

# Summary of Selected Proposals-Round 2

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AusAID funded Policy Facility for Decentralization, Local Governance and Service Delivery in South Asia Region

**June 2008**

No	Title/TTL/Country/Sector/Amt/Policy Process	Context and Objectives	Activities	Outcomes	Cross sectoral/ country linkages	Lead Counterparts, Engagement Strategy and follow up	Assessment
1	<b>Policy Support for Intergovernmental Fiscal Reform and Sub-national Fiscal Arrangements</b> Roland White Afghanistan Fiscal Policy, Decentralization \$ 150,000 Policy dialogue and design	The objective is to generate policy proposals for strengthening and reforming the inter-governmental fiscal system. This is a follow up of the activity funded in Round 1 which focused on an evaluation of the inter-governmental fiscal system.. Based on that work GoA through the newly established Independent Directorate for Local Government (IDLG) has requested for Bank's guidance for the next step of strengthening and reforming the fiscal architecture including sub-national fiscal reform. IDLG has been charged with reform of the inter-governmental system beginning in 2008.	1) Technical assistance (TA) to develop a long term framework with incremental steps for reform of the inter-governmental fiscal system and strengthening of sub-national fiscal arrangements. 2) Policy dialogue along with TA with clients, stakeholders, the donor community and civil society. 3) A series of policy proposals and a framework for long term reform and strengthening of the fiscal architecture.	1) A series of policy notes to guide the inter-governmental fiscal reform process and framework for long term fiscal reform.. 2) Policy decision by GoA to introduce fiscal reforms in a time bound manner. 3) Parallel commitment by donors to provide funds to implement these reforms.	Intergovernmental fiscal arrangements affect all development and the delivery of services such as health, education, infrastructure Countries that are small, poor and in conflict face similar institutional and service delivery issues could learn from this experience. Cross country learning extends to the region and beyond.	The main counterparts are IDLG and the Ministry of Finance (MoF). Relationships have been built with counterparts during the work funded in Round 1. These will be further consolidated by supporting the reform process that the two agencies are driving. At a recent meeting the Deputy FM has asked for Bank's TA to strengthen the sub-national fiscal system.	The broad scope of reforms to be undertaken by GoA has been clarified with the establishment of the IDLG and its Strategic Work Plan to take the reform process forward. There is client buy in and the request for assistance has come from the IDLG. Achieving the desired outcome depends on the support of MoF. IDLG and MoF have not been seeing eye to eye.. It will be up to the Bank to move the dialogue between the two forward to ensure the success of the reforms. The recent request by the Deputy FM for TA to address the issue of sub-national fiscal reforms is a positive step. The political risk of instability and conflict exists.
2	<b>Framework for Implementation of</b>	The main objective is to develop the technical and	1) Comprehensive scope evaluation	1) A property tax reform task force	Sectoral linkages with	The Urban Unit, Planning &	Property tax enhancement will

<p><b>Property Tax Decentralization in Punjab Province.</b></p> <p>Mihaly Kopyani Pakistan Urban, Decentralization, Fiscal Policy \$ 125,000 Policy dialogue and design</p>	<p>governance framework for implementing decentralization of the property tax system so as to deepen devolution and own source revenues of LGs.</p> <p>The Local Government Ordinance 2001 mandates the devolution of Urban Immovable Property Tax (UIPT). However nothing has changed on the ground. The UIPT only provides negligible revenue even though property tax is one of the richest sources of revenue for LGs. This is due to unclear policy, unreliable information base, and lack of incentives, expertise, and capacity in UIPT administration.</p> <p>The Government of Punjab has committed to a fundamental restructuring of the UIPT system. In December 2007, GoPunjab notified the "Policy Framework for Decentralized and Integrated Administration of UIPT, and the "Medium Term Tax Policy Framework 2007-2012". These policies are milestones in the municipal finance agenda and represent major steps towards enhancing financial sovereignty, governance, and downward accountability of local governments. The Bank has provided major support to the municipal finance reform agenda.</p>	<p>with gap assessment of provincial and local government agencies involved currently or potentially in property tax policy administration.</p> <p>2) Identification of factors and conditions in the intergovernmental fiscal architecture, that would improve incentives and motivation at local levels to increase own source revenues.</p> <p>3) Detailed concept and blueprint for a decentralized property tax system with specific recommendations. These would cover (i) institutional development, tax administration, organizational structures; (ii) human resources, capacity building, and training; (ii) information technology, databases, and networks; (iv) investment plans; (v) implementation framework including</p>	<p>established under the Urban Unit, Planning Department but with major involvement of Excise and Taxation, Finance, Planning, and Local Government departments</p> <p>2) Adoption by GoPunjab of a 5 year action plan for property tax reform implementation.