

NATIONAL RECONSTRUCTION BUREAU

GUIDELINES FOR

CITIZEN COMMUNITY BOARDS

February 14, 2002

CONTENTS

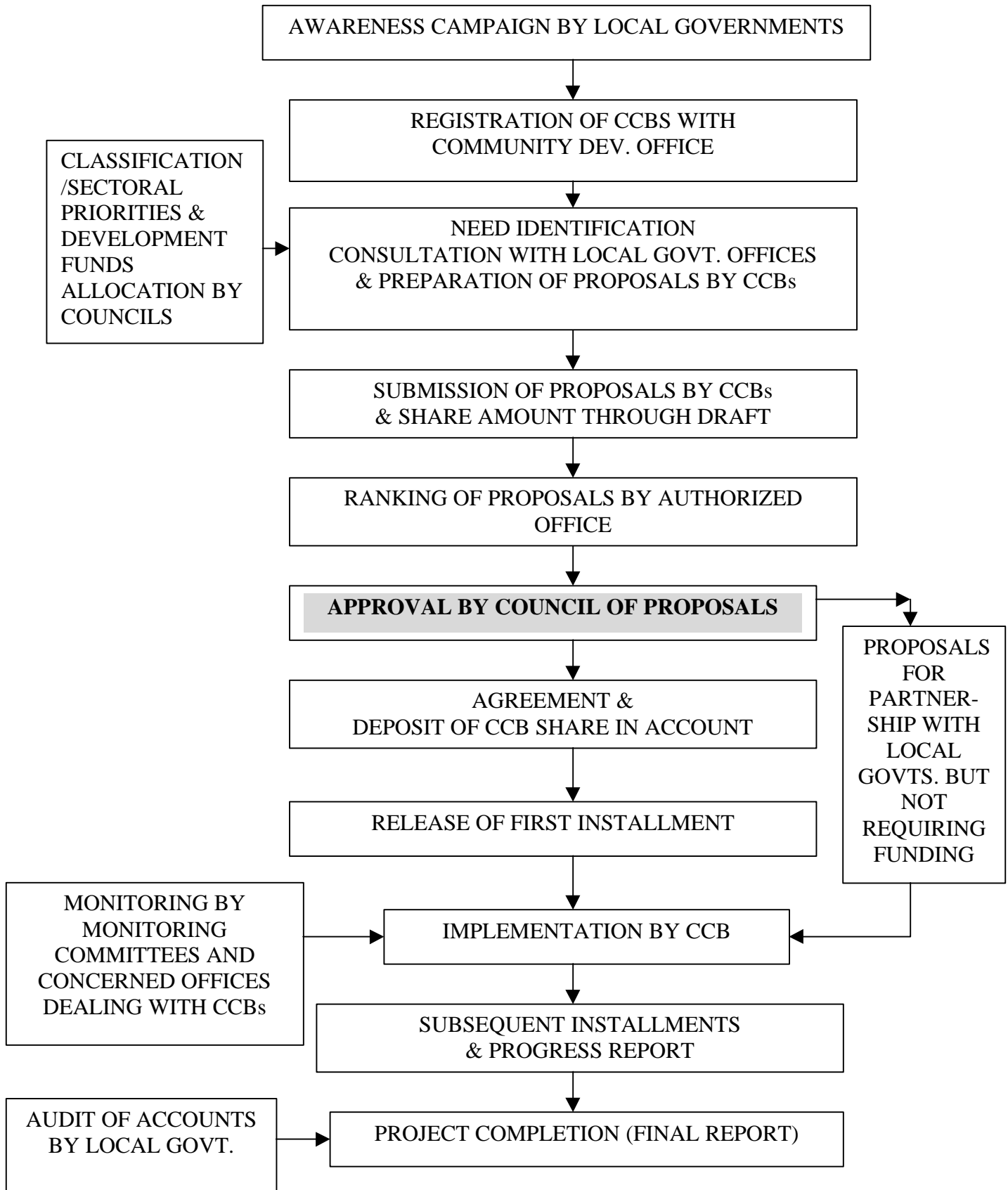
	Page No.
I Introduction	3
II Citizen Community Boards [CCBs]	6
Role of CCBs	6
Conduct of Business	7
III Prioritization and Classification of Schemes by Council	8
IV Operationalization of Citizen Community Boards	9
Registration of CCB	9
Preparation of Proposals by CCBs & Dept. Estimates	9
Submission of Proposals	10
Ranking of Schemes	11
V Final Approval by Council	14
Approval by Council	14
Evaluation by Council	15
Agreement	15
Changes in Agreement	15
VI Financial Arrangements	16
Bank Account	16
Release of Installments to CCB	16
Raising of Funds by CCBs	17
Audit	17
VII Training of CCBs	18
VIII Monitoring	19
Monitoring by CCB	19
Monitoring by the Monitoring Committee of the Council	19
Monitoring by concerned office dealing with CCBs	19
IX Reporting and Record Keeping	20
Record Keeping	20
Reporting by CCB	20
Management information System (MIS)	20
<u>ANNEXES</u>	21
1. Application Form for Registration of CCBs	22
2. Application Form for Project Proposal	23
3. Final Response Letter to CCBs	30
4. Evaluation of proposals by Council	32
5. Contract Agreement	35
6. Monitoring Indicators Categories	43
7. Progress Report by CCBs	45
8. Guidelines for Field Review	48

I. Introduction

1. Chapter X of the Local Government Ordinance provides for setting up Citizen Community Boards (CCBs) for energizing the Community for development and improvement in service delivery through voluntary and self-help initiatives. The objectives of formulating these guidelines are to:
 - elaborate the role and functions of CCBs
 - assist the Local Government officials in operationalizing the CCBs
 - provide the necessary operational and implementation framework for CCBs to work on the Non-Development activities
 - assist the CCBs in accessing development funds
2. The Local Government Ordinance encourages public participation in all areas of Local Government. This is especially true in the case of development activities. The lessons from the past clearly indicate that the involvement and ownership of the communities is essential for the sustainability of projects and for the delivery of quality services.
3. The previous Development planning system was a centralized system. The development funds were distributed to Provincial departments under a top-down approach and had inherent flaws. The identification, appraisal, and approval of development projects had no relationship to the local priorities. The element of Community participation was missing from the process. The design of projects did not include the view-point of the community. High technology projects were adopted where low cost technology could have been used. The issue of sustainability was overlooked in most cases. The process of allocating funds was non-transparent and inequitable. Politicians were provided development funds to be spent according to their **priorities**. The linkage between the Development and Non-Development budget was missing. The Development schemes and projects were being undertaken with total disregard for the accompanying recurring costs. All this has led to a "Graveyard of Projects".
4. On the Non-Development side the quality of services suffered due to the unplanned development activities and poor management of facilities. The facilities are in dire need of repair and maintenance. The social indicators of Pakistan are one of the lowest in the world. Education, Health, Population and Water supply and Sanitation have been the main areas affected. Additional spending as per the old system is not the answer. Higher spending levels need to be planned, implemented and monitored properly if positive results are required. CCBs can play a major role in improving services by mobilizing the Community and creating a sense of ownership.

