

**GUIDELINES FOR  
PREPARATION OF  
ANNUAL DEVELOPMENT PROGRAM (2015-16)**



**(February, 2015)**

**PLANNING AND DEVELOPMENT DEPARTMENT  
GOVERNMENT OF THE PUNJAB**

## **GUIDELINES FOR ANNUAL DEVELOPMENT PROGRAM (2015-16)**

### **General:**

1. Annual Development Program represents a key policy instrument for implementing development vision of the government through strategic resource allocation with a medium term perspective. By virtue of its size and sectoral range, ADP interventions are the principal drivers of Government's vision for pro-poor, inclusive, and gender sensitive economic development and growth. For these reasons, ADP formulation process needs to be accorded utmost priority and meticulous handling by provincial departments.
2. P&D Department, Government of the Punjab, intends to ensure that formulation process of ADP 2015-16 is fully geared towards and informed by principles of value for money through public sector investments. It is therefore expected that provincial government departments will view this process as a means to support actualization of sectoral policy goals and assign it utmost priority.

### **Overarching Development Policy Framework:**

3. Government of the Punjab is embarking upon formulation process for ADP 2015-16 within a specific and well-defined development policy environment articulated in the Punjab Economic Growth Strategy 2014-18. The Strategy is founded on the following principles:
  - It is private sector-led, employment-intensive, export-oriented, eco-friendly and regionally balanced.
  - It aims to tap into new sources of growth such as Punjab's rapidly growing urban centres, its youth bulge and its geo-strategic location.
  - Key outcomes of the strategy include human capital and skills development, overcoming energy shortages, institutional reforms and good governance, gender mainstreaming, equitable regional development, export-led growth and productivity enhancement.
4. The Departments are advised to consult the Strategy and the Sector Plans for determining the contours of their ADP interventions. It is expected that departments will make every effort to ensure that their ADP 2015-16 is

not merely a compendium of PC-Is but is actually reflective of priorities set out in the Economic Growth Strategy and the Sector Plans.

5. Last but not least, sectoral interventions in ADP 2015-16 should contribute to the growth target of 8% for Punjab by the year 2018. Other targets that need to be focused by departments include increasing private sector investment, achieving MDGs, narrowing security gaps, imparting skills development trainings to 2,000,000 skills graduates and creating a million jobs annually and inclusive growth with special focus on women, girls and the marginalized.

#### **ADP Formulation Parameters:**

- Formulation of ADP 2015-16 will continue to follow the medium term perspective, adopted for ADP 2014-15. Such a perspective is central to helping provincial government in realizing its objectives of fiscal discipline, and allocative as well as operational efficiencies.
- Following Medium-Term Development Framework, ADP 2015-16 will comprise portfolio of development schemes for 2015-16 and projections for next two financial years, viz. 2016-17 and 2017-18 in the prescribed format.
- Each department/sector is required to submit proposed ADP including department's vision, objectives / policy and strategic interventions to be achieved in the next 2-3 years. These statements will also highlight the importance of the respective sector in the provincial economy and elaborate benefits / linkage of proposed interventions in realizing targets set out in economic growth strategy.
- Proposed interventions under ADP 2015-16 must be arranged by assigning clear and logical prioritization, facilitating readjustments and course correction during the year, in accordance with resource situation. *Proposed interventions, establishing robust linkages with growth targets and exhibiting a high multiplier effect on economic growth shall be assigned top priority.*
- The exact size of the program cannot be indicated at this stage, however, the sectoral allocations proposed in MTDf may be followed.
- The foreign aid component for the medium term i.e. 2015-18 shall be determined/finalized by respective sectors/departments in consultation with the Foreign Aid Section, P&D Department.
- Departmental ADP proposals should be provided on proforma at **Appendix-I**. All figures in relevant columns of the proforma are to be indicated in million rupees.

- Details of ADP will be provided as per prescribed Proformas. The priority for allocation of funds should be as follows:
  - a. Counterpart funds for foreign aided projects as per commitment should be given highest priority.
  - b. Maximum allocation should be provided to on-going projects that are at fairly advanced stage of implementation, and have a demonstrated multiplier effect on economic growth.
  - c. Full funding should be allocated to projects that are due for completion in 2015-16.
  - d. Projects dealing with emergencies, such as flood relief, rehabilitation etc. may be prioritized.
  - e. Departments dealing with social sectors may focus on consolidation and improving service delivery activities, besides, coverage of uncovered areas.
  - f. New projects. Allocations for new schemes should not be less than 15% of the financial requirement. While proposing scheme-wise allocations, the above benchmarks may be strictly observed except in cases where feasibility or token allocations are to be made.
  - g. Allocation to the Districts of Southern Punjab should have linkages with their population with more weightage. Preferential treatment be given to the districts ranked low in socio-economic indicators (consult MICS, PERI & SPDC ranking).
  - h. While undertaking exercise, Administrative Departments may also identify projects that are based on (a) public private partnership (PPP) and (b) community / NGOs participation in terms of cost sharing or otherwise.
  
- Allocations to the individual projects should be decided on the basis of past performance and the phasing set out in the PC-I/PC-II.
- Counterpart funding for the foreign aided projects and projects co-financed with Federal Government be phased as per PC-I.
- For new projects, the departments shall prepare a detailed concept paper highlighting different aspects of the project. For this purpose the details should be put in the proforma at **Annex-II**. This will enable the Planning & Development Department to capture necessary inputs on new initiatives. Please note that *no proposal of new project would be accepted for which the proforma is not properly filled*.
- Cost Estimation of new schemes proposed for inclusion in the ADP 2015-16 should be based on rational calculation, cost escalation and marketing analysis, because any scheme whose cost would exceed by 15% of the ADP cost would require fresh approval of the competent authority.
- Project life should be kept at minimum possible so that the benefits of the project accrues to the public in time. Projection for 2016-17 and 2017-18 may be worked out with due care on the proforma at **Annex-I**.

