# Implementation Status & Results

## India

Kerala Local Government and Service Delivery (P102624)

<table>
<thead>
<tr>
<th>Operation Name: Kerala Local Government and Service Delivery (P102624)</th>
<th>Project Stage: Implementation</th>
<th>Seq.No: 2</th>
<th>Status: ARCHIVED</th>
<th>Archive Date: 27-Nov-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country: India</td>
<td>Approval FY: 2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Line: IBRD/IDA</td>
<td>Region: SOUTH ASIA</td>
<td>Lending Instrument: Specific Investment Loan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Key Dates

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Approval Date</td>
<td>29-Mar-2011</td>
</tr>
<tr>
<td>Original Closing Date</td>
<td>31-Dec-2015</td>
</tr>
<tr>
<td>Planned Mid Term Review Date</td>
<td>18-Mar-2013</td>
</tr>
<tr>
<td>Last Archived ISR Date</td>
<td>03-Jan-2012</td>
</tr>
<tr>
<td>Effectiveness Date</td>
<td>16-Sep-2011</td>
</tr>
<tr>
<td>Revised Closing Date</td>
<td>31-Dec-2015</td>
</tr>
<tr>
<td>Actual Mid Term Review Date</td>
<td></td>
</tr>
</tbody>
</table>

### Project Development Objectives

**Project Development Objective (from Project Appraisal Document)**

To enhance and strengthen the institutional capacity of the local government system in Kerala to deliver services and undertake basic administrative and governance functions more effectively and in a sustainable manner.

Has the Project Development Objective been changed since Board Approval of the Project?

○ Yes  ○ No

### Component(s)

<table>
<thead>
<tr>
<th>Component Name</th>
<th>Component Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Grants</td>
<td>238.60</td>
</tr>
<tr>
<td>Capacity Building</td>
<td>10.60</td>
</tr>
<tr>
<td>Enhancing State Monitoring of the Local Government System</td>
<td>3.30</td>
</tr>
<tr>
<td>Project Management</td>
<td>6.30</td>
</tr>
</tbody>
</table>

### Overall Ratings

<table>
<thead>
<tr>
<th>Rating</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

### Implementation Status Overview

KLGSDP is exactly one year since effectiveness on September 16, 2011. The project standing is significantly improving with disbursements at US$ 60.65 million, representing about 31 per cent of total IDA credit of USD 200 million.

All LSGs received their first grant allocation in January 2012 and commenced implementation of sub-projects identified through their local participatory planning process. The sub-
projects undertaken by the LSGs include front office modernization, computerization of local-self government operations, roads (construction, maintenance), bridges and culverts, public amenities, markets, bus stands, panchayat buildings, irrigation channels, and drinking water supply. The total number of sub-projects taken up for implementation by the GPs and municipalities using performance grants is about 7647 during 2011/12.

On monitoring systems, the PMU in collaboration with DAC embarked upon the baseline survey that is expected to be completed by January 2013. DAC has collected GPs and municipalities data for three years (2008, 2009, and 2010). DAC has also collected and compiled data on other socio and economic characteristics of the GPs and municipalities. DAC is putting in place a peer review mechanism for various reports and data to ascertain quality assurance.

In terms of financial management, in addition to the disbursement progress noted above, provision for performance grants and other project expenditure for the 2012-13 has been made in the state budget. A key achievement in the past year has been the clearance of the audit backlog for 2009-10 and 2010-11. Audit certification of the annual financial statements of all LSGs has been completed for these years. The PMU has also shared the Interim Unaudited Financial Reports for the period up to March 31, 2012 and that for the half year up to September 30, 2012 is due by November 30, 2012. The computerized accounting software Saankhya (for accrual based double entry accounting) has been rolled out in all municipalities and in about 60 per cent of the GPs. It is expected that the rollout of this software will be completed by December, 2012. The integration of Saankhya with Sulekha (plan monitoring software) is ongoing. Upon completion, Sulekha will provide the physical and financial report in respect of the sub-projects.

