained document. It should not point to other documents and references.*