</p> <p>3) Reliable, transparent, and effective property tax policy and administration system established initially in selected local governments and then rolled out in the province.</p> <p>4) Substantially broadened tax base and improved collection efficiency.</p> <p>5) Multi-fold increase of property tax revenues, increased development and O&amp;M expenditures, and eventually improved local infrastructure services.</p> <p>6) Improved governance and</p>	<p>intergovernmental finance, urban policy, and municipal finance. Services such as water and sanitation, solid waste management, and urban transport can be improved with additional tax revenues.</p> <p>The blue-print and action plan are relevant for countries in the region that have decentralized or plan to decentralize property tax administration</p>	<p>Development Department is the lead counterpart, along with the Excise and Taxation, Finance, and the Local Government departments of GoPunjab. Although municipal finance is a provincial subject, some federal agencies e.g. Central Board of Revenues could be involved</p>	<p>improve own source revenues of LGs substantially. There is strategic alignment with the Bank's ongoing policy dialogue with MoF and the FBR on tax policy and with GoPunjab's own reform agenda. The draft provincial taxation report prepared by the Bank highlights the need for greater revenue effort from the provinces and puts UIPT at the top of the list for reform.</p> <p>The Secretary, Excise and Taxation. GoPunjab has requested Bank support for developing, financing and implementing a comprehensive property tax policy and administration reform.</p> <p>The proposal leverages the \$ 300m DPL and opens up the prospect of further Bank lending.</p> <p>The only risk is that LGs are always reluctant to raise property taxes but the proposal is looking into the issue of incentives to raise own revenues and is also trying to</p>
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		<p>The Bank's Punjab Large Cities Development Policy Loan (DPL) is supporting TA for a new property tax legislative framework. This policy reform needs to be backed up by an implementation program supported by robust technical assistance and eventually Bank lending. The proposal is to assist GoPunjab in policy implementation, by laying down the foundation for a decentralized property tax administration system with well allocated functions and adequate systems and capacities at provincial and local government levels.</p>	<p>communication strategy; and (vi) broad cost estimates.</p> <p>4) A five-year action plan for property tax reform implementation built on the outputs listed in 1) and 2) eventually adopted by the provincial government.</p> <p>5) Three workshops and several technical meetings to sensitize and involve key stakeholders.</p> <p>6) Leveraging Bank finance for specific programs e.g. funding property tax administration reform, TA on local revenue enhancement and capacity building.</p>	<p>downward accountability of LGs.</p> <p>7) Leveraging Bank financing based on the results of this activity.</p> <p>Outcomes 3, 4 and 5 are to be realized through additional Bank funding.</p>			<p>enhance property tax without increasing the tax rate.</p>
3	<p><b>Improved Secondary Education Service Delivery</b></p> <p>Samuel Carlson India Education</p>	<p>To assist GoI and select states to establish a national learning assessment and baseline measurements of service delivery in secondary education based on learning outcomes of students in Grade 10. Secondary education is primarily (though not exclusively) a State subject in</p>	<p>Technical assistance, training and workshops aimed at:</p> <p>1) Developing, piloting, field testing and revision of a Grade 10 national learning</p>	<p>1) Policy changes at the State level in favor of piloting of SBM and alternative PPP models, which would after rigorous evaluation and revision be scaled up</p> <p>2) Decision by the</p>	<p>Measurement of the impact on learning outcomes attributable to alternative service delivery mechanisms such as</p>	<p>Ministry of Human Resources Development (MHRD), National Council on Education Research and Training (NCERT) one or two State departments of education still to be determined (e.g. Karnataka, Andhra</p>	<p>This is an opportunity to address the lack of national assessment baselines in India and to support the introduction of reforms like SBM and PPP in the education sector.</p>

