

**GUIDELINES FOR
FORMULATION OF
ANNUAL DEVELOPMENT PROGRAM (2018-19)**



SEPTEMBER 30, 2017

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

GUIDELINES FOR FORMULATION OF ANNUAL DEVELOPMENT PROGRAM (2018-19)

INTRODUCTION:

1. The financial year 2018-19 represents interesting opportunities and certain challenges for the province of the Punjab. 2018, being the election year will see the exit of the existing political government and a transition to newly elected public representatives. The latest census results are out, and suggest that Punjab's population has hit 110 million; yet this translates into an overall decrease of around 2 percentage points in the national population having implications on future NFC shares. The province may have to cater to a larger size of absolute population and may have lesser resources at hand. The energy projects and investments are maturing, making it crucial than ever for the province to be prepared to manage these assets well. The scale of infrastructure investments and their complexity is now at the highest, which has ever been in the history of the province. CPEC's momentum has peaked and is now requiring a proactive response by the government on an increasing basis. The compliance work on SDGs must be paced up as a top priority, and given the diversity of its indicators; result oriented investments are required in social as well as productive sectors. Finally, it is crucial that the government begins to intensely monitor and evaluate its interventions and knit in the learnings to improve future planning.

2. The Annual Development Program (ADP) is a key policy instrument for implementing development vision of the government. If managed well, it can not only act as a convincing tool to address the challenges mentioned above but can support the broader socio-economic development agenda of the government through medium-term strategic resource allocation. Moreover, due to its substantial size and sectoral range, ADP interventions can significantly influence the private sector investment decisions; triggering additional equitable growth for the province. For these reasons, ADP formulation process needs to be accorded utmost priority and meticulous handling by the provincial departments.

3. The increasing size and complexity of the ADP, whereas, on one hand has considerably increased its importance, on the other has made the management process extremely perplexing. The Planning & Development Department (P&DD) along with line departments are spending more time in managing the ADP formulation. The quality of the project documents has shown a consistent erosion of quality which is compromising the implementation status and outcomes of the projects. The approval timelines of new schemes has become extremely elastic spanning over almost the entire year. The portfolios of key departments do not gel well to form a sector programme, rather a collection of projects is usually being termed as a programme. This sporadic compilation is a result of missing sectoral policy directions for most sectors.

4. Historically, the ADP formulation process spanned a period of four months starting in the middle of January and ending just before end of May each year. This time line for ADP Formulation was not only out of sync with the Finance Department's Budget Making Process but also allocated too little time for proper preparation, scrutiny and approval. To address this issue; **from the financial year 2018-19 P&DD has lengthened the ADP Formulation process to eight months and the process will now formally start from 1 October every year.** The increased process time of four months will allow departments to prepare more informed projects; ones that are well grounded in good research and have benefitted from stakeholder inputs and consultations. Similarly, the lengthening of the process will provide more time to P&DD to review the project proposals and take better decisions by helping the departments prioritize their investment decisions. **P&DD has separately issued a document titled "New Planning Framework for ADP" which provides the detailed process and additional activities required to be carried out.** This new framework was presented for feedback to the departments on 28th August 2017 and based on their inputs has been approved. This document (**ADP Formulation Guideline**) must be read together with the **Planning Framework** document (**Annex-I**). The snap-shot of the new process is presented in the table below:

New Planning Framework and Guidelines for the Formulation of ADP 2018-19

ADP Planning Cycle — Timelines	
DATE	ACTION
30 th September	1. <u>ADP Formulation Guidelines</u> circulated by 30 th September;
1 st October to 15 th November	<ol style="list-style-type: none"> 1. Departments to notify an <u>ADP Formulation Team</u>; 2. The Departments may engage in the following activities between 1st October and 5th November: <ol style="list-style-type: none"> 2.1: Conduct quick <u>research studies</u> if required 2.2: Conduct formal / targeted <u>Stakeholder consultations</u>; 3. Departments to submit <u>ADP Strategy Paper</u> to P&D by 15th November;
15 th November to 31 st December	<ol style="list-style-type: none"> 1. Departments to initiate preparation and submission of <u>Project Concepts</u> for new projects; 2. P&D to issue <u>ADP Strategy Paper</u> by 31st December; 3. <u>Schemes uploaded</u> on the automated system and all concept notes must be finalized; 4. P&D and Finance Department to share <u>Development Financial Ceilings</u> with each Department by 31st December;
15 th January	<ol style="list-style-type: none"> 1. Departments to furnish <u>First Draft of ADP</u> to P&D; 2. Departments to initiate <u>preparation, submission and approval of PC-I</u> process in parallel (<i>to continue till 1st May</i>);
15 th January to 15 th February	1. <u>Scrutiny of draft ADP</u> by the respective Members of P&DD and process completed with departments onboard by 15 th February;
16 th February to 20 th March	1. <u>Inter-departmental meetings / consultations</u> with P&D to discuss draft ADP. Meetings/activities should conclude by 20 th March;
31 st March	1. Submission of <u>Final Draft ADP</u> to P&D by the Departments;
1 st April to 1 st May	1. P&DD to initiate <u>briefing sessions/ consultations</u> on proposed ADP with relevant forums;
1 st May	1. Submission of <u>Draft ADP</u> to Finance Department;
Mid-June	1. Discussion and Approval of ADP by Provincial Assembly; <i>(No unapproved schemes will be included in the ADP)</i>
31 st August	<ol style="list-style-type: none"> 1. Departments to produce their <u>Annual Reports</u>; 2. P&DD to compute and share the <u>ADP Departmental Rankings</u>;

GUIDING PRINCIPLES FOR ADP 2018-19 FORMULATION:

5. This document lays down the salient principals and guidelines of the government that must be adhered to as per relevance by each department while preparing the ADP for 2018-19. These guidelines are being circulated in September 2017 prior to the initiation of the planning cycle on 1 October so that the departments have sufficient time to plan and develop activities that will ensure meaningful compliance. The departments are required to build their ADP 2018-19 on the following **six** principles:

i. Revisions to Growth Strategy Pillars & Targets

The Punjab Growth Strategy 2018 was put in place in 2014 and will be completing its period in 2018. The ADP guidelines over the last three years encouraged the departments to align their portfolios with the pillars and targets of the Growth Strategy. The departments in the next financial year are encouraged to assess their overall alignment with the growth strategy and attribute what contributions this has made to the provincial development. Based on these assessments it is recommended that the departments suggest what revisions and changes are required to the overall Growth Strategy Principles, Pillars and Targets for the Punjab. These suggestions should be forwarded to the Economic Wing P&DD which will initiate work on revised Growth Strategy for the new incoming government. The departments are encouraged to develop their portfolios in light of these futuristic changes they expect to be captured in the new growth strategy. To assist the departments with this exercise a template has been provided at **Annex-II**.

ii. Strengthening Compliance with Sustainable Development Goals

Pakistan stands committed to achieving 17 Sustainable Development Goals (SDGs) and 169 targets thereunder by the year 2030. National Assembly of Pakistan has adopted SDGs as national goals. Punjab government has taken lead on SDGs and has established a dedicated SDGs Support Unit under P&D Department to provide technical assistance to government departments for achieving SDGs. The Departments are advised to accord priority to the schemes which address SDGs and the targets while preparing Annual Development Plan (ADP) for the year 2018-19. It is also important that a clear monitoring strategy is put in place by the departments to track performance against each of the 169 targets. The Design of the Schemes should be representative of this fact and must actively document the progress to ensure that the province is moving towards compliance and also measuring this compliance with robust evidence – an area of critical weakness under the MDGs. To assist the departments a template has been provided at **(Annex-III)** which may be attached with new PC documents being developed for the ADP 2018-19.

iii. Support Private Sector Development

The private sector generates around 90 percent of the Punjab's output of goods and services, and is the dominant actor in the economy. Thus, if the province is to meet its goals of 7-8% growth, it must move aggressively to enhance the capabilities of the private sector. Thus, the departments should take a strong view when developing their ADP 2018-19 that it comprises intervention and policies that make product and factor markets more flexible, that lower costs of production and distribution, that improve efficiency through increased competition, and that move the structure of the major sectors and hence of the total provincial economy in the direction of higher value-added products.