5. The law provides legal cover to the formation of Citizen Community Boards to enable citizens' to actively participate in the development and Non-development activities of the Local Governments. Fifty percent of the Development budget at the District, Tehsil, Town and Union level has been earmarked for CCBs. **This condition however has been waived for the year 2001-2002.**
6. The Citizen Community Boards will contribute in project design, implementation, management and monitoring at grass root level with a view to improving services through bottom up planning and development process. The Citizen Community Boards will serve as a channel for mobilizing communities. They will assist in raising funds to solve local problems. The CCBs through voluntary, proactive and self-help initiatives undertake activities for resolving issues at the grass root level.
7. The involvement of CCBs will ensure transparency and accountability in the development process due to the contribution of the community in the projects. Instead of passive recipients they will become active partners in development.
8. The flow diagram for processing the proposals of CCBs is provided on page 5.

Flow Diagram for processing CCB Proposals



II. Citizen Community Boards [CCBs]

Role and Functions of CCBs

9. The institution of Citizen Community Boards has been created in the Local Government Ordinance to enable the proactive elements of the society to participate in community work and development related activities.

10. In every local area (defined as Union, Tehsil/Taluqa, Town, District and City District) a group of non-elected citizens may, for energizing the community for development and improvement in service delivery set up a Citizen Community Board as provided under Section 98 (1). Unlike NGOs, which are registered under various Acts/Laws, Citizen Community Boards will be registered with the District Governments under Chapter X of the Local Government Ordinance. **There can be as many CCBs in a local area as may be got registered by the Community. All CCB members shall be volunteers. In case a member accepts any paid assignment on behalf of the CCB, he/she shall have to resign from the membership of the CCB. A period of six months must elapse after the last payment received from the CCB before becoming a member again.**

11. CCBs will mobilize communities and raise funds to solve local problems. Section 98 (1) of the Ordinance provides the functions of CCBs. The CCBs through voluntary, proactive and self help initiatives take up:-

- a. Improvement of delivery of service by a public facility
- b. Development and management of a new public facility
- c. Welfare of the handicapped, destitute, widows and families in extreme poverty
- d. Establishment of farming, marketing and consumers' cooperatives
- e. Identification of development and municipal needs and mobilization of resources
- f. Formation of stakeholders associations (means voluntary associations such as Parent Teacher Associations, Patient Hospital Associations, School Management Associations or Farm Water Associations or Citizen Police Associations etc.) for community involvement in the improvement and maintenance of specific facilities; and
- g. Reinforcing the capacity of a specific Monitoring Committee at the behest of the concerned Council.

12. The Village/Neighborhood Council shall facilitate creation of CCBs for development and maintenance of municipal and community welfare facilities under Section 97(2).
13. CCBs may also be created at the behest of the concerned Council for reinforcing the capacity of a specific Monitoring Committee under Section 98(g).

Conduct of Business

14. The Citizen Community Board shall be a non-profit organization and its income and assets shall be used solely for the attainment of its objectives, and no portion of the income shall be paid by way of dividend, profit or bonus to any of its members or contributors. See Section 101 (1).
15. The code of Conduct has been provided in Section 99 of the Ordinance. The details are provided below.
- 16.** The Citizen Community Board shall have a general body of its members who shall elect a Chairman, Executive Committee and a Secretary of the Board for carrying out its functions. **The number of members of the General Body shall not be less than twenty five.**
17. The term of office of the Chairman, members of the Executive Committee and Secretary of the Citizen Community Board shall be **two** [*amendment required in law*] year extendable through election for a similar term or terms by the general body.
18. All business of the Citizen Community Board shall be disposed of in its meetings, which shall be presided over by the Chairman.
19. The Executive Committee of the Citizen Community Board shall hold its meetings at least once in every three months.
20. The quorum of the meetings of the Executive Committee of the Citizen Community Board shall be forty per centum of the total membership of the Executive Committee.
21. The quorum of the meetings of the general body of the Citizen Community Board shall be one fourth of its total membership.
22. The Secretary of the Citizen Community Board shall be responsible for recording the proceedings of the meetings and maintaining financial and accounting record.
23. The Secretary shall present the annual statement of accounts in the annual meeting of the Citizen Community Board and after its approval the statement shall be submitted to the registration authority within thirty days.
24. The Citizen Community Board may, in its general meeting, remove any office bearer or member by a resolution on account of unsatisfactory performance or misconduct.

25. The Chairman and Secretary shall be responsible for safe custody and management of property and assets of the Citizen Community Board.

III Prioritization and Classification of Schemes by Council

Funding to CCBs under the Ordinance

26. CCBs under the Local Government Ordinance Section 109 (12) shall receive not less than fifty percent of the development funds of the respective Local Governments. In addition the budgeted amount for CCBs, which remains unspent shall be credited under the same Head in the following year's budget in addition to the fresh allocations. **However, this condition has been waived for the year 2001-2002. A Local government shall only consider those CCB schemes which relate to their functions as defined in the Local Government Ordinance. Where two or more local governments of the same level are involved in a project, the concurrence of all concerned Nazims shall be included in the proposal. The local government share in the recurring costs as agreed in the project proposal shall be part of the Development budget but on a sliding scale over a maximum of five years.**

27. The various sections of law relating to funding of CCBs are:

- Section (100)(2):- A Citizen Community Board may also receive project-based cost sharing support from any Local Government.
- Section (119)(2):- The Citizen Community Board may receive from a Local Government matching grants up to eighty percent of the budgeted amounts of an approved development scheme.
- Section (109)(5) A Local Government may transfer approved budgeted amounts to any CCB within its local area, for expenditure for carrying out a project, service or activity transferred to or managed by CCB.

Classification of Schemes

28. According to Section 119 (1) the Council will classify the schemes according to local priorities. The classification will be developed on the following pattern:

- Classification of the sectoral priorities and funding allocation by the Council

PRIORITY	SECTOR	SUB-SECTOR	TYPE OF SCHEMES
1	Education	Girls schools	- Upgradation
2	Health	Child & Women	
3	Health	Basic & Rural Health	

These priorities are to be set by the Council at the beginning of the year.

IV. Operationalization of Citizen Community Boards

Registration

29. The CCBs have to be registered before they can access funds marked for CCBs as provided in Section 98(3). A strong awareness campaign will be undertaken throughout the year in order to ensure widespread participation of the citizens. The Registration form for the CCBs has been made simple and concise. It seeks only the relevant information. A specimen is attached as **Annex-I**.

30. The registration will be undertaken only by the EDO Community Development at the District level. It will be issued only after verification of the facts and the details of the members provided in the registration form. CCBs not recommended for registration will be put up to the Council for a final decision. The EDO Community Development may nominate any officer for the purpose of registration. The Registration issued by the District Government will be valid for all Local Governments within that District. Registration is basically a one time activity. However changes in the Executive Committee shall be provided in writing to the concerned office.