<p>\$ 150,000</p> <p>Policy advocacy, dialogue and design</p>	<p>India, and this proposal would build capacity to monitor the quality of education service delivery at decentralized levels. In addition, these baselines will be essential to monitor progress in learning outcomes after (a) introduction of school-based management (SBM) reforms in publicly funded secondary schools and (b) piloting of alternative public-private partnership (PPP) service delivery models. These reforms are to be introduced through the new GOI program SUCCESS(implementation of these reforms are anticipated over the next 2-3 years). At present, no common national baseline measurements exist to measure school performance. There are only non-comparable secondary examinations conducted by 41 different Boards in 28 States and 7 Union Territories.</p>	<p>assessment. Such piloting would require development, validation, field testing and finalization of assessment instruments.</p> <p>2) Piloting of one Indian State's participation in the OECD Programme for International Student Assessment (PISA).</p> <p>3) Program of support to establish the first "building blocks" for measuring the impact of expected efforts to improve accountability, local governance and service delivery in secondary schools in India through the new national program SUCCESS.</p>	<p>Ministry of Human Resources Development to participate in PISA</p> <p>3) Dissemination and discussion of the results of the learning assessments with stakeholders in the participating states, to ensure greater accountability to stakeholders and accountability in the delivery of services.</p> <p>4) National and international learning assessments administered, to establish a baseline for the large centrally-sponsored scheme for secondary education, SUCCESS, which will be launched shortly by GoI under the 11<sup>th</sup> Plan.</p> <p>5) Piloting of Grade 10 assessment of student learning in language arts, math and/or sciences.</p> <p>6) Piloting of one State's involvement in PISA in 2009.</p> <p>7) An intermediate indicator of progress would be leveraging</p>	<p>public-private partnerships, would generate information useful for sectors, such as health and social protection.</p> <p>Future participation in PISA by India would generate significant cross-country learning, as it would permit both international benchmarking and analysis of critical factors and policies which determine student learning outcomes at the secondary level, in India and beyond.</p>	<p>Pradesh).</p> <p>The team has been engaged with GOI and the states in secondary education policy dialogue for the past two years, and this has intensified since August 2007, with policy workshops and delivery of the World Bank study "Secondary Education in India". The latter was recently disseminated at a major 3-day conference on secondary education, co-sponsored by MHRD, the World Bank, Asia Society and Central Board of Secondary Education.</p> <p>The team anticipates a request from GoI for Bank support for secondary education. If this is forthcoming, the team's engagement will intensify in the identification of states willing to engage in piloting of reforms in 2009 and beyond, such as SBM and public per capita student funding in private schools. In addition, Bank financing will build capacity at NCERT to administer grade 10 learning achievement assessments on a</p>
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				of additional Bank financing to support student learning assessment at the secondary level, and to support further implementation of SBM and PPP reforms in secondary schools.		national scale, and to engage more states to participate in PISA. IDA will also support dissemination to key decentralized stakeholders of assessment results, for identification of remedial interventions to improve education service delivery. The proposal would leverage Bank funding for both sustainability and scaling up of national and international learning assessments. The Bank is also working with other development partners, such as DFID, in support of this process. The TTL is located in Delhi and is expected to remain there for the next four years, providing field-level continuity and engagement to ensure achievement of desired results.	
4	<b>Institutional Framework and Implementation Plan for Metropolitan Transport</b>	The 74 <sup>th</sup> Amendment of the Indian Constitution includes urban transport as an important sector for decentralization. At the local level, municipal governments have multiple	1) Study of international best practices in urban transport institutional arrangements for	1) National policy guidelines for establishing effective UMTAs. 2) Implementation	Experiences in North America and Western Europe have shown that	Ministry of Urban Development, State Urban Departments in two selected states and Municipal Corporations in two metro regions	Cities are being pushed to think about UMTAs, as they are a pre-condition for future central government funding of large urban

<p><b>Authorities</b></p> <p>Ke Fang India Urban, Transport \$150,000 Policy dialogue and design</p>	<p>agencies involved in one or more aspects of urban transport and lack the capacity to play a substantial role in urban transport development. Effective mechanisms for coordinating fragmented, and sometimes overlapping, responsibilities of national, state and several municipal actors in metro areas are not in place.</p> <p>The National Urban Transport Policy (NUTP) 2006 called for the establishment of "Unified Metropolitan Transport Authorities (UMTAs)" in all metro regions with one-million plus population (30 metros), for coordinated and effective planning and implementation of urban transport. It did not however provide a detailed framework for setting up UMTAs. Some cities ie Mumbai and Bangalore have designated "UMTAs", but they are at best consultative committees established at the state level with insignificant representation from cities in the metro region. They have not developed specific planning/decision-making processes or operating procedures. Nor do they have dedicated staff.