Evidence show that the impediments to the rapid growth in size and productivity of the Punjab's private sector arise from issues of both "hardware" (meaning physical requirements) and "software" (meaning the working of institutions, questions of governance, policies, cultural factors, etc). The hardware issues are relatively easy to diagnose; for example, it is quite clear that for the immediate future the most pressing such issue is the power supply on which the government has taken a proactive role. The software issues are much harder to analyze and to act upon, because they often reflect deep-rooted influences

of history, habits, and values. Yet addressing these issues is fundamental to the success of the growth strategy.

Moreover, the provincial policy supports effective Public-Private Partnerships. The departments should not come up with schemes where they displace the private sector from the market, hence, are encouraged to leave more commercially viable opportunities for the private sector and engage more in successful PPPs.

iv. Increase Equitable Investments & Development

As per the current policy stance of the government investments over the previous few years have been tilted in favor of certain districts in Southern Punjab. However, the most recent poverty numbers estimated by UNDP show that the districts such as Rajanpur, D.G. Khan, Rahim Yar Khan, Bahawalpur, Bahawalnagar and Bhakkar are still severely deprived. The government advised the departments to initiate special projects for the 10 poorest districts for provision of better health, education water and sanitation services. The P&DD intends to continue making relatively greater investments as compared to past levels over several next years to recoup the historic lack of spending in these areas. Thus, departments are strongly encouraged to develop schemes that address key issues such as education, health, WASH, basic infrastructure and private sector development in these deprived districts that will contribute to wealth creation and reduce the poverty gap relative to better-off districts. In addition to expanding the district focus the departments are also encouraged to demonstrate how their schemes address the most vulnerable communities such as, young girls in low income areas, physical and mentally handicapped or socially handicapped citizens of the province.

v. Enhance Gender Empowerment

The gender parity ratios in education and health in the Punjab have significantly improved over the last few years and are now close to 1 suggesting that the gender gap in these areas have been addressed. This has been possible due to a conscious effort on part of the government. However, recent Gender Report produced by the Commission on Status of Women suggests that economic and political empowerment of women is still low in the Punjab. Whilst, developing the ADP 2018-19 departments must make full efforts to include existing gender disparities. The departments are also encouraged to bring about policy changes that are required to address gender issues.

vi. Incorporation of Population Census Results

The Federal Government has launched the provisional results of population census that has raised certain new questions for the Punjab. It is expected that by the time departments begin to put together their ADP the final numbers will be released. The departments must use these new figures and facts to revise their intervention designs and scales. In developing new PC documents it is expected of departments to base the designs, project rationale and impact using the new census figures.

ADMINISTRATIVE GUIDELINES FOR DEVELOPING ADP 2017-18:

6. The departments are encouraged to strictly discipline themselves in starting the ADP formulation from 1st October and follow the steps drafted in the new framework with adequate care and rigor. The following administrative processes should be followed in developing the ADP 2018-19.

i. Evidence & Consultation Based ADP Formulation Process

The departments are encouraged to develop their project portfolios based on hard evidence and data analysis. Each Department has been provided financial flexibility to hire expert resources on project development. The departments are encouraged to use these resources

and develop strong evidence based projects. It is also recommended that departments should conduct / design workshops where people from academia, private sector, CSOs/NGOs, development organizations especially UN agencies and other relevant stakeholders are invited to discuss the design of intervention considering the principles highlighted above. Departments are also strongly encouraged to involve officers from field formations / universities / research institutes to come up with demand and evidence on ground to inform the process. A detailed guide to hold consultation sessions is provided in the new ADP Framework document.

ii. Identify Key Target Areas & Indicators

Each department is required to identify their key targets and select indicators that they are trying to affect using the MICS data. The investments of the department should then be focused on attaining the objective of impacting these indicators. This will serve as a strong evidence to assess impact over the medium term. The departments are encouraged to engage with BOS and PERI to identify and build new department level indicators and strategy to more sequentially measure these.

iii. Quality of PC-1s

The P&DD has introduced a checklist of key variables that provide a first check on the quality of PC-1s being submitted by the departments. The departments are intimated that any PC-1 that is submitted with missing elements of the check list will not be accepted by the P&DD for further processing. The departments should place more emphasis on areas such as; **(i) procurement plan; (ii) HR Management Plan; (iii) Implementation Plan; (iv) M&E Plan; (v) Risk Management Plan; (vi) Year wise financial phasing; (viii) Year wise physical phasing; (ix) Environmental impact analysis and; (x) Economic Analysis/Financial Analysis.** P&DD in order to assist the departments with Economic Appraisal will be initiating a series of training sessions being managed by the Economic Wing and PERI. Departments are requested to contact PERI and the Economic Wing if their staff needs training on these aspects.

iv. Assessments of Departments of ADP Process

As intimated by P&DD letter No. 10(22)RP/P&D/2016/VOL-II dated 28th December 2016 with Subject Performance Evaluation Criteria of Administrative Departments; performance of all the departments will be strictly monitored and reported to the Chief Minister at the end of the year. The Index includes 7 domains on which the performance will be assessed. The Indicators are provided as **Annex-IV.**

v. Revised Planning Manual & Training for Planners

It is again reminded to the Departments that with technical support from the Sub-National Governance Programme (SNG), P&DD has issued a revised planning manual. The revised planning manual contains a lot of new things especially on project design and economic appraisal. Departments are requested to refer to the manual intensely to inform their planning process and writing of PC-1s. Moreover, with support from SNG, P&DD also ran training sessions that trained 203 planners across the departments. The training material and course is now available with MPDD, if the departments feel they need further training for their planning staff on the training manual they are encouraged to raise the demand with P&DD and MPDD.

ADP FORMULATION PARAMETERS:

7. In addition to the above the administrative procedures the departments are required to observe the understated parameters in letter and spirit.