31. Since the development funds are available at all three levels CCBs may seek funding from any level. The officers dealing with CCBs at the various levels are:

- EDO Community Development at the District level
- Tehsil/Town Officer (Planning) at Tehsil/Town level
- Secretary Community Development at the Union level

CCBs may submit as many proposals after they have been registered, **however no CCB can get funding for more than two projects during a financial year.**

Preparation of Proposals & Departmental Estimates

32. Once the CCBs have been registered they need to develop proposals for accessing the funds. The CCBs may receive from a Local Government up to eighty percent of the budgeted amounts of an approved development scheme. The proposals need to be developed according to Section 119(2)(i) of the Local Government Ordinance. The CCB must ensure that the cost estimates and project concept has been discussed with the concerned office. In addition they must ensure that the proposal is based on the local priorities and the needs of the people. A specimen proposal form is attached as **Annex 2**
33. Under the Local Government Ordinance fifty percent of the Development Budget cannot be spent unless the local participatory mechanism is operationalized. **However, as stated above this condition has been waived for the year 2001-2002.** Under the CCB mechanism the departments will need to become active and involve CCBs in their work if they want to access the development funds earmarked for CCBs.
34. There would be many areas and activities where the CCBs would like to assist the Local Governments but not request for funds. In such cases also CCBs need to submit their proposals on the application forms so that the necessary approval could be obtained from the Administration. The only difference in these cases would be that in the application form the funding requested from the Local Government would be shown as nil.
35. Although no minimum limit for proposals have been set but CCBs are encouraged to submit proposals which are feasible and that the administrative and processing cost do not become more than the cost of the project. The maximum share of the Local Government cannot exceed 80% i.e. the community share in cash must not be less than 20%. The "in kind" contribution shall be considered only if the cash contribution is atleast 20%. **The "in kind" contribution shall be considered as additional contribution of the CCB, which will help the concerned CCB in achieving higher ranking during the evaluation phase. The market value of the "in kind" contribution shall be made by the concerned local government office.** These must be indicated separately in the proposal. However, these percentages are for the underdeveloped areas, which may not be able to generate more than 20% share. The Local Government may vary the community's share according to sectors and geographic areas but cannot reduce the cash contribution below 20%.

Submission of Proposals by CCBs

36. The CCBs must submit their proposal according to Section 119(2)(ii) and (iii). In order for the proposal to be considered for funding the CCB must attach the complete departmental estimates (as prepared in **para 32** above) and a Bank draft along with the application as proof of contribution. The draft would be returned to the CCB if the proposal is not accepted by the Council.
37. Since the proposals are to form a part of the Development budget these must be included in the Development Budget at the beginning of the year. This would also improve the planning process and would provide sufficient time for implementation. Funds for CCBs are available with each Local Government at District, Tehsil/Town and Union level. CCBs are free to approach all sources of funding. The Development fund includes the development funds in the Local Fund and in the "Provincial Accounts".
- 38.** According to Section 119(4) a cut-off date for inclusion of proposals shall be announced by each Local Government before the presentation of the Budget. The Council shall approve the schemes in a special session to be held by the respective councils. Therefore CCBs need to ensure that they submit their proposals well ahead of time. **In case of any savings in the CCB portion of the Development Budget, the Local Government shall again invite proposals in the month of December of the budget year to facilitate the utilization of the remaining budget.**
39. The CCBs need to develop proposals, which are in line with the functions and objectives defined in the Local Government Ordinance. They need to ensure that the proposals are also in line with the requirements of the people and priorities of the Local Government.
40. The proposals will be submitted to the following officers:
- EDO Community Development
 - Tehsil/Town Officer (Planning) at Tehsil/Town level
 - Secretary Community Development at the Union level

Ranking and Selection of Schemes

41. The proposals received by the cut-off date will be ranked by the authorized officer dealing with the CCBs as per Section (5)(6)(7) and (8). An example has been provided below to clarify the various steps.

- The authorized officer of the respective level of local government shall draw up a statement specifying the schemes by classification including the total amount of contributions for a particular classification of schemes.

STATEMENT 1: CCBs CONTRIBUTIONS FOR GIRLS SCHOOLS CLASSIFICATION

CCB PROJECT	CCB SHARE % OF TOTAL CCB PROJECT (RANKING BASIS)	CCBs SHARE RS
CCB 1 PROJECT	60	10000
CCB 2 PROJECT	55	30000
CCB 3 PROJECT	20	15000
CCB 4 PROJECT	20	10000
TOTAL FOR CLASSIFICATION GIRLS SCHOOLS		65000

- A second statement shall determine contribution amounts for a particular classification of schemes as a ratio of the total contributions for all schemes registered with a particular local government for that year and the statement shall be used to determine amounts of allocations for a classification of schemes from the budget reserved for the purpose.

STATEMENT 2: CCBs CONTRIBUTION BY CLASSIFICATION

CLASSIFICATION OF SCHEME	CCBs SHARE IN CLASSIFICATION	% Total Contribution by CCBs (RATIO)
GIRLS SCHOOL	65000	54
CHILD & WOMEN	35000	29
BASIC & RURAL HEALTH	20000	17
TOTAL FOR CLASSIFICATION	120000	100

BUDGETARY ALLOCATION BY CLASSIFICATION OF SCHEMES

TOTAL BUDGET FOR THE YEAR RS. 1 Million

CLASSIFICATION OF SCHEME	CCBs SHARE IN CLASSIFICATION (RATIO)	Total Allocation for the year
GIRLS SCHOOL	54	540,000
CHILD & WOMEN	29	290,000
BASIC & RURAL HEALTH	17	170,000
TOTAL FOR CLASSIFICATION	100	1,000,000

- A third statement shall be drawn up, which shall identify the number of schemes registered in a particular classification, beginning with the scheme containing the highest contribution by the Citizen Community Board in a classification until all the schemes in the classification are selected or the funds allocated for that particular classification in the amount determined in the second statement are exhausted.

STATEMENT 3: FUNDS ALLOCATION BY CCBs PROPOSALS FOR GIRLS SCHOOL CLASSIFICATION

TOTAL FUNDS FOR SUB-SECTOR RS. 540000

CCB PROJECT	CCB SHARE % OF TOTAL CCB PROJECT (RANKING BASIS)	TOTAL PROJECT RS	LOCAL GOVT. CONTRIBUTION REQUESTED	CUMULATIVE LOCAL GOVT. FUNDS REQUESTED RS.
CCB 1 PROJECT	60	500000	200000	200000
CCB 2 PROJECT	50	300000	150000	350000
CCB 3 PROJECT	20	200000	160000	510000
CCB 4 PROJECT	20	100000	80000	590000

The funding is available for the first three Projects.

V. Approval by Council

Final Approval

42. The Final approval for the proposals submitted by the CCBs will be given by the Council as stated in the Section 119(8) of the Local Government Ordinance. The Council shall approve the schemes in a special session to be held by the respective councils. The complete list of proposals will be submitted to the council. The Council would need to keep the following criteria in mind while approving the projects.

- a) The on-going CCB projects from previous financial year are fully funded before any new CCB project is funded during a fiscal year. The previous amounts committed to the CCBs are contractual agreements and must be honoured by the Local Governments.
- b) The project is in line with the objectives laid down in the law;
- c) The CCBs share is according to the limits set by the Council. Cash contribution should be atleast 20%;
- d) The recurring cost of the project is covered after completion;
- e) The project has prepared as per the prescribed procedure
- f) The project is in line with the priorities of the Local Government and the community;
- g) The project concept, work-plan, budget is realistic; and
- h) The ranking of the projects is in line with the prescribed procedure.

43. **The Council shall not approve more than two projects of a CCB within a financial year.** The approved projects would be communicated to the CCBs.