</p> <p>This proposal supports the development of a detailed policy and organizational framework at the national and state level for establishment of</p>	<p>investment planning/decision-making, system operations and management.</p> <p>2) Articulate the need for and benefits of setting up UMTAs and develop technical guidance on UMTA organization and planning and decision making processes.</p> <p>3) Prepare a variety of presentation materials which can be used at local, state and national workshops to inform officials at all levels about UMTAs.</p> <p>4) Select 2 metro regions where state and local officials commit to establishing UMTAs and assist them in developing feasible institutional arrangements and procedures for UMTAs.</p> <p>5) Develop detailed implementation plan for two metro</p>	<p>plan developed under this study to be accepted by the respective states and city governments. This will lead to a roll out in other metros in the SUTP and elsewhere.</p> <p>3) Acceleration of the pace at which well functioning UMTAs are established in metro regions in India.</p>	<p>effective UMTAs could lead to better governance for other services delivered by metros ie. W&amp;S, health etc.</p> <p>A successful project in India could be used as the basis for similar efforts in metro regions in developing countries.</p>	<p>will be the main counterparts. Other agencies currently involved in urban transport in these metro regions will also participate.</p> <p>This study is linked to the proposed Bank funded SUTP a four-year program involving 9 metros in 9 different states with a total investment of US\$ 375 million. The SUTP provides a stable platform for engagement with state and city governments on UMTA issues for the next 4-5 years. It will also provide some technical and financial assistance for implementation of the action plans developed by this study.</p>	<p>transport projects. Among the 9 SUTP cities, at least 5 are planning to set up UMTAs in the next few years. This will be first time national guidelines for setting up effective UMTAs and an implementation plan are designed.</p> <p>When and how to set up UMTAs is a decision to be made by client governments. However a high quality study would enhance the policy dialogue with national, state and local governments and help jumpstart these reforms.</p> <p>Some of the SUTP cities, such as Ahmedabad, Hyderabad, Indore, Pune, and Trivandrum have started discussions with their respective states on establishing UMTAs.</p>
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		UMTAs and an implementation plan for setting up UMTAs in 2 metros from among the 9 demonstration metros currently participating in the Bank funded Sustainable Urban Transport Program (SUTP).	regions. 6) Compile, synthesize and disseminate the results of the study through a workshop.				
5	<b>Strengthening of Panchayats in Bihar</b>  Yongmei Zhou  India  Rural, Decentralization  \$100,000  Policy advocacy, dialogue and design	This proposal will assist Government of Bihar (GoB) to design a program to strengthen Panchayati Raj Institutions (PRIs) consistent with the Bihar Panchayat Raj Act, 2006. as a part of the World Bank funded Bihar Panchayat Strengthening Project. The project's objective is to improve the autonomy, capacity and accountability of PRIs. Specifically, to 1)in select districts improve PRIs governance capacity to implement government anti-poverty schemes and undertake discretionary development initiatives that are responsive to community needs; and 2) improve the enabling policy and administrative environment for PRIs functioning.	1) Study on PRI finance. It will quantify sources of revenue, financial management and reporting requirements, their impact on management autonomy and accountability. It will analyze expenditure patterns and gauge capacity to utilize discretionary resources. Recommendations for changes in the inter-governmental fiscal framework will be made.  2) Workshop on PRI capacity building with GoB officials, representatives of PRIs, institutions in the public and private sectors that have spearheaded	1)Key rules for implementation of the Bihar PR Act provisions with respect to single window for fund transfers to PRIs, public financial management and local accountability.  2)Design of an Operational Manual for PRIs for the BRGF.  3) Design of a PRIs Management Information System for implementation as a pilot in select districts.  4) Government of Bihar Policy on PRIs Capacity Building.:  5) Based on the policy design of a medium-term program of PRI capacity building for financing by the	PRIs are responsible for service delivery in several sectors like education, health, water and sanitation, environmental resource management, employment. The proposed activities will have a positive impact on service delivery..  Cross country learning with Uganda is part of the proposal as is also learning from other states like Kerala.	Department of Panchayati Raj, Government of Bihar.  The engagement will be closely linked to the preparation process of the Bihar Panchayat Strengthening Project. The expected outputs are all critical to the consultative and learning process and design of the project.	Given that Bihar is a lagging region the proposal is worth supporting. A low governance environment may make achieving outcomes difficult.

