

**GUIDELINES FOR  
FORMULATION OF  
ANNUAL DEVELOPMENT PROGRAM (2016-17)**



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

## **GUIDELINES FOR FORMULATION OF ANNUAL DEVELOPMENT PROGRAM (2016-17)**

### **GENERAL:**

1. Annual Development Program (ADP) 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 sustained economic 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 2016-17 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 operationalization of ***Punjab Growth Strategy and implementation of sectoral plans*** and assign it utmost priority.

### **OVERARCHING DEVELOPMENT POLICY FRAMEWORK:**

3. Government of the Punjab is embarking upon formulation process for ADP 2016-17 within a specific and well-defined development policy environment articulated in the Punjab Growth Strategy which is founded on the following principles:
  - It is private sector-led, employment-intensive, export-oriented, environmentally sustainable 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, creation of new jobs, improving investment climate in the province, infrastructure development, overcoming energy shortages, institutional reforms and good governance, adequate provision of quality social services, facilitating private sector investment/engagement including PPP, gender mainstreaming, inclusive and equitable development and improved functioning of cities and urban clusters, export-led growth and productivity enhancement.***
4. The Departments are advised to consult Punjab Growth 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 2016-17 is not merely a compendium of PC-Is but is actually reflective of priorities set out in the Growth Strategy and the Sector Plans.
5. Sectoral interventions in ADP 2016-17 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& SDGs, narrowing security gaps, imparting skills development trainings to 2 million skilled graduates and creating a million jobs annually and inclusive growth with special focus on women, girls and the marginalized segments of society.
6. Departments should give special emphasis to the gender, children and minorities in the formulation of their development plans.

## ADP FORMULATION PARAMETERS:

- Formulation of ADP 2016-17 will continue to follow the medium term perspective, adopted for ADP 2015-16. 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 2016-17 will comprise portfolio of development schemes for 2015-16 and projections for next two financial years, viz. 2017-18 and 2018-19 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 2016-17 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 **Annex-I**. All figures in relevant columns of the proforma are to be indicated in million rupees only.
- 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 2016-17.
  - 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. 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 this 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.
- i. 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.
- j. Counterpart funding for the foreign aided projects and projects co-financed with Federal Government be phased as per PC-I.
- k. 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-III and proforma at Annex-II must also be provided**. 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*.
- l. Cost estimation of new schemes proposed for inclusion in the ADP 2016-17 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.
- m. Project life should be kept at minimum possible so that the benefits of the project accrues to the public in time. Projection for 2017-18 and 2018-19 may be worked out with due care on the proforma at **Annex-I**.
- n. The Sectoral allocation for ADP 2016-17 shall preferably be in accordance with the ADP 2015-16 as per following distribution formula unless special circumstances dictate otherwise:
  - i. 60% ongoing projects
  - ii. 40% for reforms initiatives and new program.
- o. *Approved schemes by the competent approving fora would be included in the ADP 2016-17.*

## **SECTORAL GUIDELINES BASED ON THE PUNJAB GROWTH STRATEGY**

As already stated, Punjab Growth Strategy, 2018 is the overarching document that lays down the contours of economic and social development in the province. All the departments must bring in schemes in ADP 2016-17 that are linked to the pillars of growth enumerated in this Strategy. For the guidance of departments, some relevant details are reproduced below from the Strategy:

**Manufacturing and Industrial Development** in the province to focus on:

- Improving industrial estates by providing requisite infrastructure, such as energy, roads, sewerage, water and effluent treatment etc. and by providing them more autonomy in their working / operational management.
- Creating clear property rights.
- Improving one-window facilitation.
- Reducing the cost of doing business by improving regulatory framework.
- Individual and cluster based lending for small and cottage industries, skills/semi-skilled unemployed youth, technically trained individuals and graduates.
- Continued support for Punjab Industrial Estates Development and Management

Company and the Faisalabad Industrial Estates Development Company for developing new industrial estates and improving facilities in the existing industrial estates.

- To realize the full potential of the readymade garment sector, infrastructure, garments sector-specific skills, trade policy and market access will be strengthened.
- Effective manufacturing strategy will be fully coordinated with the Government's skills development strategy.
- Enforcement of quality standards and building capacity to effectively perform this role.
- A number of initiatives to be taken by PBIT include promotion of identified sectors, advisory services for foreign and domestic clients, coordinating Punjab's efforts in Federal Economic Zones, lobbying for continued GSP+ status of Pakistan, and developing Punjab Investment Policy etc.