44. If a proposal is not accepted by a council, then the concerned office dealing with CCBs would notify the CCB giving specific grounds/ reasons provided by the Council. It will then call a meeting to discuss the proposal and request them to submit a revised proposal if the project is conceptually correct. If the project is conceptually not correct then the concerned office will try to work with the CCB to come up with other projects and develop other avenues of participation with the CCB. The whole purpose of the CCB initiative is to encourage participation. The Local Governments must work with the CCBs to ensure their participation through viable projects and activities. Format of the letter at **Annex-III**.

Evaluation by Council

45. An Evaluation Committee may be constituted by the respective Council to assist with the evaluation of the proposals and to provide an assessment to the Council on Proposals, which require more detailed analysis. The main function of the committee will be to check the proposals, verify the information, and assess the concept. The Committee will make its recommendations to the Councils regarding the proposals. It will not have the authority to accept or reject proposals. Details are attached as **Annex 4**.

Agreement

46. Following selection and approval of the project proposal by the Council an agreement will be signed between the authorized official of the Local Government and the CCB. A specimen is enclosed at **Annex-5**.

47. Final Project document must include the reports submission dates as well as the installment dates.

48. The proposal shall be executed as per the agreement between the CCB and the Local Government as provided in Section 119(9). All assets acquired by the CCB shall be managed by the CCB.

Changes in Agreement

49. Any change (relating to budget or project activities) in the Agreement or project proposal after signing of the Agreement will have to be submitted in writing with justification by the CCB to the concerned office. However, a CCB may make changes of up to 20% between the non-salary related budget heads over the project period provided that the total budget remains the same, and inform the concerned office of the change giving reasons. The approval of the Council must be sought for any increase of more than 20% in the non-salary budget heads. **The authority to accept or reject any additional expenditure over and above the approved budget shall vest with the Council. The CCB shall not incur any expenditure over and above the total approved budget without the prior approval of the Council.**

VI. Financial Arrangements

Bank Account

50. A separate bank account shall be maintained for each proposal. However, if it is not possible then alternative arrangements could be made in consultation with the Local Government.
51. All funds of the Citizen Community Board shall be kept in a bank or post office and all transactions shall be made through cheques. See Section 99(9)
52. The account will be jointly operated by the Chairman/Secretary of the CCB. See Section 99(10).
53. The accounts of the Citizen Community Board shall be maintained by the Secretary. See Section 99(11)

Release of Installments to CCB

54. The CCB will need to open an Account in a Bank or a Post Office before funds can be released.
55. The Local Government contribution will only be released once the CCB share has been deposited i.e. the Draft submitted at the time of submitting the proposal. After satisfying that the share of funds from CCB has been credited in the Project Account, the concerned officer will send the request for release of the first installment. Authorization from Union/Tehsil/Zila Nazim will be required for releasing the installments of local government. The concerned officer will release the installment after necessary checking through Payees Account Cheque in favour of the CCB and acquire its receipt in writing.
56. The installment plan provided in the Proposal shall take into consideration the CCBs share, which is available upfront.
- 57.** The CCB would request for release of subsequent installments by submitting a letter indicating the utilization of previous funds and the amount of the installment. This request would be accompanied by the current progress report, as agreed in the Agreement. The installment request is to be provided one month prior to the date required or as agreed in the Agreement/project document. **The installment shall be released to the CCB as per the agreed schedule within 30 days from the date of receipt of request made by the CCB. In case of delay in the release of installment beyond the thirty days, the CCB may approach the Monitoring Committee of the Council for release of installment.**
58. A Copy of the progress report must be provided to the respective Monitoring Committee by the concerned officer dealing with the CCB.

59. A covering letter from the concerned officer for the issuance of the cheque for the installment would have to be accompanied with a certificate from the respective Monitoring Committee of the council. It must state that the progress indicated by the CCB on project activities has been verified on the ground.

Raising of funds by Citizen Community Board.-

60. A Citizen Community Board may raise funds through voluntary contributions, gifts, donations, grants and endowments for its declared purposes without compromising the larger interest of the community. This has been provided under Section 100(1) of the Ordinance.

61. Under Section 100(2) of the Ordinance a Citizen Community Board may also receive project-based cost sharing support from any Local Government in accordance with the provisions of this Ordinance.

62. In case of dissolution or de-registration of a Citizen Community Board, its assets shall, where a local government has contributed towards the creation of any assets or funds, pass on to such local government. The assets shall continue to be used for community welfare by the local government through any of its agency or any other Citizen Community Board. See Section 101(2). **In case of dissolution or de-registration of a CCB, ownership of its assets will revert to the concerned Local Government provided that in case of source of funding being more than one Local Government, the distribution of assets shall be decided by the Zila Council.**

Audit

63. Under Section 101(3) the accounts of the Citizen Community Board shall be subject to audit as prescribed. DG Provincial Audit is responsible for the Audit of the Provincial Accounts. The Director Local Fund Audit is responsible for the Audit of the Local Fund. The audit of CCB shall be carried out as provided in the agreement and the project document. At least one audit is mandatory.

64. The Local Government may conduct a special audit at any time.

VII. Training of CCBs

65. Upon signing the Agreement, the concerned office dealing with CCBs will organize the training of the CCBs in the following areas:

- a. Reporting skills so that the CCB is able to provide the following reports according to agreed formats and on a timely basis:
 - Progress reports
 - Financial reports
 - Annual reports
 - Implementation completion reports
- b. Monitoring skills so that the CCB is able to identify indicators and measure and report progress over time.

VIII. Monitoring

66. Monitoring will be at three levels, as given below:

- Monitoring by CCB
- Monitoring by Monitoring Committee of the Council
- Monitoring by concerned office dealing with CCBs

Monitoring by CCB

67. Each CCB will establish its own system for monitoring the project implementation activities. All CCBs will submit reports as stated in the Project document according to agreed formats to the concerned officer. The progress report will document project implementation progress, expenditures and other accounting information. However, the details to be reported in the progress report will be included in the project document.

Monitoring by the Monitoring Committee of the Council

68. The Committee elected by the council for Monitoring will review project implementation progress reports submitted by CCBs. It will carry out its own monitoring by conducting ongoing field visits and submit their reports. The purpose of monitoring is to identify the problems and issues areas and the corrective action required. This monitoring will also include verification of progress reported by CCB, and to receive feedback from beneficiaries. The Monitoring Committee of the Council may also undertake spot-checking of projects to ascertain smooth delivery of planned services. Definition and description of monitoring indicators are enclosed at **Annex-6**.

69. The Monitoring Committee will essentially play a supportive role to the CCB. The Monitoring Committees will also ascertain the technical support required by the CCB to build its capacity for effective service delivery and community participation. The supporting monitoring is critical to the smooth execution and success of the projects.

Monitoring by the concerned office dealing with CCBs

70. The concerned office looking after community development activities and CCBs will also monitor the activities of the CCBs on a regular basis as part of their official work.

IX. Reporting and Record Keeping

Record Keeping

71. Necessary financial and activity record must be kept by the local governments at the office level. The CCB will also maintain its own record.

Reporting by CCB

72. CCB will submit a physical and financial progress report as agreed. The format of report is at **Annex-7**. The progress report must be submitted even if the request for installment is not being made. However, the Local Government may request current information at any time from the CCB, if needed. In addition, the CCB will submit a final implementation completion report for the project within 60 days of the end of project period.