		<p>capacity building approaches for PRIs. The workshop will help develop the policy framework for a PRI Capacity Building Program.</p> <p>3) Developing baseline measures of quality of local governance, covering local decision-making processes, citizens' perception of and interaction with local authorities, citizens' access to public services and welfare benefits. It will also look at the impact of Gram Sabhas (village assemblies).</p> <p>4) Design of a framework for evaluating the impact of specific interventions to improve PRI effectiveness and accountability, ie the Backward Region Grant Facility (BRGF), National Rural Employment Guarantee Program (NREGP) and primary education</p>	<p>Bihar Panchayat Strengthening Project and other co-financing partners.</p> <p>6) GoB Gram Panchayat Handbook. This will include guidelines on running Gram Sabhas, guidelines on participatory planning, social audit, financial management, and standing orders of Gram Panchayats.</p>			
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6	<b>Framework for Implementing PESA Act in Chhattisgarh</b> Barbara Verardo India Rural, Decentralization \$75,000 Policy advocacy, dialogue and design and M&E	<p>Tribal communities in India have been managing their affairs and natural resources through traditional systems of governance since time immemorial. After independence laws and institutions that ignored traditional systems of governance were extended to the tribal areas and applied mechanically, even when they contravened traditional tribal practices and institutions.</p> <p>The Panchayats (Extension to the Scheduled Areas) Act, 1996 (PESA), extending the provisions of the 73rd Amendment of the Constitution (1992) covering decentralization to tribal dominated areas, is a positive exception. The Act recognizes the right of tribal communities to their own systems of self-government and their traditional rights over natural resources. Besides granting powers of self-governance, PESA empowers the Gram Sabha (village assembly) to approve development plans, control all social sectors – including the processes and personnel who implement policies, over minor (non-timber) forest resources, water bodies and minerals, manage local markets and stop land alienation.</p>	<p>1) Review of PRI legislations in Chhattisgarh including status of implementation formal and informal impediments and degree of conformity of PRI legislation to PESA Act, status of necessary amendments to corresponding National Acts (Indian Forest Act, Money Lending Act, Land Acquisition Act, Police Act, Wildlife Protection Act, etc) and at the state level; resolving inconsistencies in legislations.</p> <p>2) Stock-taking of the institutional interface between customary and democratically elected bodies in Scheduled Areas, nature of PRIs in Scheduled Areas of the state, the process of formation, degree of synergy with traditional village</p>	<p>1) Development of a revised service delivery approach in tribal areas and model guidelines for effective implementation of PESA (that could then be extended to other PESA states)</p> <p>2) Simplified set of relevant state laws consistent with the Act</p> <p>3) Revised project guidelines to be adopted by local governments for the implementation of government schemes in tribal areas</p>	<p>Effective implementation of PESA would allow Gram Sabhas and PRIs to become more effective development agents and service providers in tribal areas. This would affect service delivery in all related sectors, health, education etc.</p> <p>This experience is relevant to the other 8 states that are also required to implement this act. It is also of importance to all traditional societies transitioning to local democracies in Africa etc.</p>	<p>Lead counterparts are State Department of Panchayats and Rural Development, the implementation agency for the Bank funded Chhattisgarh District Rural Poverty Project (DRPP). As the team is already engaged in the supervision of the Chhattisgarh DRPP and in policy dialogue with the Department of Panchayats and Rural Development, it is envisaged that this convergence in policy dialogue will increase efficiency and effectiveness in working together and monitoring progress.</p>	<p>PESA is one of the most progressive acts passed by India since independence and it is worthwhile trying to explore the possibility of effectively implementing it in the state. However states have been dragging their foot as there are vested interests interested in maintaining status quo. Given this it is not clear whether the state will undertake these crucial institutional reforms or how effective the Bank can be in this regard.</p> <p>According to the TTL the State has expressed keen interest.</p> <p>The Chhattisgarh DRPP to which this activity is linked covers both the tribal and non-tribal areas of the state, offering an opportunity to provide an assessment of the status of implementation of PESA in tribal areas and to identify strengths and weaknesses in service delivery mechanisms and accountability relationships. As the</p>

	<p>Though states were required to amend their Panchayati Raj Acts within a year and prohibited from enacting laws inconsistent with PESA they have yet to do so. The lack of enabling conditions, low level of awareness about PESA and its implication, and the absence of clear implementation guidelines has allowed for minimalistic interpretations of the law. Tribals are also reluctant to be governed by laws and institutions not in tune with their traditions. This has made PRIs ineffective development agents in tribal areas.</p> <p>The objective here is to take stock of the status and progress of implementation of PESA in Chhattisgarh in terms of fiscal, administrative and political decentralization and to understand the formal and informal barriers and major policy and legal constraints to effective decentralization in tribal areas in conformity with the PESA Act;</p> <p>This understanding will be used to provide Bank's TA to the state government for improving service delivery in tribal areas through implementation of PESA. This will be done primarily through recommendations for translating constitutional principles into state law and practice and by increasing</p>	<p>councils, status of devolution of power, effectiveness in accessing funds and delivering services and the relation between traditional and panchayat systems.</p> <p>3)Developing implementation guidelines/strategies for PESA Act</p> <p>4) Raising awareness about PESA through Panchayat Shivir (Legal Literacy Camps) and exposure visits within the state as well as between states.</p> <p>5) Developing new strategies for empowering Gram Sabhas by revising Bank funded Chhattisgarh District Rural Poverty Project (DRPP). guidelines.</p>				<p>project is implemented by local government channels, it allows a focus on the interface between democratically-elected bodies and traditional systems of self-governance.</p> <p>.</p>