- Formulation of ADP 2018-19 will continue to follow the medium-term perspective, adopted for ADP 2017-18. 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 2018-19 will comprise portfolio of development schemes for 2018-19 and projections for next two financial years, viz. 2019-20 and 2020-21 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. **The development of these should be informed by the Policy Making Guidelines issues by the P&DD in April 2017 and later on also instructed by the Chief Secretary that the departments should develop their policy documents positively within 3 months.** 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 2018-19 must be arranged by assigning clear and logical prioritization, facilitating readjustments and course correction during the year, in accordance with resource situation.
- 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. 2018-21 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-V**. 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 Proforma. 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 2018-19.
 - 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-V 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 2018-19 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 accrue to the public in time. Projection for 2019-20 and 2020-21 may be worked out with due care.
- n. *Each Department should identify at least one project in **PPP mode**. However, major Departments i.e. C&W, HUD&PHED, Agriculture, L&DD, Health, Education, Tourism, Skills, LG&CD, Forestry, Fisheries & Wildlife should propose at least **FIVE projects** on PPP mode during 2018-19.*
- o. The Sectoral allocation for ADP 2018-19 shall preferably be in accordance with the ADP 2017-18 as per following distribution formula unless special circumstances dictate otherwise:
 - i. 70% ongoing projects
 - ii. 30% for reforms initiatives and new program.
- p. *Approved schemes by the competent approving fora would be included in the ADP 2018-19.*
- **While preparing Annual Development Programme the Administrative Departments should kept in view that no bulk grant / block allocation should be made in the ADP neither un-specified allocation should be provided in the next year's ADP. The nomenclature of the schemes, their approved cost, location, object codes etc. should be carefully examined and clearly mentioned in the ADP to avoid any supplementaries during the course of financial year. The Administrative Departments should also kept in view:**
 - (i) The judgment of honorable Supreme Court of Pakistan passed in **CIVIL APPEALS NO.1428 TO 1436 OF 2016, M/S MUSTAFA IMPEX, KARACHI** dated August, 18, 2016.
 - (ii) **Local Government Act 2013**
 - (iii) Provision of **Chapter IV** on Annual Development Programme of **The Punjab Budget Manual** (7th edition,2008 Part-I).

SECTORAL GUIDELINES:

8. As already stated, Punjab Growth Strategy, 2018 has been the overarching document that lays down the contours of economic and social development in the province to date. The departments are now being asked to re-think their portfolios based on previous alignments with the growth strategy and revisions they want to push in front of the new political government taking charge in 2018. The current priorities include:

- **Nutrition & Population Issues:** Rapid growth of population is becoming the key and biggest challenge for the Punjab. The situation becomes even worse when issues of stunting is combined with this increasing population growth. The Growth Strategy 2018 specifically mentions population growth in the province and its consequences

on stretching the existing scarce resources. The relevant department projects should address this issue. The P&DD to address this issue as a matter of priority has set up the Punjab Population Innovation Fund (PPIF). The PPIF benefitting from the experience of the District Delivery Challenge Fund under SNG is replicating the process to identify key innovative ideas to address issues of unmet need as a key variable to control growth of population. The next year's ADP may more strongly support the population issues in the Punjab. Similarly, the ADP will also support the nutrition programme for the Punjab.

- **Development of Human Capital:** The government will continue to invest in converting its population challenges to dividends. This will be done by a continual investment in skills development of the youth of Punjab. The support to PSDF, TEVTA and the World Bank PSDP will continue. This year the departments should also try to leverage skills in light of CPEC requirements. Moreover, support for self-employment loans scheme in partnership with Bank of Punjab for the skills graduates may be initiated.
- **Health, Education & WASH:** There will continue to be a stronger tilt towards spending in education, health and water and sanitation services. However, the focus of these departments should be more sharply defined while they carefully assess their role by providing the most essential public services of good quality and bringing about regulatory reforms that will encourage more private sector partnerships in delivery of these services. The departments should also strongly consider the rationale of building new infrastructure or strengthening delivery of services to citizens. The departments are required to strongly use research to evaluate investment trade-offs. For example, in education the department should evaluate the returns to spending on schemes such as giving away new laptops, building new schools or improving mobility towards existing schools, enhancing teacher quality and investing in better content and regulating the quality and learning outcomes. Similarly, under health should the department invest in building new hospitals or better staffing the existing ones? Evaluation of such trade-offs may be strongly linked to overall targets of growth and SDGs. Moreover, a stronger consideration should be given to the deprived and vulnerable communities of the province, in order to achieve equity.
- **Agriculture, livestock & Rural Development:** Agriculture is the backbone of Punjab and is a sector that is increasingly becoming an area of concern due to the decline of productivity and rise of population. The Punjab has always been self-sufficient in basic food, however, the decline in agriculture and livestock coupled with water availability could soon create food security issues for the province. Moreover, rural income depends on agriculture and livestock and hence poverty indicators cannot improve without gains in these sectors. The next year ADP should seek to enhance focus on areas of productivity and skills in the sector. The Kissan Package will be the key driver of development and growth in the sector. There should be a much greater focus on agriculture research to address ailments faced by the sector. The ADP will continue to support allocations on subsidising fertilisers, providing interest free credit and smart phones for farmer, providing subsidy on electric tube wells, spending on cotton seed reforms project, strengthening the Punjab Warehouse receipt financing system, investing in high value agriculture, supporting establishment of high tech mechanisation service centres and capacitating farmers' cooperatives.

In addition, the government has signed an agreement with the World Bank for the Project Strengthening Markets for Agriculture and Rural Transformation in Punjab (SMART Punjab). The P for R programme will be supporting the Punjab Livestock and Dairy Development Board (PLDDB) and Lahore Division Cattle Market Management Company for the constructive and leading role they are already playing

in livestock production and marketing improvement. The programme will also focus on institutional strengthening and Smart Public Investments in the sector.

- **Infrastructure (Roads & Irrigation):** High quality and efficient infrastructure is critical to the development of industrial, agricultural and services sector. However, not all infrastructure projects have the same impact. Some generate high social return on investment and contribute to private sector activity, employment and government revenues. But other projects generate an inadequate return and result in a drain on scarce public resources. In Punjab, the political government and policy makers are greatly convinced that infrastructure matters to growth, especially when the Province is among most rapid urbanizing province in the region. There is, indeed, some anecdotal and more technical evidence that better quantity and quality of infrastructure can directly raise the productivity of human and physical capital and hence growth. For example: the quality roads infrastructure can: i) improve access to education and health services, ii) improve access to markets for farmers, by cutting costs, iii) facilitate private investment, and, ultimately improve jobs and income levels for many. More specifically, the Khanewal-Lodhran road will be completed.

The next year ADP should continue to focus on building quality infrastructure, however, all new investments will be guided by assessments of the successes and failures of previous or existing projects. Strong ex-post evaluation, based on well thought out methodologies must be used to determine the viability of such projects. A similar approach to evaluating investments in building new irrigation infrastructure must be conducted. The formulation process should consider the value in investing for new assets and keeping operational and effective the existing ones.

- **Industrial Competitiveness & CPEC:** The government strongly realizes that it needs to do more to improve the industrial competitiveness in the Punjab. This has become even more important in light of the CPEC. The Industries Departments to play a key role in this. The next year plans should support a comprehensive industrial policy, domestic commerce strategy, spatial planning for industry, developing a long-term engagement strategy with the Chinese, identifying industries of JVs and investments and regulating the industrial space by the creation of Industries Regulation Authority Punjab (IRAP).

More specifically there should be a priority for the Industries Department to finalize full-scale industrial policy, which can help inform the decision-making regarding industrial cooperation not only in the CPEC context but also in perspective of the global opportunity canvass. Moreover, a stronger emphasis should be placed on finalizing the spatial policy that will lay the grounds of developing new industrial parks and zones. Finally, a comprehensive land use policy for industrial development should be developed over the next year.

9. 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.

10. All provincial government departments are requested to indicate their proposed programs under ADP 2018-19 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.**

11. While filling in the forms, the following instructions should be kept in view:

- (i) Separate form should be used for each sector/sub-sector.
- (ii) Nomenclature of all development schemes as approved by the competent authority should be properly and correctly stated.
- (iii) Lumping of development schemes into a programme should be avoided.

(iv) Status of the developmental schemes should, be clearly spelt out.

12. Funding Facility for Project Preparation:

- (i) 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.
- (ii) 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.
- (iii) For further information and assistance on this initiative, Departments may contact Senior Chief (Coordination), P&D Department.