Management Information System (MIS)

73. In order to deal with the reporting requirements efficiently an appropriate MIS would be developed by the Local Government. This will ensure standardization and will cater to the reporting requirements of local government. Given the capacity problem it is expected that MIS development will be accomplished over time. Therefore, in the beginning a manual system for keeping the documentation will be followed.

ANNEXES

Annex-1

Application for Registration of Citizen Community Board

Dear sir,

We the undersigned propose to establish a Citizen Community Board (CCB) in accordance with the provisions of Local Government Ordinance 2001.

2. The particulars of the proposed Citizen Community Board are given below:

a) Title/name of the CCB

b) Address and Telephone No.

c) Field of Operation

- Management of service delivery facilities
- Upgradation of existing outlet
- Establishment of new outlet
- Capacity building
- Others specify

h) Sectors and Sub-sector of interest.

Agriculture/Health/Education/Others specify

3. Provide the Designations, Names, Education, Occupation and addresses of the office bearers.

4. It is requested that our CCB may please be registered under the aforesaid Ordinance. We undertake to inform you of any changes in the composition of the office bearers of the CCB within 15 days.

5. We certify that the information given above is correct.

Yours sincerely
(*Sign Secretary*)

Signature of Witnesses
With name and address

1. _____
2. _____
3. _____

Annex-2

APPLICATION FORM FOR PROJECT PROPOSAL

I. Profile of CCB

1. Name of CCB -----
2. Address with telephone No. -----
3. Registration No. -----
4. Date -----
Place of Registration -----
5. Name of Accountant/
Auditors and address -----

II. Experience & Implementation Capacity

For already registered CCBs.

6. Provide details of project undertaken.

For newly registered CCB and already registered CCBs

7. Please show that you have appropriate capacity to implement the current proposal. [e.g. professionals, staff, etc]

III. PROPOSED PROJECT PROFILE

8. Name of Project
9. Commencement Date of Project
10. Completion Date of Project
11. Location/Geographic Area Covered by the Project
12. Main Sector/Sub-sector
13. Main Objectives (What does the project aim to achieve?)

14. Project Activities

(Inputs/Outputs/ Work Plan)

SR.NO	ACTIVITY	START DATE	END DATE	TARGETS	UNITS
1					
1.1					
1.2					
2					
2.1					

Provide Details/Explanation of Work Plan on Separate sheet

14. Community Participation

Please describe :

- a) How was the community involved in need identification/preparation of project proposal?
- b) How do you propose to involve the community in project implementation?
- c) How will the community be involved after completion of this project?

15. Project Monitoring *(Please describe the monitoring system)*

How will you track Inputs, Outputs, Process and Impact of the Project. Explain the record keeping and reporting system.

16. Summary Cost of Proposed Project/Activity)

Anticipated sources of funding:

Rupees

CCBs own resources	-----
Community contribution	-----
Proposed grant from local Government	-----
Project Revenues	
Total:	-----

Total Cost of Project	-----
Development/Capital Costs	-----
Recurring Costs	-----
Salary	-----
Non-Salary	-----

Yearly recurrent cost after completion of project/activity	-----
Salary	-----
Non-salary	-----

Sources of funding of recurring cost

Rupees

CCBs own resources	-----
Community contribution	-----
Proposed grant from local Government	-----
Project Revenues	-----
Total:	

17. Proposed Costs / Budget of the Project

ALL YEARS

S. No.	Budget Head/ Items	CCB's Own Contribution	Community Contribution	Local Govt.	Others	Total
1	DEVELOPMENT/ CAPITAL COSTS					
1.1	Equipment					
1.2	Furniture					
2	RECURRENT COSTS					
2.1	Salaries					
2.1.1	Staff					
2.2	Non Salary					
2.2.1	Stationary					
2.2.2	Utilities					
	TOTAL					

NOTE: SHOW SEPARATELY FOR EACH YEAR.

DETAILS OF CALCULATIONS

18. Estimated Revenues of the Project

ALL YEARS

S. No.	Revenue Head	Total
1	Sale of Handicraft	
2	Training fee	
	TOTAL	

NOTE: SHOW THE DETAILED CALCULATIONS FOR EACH YEAR SEPARATELY

DETAILED CALCULATIONS

19 **Proposed CASH Financing of the Project**

All years

S. No.	Budget Head/ Items	CCB's Own Contribution	Community Contribution	Local Govt.	Project Revenues	Total
1	FIXED COSTS					
1.1	Equipment					
1.2	Furniture					
2	RECURRENT COSTS					
2.1	Salaries					
2.1.1	Staff					
2.2	Non Salary					
2.2.1	Stationary					
2.2.2	Utilities					
	TOTAL					

NOTE: SHOW THE DETAILS ON SEPARATE PAGE FOR EACH YEAR

SHOW NON-CASH CONTRIBUTION SEPARATELY

DETAILS OF CALCULATIONS

20. Proposed Project Installment Schedule

SR	SOURCE	DATE	AMOUNT

NOTE REQUEST FOR INSTALLMENT MUST BE SENT ATLEAST ONE MONTH IN ADVANCE AND MUST BE ACCOMPANIED WITH THE LATEST PROGRESS REPORT

21. Proposed Progress Reporting Schedule (One month before submission of the installment)

SR	DATE

**RESPONSE LETTER TO CCB SUBMITTING
PROJECT PROPOSALS**

Community Development Office

Date

Chairman/President CCB
Name of the CCB
Address of the CCB

REF: _____

Subject:- PROJECT NAME

Dear Mr./Ms _____

With reference to your project proposal application, this is to inform you that your project proposal was carefully examined by the Council and it was found that:-

1. Desk Review

- ❖ the proposal presents a net requirement of grant funding which is more than 80% of the cost of the project
- ❖ the proposal does not focus on the sectors covered by Local government
- ❖ your CCB does not have adequate experience in implementing the activities
- ❖ project activities do not focus on poor, women and children
- ❖ focus of project activities is vague
- ❖ project activities are not cost effective and high on over-head charges
- ❖ the proposal does not involve the community
- ❖ role of community is not identified or is minimal or ineffective to help in continuity of the project after completion
- ❖ local area need assessment did not involve local people
- ❖ proposed organizational structure is weak and inadequate to address project needs
- ❖ the proposal does not establish adequate linkage with line departments to supplement their field activities
- ❖ The project is conceptually not sound

3. Field Verification and Organizational Capacity Assessment

- ❑ community needs were found to be different than proposed by your organization
- ❑ community involvement in the preparation of the project (design) was minimal

- ❑ community support for your proposed project was found to be lacking/minimal in the community
- ❑ community was not willing to support your project activities, including payment of users charges or service fees
- ❑ duplication of services was identified (i.e. your proposed facilities would supplant public facilities and undermine their utility)
- ❑ your organization does not have adequate capacity to implement proposed project activities
- ❑ your organization has weak management systems especially the financial aspects
- ❑ other reasons _____

I would like to thank your CCB for taking interest in the development of your area. Please contact this office, so that we can discuss the matter and revise/develop alternate proposals.

We wish you and your organization all the best in your development endeavors and activities.

With best regards.