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		awareness and building the capacity of government officials at state, district and local government levels and of tribal communities regarding PESA and its implications.					
7	<b>Implementation of Effective Nutrition Policies at the Local Level to Address Malnutrition in the Estate Sector and Rural Pockets</b>  Paolo Belli Sri Lanka HD-Health \$ 100,000 Policy advocacy and design	While the overall nutrition indicators among women and children are high in Sri Lanka, a Bank study, "Malnutrition in Sri Lanka", 2007 has revealed pockets where malnutrition is high. The estate sector is substantially lagging behind in this respect. SL does not have a National Nutrition Policy (NNP). A draft NNP and Action Plan drafted with assistance of UN agencies is pending cabinet approval. These have not recognized or provided for the malnutrition in the estate sector.  GoSL has acknowledged the importance of a multi-sectoral approach to nutrition. This has not however extended to cross sectoral institutional arrangements. Several ministries and units such as Department of Agriculture and Ministry of Poverty Alleviation participate in the National Nutrition Surveillance. Within the Ministry of Health (MoH) there are several departments involved in nutrition activities; FHB (in charge of estate medical officers and public health midwives), Nutrition	1) Facilitating policy dialogue to build consensus on a multi-sectoral and decentralized approach to malnutrition and to tackle malnutrition in specific population groups. First a national level workshop with policy makers, from concerned ministries, donor partners such as WHO and UNICEF, provincial government will be held. This will be followed by a local level workshop with key local stakeholders including local governments to be held in the provinces selected at the national workshop. The strategy and action plan developed to tackle malnutrition	1) Nutrition strategy for the estate population formulated.  2) Multisectoral approach to decentralized nutrition delivery at the local level developed with involvement of LGs.  3) Pilot interventions designed to tackle malnutrition in the estate sector.  4) Reduction in malnutrition in the estate sector.	Addressing nutrition requires multi-sectoral coordination, close collaboration with other sectors including poverty alleviation and education will be sought.  Malnutrition remains high in South Asia and the results and lessons learnt will be useful for tackling malnutrition in other countries in the region.	Counterparts include Nutrition Coordination Division (NCD) of MoH, and FHB at the national level. At the local level the Provincial and District Health Services under the Provincial Councils along with the proposed local-level coordination committee and local government institutions such as the Pradeshiya Sabhas and Grama Niladharis..  The activities are designed to complement the activities under the Sri Lanka Health Sector Development Project (SLHSDP) now in its third year. The SLHSDP team will continue policy dialogue with GoSL and donor partners to ensure that activities pursued will be part of the Government's policy process.	This is an opportunity to involve local governments in tackling malnutrition in the underserved estate sector and thus significantly change the quality of life of the women workers and their children.  The estates under the private sector want to divest provision of services to local governments. A Bank study of the estate sector also recommended this. Local governments will be involved in the delivery of nutrition for the first time as the pilots are to be funded under the SLHSDP.  Much will depend on Bank's success in getting the client to acknowledge the problem of malnutrition in key pockets and to address these issues in a multisectoral and

	<p>Division, and Nutrition Coordination Division (NCD). The last two departments exist separately within the same ministry. Lacking a clear mandate the NCD has little power in coordinating these internal and external actors.</p> <p>The estate sector has indicated interest in divesting delivery of health to the local governments. A recent Bank study has also made this recommendation.</p> <p>The objective of the proposal is to build the capacity of local governments for effective implementation of local nutrition policies to tackle malnutrition in the estate sector. This will be the first time that an attempt is made to enhance the role of LGs in the delivery of nutrition.</p> <p>It is hoped that the strategy implementation plan proposed here will be incorporated in the national documents. The policy dialogue will include dialogue with clients and donors in this regard.</p>	<p>in the estate sector under component 2 will be presented for feedback.</p> <p>2) Formulating strategy and action plan for improving decentralized nutrition service provision for the estate population. This will include analysis of the nutrition service provision capacity at the local level, survey of beneficiaries and consultations with local governments and service providers.</p> <p>3) Establishment of a local-level coordination committee to harmonize development programs that have a nutrition component</p> <p>4) Design of pilot nutrition interventions in the selected estates with local governments such as Pradeshiya Sabhas and Grama Niladharis identifying</p>				decentralized manner.