In terms of project management, the procurement process for recruitment of consultants for carrying out the annual performance assessment of LSGs for award of performance grants for 2013-14 in accordance with the Financing Agreement is ongoing as scheduled. The contract awards for the lead consultant firm and the three implementing firms is expected to be completed by November 15, 2012 (for the lead firm) and by November 30, 2012 (for the 3 performance assessment firms). The performance assessment process will commence by December 2012.

### Locations

<table>
<thead>
<tr>
<th>Country</th>
<th>First Administrative Division</th>
<th>Location</th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>Kerala</td>
<td>State of Kerala</td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>

### Results

#### Project Development Objective Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator one: 70% GPs and Municipalities will have passed the performance assessments for well-functioning fiduciary, planning and service delivery systems 18 (total 1030)</td>
<td>☐</td>
<td>Percentage</td>
<td>Value 0.00</td>
<td>24-Oct-2012</td>
<td>70.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date</td>
<td>24-Feb-2011</td>
<td></td>
<td>31-Dec-2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Comments</td>
<td>Not yet due. PAs to kick in from year 2.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator two: A well-established performance based grant system is increasingly financed by GoK</td>
<td>☐</td>
<td>Amount(USD)</td>
<td>Value 0.00</td>
<td>24-Oct-2012</td>
<td>30.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date</td>
<td>24-Feb-2011</td>
<td></td>
<td>31-Dec-2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Comments</td>
<td>PAs based on PAs to kick in from year 3.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator three: The number of direct project beneficiaries of which a certain number are female.</td>
<td>☐</td>
<td>Number</td>
<td>Value 0.00</td>
<td>24-Oct-2012</td>
<td>29500000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Date</td>
<td>24-Feb-2011</td>
<td></td>
<td>31-Dec-2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Comments</td>
<td>Baseline survey is ongoing and expected to be completed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The survey will provide a basis for estimates of the actual beneficiaries. Current estimate is based on the assumption that the project is already under implementation across all LSGs.

### Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator one: By EOP, #/types of sub projects built by GPs and Municipalities through block grant</td>
<td></td>
<td>Text</td>
<td>Value 0.00</td>
<td></td>
<td>#/type of subprojects from block grants are not predetermined. However, the project will be reporting upon the #/type of outputs through semi-annual reports.</td>
</tr>
<tr>
<td>Date</td>
<td>24-Feb-2011</td>
<td>24-Oct-2012</td>
<td></td>
<td></td>
<td>31-Dec-2015</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The total number of sub-projects taken up for implementation by the GPs and municipalities using Performance Grants is about 7647 during 2011/12. These include roads (about 4600), street lights (191), maintenance of existing capital assets (367 sub-projects), water and sanitation (530 sub-projects), office automation, solid waste management, school furniture, electricity.</td>
</tr>
</tbody>
</table>