Sincerely,

Name of officer authorized to sign

ANNEX 4

Evaluation by Council

1. An Evaluation Committee may be constituted by the respective Council to assist with the evaluation of the proposals and to provide an assessment to the Council on Proposals, which require more detailed analysis. The main function of the committee will be to check the proposals, verify the information, and assess the concept. The Committee will make its recommendations to the Councils regarding the proposals. It will not have the authority to accept or reject proposals. The Evaluation committee will consist of the following:
 - a. Naib Nazim/or Nominee Chairman
 - b. Member of the Monitoring Committee (MC) (Nominated by Chairman MC) (1) Member
 - c. Representative of the the concerned office to which the project relates (1)Member
 - d. Representative of office dealing with CCBs (1) Member/Secretary
 - e. Councilor (Council will nominate) (1) Member
 - f. Representative of office dealing with Finance & Planning (1) Member
2. The Evaluation Committee may seek assistance from any office or person to help in the evaluation of the proposals.

Evaluation of Project proposals

3. There will be five stages of evaluation of the project proposals. These stages are:
 - the first stage relates to the "Desk Review"
 - the second includes the "Field Review"
 - the third stage involves the "Evaluation"
 - the fourth stage relates to the ranking of the projects by the Committee
 - the fifth Stage is the formal approval by the Council

4. Only the proposals qualifying the first stage will be considered for the second stage and so on till they clear stage three. These stages are discussed below in detail.

Stage I - Desk Review

5. In this stage the basic eligibility of the applicant is its project proposal. A project proposal should fulfill each of the following conditions:
 - a. The CCB has a valid registration.
 - b. The total amount of grant funds requested for the project is within the limits for that classification of scheme, in any case, not more than 80% of the cost of the project.
 - c. The proposed project falls within the functions of the respective Local Governments.
 - d. The Project proposal form is complete and all essential information has been provided and related documents attached.
 - e. The CCB has provided for a satisfactory system for recording expenditures in the proposal.
6. All the Committee members will review the project proposals and submit their recommendations to the Secretary of the Evaluation Committee.
7. Those applicants that will qualify this stage will advance to the Stage-II of evaluation, called the "Field Review".

Stage II - Field Review

8. The objective of conducting the "Field Review" is to assess the Community's involvement in Project design and the authenticity of the responses in the application form. In addition, the applicant's capacity to carry out the proposed project will be assessed. The "Field Review" will particularly focus on the community's perception about the work of the CCB and its active members. The review will also cover the community's view of the soundness of the project proposal. The proposed budget will also be reviewed at this stage, to see if the estimates are realistic. The Guidelines for Field Review and Budget Analysis are given in **Annex-8**.
9. The committee may divide the responsibility of field review among themselves to cover different geographical areas/CCBs involved. The field teams should

include women to enable access to community women in order to get their views and perceptions.

10. The field review assessment will be submitted to the Secretary of the Evaluation Committee.

Stage III - Evaluation

11. The Committee may discuss with the CCBs passing Stage - II any modifications required in the proposals, e.g., making the budget and work plan more rational, refining the project implementation strategy, etc. The projects will be funded based on the availability of funds with local governments. The projects will be selected on the ranking basis in the law according to section 119.
12. The final evaluation of the proposal will be signed by all Committee members.

Annex-5 (When Local Govt. Funds are involved)

Contract No. _____

AGREEMENT
BETWEEN

_____ (Name of Local Government)

and

(_____ Name of Citizen Community Board)

The _____ (Name of Local Government) has launched a programme of Citizen Community Boards designed to encourage involvement of citizens in monitoring of functions, managing public sector delivery outlets and establishing new facilities. In pursuance of the Programme and the approval accorded by Council to the annexed project document, this Agreement is hereby signed between the _____ (herein referred to as Local Government) and _____ (herein referred to as the CCB), for executing the project entitled:

The Two Parties hereby agree as follows:

GENERAL

1. The Local Government agrees to provide support to the CCB for the execution of the project relating to _____ at _____. The proposal, which spells out the objectives, targets, financing, time schedule and other related matters as annexed to this Memorandum. The proposal and its attachments are an integral part of this Memorandum. The CCB shall accomplish the activities given in the proposal in accordance with the methodology given in the Proposal.
2. Local Government funding to the project shall be limited to Rupees _____. These funds shall be used for the purpose and on items specified in the project document annexed with this Memorandum.
3. The project shall be deemed to commence from _____ and shall terminate on _____.
4. The CCB shall be responsible for the execution of the project and all matters arising out of this Agreement as a legal entity. The CCB shall also be responsible for liaison with the Local Government in connection with project implementation, project monitoring and periodical reporting.
5. In case of dispute the decision of the relevant Musalihat Committee would be final.

UTILIZATION OF FUNDS

6. The CCB shall utilize all contribution toward the implementation of the project in accordance with the annexed Project Document.
7. The CCB shall establish a separate bank account for the purpose of the project. Such a bank account shall be operated by at least two signatories and used exclusively for the purpose and on items specified in the said annexed Project document.
8. The CCB shall maintain a proper accounting system, supported by relevant documents. The CCB shall be required to present, a full account of the whole set of activities in such area, clearly indicating which costs have been allocated to Local Government and other sources.
9. Any portion of Local Government contribution remaining un-disbursed or un-utilized in accordance with the terms of the Project Document, at the end of the project period, shall be refunded to Government immediately, but not later than 30 days after the termination of the project period.

BUDGET REVISIONS

10. The CCB is authorized to disburse Government Funds according to the annexed project document. The CCB may make changes of up to 20% between the Non-salary related budget heads/items over the project period without affecting the scope of the annexed project document and the total budget, and inform the Committee of the change giving reasons within a period of 15 days. The Council must approve any increase in the Non-salary budget of more than 20%. No change is allowed on the Salary side without the approval of the Council.
11. The CCB shall submit in writing the proposed revision (for revisions not authorized) in the project and budget together with justification thereof for approval. The revision shall be considered effective only after Local Government signifies to the CCB its consent in writing, to such proposed revisions

RELEASE OF FUNDS BY GOVERNMENT

12. Local Government funds shall be released to the CCB in accordance with the agreed schedule stated in the project document and subject to submission of proof of deposit of funds. The release of the installment will be subject to satisfactory progress as assessed by the Monitoring Committees or its designated body.
13. The first installment shall be provided to the CCB after the share of the CCB and other contributors have been deposited as per the agreed installment schedule.
14. Schedule of the releases/installments will be as agreed in the project document. The releases shall be made within one month from the date of receipt from the CCB of formal request for releases of installments, subject to the submission of a progress report including a financial report. The Local Government is not bound to

provide any guarantee to the CCB for extension or continuation of funding outside the project agreement.

AUDIT OF CCB RECORDS

15. Local Government shall be authorized and reserves the right to conduct an audit or review/inspect financial and administrative records of the CCB relating to the activities stated in the Project document at any time during the project implementation period and up to twelve months after the end of project period, should the Local Government so deem necessary. In such cases the audit or review may be carried out by Local Government or by nominees of the Local Government.
16. The CCB shall arrange for an annual audit by the DG Provincial Audit or any officer authorized by him. A copy of the auditor's report together with the audited financial statements shall be submitted to the Local Government. Special Audit may be conducted if required at any time.