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			beneficiaries and possibly serving as service providers.				
8	<b>Sri Lanka Decentralization</b>  Geeta Sethi Sri Lanka Urban, Rural, Decentralization \$ 50,000 Policy advocacy	<p>The policy debate around decentralization and LGs in SL is central to discussions about the nation state and to supporting resolution of the conflict. It is also crucial to the issue of accountability in public service delivery especially in the W&amp;S, primary health and education sectors. For this a supportive intergovernmental system is necessary.</p> <p>The overall objective will be to devise ways in which the Bank can develop a strategy for engaging with the Government of Sri Lanka(GoSL) on furthering local governance reforms.</p> <p>The goal is to find ways of improving efficiency in local public spending in the social sectors, with particular focus on how interactions in the structure of the Sri Lanka's intergovernmental fiscal system impact on social service provision</p> <p>.</p>	<p>1)Policy notes on current status and proposed reforms of the fiscal system as well as identifying the key obstacles to improving social service delivery in Sri Lanka.</p> <p>2) Policy dialogues through workshops/knowledge forums aimed at identifying policy options to improve social service provision, while strengthening sub-national governments.</p> <p>3) Training of selected government officials on topics such as the institutional framework of the intergovernmental fiscal system and implications for social service provision.</p>	<p>1) Policy note on the state of intergovernmental fiscal relations and service provision, and a framework paper identifying policy options for improvements in access and quality of social service provision, with a focus on how improvements and gains in the intergovernmental system can be maximized.</p> <p>2) The outcomes will include influencing policy reform for enhancing the role of sub-national governments in fostering efficiency in expenditures on social services and improvements in service delivery.</p>	<p>The task will require coordination with several sectors, in particular education, health, water and sanitation, and infrastructure.</p> <p>The team will explore opportunities for knowledge exchange between the GoSL and the Government of Kerala state in India.</p>	<p>The lead counterparts will include ministries of local government, education, water and sanitation, and health.</p>	<p>SL has been going slow on decentralization. There is some signal from the GoSL that they are ready to engage with the Bank. It may be worthwhile to invest a small amount to first get buy in. TTL will also need to clarify the areas in which there is buy in for institutional reform.</p> <p>.</p>

9	<p><b>Support for An Analysis of Decision Space, Capacities and Accountability in the Healthcare Sector in WB</b></p> <p>Paolo Belli India Health US\$ 75,000 Policy advocacy and dialogue</p>	<p>Though decentralization of service delivery has taken place in India in 1992 there is still limited evidence about its impact. The Bank is interested in developing a program of work on decentralization and health to improve its support for service delivery in the sector. The Bank has conducted several studies to analyze the status of devolution of authority especially at the rural level. The proposed study will conduct an assessment of decentralization in the health sector in the state of West Bengal. It is expected that this assessment will assist in the development of sector programs at the state, district and block levels and will serve as a baseline for evaluating those programs</p> <p>The assessment will be along three related dimensions that are key to successful decentralization in the health sector. The decision space or range of actual decision making of decentralized authorities .The capacity to make and implement decisions, and the accountability of local administrative officials to local elected officials and citizens.</p>	<p>1) Design of survey 2)Conduct of study in select districts 3)Recommendations for policy change.</p>	<p>Understanding of the decision space, the capacity and the accountability mechanisms at district and taluk level in the health care sector leading to better designed programs and projects.</p> <p>The study will be a first step to developing a work program in the South Asia region related to decentralization and health service delivery.</p>	<p>The study has implications for other service delivery sectors.</p>	<p>Government of West Bengal, Dept. of Health and Family Welfare and Department of Rural Development and Panchayat Raj Institutions</p>	<p>There has been no study of health sector decentralization in the region. WB is one of the states that is relatively more advanced on decentralization. This study could pave the way to a work program in the Bank on decentralization and health service delivery.</p>