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**New Planning Framework
for
ANNUAL DEVELOPMENT PROGRAM (2018-19)**



AUGUST, 2017

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

**NEW PLANNING FRAMEWORK
for
ANNUAL DEVELOPMENT PROGRAM (2018-19)**

INTRODUCTION & BACKGROUND:

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. Due to its substantial size and sectoral range, ADP interventions are the principal drivers of Government's vision for pro-poor, inclusive, and sustained economic growth. However, the government is also cognizant of the fact that the requirements of the province are diverse and growing as its population has reached 110 million as per the latest census. At this size of population, the per capita development budget thins out significantly, thus, the need to be more strategic in ADP resource cannot be over-emphasised. Moreover, ADP must be seen to act as a strong catalyst for boosting private sector investment that can complement the public sector investments. For these reasons, ADP formulation process needs to be accorded utmost priority and meticulous handling by provincial departments.
2. Strategic and meaningful preparation of the ADP requires significant amount of homework and clarity of the thinking process. Historically, the ADP has lacked on various accounts and the outcomes have been less than the optimal. Over the last two years, P&DD has engaged with various stakeholders to review and improve of the ADP process, its composition and overall performance.
3. It has been assessed that one of the key reasons for sub-optimal performance is 'short time available for the planning cycle'. Under the current regime, the process starts in the Middle of January with the issuance of ADP guidelines. Departments are given a month and a half to submit their draft ADPs. P&D has two weeks in March to scrutinize the initial ADP. This is followed by a hectic schedule of meetings and presentations, and by early April a second draft is prepared with pressure to approve and submit final draft to the Finance Department before end of May.
4. As these activities have to be completed in a very short span of time, the Departments do not get enough thinking space to plan their ADP. There is little time to review priorities or to even conduct basic research and stakeholder consultations. The time to write up concept notes on new proposals and line up evidence to show their strategic alignment is not possible in a short duration. Similarly, the P&D Members and their teams get insufficient time to review the ADP and provide meaningful input.
5. P&D Department, Government of the Punjab, is keen that the formulation process of ADP 2018-19 addresses the above issues and is informed by good research and evidence, has stronger elements of stakeholder consultation and feedback, sets appropriate targets, and the concept notes/investment proposals duly represent provincial development priorities, and are aligned with departmental policies and well-grounded in the principles of value for money.
6. In order to aid this objective, the P&D in consultation with departments and members have approved the **New Planning Framework**. The new framework is adding three (3) months to the existing cycle by starting the **planning cycle from 1st October 2017 instead of January 2018**.

7. The purpose of this document is to map out various steps in the revised ADP Formulation Process and provide guidance on the type of activities that the departments are expected to follow.

REVISED ADP CYCLE

8. The ADP formulation for the financial year 2018-19 will have the following new time lines and structure:

ADP Planning Cycle	
DATE	ACTION
30 th September	ADP Formulation Guidelines circulated by P&D
1 st October to 15 th November	<ul style="list-style-type: none"> i. Departments to notify ADP Formulation Team. The notification to be shared with P&D (Coordination Wing & Relevant Member) <i>(See Explanation Note at para 9 below)</i>; ii. The ADP Formulation Team for each department to develop a broad plan of activities, identify set of stakeholders and establish research needs <i>(See Explanation Note at para 10 below)</i>; iii. The Departments may engage in the following activities between 1st October and 5th November: <ul style="list-style-type: none"> • Conduct research studies if required and gather required data to support ADP formulation and planning; • Conduct formal / targeted Stakeholder Consultations to inform the ADP formulation <i>(See Explanation Note at para 11 below)</i>; • Departments submit a report on all activities carried out including research studies, data analysis and stakeholder consultations to Coordination Wing P&D. iv. Departments to submit their ADP Strategy Paper to P&D by 15th November. The ADP Strategy Paper may include: <ul style="list-style-type: none"> • A statement on strategic objectives, goals, targets and priorities; • Identification of target indicators based on policy priorities and through stakeholder consultations. The baseline values may be identified keeping in mind priorities such as SDGs, CPEC & Equity; • A logical-framework summarizing annual and rolling 3 year targets and linking them up with identification/listing of all new initiatives/schemes formulation <i>(See Explanation Note at para 12 below)</i>.
15 th November to 31 st December	<ul style="list-style-type: none"> i. Departments to initiate preparation of Project Concepts for all new proposed schemes <i>(See Explanation Note at para 13 below)</i>; ii. P&DD to issue ADP Formulation Strategy by 31st December; iii. Schemes to be uploaded in order of priority on the automated system and all concept notes for new schemes must be finalized; iv. P&D and Finance Department to share Development Financial Ceilings with departments by 31st December;

ADP Planning Cycle	
DATE	ACTION
15 th January	Departments to furnish First Draft of ADP to P&D. The overall Logical Frame should also be shared. Departments to initiate preparation, submission and approval of PC-I process in parallel (Ongoing till 1st May).
15 th January to 15 th February	Scrutiny of draft ADP by the respective Members of P&D and process completed with departments onboard by 15 th February.
16 th February to 20 th March	Inter-departmental meetings / consultations with P&D to discuss draft ADP. Meetings/activities to conclude by 20 th March.
31 st March	Submission of Final Draft ADP to P&D by the Departments; <i>Note: Submission should also include a master matrix showing how each of the comments by P&DD have been addressed</i>
1 st April to 1 st May	P&DD to initiate briefing sessions/ consultations on proposed ADP with relevant forums;
1 st May	Submission of Draft ADP to Finance Department
Mid-June	Discussion and approval by Provincial Assembly. <i>(No unapproved schemes will be included)</i>
15 th July – 31 th August	<ul style="list-style-type: none"> i. Departments to produce their annual reports by 31st August as per table of contents provided at (Annex I-A), ii. P&DD to compute and share the departmental rankings based on ADP Departmental Rankings by 31st August (Annex I-B)

9. It is pertinent to mention that the above structure is aligned with Finance Department's Budget Making Process that also starts in Middle of September by issuing of Budget Call Circular and Development Guideline. As per the Cycle the Finance Department should finalize budget estimates by December to be presented at Pre-Budget Session of Punjab Assembly in January. It is intended **that from the current year P&DD and Finance will synchronize working more closely so that the development budget ceiling is provided well in time to ensure prioritized planning.**

GUIDANCE NOTES FOR DEPARTMENTS TO EXECUTE PLANNING CYCLE ACTIVITIES:

ADP Formulation Team

10. The Departments are expected to notify an internal team that will lead the ADP Formulation process. The team may be headed by an Additional Secretary / or a senior officer appointed by the Secretary. The constitution of the team should remain constant through-out the ADP formulation process barring necessary changes in case of unavoidable transfers and postings. The Secretary to the Department must ensure that any vacancy as a result of transfer and posting is immediately filled by a suitable replacement. The departments are encouraged to include senior representatives from **attached bodies**,

directorates and field offices, research institutes / universities where applicable in the ADP Formulation team. In departments where the **SPUs** are operational – they must be made part of this team. The broad TORs of the ADP Formulation Team may be as under:

- Responsible for the overall coordination, design and development of the ADP for the department;
- Conduct targeted stakeholder consultations and corroborate information to inform the development of ADP goals, targets, objectives and identification of initiatives;
- Assess needs and requirements to engage external specialist support for research, data analysis, evidence building, project designing, etc. as may be required;
- Produce the department's ADP Strategy Paper, present to the Secretary for approval and onward submission to Pⅅ
- Conduct the exercise of the development of the logical framework;
- Develop roles and responsibility matrix to ensure departments delivery of outputs related to ADP formulation as per the new framework are met on time and are of good quality;
- Keep a close follow-up on deliverables to ensure tight compliance.