- The Sectoral allocation for ADP 2015-16 shall preferably be in accordance with the ADP 2013-14 as per following distribution formula unless special circumstances dictate otherwise :-
  - i. 70% ongoing projects
  - ii. 30% for reforms initiatives and new program.
- Efforts should be made to focus the new portfolio on Economic Growth Strategy and Sector Plans.
- Education & Health Departments shall make every effort to ensure consolidation and improvement in services delivery projects for enhancing efficiency and effectiveness to achieve MDGs.
- Unapproved on-going projects reflected in the current year (ADP 2014-15) may be considered for deletion if they are no longer priority of the sector, after giving adequate justification. All un-approved projects by 30th of June 2015 would automatically become new projects in the next ADP (2015-16).
- Special attention may be given to new initiatives /programmes of the Government with emphasis on pro-poor growth, poverty alleviation, MDGs attainment, creation of productive assets and gender mainstreaming.

6. All the above-mentioned ADP guidelines shall be read with the Budget Call Circular (2015-16) already issued by Finance Department vide its letter No. B-13(11)/BCC/2015-2016 (Part-I) dated 01-09-2014 to ensure greater integration of recurrent and development budget for a more focused approach towards service delivery.

7. All provincial government departments are requested to indicate their proposed programs under ADP 2015-16 after thorough deliberations and get these countersigned by the Administrative Secretary accompanying one page brief indicating vision of the sector, objectives and highlights of the strategic intervention. The proposals must also be shared with respective Ministers.

8. The tentative schedule for preparation of ADP 2015-16 is attached.

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**Annex-I**

**PROFORMA FOR DEVELOPMENT PROGRAMME 2015-16**

(Rs. In Million)																							
Sr. #	Project Code (LO No.)		Old G.S. No. 2014-15	Name of Scheme	District	Tehsil	Constituency/ PP No.	App./ Revision Date	Estimated Cost		Major Components	Major Targets	Exp. upto June, 2015	(ADP 2015-16 Proposed)						Grand Total	Projection for 2016-17	Projection for 2017-18	Through Forward beyond June, 2018
	Cap.	Rev.							F.Aid	Total				Local		Foreign Aid		Total					
														Cap.	Rev.	Cap.	Rev.	Cap.	Rev.				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24

## Project Concept Form for New Projects / Initiatives

Rs in million

Cost		Allocation for 2015-16				Throw Forward		
Local	Foreign				Total	2016-17	2017-18	Beyond 2017-18
		Cap	Rev	Foreign				

1	<b>Title of the Proposed Project</b>	
2	Proponent Information	
3	Goals & Objectives set to be achieved	
4	Rationale for ADP Funding	
5	Geographical Coverage (For whole province or specific district/tehsil).	
6	Is the project aligned with Sector Plan	
7	Relationship of the Project with growth objectives	
8	Nearest place where similar facility is available	
9	Gestation Period	
10	Financial Phasing	
11	Detail of post completion annual operation and maintenance cost (AOM&R) <ul style="list-style-type: none"> <li>- Maintenance</li> <li>- HR</li> <li>- Operation</li> <li>- Repairs</li> <li>- Others</li> </ul>	
12	Beneficiaries (Type & Number)	
13	Expected Output (Qualitative & Quantitative)	
14	Priority (Indicate Top, Normal, or Low)	

**SCHEDULE FOR PREPARATION OF ANNUAL  
DEVELOPMENT PROGRAMME 2015-16 (MTDF 2015-18)**

<b>DATE</b>	<b>ACTION</b>
January, 2015	Circulation of guidelines for the preparation of ADP 2015-16 to all departments.
2 <sup>nd</sup> March to 16 <sup>th</sup> March, 2015	Submission of scheme-wise first draft ADP 2015-16 and MTDF 2015-18 to the Planning & Development <b><i>duly cleared by Minister In-charge of the Department.</i></b>
20 <sup>th</sup> March, 2015	All Chief of Sections will have to submit the draft ADP 2015-16 to Computer Section for processing after scrutiny & examination of the proposal received from counterpart line department(s)
27 <sup>th</sup> March, 2015	The Computer Section will furnish the consolidated report of Draft ADP 2015-16 to the Chief Economist, P&D Department for review.
30 <sup>th</sup> March, 2015 to 6 <sup>th</sup> April, 2015	Inter departmental meetings in P&D Department to finalize the ADP 2015-16. The agenda of the inter-departmental meetings will be issued in due course.
13 <sup>th</sup> April, 2015	Departments would submit second draft of Annual Development Programme 2015-16 to P&D Department. Special initiatives, policy directions and guidelines, if required, must be obtained from Provincial Chief Executive and incorporate in the ADP.
20 <sup>th</sup> April to 25 <sup>th</sup> April, 2015	Inter-departmental meetings with Chairman, P&D to finalize the Draft ADP 2015-16.
1 <sup>st</sup> May, 2015	Meeting of the National Economic Council (Tentative)
4 <sup>th</sup> May, 2015	Submission of Draft ADP 2015-16 to Chief Minister for approval
28 <sup>th</sup> May, 2015	Final Draft 2015-16 will be sent to Finance Department for printing.
1 <sup>st</sup> week of June, 2015	Discussion and approval by Provincial Assembly.