10	<p><b>Social Audit of Local Government Reform in Bangladesh</b></p> <p>Balakrishna Menon</p>	<p>GoB has undertaken reform of the LG system to make it more efficient, responsive and accountable to citizens. It is in the process of amending key laws and regulations, setting up a LG Commission, and</p>	<p>1) Production of training and operational manuals for training community specialists to</p>	<p>1) Independent evaluation of reforms under LGSP. 2) Training of reputable NGOs will percolate to social</p>	<p>The social audits will be cross-sectoral in nature, across infrastructure, health,</p>	<p>The principal counterparts at the national level would be the Local Government Division (LGD) of the Ministry of Local Government, Rural</p>	<p>This is the first social audit of LGs and the training of NGOs in this technique will it is hoped ensure its viability.</p>

	<p>Bangladesh Rural, Social \$75,000 Policy M&amp;E and design</p>	<p>revising electoral laws. The Bank supported Local Governance Support Project (LGSP) aims to strengthen Union Parishads (UPs), the lowest tier of LG. The project provides UPs with transparent and predictable block grants, as well as discretion in expenditure. UPs are now held to higher standards of accountability, both to their citizens and to higher levels of government. It is expected that this would help UPs deliver services that are more efficient and responsive.</p> <p>It is not clear if greater autonomy and resources to UPs will translate into better services, especially for the poor, or if strengthening accountability systems will result in lower corruption. Government systems that track public expenditure do not provide answers to concerns about social and development outcomes from a citizen's perspective. Government evaluations are vulnerable to bias. An independent social audit that captures citizen's voices, evaluates outcomes and social and development impacts of the local government strengthening program is important.</p> <p>The objective is to track from a citizen's perspective the public expenditure process—from planning, budgeting,</p>	<p>undertake audits and for actual audits in the field.</p> <p>2) Training of about 50 community specialists from 10 or so nationally known NGOs in social audits in the context of decentralization and local governance.</p> <p>3) Independent social audits in a sample of about 100 UPs covering stages of the public expenditure process.</p> <p>4) Performance review of audit reports or decentralization outcomes, especially for the poor. These results will provide feedback for program improvements and policy changes.</p> <p>5) Publication and dissemination of the findings of the social audit program among key stakeholders such as relevant GoB and, local</p>	<p>audits of other LG reforms and of other service delivery sectors.</p> <p>3) Use of these materials will also extend to future initiatives undertaken by GoB and other development partners:</p> <p>4) Annual report with key findings and recommendations of the independent monitoring and social audit.</p> <p>5) Annual workshop with policymakers and other key stakeholders to discuss the findings and make recommendations for change.</p> <p>6) Greater focus among policymakers on development outcomes in designing and implementing decentralization programs</p> <p>7) Improved awareness among citizens regarding local level planning, budgeting and accountability</p>	<p>education, water and sanitation, social protection sectors.</p> <p>The experience is expected to offer useful lessons to countries in the region that are decentralizing. In particular, the lessons will be relevant for Nepal and states in India that are reforming their local government systems to make them more accountable, efficient and responsive to citizens.</p>	<p>Development &amp; Cooperatives. At the local level, the counterparts would be the Union Parishads. NGOs and civil society entities.</p> <p>The Bank is engaged with key players through the LGSP. The social audit program is a logical extension of this engagement. It has the buy in of LGD and various civil society entities, who view an independent social audit program as a key element of the reform process. The implementation of the social audit program will be carried out as an integral part of the Bank's overall engagement in local governance reform.</p>	
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		<p>expenditure, financial management to outcomes in a sample of LGs under LGSP. These audits would combine qualitative and quantitative information collected through independent sources to evaluate on a periodic basis successes and failures, lessons learned, and to determine course corrections to LGSP. Attention will be paid to social and developmental impacts on poor and vulnerable population groups in rural areas.</p>	<p>government officials and civil society.</p>	<p>systems.</p>			
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