### **Skills Development**

The main features of skills development strategy include the following:

- Developing a 'market' for skills training to ensure a supply of skills.
- Developing best-practice curriculum and teaching and learning resources, through 'knowledge partnerships' with private sector.
- Providing incentives to the private sector to engage in supply of skills training.
- Creating a link between skills provisions and the need of priority sectors and high employability- high growth clusters and value-chains.
- Institutionalizing mechanisms to elicit demand for skills.
- Restructuring public sector institutions to substantially increase their efficiency.
- Reducing the cost of accessing training opportunities for both men and women.
- Strengthening job and market linkages by introducing integrated programs.

### **Urban Development**

- Building a modern system of land records, especially in urban areas, to improve the functioning of land markets.
- Reforms to increase density such as creating a framework for multiple ownership premises.
- Amending building control regulations and promoting mixed land use.
- Conducting regional planning centered around cities to develop critical regions of economic growth.
- Institutional realignment and capacity building of civic agencies to provide equitable and improved infrastructure and services vital for attracting private sector investment.
- Providing adequate public transport via well-connected network of mass transit such as Metro bus as well as conventional buses to improve the mobility of people.
- Make the transport convenient for the poor.
- Provide clean drinking water and sanitation / solid waste management service and to improve public health in urban areas.
- Improve the administration and coverage of UIPT and rationalize its application in a fair, equitable and efficient manner using modern tools.

## **Agriculture and Livestock**

The priority areas for this sector listed in the Strategy are reproduced below:

- Creating better value chains by creating and preserving value at the farm level and improving connectivity of farms with markets.
- Promoting high-value agriculture.
- Better use of energy for agriculture.
- Improving land resources and environment, by tackling water logging and improving soil quality, and mitigating the impact of climate change.
- Increasing the area under cultivation.
- Implementing critical regulatory and institutional changes to improve the business climate in agriculture and facilitate the private sector to establish agriculture markets.
- Increasing per animal productivity, via a number of measures including genetic improvement, cross breeding and compliance to international standards.
- Increasing the coverage and results of extension services.
- Improving animal husbandry.
- Improving regulation in livestock sector and the functioning of livestock markets, and focus on transformation of livestock business from subsistence to commercial ventures.
- Developing and implementing a livestock export strategy.
- Providing nutritious food and improving the quality of semen.
- Bringing livestock farmers into formal sector through collective services.
- Adoption of modern techniques such as e-monitoring while encouraging farmers to use modern technology.
- Adoption of revolving fund measures to decrease reliance on the 'gawala' system.

## **Education Sector**

- Focus on demand-side interventions to increase the demand for education amongst the poor and vulnerable groups.
- Resource utilization of existing schools will be enhanced by increasing the supply of educational inputs.
- Utilizing cash transfer programs to enhance enrolment.
- Enhancing public-private partnerships to improve the quality of education.
- Regulation and monitoring of school performance.
- Improving school management to ensure better learning outcomes.
- Empower the District Education Authorities as per the Punjab Local Government Act 2013.

## **Population Planning and Demography**

- Strengthening the Population Welfare Program by ensuring contraceptive procurement and availability;
- The Punjab regional training institutes and the Population welfare training institute will be fully revamped and renovated.
- Training programs and materials need a fresh review and made widely available for



the large numbers of women and men that need to be trained in family planning and counseling in order to make up for the human resource deficient in this area.

- Department to expand coverage in remote and uncovered areas.
- Improve the performance of the Lady Health Worker (LHW) program by improving their incentives, monitoring their activities and providing them with adequate supply of inputs.
- Using NGOs and CBOs in absence of LHW coverage
- To meet the growing need for family planning and for tackling inequality within the province, engagement of Population Welfare mobile units, community volunteers and subcontractors.
- Develop a Punjab-wide social mobilization and behavior change communications strategy to spearhead a coordinated multi-sectoral program response to the information needs of men and women.

### **Preventive Healthcare**

- Ensuring uninterrupted supply of essential medicines at all public health facilities.
- Creating an extension program of basic drug information targeting vendors/pharmacists for infectious diseases, hygiene and family planning.
- Creating a system for the diagnosis of major infectious diseases at primary health facilities.
- Seeking improvements in the management of health system and outsourcing some parts to the private sector.
- Linking health provision with social protection programs to provide protection to poor households against large expenditures on health, through health insurance tools.
- Establishing a disease surveillance system using modern technology.
- Increasing investment for improving water, sanitation and hygiene services, especially in rural areas where open defecation and absent sewerage systems are a major problem.
- Dedicate significant resources to reducing infant and maternal mortality and Maternal Neonatal and Child Health interventions.
- 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 and SDGs. Fine balance is to be maintained between efficient operationalization of existing services and additional of new social infrastructure.
- Unapproved projects reflected in the current year (ADP 2016-17) 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 2016 would automatically become new projects in the next ADP (2016-17).
- 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 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 2016-17 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/cleared by the respective Ministers.