Plan of Activities

11. The departments ADP formulation team should develop a work-plan to reflect the requirements of the new planning framework. Whereas, all the other activities and responsibilities are well-elaborated in this document, the team should take suitable care in selecting its key stakeholders for consultation. The stakeholders may be classified and identified through the following strata:

- a. **Citizen/individual:** These may be identified through CSOs/NGOs or direct community group representatives. These stakeholders are extremely important where the departments primary responsibility is delivery of services.
- b. **Industry/business:** On the basis of needs of the department private sector stakeholders may be identified, the departments can use formal forums such as chambers and associations or through direct contacts with representative businesses as required.
- c. **Departments platform/network/association:** These include stakeholders from department's other programmes and initiatives, associated bodies, directorates, field offices etc.
- d. **Research:** These include established consulting firms, think-tanks, law firms, individual consultants, universities and academia led research houses. These may be involved as required.
- e. **Development Partners:** The departments may also consider including development partners such as UN Agencies, Asian Development Bank, World Bank etc.

Stakeholder Consultations & Research Studies

12. A first critical element that has been added in the new process is introduction of targeted and result oriented stakeholder consultation process by the departments. Stakeholder consultations will help the departments in designing transparent, well-targeted and coherent framework on which to design their ADP by identifying key initiatives that will serve the strategic needs and priorities of the sector. It is expected that the Departments consult widely to discuss their overarching policy objectives and be as open and transparent about the constraints faced in a public-sector system. The departments should aim to get

solid feedback and input from stakeholders so that they are able to refine their policy objectives and targets and identify clear intervention areas where public funding is necessary i.e. market failures exist. In order to make Stakeholder consultation useful it is necessary that some overarching guiding principles and good practices are followed. In order to help the departments P&DD has developed some key steps that should be followed in conducting these consultations (**Annex I-C**). Additionally, the departments are encouraged to use short term technical resource to conduct short technical studies that can help generate relevant research and evidence and also support the stakeholder consultations. The departments are expected to submit a stakeholder consultation report and outputs of study reports to P&DD by 5th November.

Logical Framework

13. The departments by referring to their policy document / objectives and targets and based on the feedback from the departments should develop a logical framework taking a 3-year medium term approach. The logical framework should specify what targets the department has identified as a result of its policy objectives, what are the key indicators for measure performance / contribution towards the targets, provide base-line values and sources of data, frequency of measurement and, any risks / assumptions that may hinder performance. The framework should also list the set of interventions and their time priority showing how these interventions will help attain the overall targets. The framework should also have specific inputs that establishes any link if it exists with targets of the Punjab **Growth Strategy, Sustainable Development Goals (SDGs), equity and, CPEC** and related initiatives. Furthermore, the framework should also indicate early identification of initiatives that can be implemented via **PPP mode**. To assist the departments a template has been provided at (**Annex I-D**). Departments are encouraged to use the templates as part of their stakeholder consultations and flesh out the details through the process.

New Project Concept Notes

14. After finalization of the logical framework the departments may engage technical support or based on their own capacities through the SPUs (where established) develop concept notes on new initiatives identified. The project concept notes should be developed as per the template provided at **Annex I-E**. Moreover, the departments must upload all new proposed scheme in the P&DD automated system in order of priority.

15. *The planning cycle activities from 1 January onwards are identical to historic activities and practices with the exception that a larger amount of time is allocated to each activity/process. This new cycle activities will be implemented through the Revised ADP Guidelines 2018-19 that will be issued in September.*

* * * * *

Annex I-A: Annual Progress Report of the Departments

All information to be provided should be for work undertaken in financial year

1. Message by Secretary to the Department
2. Organizational Chart of Department / Pictures of Key Officers

Executive Summary

Based on information provided in sections below

Part One: Role of “name of the department”

1. Vision & Mission Statement (these should be crisp and short statements)
2. Agreed rules of Business (the formal ROBs)
3. Objectives (Statement of key objectives and some assessment of how these are linked to the ROBs)
4. Policy Statement (what is the policy of the department, sectoral context, role of department in the sector, key target areas, milestones, indicators, future aspirations)
5. Annual Work Programme 20xx-xx

Part Two: Key Achievements 20xx-xx

1. Development portfolio (Size, structure, new schemes, utilization, completion of schemes, monitoring and evaluation of schemes, completion of schemes, PC documents, submitted, approved & referred, number of DDSCs held, PDWP meetings attended etc)
2. Service Delivery (State key service delivery achievement, count of beneficiaries, categorizations of beneficiaries, operational expenditures incurred to serve beneficiaries, any case studies to report on life changing experiences)
3. Policy & Regulatory (any policy work done during the year, regulatory interventions, policy framing, private sector development)
4. Public-Private Partnerships: (Any PPP activity to report on)
5. Donor Engagements: (report on activities, technical and financial support and achievements)
6. Key / Mega Projects: (Highlight ODP projects, high ticket and politically driven interventions)
7. SDGs & Growth Strategy: What and how were activities undertaken that supported compliance towards SDGs and Growth Strategy Pillars.
8. Capacity Building, Institutional Strengthening & HR Development (provide list any activities carried out during the year)

Part Three: Communications & Next Year Workplan

Any engagement of department with press, international media, events at provincial, national and international level. Also provide what the department intends to do over the next year against which the next year report will be published.

Annex I-B: Department's ADP Performance Evaluation Criteria

The Planning & Development Department (P&DD) Punjab over the course of the last year has worked towards streamlining the process of Annual Development Plan (ADP) formulation. The ADP formulation guidelines and ADP formulation strategy documents prepared by P&DD has introduced certain measures in these documents that define certain deadlines in the process cycle and also lists requirements for departments to develop strategic list of priorities, quality of PC-1s and other similar requirements. The Department Development Index (DDI) is an attempt to develop key indicators to track performance of the departments on these new introduced processes. This is a broadly an abstract index and indicators have been defined with indicators that are easy to track and monitor at the P&DD level.

The Index includes 7 key indicators with sub-indicators as below:

	Main & Sub-Categories
1	PC 1 / PC 2 Submission & Approval - Weight 22.5
1.1	PC-1s prepared & Signed off by Secretary of the Department
1.2	State the exact percentage of PC-1 signed off by Secretary
1.3	Quality of PC-1s submitted/prepared as per 3.1/3.2 above
1.4	% of PC1s sent back with comments to revise
1.5	What is the Ratio of Number of Projects Approved to DDSC Meetings held?
1.6	DDSC Meetings Chaired by Secretary
1.7	PC1s approved by DDSC by 30 September
1.8	PC1s submitted to PDWP by 31 July
1.9	% of PC1s sent back with serious reservations or rejected at PDWP
1.10	PDWP Meetings attended by Secretary
1.11	PC1s approved by PDWP by 30 September
1.12	Administrative approvals issued within 10 days of approval (% of Schemes)
2	Release of Funds - Weight 7.5
2.1	% of Total Amount Requested for Release
2.1	% of Total Amount of ADP Released
3	Monitoring of Progress - 5
3.1	Monthly Monitoring Meeting held every month (% of Months)
3.2	Monthly Monitoring Reports submitted to PNDD on % of Months
3.3	Quality/Coverage of the monthly progress report determined by PnDD
4	Strategic Direction of Department - 10
4.1	Does the Department has a Strategic Plan before planning for next year?
4.2	Does the plan provide prioritized list of potential interventions?
5	ADP Formulation Process – 10
5.1	Did the Department meet the deadlines as per ADP Guidelines circulated by PnDD?
5.2	Level of participation in meetings on ADP Formulation
6	Revisions & Surrenders - 22.5
6.1	% of PC-1s sent for revisions during the financial year

6.2	Re-appropriation requests filed and resolved by 31 December
6.3	% of Funds surrendered
6.4	State the exact percentage of surrender
6.5	% of Funds surrendered in timely manner
6.6	% of Funds surrendered late
6.7	% of Funds lapsed/unspent
7	Financial Utilization - 22.5
7.1	% of Total Amount Released Utilized
7.2	% of Total Amount Utilized relative to Original Budget
7.3	% of Schemes completed against the target

Annex I-C: Guidance to Conduct Effective Stakeholder Consultations

What is Consultation?