RECORD-KEEPING, ACCOUNTING, REPORTING AND MONITORING

17. All financial and administrative records and data, including vouchers, receipts, supporting books, financial reports, and financial analyses, should be preserved by the CCB and kept in appropriate manner during the project period. These records and documents should be retained for two years after the ending date of the project and made available to Local Government or its nominee on request.
18. The CCB shall maintain a proper accounting system, bank statements and reconciliation, cash books, receipt and payment vouchers, etc.
19. The CCB shall submit financial and narrative reports on progress of the project as agreed in the project document. The CCB shall also provide any other information or data required by Local Government. Local Government or its assigned body may also undertake physical inspection of the project area. The CCB shall submit the project implementation completion report within 60 days of the completion of the project.
20. The CCB shall ensure that there are no irregularities in the use of funds allocated/granted by Local Government. In case such an irregularity is noticed, the CCB shall take immediate remedial measures and submit a written report to Local Government. The CCB shall be personally responsible to indemnify the Local Government for irregularity, misuse or otherwise of the funds.
21. The CCB shall extend full cooperation to the Monitoring Teams of the council or to the external firm/party/person contracted by the Local Government to undertake field validation and project monitoring. Non-compliance to this condition would lead to cancellation of agreement. CCB will be liable to refund all funds released to-date to the Local Government.

PROPRIETIES

22. During the project period the CCB shall assume all liabilities in respect of any and all property, purchased with the project funds. In the event of premature cessation of programme activities or of the dissolution of the CCB, all such property shall be handed over to Local Government within a period of 30 days failing which the Local Government may initiate legal action under the law.
23. The CCB shall ensure that all property including equipment acquired under this Agreement shall be used exclusively for the intended purposes. The CCB shall maintain an inventory of all such items acquired for this project. The CCB shall be liable for any damage, loss, theft or third party liability of such items.
24. The CCB shall ensure that all property acquired under this project or re-deployed from related or prior years' projects are distinctly identified as being supplied/donated by the Local Government.
25. The CCB shall clearly acknowledge Local Government's support on the cover of all publications, training materials and teaching aids developed as part of the project activities funded for this project.
26. During the course of the project, the CCB shall not dispose off any non-expendable property/ equipment acquired under this project, without prior written consent of the Local Government.

GOVERNMENT POSITION TOWARD LIABILITIES

27. Local Government shall not be liable to any claim, debt, damage or demand arising out of the implementation of this Agreement.
28. Local Government shall not be liable for compensation for the death, disability or other hazards which may be suffered by the employees and/or volunteers of the CCB or any other person or property as a result of their activities in the execution of this Agreement.
29. Nothing contained in this Agreement shall be deemed a waiver, express or implied, or any immunity from suit or legal process of or any privilege, exemption or other immunity enjoyed, or which may be enjoyed by the Local Government.
30. In the event of violation of any clause stated herein or if the CCB is unable to implement the project in accordance with the objectives set out in the project document or if in the opinion of Local Government the work is not satisfactory, the Government reserves the right to cancel/revoke this agreement and to demand the refund of any/all funds, equipment or in-kind assistance or take any other action such as disqualification and cancellation of registration etc., provided to the CCB under the terms of this Agreement.

CONFIDENTIALITY

31. Contents of this agreement are not confidential. Anything relating to this Agreement or said project (including all reports and work performed) can be distributed to any party by any party.

SUSTAINABILITY

32. The CCB shall initiate necessary steps for active and efficient community participation in project design, implementation, monitoring and cost-sharing and ensure that the activity undertaken as per the project document with Local Government assistance under this Agreement is sustained beyond the completion date with community participation.

IN WITNESS WHEREOF THE undersigned being duly authorized thereto, have on behalf of the parties hereto signed this Agreement on the date written below.

Local Government of

CCB
Authorized person

Date

Date

Countersigned by:

Date

Annex-5A (WHEN NO LOCAL GOVT. FUNDS ARE INVOLVED)

Contract No. _____

AGREEMENT
BETWEEN

_____ (Name of Local Government)

and

(_____ Name of Citizen Community Board)

The _____ (Name of Local Government) has launched a programme of Citizen Community Boards designed to encourage involvement of citizens in monitoring of functions, and managing public sector delivery outlets and establishing new facilities. In pursuance of the Programme and the approval accorded by Council to the annexed project document, this Agreement is hereby signed between the _____ (herein referred to as Local Government) and _____ (herein referred to as the CCB), for executing the project entitled:

The Two Parties hereby agree as follows:

GENERAL

1. The Local Government agrees to provide support the CCB for the execution of the project relating to _____ at _____. The proposal, which spells out the objectives, targets, time schedule and other related matters is annexed to this Memorandum. The proposal and its attachments are an integral part of this Memorandum. The CCB shall accomplish the activities given in the proposal in accordance with the methodology given in the Proposal.
2. The project shall be deemed to commence from _____ and shall be for a period of _____ years terminating on _____
3. The CCB shall be responsible for the execution of the project and all matters arising out of this Agreement as a legal entity. The CCB shall also be responsible for liaison with the Local Government in connection with project implementation, project monitoring and periodical reporting.
4. In case of dispute the decision of the District Musalihat Committee would be final.

RECORD-KEEPING, REPORTING AND MONITORING

5. All administrative records and data should be preserved by the CCB and kept in appropriate manner during the project period. These records and documents should

- be retained for two years after the ending date of the project and made available to Local Government or its nominee on request.
6. The CCB shall submit reports on progress of the project as agreed in the project document. The CCB shall also provide any other information or data required by Local Government. Local Government or its assigned body may also undertake physical inspection of the project area. The CCB shall submit the project implementation completion report within 60 days of the completion of the project.
 7. The CCB shall extend full cooperation to the Monitoring Teams of the council or to the external firm/party/person contracted by the Local Government to undertake field validation and project monitoring. Non-compliance to this condition would lead to cancellation of agreement.

PROPRIETIES

8. In the event of premature cessation of programme activities or of the dissolution of the CCB, all such property shall be handed over to Local Government within a period of 30 days.
9. The CCB shall ensure that all property including equipment acquired under this Agreement shall be used exclusively for the intended purposes. The CCB shall maintain an inventory of all such items acquired for this project. The CCB shall be liable for any damage, loss, theft or third party liability of such items.
10. During the course of the project, the CCB shall not dispose off any non-expendable property/ equipment acquired under this project, without prior written consent of the Local Government.

GOVERNMENT POSITION TOWARD LIABILITIES

11. Local Government shall not be liable to any claim, debt, damage or demand arising out of the implementation of this Agreement.
12. Local Government shall not be liable for compensation for the death, disability or other hazards which may be suffered by the employees and/or volunteers of the CCB or any other person or property as a result of their activities in the execution of this Agreement.
13. Nothing contained in this Agreement shall be deemed a waiver, express or implied, or any immunity from suit or legal process of or any privilege, exemption or other immunity enjoyed, or which may be enjoyed by the Local Government.
14. In the event of violation of any clause stated herein or if the CCB is unable to implement the project in accordance with the objectives set out in the project document or if in the opinion of Local Government the work is not satisfactory, the Government reserves the right to cancel/revoke this agreement.

CONFIDENTIALITY

15. Contents of this agreement are not confidential. Anything relating to this Agreement or said project (including all reports and work performed) can be distributed to any party by any party.