**8. The tentative schedule for preparation of ADP 2016-17 is attached as Annexure IV.**

**9. Funding Facility for Project Preparation:**

- (i) During PDWP meetings and Mid-Year ADP reviews in P&D Department, it has been observed that development projects processes in various departments is deficient on important and essential elements of project planning and preparation like economic and financial analysis, risk assessment, EIA, technical designs and specifications, survey and studies, stakeholders consultations, market analysis etc. Relevant data, financial model, socio-economic assumptions of the projects are not professionally and diligently obtained/analyzed. Project proposals (PC-I) are submitted without carefully worked out plans for procurement, recruitment, expenditure flows and implementation mechanism. This leads to preparation of poorly designed, technically imperfect and financially non-viable projects that results in frequent revisions and massive cost overrun. Main reasons for this deficiency include lack of qualified and skilled human resource, weak supervisory oversight and absence of funding facilities required to perform pre-requisite project planning activities.
- (ii) While P&D Department is offering and extending all possible technical support to the Departments for preparation of feasible and sustainable projects, Administrative Departments are required to hire services of professionals and experts for surveys, pre-feasibility studies, designing, financial and economic analysis, market testing. This is more important for technically complex and financially large projects. For this purpose, Finance Department has created a Head of Account "Services Rendered" under recurring budget and requisite funds may be demanded from Finance Department. Alternately P&D Department may be approached for provision of funds for development of viable and sound projects out of development budget/funds.
- (iii) All the departments are requested to avail this project development facility that will enable them to design and develop such projects that would significantly contribute towards higher economic growth, enhanced social sector coverage and improved service delivery.
- (iv) For further information and assistance on this new initiative, Departments may contact Senior Chief (Coordination), P&D Department.

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**PROFORMA FOR DEVELOPMENT PROGRAMME 2016-17**

(Rs. In Million)

Sr. #	Project Code (LO No.)		Old G.S. No. 2015-16	Name of Scheme	District	Tehsil	Constituency/ PP No.	App./ Revision Date	Estimated Cost		Major Components	Major Targets	Exp.up to June, 2016	(ADP 2016-17 Proposed)						Grand Total	Projection for 2017-18	Projection for 2018-19	Throw Forward beyond June, 2019
	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

**Proforma for determining the alignment of development schemes with the Punjab Growth Strategy 2014-18 (On-going Schemes)**

Project Title	Project Cost	Current Spending	Start & End Date	District	PPP/Private Sector Investment	Which categories the project falls in?				Social Inclusion	Social outcomes (health, education, sanitation etc)	Capacity Building/HR	Employment	Does the project have any impact on Export?	If the Scheme does not fit into any category – state what it addresses
						Investment climate improvement/facilitation of private sector	Relieving energy shortages	Improvement of quality and quantity of infrastructure	Better functioning cities and urban clusters						
Project X					1	1			1						Delivering a routine operational service
Project Y															

**Note:** For each scheme put a “1” where you feel that the scheme best fits in. In case you feel that the scheme fits in multiple criteria put a “1” under all the headings. For example Project X falls under PPP, investment climate improvement and better functioning of cities. Project Y does not fall under any column as it is delivering a routine operational service (these types would be fairly small)

## Project Concept Form for New Projects / Initiatives

Rs in million

Cost		Allocation for 2016-17				Throw Forward		
Local	Foreign	Cap	Rev	Foreign	Total	2017-18	2018-19	Beyond 2019-20

1	Title of the Proposed Project				
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	How the project is aligned with Sector Plan / Growth Strategy				
7	Relationship of the Project with growth objectives / pillars				
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 & Outcome Quantitative)				
14	Priority (Indicate High, Normal, or Low)				
15	Alignment with Growth Strategy, Punjab (Pl. tick the applicable areas)	PPP/Private Sector Facilitation	Energy	Infrastructure	Urban Development
		Social Inclusion	Social Outcomes	Capacity Building /HR	Employment

**SCHEDULE FOR PREPARATION OF ANNUAL  
DEVELOPMENT PROGRAMME 2016-17 (MTDF 2015-18)**

<b>DATE</b>	<b>ACTION</b>
January, 2016	Circulation of ADP guidelines
1 <sup>st</sup> Feb to 15 <sup>th</sup> March	Submission of scheme-wise first draft ADP to the Planning & Development by the departments <b><i>duly cleared by Minister In-charge.</i></b>
16-25 March	Scrutiny of draft ADP by the Members P&D and submission to Coordination Wing of P&D Department
26 March to 7 April	Departmental meetings / briefing with Chairman, P&D to discuss draft ADP
10 <sup>th</sup> April	Submission of 2 <sup>nd</sup> draft ADP to P&D by the Departments
Up till 15 May	Approval of new schemes proposed for inclusion in ADP by the competent forum
28 <sup>th</sup> May	Submission of draft ADP to Finance Department
Mid June	Discussion and approval by Provincial Assembly.