Consultation is a process through which the 'organizing' member collects opinions and views from relevant stakeholders about a pre-defined problem statement or issue. Stakeholder consultations can take various forms and can be implemented through different consultation methods (targeted, inter-departmental, intra departments, field formations, academic and research institutions or a combination of all) and tools (documents, questionnaires, key informant interviews, focus groups). However, stakeholder consultations must be distinguished from data collection and collection of expertise. The collection of expertise is largely done through expert groups or hiring of technical / professional services to develop a background paper – stakeholder consultations are conducted to collect expression of views on a specific issue. Therefore, hiring of consultants etc. must not be included in stakeholder consultation, it may be done separately and reports from such specialists may then be made part of these consultations. Moreover, stakeholder consultations may be used to discuss and reflect of data and facts but should not be an exercise to collect data.

In the context of ADP Formulation the consultations to be done by the departments are absolutely critical in informing the identification of key issues, possible solutions and inputs required by the departments. The sessions can also help in designing the overall strategic goals and objectives. The departments are encouraged to identify their key stakeholders and develop key questions they want to discuss and need views and inputs on. The areas can include high level policy and strategy questions, identification of issues and responses to these. A senior member of the department may conduct the dialogue and it should usually start with a short presentation on existing scenario, research and evidence available under the topic under consideration. If the departments have conducted some prior studies the findings and recommendations may be shared at the session. The department should see consultation as an enlightening process to add a large number of different experiences and views.

Why Consult?

Consultation with a wider set of internal and external parties increases the legitimacy and hence quality and credibility of the proposals/initiatives. The government has a duty to act in public interest and ensure best value for money when making financial decisions. Therefore, good consultations can provide a comprehensive overview of differing interests, structuring of the available information and collecting different views to reach practicle solutions provision of high quality, reliable information is crucial to the process. The Policy and Strategic Plan should thus be done prior to departments submitting the ADP for the next year.

What principles must be observed?

As per global good practices 'five' key principles must be adhered to whilst conducting stakeholder consultations:

- i. The framing of issues under discussion, documents, information etc. must be clear and concise;
- ii. All members must be given a fair chance to represent their views;
- iii. Identification of stakeholders must be strategic and reflective of the issue being discussed;
- iv. Participants are notified about consultations timely ensuring availability and preparation;
- v. Conclusions and key points for sessions are shared with all participants for concurrence.

Steps for Designing, Running and Analyzing Consultations

In order to provide a guiding tool, the following steps as felt necessary by the departments may be followed for having a useful consultation session. Please note that if the departments feel the need to take additional steps they should feel free to do so.

Step 1: Clearly Defining the Objectives of the Consultation Session

The department should set the agenda in advance and if possible share it with stakeholders for input and developing clarity. The context, scope and expected impacts of the initiative should be defined clearly. Information on consultations that have already taken place (if any); future consultations that will take place after the current one (if any) and their respective objectives must also be developed. This should help to identify what information is already available and what still needs to be asked from stakeholders.

Step 2: Stakeholder Mapping

A key step when preparing for a consultation is the stakeholder mapping to identify the target groups to be consulted. This will in turn influence the choice of the most appropriate consultation methods and tools, which should invite contributions from as many relevant target groups as possible. It will also determine whether specific approaches will be needed for different stakeholder groups, as well as which language versions of the consultation documents will have to be made available. The language coverage of the consultation will vary depending on whether those consulted are highly specialized, not specialized, or general such as citizens.

The basic rule is to consult broadly and transparently among stakeholders who might be concerned by the initiative, seeking the whole spectrum of views in order to avoid capture by specific constituencies. The minimum consultation standards indicate that all relevant parties must have an opportunity to express their opinion. Relevant parties are defined as those affected, those who will be involved in the implementation, those that have stated interest, those that have knowledge and expertise about the issue as well as those that support or can block solutions related to the area.

Step 3: Selection of consultation method and tools

Next the department must establish whether to have a targeted consultation, or with internal stakeholders of the department or may be in hybrid mode. Targeted consultations can be through key informant interviews and more closed meetings, whereas inter-departmental, field formations or hybrid consultations should be done in shape of focus groups. In both cases a set of structured questions and desired outputs must be developed and shared in advance.

Step 4: Detailing the timing of consultation and its sequencing

When preparing the overall consultation plan, it is crucial to set the appropriate moment of the start of each consultation activity and their sequence and assess the stages of the departments activity where stakeholder input will be needed. This again depends on the aim of the consultation and the target groups input is sought from.

As a general rule and for the sake of its effectiveness, the consultation process should start as early as possible, so that interested parties can really influence the outcomes. This means that they have to be involved before certain decisions have been made, thus, these consultations may be started at time of departments policy setting. Sufficient time for responding must be given to those participating in consultations.

Step 5: Analyzing Responses and Reporting Back

The last and most important step is to perform good analysis on the information and views of stakeholders. This exercise should go beyond the point of just recording the views and statements, in fact should provide an analytical summary of key discussion points, how it contributed towards the agenda items, what were the outcomes, what was agreed and how department has incorporated the feedback. The final product must also be shared for feedback.

Annex I-D: Template for Developing A Departments Logical Framework

The outcome of a strategy or a policy, no matter how elegantly articulated, depends on the fidelity with which it is implemented. The departments have been asked to develop their policies/ strategies, as a next step they are required to develop this into a logical framework as per the template below. **Please note the write up is only for depiction and illustrative purpose.**

Narrative Summary	Key performance indicators	Means of verification	Costs	Time Line	Responsibility	Assumptions
<p>Goal: A more competitive Punjab that can achieve a 7-7.5% growth p.a. and create a minimum of 1 million jobs a year</p>	<ol style="list-style-type: none"> Total GPP growth per quarter for the province in Pak Rupees and US\$ New employment generated per quarter in numbers Average growth of GPP over the next 5 years 	<ol style="list-style-type: none"> Gross Provincial Product calculated by BOS Number of new jobs created estimated by BOS Change in employment figures estimated by BOS Punjab Economic Report Punjab Competitiveness Report 	Cost of individual actions are proposed below in detailed activity list	1. Over 3 year period	1. PSD Core group comprising of C&ID, PBIT, P&DD, TEVTA, PSIC & PIE	<ol style="list-style-type: none"> Provincial governments commitment to private sector led growth Ability of BOS enhanced to get accurate estimates of GPP and employment Macro-economic conditions remain sufficiently stable to allow growth and development Security conditions do not worsen further
<p>Purpose: To create an enabling environment for private sector led growth by improving governance, facilitating creation of efficient factor markets, developing world class business environment, competitive companies and productive people</p>	<ol style="list-style-type: none"> Improved regulations and monitoring Adequate quality and quantity of infrastructure Availability of trained workforce to respond to market demand Improved investment climate Better access to high value added domestic and export markets 	<ol style="list-style-type: none"> Number of policy changes made having direct impact on private sector facilitation Number of critical infrastructure projects initiated 	Cost of individual actions are proposed below in detailed activity list	1. Ongoing	<ol style="list-style-type: none"> P&D Department and Bureau of Statistics Stakeholder departments including C&I Department, PBIT, PIE, TEVTA, PSIC, PCB and PAMCO 	<ol style="list-style-type: none"> PSD policy stays a priority Implementation of suggested time bound activities Ministries coordinate and are able to implement elements under leadership of C.M. office.