<p>| Indicator two: Performance of all GPs and Municipalities is assessed each year. |      | Percentage      | Value 0.00|         | 100.00                                                                        |
| Date                                                                          | 24-Feb-2011 | 24-Oct-2012 |          |         | 31-Dec-2015                                                               |
| Comments                                                                      |       |                |          |         | Certification audit of 978 GPs and 60 MCs for FY 2010-11 has been completed. Full-fledged PAs to commence in year 2. |</p>
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Number</th>
<th>Value</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator one: LSGs received training over life of project in areas</td>
<td></td>
<td>0.00</td>
<td>24-Feb-2011</td>
<td>24-Oct-2012</td>
</tr>
<tr>
<td>of project in areas mentioned under component 2.</td>
<td></td>
<td></td>
<td></td>
<td>1028.00  31-Dec-2015</td>
</tr>
<tr>
<td>Date 24-Feb-2011 24-Oct-2012 31-Dec-2015</td>
<td></td>
<td></td>
<td></td>
<td>In August 2012 the PMU undertook basic training for all LSGs in financial management, procurement, environmental and social safeguards</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator two: KILA's capacity developed to provide enhanced training to</td>
<td></td>
<td></td>
<td></td>
<td>24-Feb-2011 19-Dec-2011 31-Dec-2015</td>
</tr>
<tr>
<td>GPs and Municipalities</td>
<td></td>
<td></td>
<td></td>
<td>Quality improved as assessed during final evaluation.</td>
</tr>
<tr>
<td>Date 24-Feb-2011 19-Dec-2011 31-Dec-2015</td>
<td></td>
<td></td>
<td></td>
<td>Qualitative assessment of capacity. KILA assessment to be undertaken.</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator three: Production of draft manuals in the areas of budget,</td>
<td></td>
<td>0.00</td>
<td>24-Feb-2011</td>
<td>19-Dec-2011 31-Dec-2015</td>
</tr>
<tr>
<td>planning, financial mgmt, public works/procurement, institutional mgmt.</td>
<td></td>
<td></td>
<td></td>
<td>Not yet due.</td>
</tr>
<tr>
<td>Date 24-Feb-2011 19-Dec-2011 31-Dec-2015</td>
<td></td>
<td>4.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td>Not yet due. GP database to be established after baseline survey is completed and DAC is fully functional.</td>
</tr>
<tr>
<td>Indicator one: GP database established and operating with annual reports</td>
<td></td>
<td>0.00</td>
<td>24-Feb-2011</td>
<td>19-Dec-2011 31-Dec-2015</td>
</tr>
<tr>
<td>produced</td>
<td></td>
<td></td>
<td></td>
<td>Not yet due. GP database to be established after baseline survey is completed and DAC is fully functional.</td>
</tr>
<tr>
<td>Date 24-Feb-2011 19-Dec-2011 31-Dec-2015</td>
<td></td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator two: Decentralization Analysis Cell (DAC) providing annual</td>
<td></td>
<td>0.00</td>
<td>24-Feb-2011</td>
<td>19-Dec-2011 31-Dec-2015</td>
</tr>
<tr>
<td>fiscal reports</td>
<td></td>
<td></td>
<td></td>
<td>Not yet due. DAC has been set up. Staff recruitment underway.</td>
</tr>
<tr>
<td>Date 24-Feb-2011 19-Dec-2011 31-Dec-2015</td>
<td></td>
<td>3.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator three: Project studies/surveys complete</td>
<td></td>
<td>0.00</td>
<td>24-Feb-2011</td>
<td>19-Dec-2011 31-Dec-2015</td>
</tr>
<tr>
<td>Date 24-Feb-2011 19-Dec-2011 31-Dec-2015</td>
<td></td>
<td>4.00</td>
<td></td>
<td>Not yet due. Procurement underway for baseline and various other studies.</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator one: LSGD PMU fully staffed and functioning to provide project</td>
<td></td>
<td>6.00</td>
<td>24-Feb-2011</td>
<td>19-Dec-2011 31-Dec-2015</td>
</tr>
<tr>
<td>support and oversight to GPs &amp; Municipalities</td>
<td></td>
<td></td>
<td></td>
<td>Staffing mostly complete. Replacements underway for staff who have left.</td>
</tr>
<tr>
<td>Date 24-Feb-2011 19-Dec-2011 31-Dec-2015</td>
<td></td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Data on Financial Performance (as of 03-Aug-2012)

Financial Agreement(s) Key Dates

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Original Closing Date</th>
<th>Revised Closing Date</th>
</tr>
</thead>
</table>

Disbursements (in Millions)

<table>
<thead>
<tr>
<th>Project</th>
<th>Ln/Cr/Tf</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P102624</td>
<td>IDA-48720</td>
<td>Effective</td>
<td>XDR</td>
<td>128.10</td>
<td>128.10</td>
<td>0.00</td>
<td>39.65</td>
<td>88.45</td>
<td>31.00</td>
</tr>
</tbody>
</table>

Disbursement Graph

Key Decisions Regarding Implementation
No key decisions for disclosure.

Restructuring History
There has been no restructuring to date.

Related Projects
There are no related projects.