Outputs:						
1. Punjab's business & investment climate improved with global image and market presence strengthened	<ol style="list-style-type: none"> 1. Improvement in investment climate index (annual) 2. Number of changes made to improve cost of doing business indicators (annual) 	<ol style="list-style-type: none"> 1. World Bank published reports 2. World Bank published reports 3. Newspaper clippings and international media recordings 	Costs are listed as per inputs/activities stated below	<ol style="list-style-type: none"> 1. Every 12 months 2. Every 12 months 3. Every 6 months for all other indicators 	<ol style="list-style-type: none"> 1. PBIT, C&I, P&D Department and Bureau of Statistics 2. C&I, PBIT, BOS 3. PBIT and C&I D for all other indicators. 	<ol style="list-style-type: none"> 1. Continued support of World Bank to build capacity of BOS and PERI to institutionalise survey methodologies
2. Production, Value-addition and adaptability to technological change capability of the Private Sector enhanced	<ol style="list-style-type: none"> 1. Develop a productivity and value addition index of all key sector in Punjab 2. Value addition as a percentage of total output 	<ol style="list-style-type: none"> 1. Development of an index 2. Production of statistics 	Costs are listed as per inputs/activities stated below – The United Kingdom Department of Trade & Investment has a 'value addition' score card. The same template can be replicated by Punjab.	<ol style="list-style-type: none"> 1. 12 months for first statistic to be produced 2. Repeated at the frequency of CMI data 	<ol style="list-style-type: none"> 1. BOS & PERI to work on the development of the statistic, C&I D to coordinate 2. The census of manufacturing industries data can be used to create this index. DFID TAMA can provide initial support to develop basic set of indicators using the CMI data 	<ol style="list-style-type: none"> 1. Resource availability 2. Assumes cluster initiatives not based on protectionism and subsidies but on removing public sector bottlenecks, providing public goods or correcting market failures
3. Quality of the Human Resource improved	<ol style="list-style-type: none"> 1. Increase in employment 2. Increase on export of skilled labour from Punjab 3. Number of international certifications 4. Effective user feedback 	<ol style="list-style-type: none"> 1. Statistics produced 2. Feedback reports produced 	Costs are listed as per inputs/activities stated below	<ol style="list-style-type: none"> 1. Statistics produced quarterly 	<ol style="list-style-type: none"> 1. BOS & PERI to coordinate with TEVTA and C&I D. 	<ol style="list-style-type: none"> 1. Ability of BOS and PERI to collect reliable data and statistics. 2. Willingness and resource availability to TEVTA to upgrade the training and skills base of Punjab
4. Implementation of the strategic and policy actions strengthened	<ol style="list-style-type: none"> 1. Number of meetings held of the PSD Core group to review implementation 2. Number of actions implemented on schedule 	<ol style="list-style-type: none"> 1. Meeting minutes and reports produced by department 	Costs are listed as per inputs/activities stated below	<ol style="list-style-type: none"> 1. Every three months 	<ol style="list-style-type: none"> 1. C&I D to coordinate meetings of the PSD Core Group 	<ol style="list-style-type: none"> 1. All participants showing ownership of strategy implementation actions and willing to coordinate with C&I D. 2. Resources being made available to line departments for implementing strategic actions

Actions to Achieve (<i>This is where schemes Existing and New will show up</i>)						
1. Punjab's business & investment climate improved with global image and market presence strengthened						
1.1 Launch the 1st Sub-National Cost of Doing of Business report	1. Survey report launched and widely disseminated	1. Verification by World Bank 2. Minutes of meeting and membership details 3. World Bank launch ceremony, presentation of results	Minimal	1. By 30.06.2020	C&I to take lead	1. No delay in World Banks team arrival due to tight security
1.2 Develop domestic and international PR/media/mindset initiative in which every initiative is publicized and explained in local language locally, in local leadership forums and in global forums: For e.g.: Develop a short article for international media to communicate the commitment of Punjab of improving its business climate	1. Articles written	1. Articles published	PKR 100 million over 3 years; Expected Split of Year 1: 40 million, Year 2: 30 million and Year 3: 30 million	1. Ongoing	PBIT to take lead supported by C&I	1. World Bank survey completed on time
1.3 Develop a common logo to brand Punjab such as "Productive Punjab; Punjab: the Power of Productivity" or a phrase like "Punjab: Public and Private Partnership Powering Productivity"	1. Brain storming sessions held to agree on a strategy to develop logo	1. Outcomes of the sessions, and agreement and approval of the logo by competent authority	1. Professional costs may be involved but not significant	1. By 31.12.2020	PBIT to take lead & C&ID to coordinate	1. Timely input from each stakeholder and assumption to reach a conclusion quickly

1.4 Develop short/effective publicity material, documentary and information leaflets for commercial engagements	1. Number of publicity materials 2. Coverage in promotional DVD and quality of DVD 3. Quality of information on investment and trade options	1. Material developed, approved by competent authority and finalised	1. DVD Rs 0.5 Million 2. Publicity material Rs 10/30 Million depending on requirement, quality and scale	1. Update regularly	PBIT to take lead supported by C&ID	1. Timely collation of information from all sectors etc and agreement on materials / success stories to be presented
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Annex I-E: New Project Concept Note



Government of the Punjab
Planning and Development
Department

Project Concept Note for New Projects/Initiatives

1. Preliminary Information

Name of Department/Agency	
Focal Person:	
Name:	
Designation:	
Address:	
Tel. No:	
Email:	
Fax No:	

2. Project Description

2.1) Project Title

Name/Title of the proposed project.

2.2) Explain the Proposed Project Idea

It should cover the following headings

- a. **Problem Statement** (Maximum 100 words)
- b. **Justification** with evidence (Maximum 100 words)
- c. **Is the Project a Pilot to test an idea or Scale Up** – If full scale then provide evidence that the concept works (this should be a hard and credible evidence) (Maximum 200 words)
- d. **How was the idea conceived?** (Is it a result of some feasibility study, survey, expert opinion or stakeholder consultation – please state the source and provide evidence as Annexure.)
- e. **Define the project design/scope in simple words** (What will it do and how?) (Maximum 300 words)
- f. **List down the targeted beneficiary groups** (what percentage are likely to be women, children and marginalized) (Simply list)
- g. **What is the Geographical Coverage?** (State the districts etc)

2.3) **Project Duration**

State the expected time period of the project in Months (please distinguish between the design time and implementation time)

2.4) **Project Cost**

Provide a rough Cost estimate of total project. How much of this will be fixed investment/asset creation and what is the operational cost. If it is not a fixed time project then provide variable cost/operational cost of sustaining the project beyond the PC-I life.

3. **Strategic Context**

3.1) **Briefly explain the Link with Provincial Growth Strategy 2018**

Which pillars of the Growth strategy will the project contribute towards and how? (200 words maximum)

3.2) **Briefly explain the alignment with the sectoral strategy/work plan**

Briefly provide the objective of the sectoral strategy/work-plan and demonstrate how this project fits in. (200 words)

3.3) **Briefly explain how the project will contribute to Province's compliance with the SDGs.**

State the indicators you expect to improve as a result of this project and how. (200 words)

4. **Impact, Outcome & Outputs**

Impact: (Provide a clear statement on what will be the eventual impact)

Outcome: (Provide clear statement on Outcomes (Please note there could be more than one Outcomes)

Outputs: List down all the outputs you expect to produce

Fill the table below fully:

Design	Performance Targets / Indicators with baseline Values	Data Sources and Reporting	Risks/Assumptions
Impact: (As Above)			
Outcome: (As Above)			
Outputs: (As Above)			

5. **Issues to Consider**

Briefly provide if the project is likely to face any of the following issues:

- a. Technical issues that project may face
- b. Legal, regulatory issues that the project may face
- c. Commercial, financial and economic issues
- d. Institutional and governance issues
- e. Any other safeguards such as environment protection, displacement of people etc.

Assessment Against Growth Strategy 2018 Pillars

1. Existing Portfolio Alignment

Sr. No.	Punjab Growth Strategy 2018 Pillars/Thrust Areas	% of Department's Portfolio Aligned (2015-2018)
1.	PPPs/Private Sector Investments	
2.	Investment climate improvement/facilitation of private sector	
3.	Relieving the energy shortage	
4.	Improvement of quality and quantity of infrastructure	
5.	Better functioning cities and urban clusters	
7.	Social inclusion and reducing inequity	
8.	Creating employment	
9.	Resulting in enhanced exports	
10.	Targeted social outcomes	
11.	Capacity building and developing capable HR	

2. Results Due to Alignment

State key results/outcomes that the department observed due to alignment of the portfolio with Growth Strategy.

3. Refinements to Pillars/Thrust Areas

Sr. No.	Suggestive Pillars/Thrust Areas for Revising the Growth Strategy	% of Department's Portfolio Aligned (2018-beyond)
1.	Suggest new areas which may or may not be same as above	
2.	Please add as many rows as required	

4. New Schemes

Provide a list of new schemes for next year ADP and state which areas mentioned in part 3 above are complied with.

Note: Please send completed template to Economic Wing P&DD.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Each new PC document should contain the following table duly filled.

Particulars Of the Scheme	Broader Domains of SDGs	Which of 17 Main Goals the Scheme Will Impact?	Which of the 169 targets the Scheme Will Impact?	How will the impact / change be measured and What will be the scale?	Provide Means of Verification for Compliance with Targets.
<i>Name:</i> <i>Area of Focus:</i> <i>Cost:</i> <i>Duration:</i> <i>Geographical Position:</i> <i>Nature and Number of Beneficiaries during implementation:</i>	List which of the 4 Broad SDG Domains is the Scheme Targeting <i>Environment</i> <i>Social</i> <i>Economic</i> <i>Governance</i>	List which of the 17 Goals the Scheme will contribute towards	List which of the 169 targets the Scheme will contribute towards	List the indicators and their base line values against number of beneficiaries – in case no standard indicator data exist in MICS/PSLM or other public sources, provide a note on how this data will be collected, its frequency and accuracy	List the means which can be official data sets, project evaluation reports, project data etc. that can be used to verify the change contributing towards the SDG compliance.

The Following are the 17 Goals under the SDGs:

- Goal 1 End poverty in all its forms everywhere
- Goal 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Goal 3 Ensure healthy lives and promote well-being for all at all ages
- Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning for all
- Goal 5 Achieve gender equality and empower all women and girls
- Goal 6 Ensure availability and sustainable management of water and sanitation for all
- Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Goal 10 Reduce inequality within and among countries
- Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable
- Goal 12 Ensure sustainable consumption and production patterns
- Goal 13 Take urgent action to combat climate change and its impacts*
- Goal 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Goal 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development

DEPARTMENT PERFORMANCE EVALUATION CRITERIA

The Planning & Development Department (P&DD) Punjab over the course of the last year has worked towards streamlining the process of Annual Development Plan (ADP) formulation. The ADP formulation guidelines and ADP formulation strategy documents prepared by P&DD has introduced certain measures in these documents that define certain deadlines in the process cycle and also lists requirements for departments to develop strategic list of priorities, quality of PC-1s and other similar requirements. The Department Development Index (DDI) is an attempt to develop key indicators to track performance of the departments on these new introduced processes. This is broadly an abstract index and indicators have been defined with indicators that are easy to track and monitor at the P&DD level.

The Index includes 7 key indicators with sub-indicators as below:

Main & Sub-Categories	
1	PC 1 / PC 2 Submission & Approval - Weight 22.5
1.1	PC-1s prepared & Signed off by Secretary of the Department
1.2	State the exact percentage of PC-1 signed off by Secretary
1.3	Quality of PC-1s submitted/prepared as per 3.1/3.2 above
1.4	% of PC1s sent back with comments to revise
1.5	What is the Ratio of Number of Projects Approved to DDSC Meetings held?
1.6	DDSC Meetings Chaired by Secretary
1.7	PC1s approved by DDSC by 30 September
1.8	PC1s submitted to PDWP by 31 July
1.9	% of PC1s sent back with serious reservations or rejected at PDWP
1.10	PDWP Meetings attended by Secretary
1.11	PC1s approved by PDWP by 30 September
1.12	Administrative approvals issued within 10 days of approval (% of Schemes)
2	Release of Funds - Weight 7.5
2.1	% of Total Amount Requested for Release
2.1	% of Total Amount of ADP Released
3	Monitoring of Progress - 5
3.1	Monthly Monitoring Meeting held every month (% of Months)
3.2	Monthly Monitoring Reports submitted to PNDD on % of Months
3.3	Quality/Coverage of the monthly progress report determined by PnDD
4	Strategic Direction of Department - 10
4.1	Does the Department has a Strategic Plan before planning for next year?
4.2	Does the plan provide prioritized list of potential interventions?

5	ADP Formulation Process – 10
5.1	Did the Department meet the deadlines as per ADP Guidelines circulated by PnDD?
5.2	Level of participation in meetings on ADP Formulation
6	Revisions & Surrenders - 22.5
6.1	% of PC-1s sent for revisions during the financial year
6.2	Re-appropriation requests filed and resolved by 31 December
6.3	% of Funds surrendered
6.4	State the exact percentage of surrender
6.5	% of Funds surrendered in timely manner
6.6	% of Funds surrendered late
6.7	% of Funds lapsed/unspent
7	Financial Utilization - 22.5
7.1	% of Total Amount Released Utilized
7.2	% of Total Amount Utilized relative to Original Budget
7.3	% of Schemes completed against the target

PROFORMA FOR DEVELOPMENT PROGRAMME 2018-19

(Rs. In Million)

Sr. #	Project Code (LO No.)		Old G.S. No. 2017-18	Name of Scheme	District	Tehsil	Constituency / PP No.	App./ Revision Date	Estimated Cost		Major Components	Major Targets	Exp. upto June, 2018	(ADP 2018-19 Proposed)						Grand Total	Projection for 2019-20	Projection for 2020-21	Throw Forward beyond June, 2021
	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				