SUSTAINABILITY

16. The CCB shall initiate necessary steps for active and efficient community participation in project design, implementation, monitoring and cost-sharing and ensure that the activity undertaken as per the project document with Local Government assistance under this Agreement is sustained beyond the completion date with community participation.

IN WITNESS WHEREOF THE undersigned being duly authorized thereto, have on behalf of the parties hereto signed this Agreement on the date written below.

Local Government of

CCB
Authorized person

Date

Date

Countersigned by:

Date

Annex-6

MONITORING INDICATORS CATEGORIES

Placed below is a description of indicators that will be monitored.

Monitoring of organization's own activities

- Inputs What is going into the operations of the organization? People, material, supplies, finances and facilities, community participation and roles.
- Scheduling: Are activities (as planned) being implemented on time? Is the organization receiving financial support on time? Is organization taking due measures to support sequential and concurrent tasks?
- Output: What is being produced by the organizations field activities (visible and non-visible) including changes in processes, status of services, quantity and quality of products, accessibility of services, building image of the government, number of people served, activities planned for continuous interaction and meeting with target groups and people in general?
- Impact: Did outputs bring any (reasonable) direct change in the people's use of the services being offered by the organization? Are services being used regularly and effectively? Are the changes that are taking place in the desired direction?

Monitoring community's Perception

Is organization trying to find out and understand what is going on among the people being served, whether they are serving the correct 'target' group and the extent to which they have served the group? Is organization in constant touch to receive feedback from the community, especially regarding the quality, accessibility and scope of the services and its opinion of the user charges.

Information and Data Source

Organizational records:

Personnel files and registers, staff performance records, staff meeting, financial registers, stock registers and distribution records, service delivery records and registers, user-charges collection records.

Systems and Procedures:

Formal procedures with checklist and reporting formats, field and staff supervisory procedures and steps, on-the-job training and assistance in overcoming problems in field activities.

Community Information

Mapping of all public and private facilities and services in the localities served by the organization, Community Organization meeting notes, regular staff-user meeting notes, community complaint records (general and on services delivered) effectiveness of community participation in organization's activities, records relating to the level of satisfaction of beneficiaries. Records of meetings with communities, decisions mad, information shared with others.

Baseline Information:

Number of households and communities and those served by the project (coverage of activities), number of people in various target groups (poor, women and children), types of problems identified by potential beneficiaries, opinion and willingness on user charges, current non-financial contribution by people towards various services, level of any similar public facility usage by the community.

Line department coordination records:

Records of meetings with line departments, agreements reached, follow up actions decided.

Annex-7

PROGRESS REPORT OF CCB

REPORTING PERIOD: From _____ to _____

Expenditure

S. No.	Budget Head/ Items	CCB's Own Contribution	Community Contribution	Local Govt.	Others	Total
1	FIXED COSTS					
1.1	Equipment					
1.2	Furniture					
2	RECURRENT COSTS					
2.1	Salaries					
2.1.1	Staff					
2.2	Non Salary					
2.2.1	Stationary					
2.2.2	Utilities					
	TOTAL					

NOTE: SHOW DETAILS ON SEPARATE PAGE

2. Estimated Revenues of the Project

S. No.	Revenue Head	Total
1	Sale of Handicraft	
2	Training fee	
	TOTAL	

NOTE: SHOW THE DETAILS ON SEPARATE PAGE

3. Financing received for the Project

S. No.	Budget Head/ Items	CCB's Own Contribution	Community Contribution	Local Govt.	Project Revenues	Total
1	FIXED COSTS					
1.1	Equipment					
1.2	Furniture					
2	RECURRENT COSTS					
2.1	Salaries					
2.1.1	Staff					
2.2	Non Salary					
2.2.1	Stationary					
2.2.2	Utilities					
	TOTAL					

NOTE: SHOW THE DETAILS ON SEPARATE PAGE

4. Project Activities

(Inputs/Outputs/ Work Plan)

SR.NO	ACTIVITY	START DATE	END DATE	ACTUAL	UNITS	REMARKS
1						
1.1						
1.2						
2						
2.1						

Progress Details/Explanation of Work Plan

Annex-8

Guidelines for Preparing Field Review summaries and Budget Analysis

Project Summaries

The field verification assesses the capacity of a CCB to undertake the proposed project. On completion of field verification a summary report about the CCB project has to be prepared. The summary report should include:

1. Name of CCB
2. Names of field team members
3. Date (s) of visit
4. Findings of the visit
 - ❑ Number of staff, their fields of expertise
 - ❑ Management capacity
 - ❑ Status of record keeping – accounting books, minutes of meetings with communities, inventory lists, etc.
5. Capacity building needs of the organization
 - ❑ Financial management
 - ❑ Monitoring and evaluation
 - ❑ Communications skills
 - ❑ Community mobilization, etc.
6. Findings of the community visit (past project area) – If applicable
 - ❑ Geographical area and conditions
 - ❑ Details of projects visited (name of service, number of beneficiaries, community's contribution, status of community organizations)
 - ❑ Community's perception of the organization and its work
7. Findings of the community visit (proposed project area)
 - ❑ Geographical area and conditions
 - ❑ Community's involvement in needs assessment and project development
 - ❑ Community's involvement in project implementation
 - ❑ Sustainability aspects such as user charges, training of locals, etc.
9. Overall assessment and recommendation
 - ❑ Recommendation of the field team and reasons
 - ❑ Loan/grant requested and approved

- Revisions proposed:
 - a. Scope of work
 - b. Budget
 - c. Work plan

Budget Analysis

Capacity Aspects

- ◆ The CCB must demonstrate the need for additional funding. This can be assessed from their existing level of funds and their plans for expansion.
- ◆ Check whether planned activities are consistent with the proposed budget. For example:

Activity	Budget item
➤ Construction of schools	Construction costs
➤ Hiring of teachers	Recruitment costs Salaries of teachers

The proposed budget and the proposed activities and work plan sections must be thoroughly reviewed to check for inconsistencies. Revisions in activities must be reflected in revisions in the budget.

- The application organization must also demonstrate the capacity to handle the volume of funds. Capacity can be judged by reviewing audit reports, reports of past projects implemented and field findings about the organization's accounting system.

Transparency Aspects

- Based on the documentation provided and the field verification, the Committee must be confident that the organization's financial systems are transparent. There must be at least two signatories to operate existing bank accounts and sign off financial documents. There must be a proper supervision system for financial monitoring, i.e., a Board or any other body must be designated to examine budgets and financial records.

Funds Utilization and Cost Analysis

- While analyzing the budget ensure that unnecessary funds are not requested for heavy construction, luxury cars, 4x4 vehicles, video system, television and other equipment. If the budgeted item is to be used for one-off activities such as audio-material production, options for rental and contracting out the activity must be taken into consideration while approving such procurements.

- Costs of budgeted items must be checked to ensure that they are realistic and compared with current prices. A list of the going market rates of common items (such as motor pumps, per square foot construction costs, vehicles, computer printer) should be developed for reference. The availability of such lists from the government procurement department or other sources should be checked.
- Budgets should not just be reviewed critically to bring about reductions but organizations with good projects may be helped in making the budget more realistic by including expenses that the organization may have forgotten to budget for, such as audit fees, equipment and vehicle insurance costs, repair and maintenance costs for equipment and vehicles, computer supplies, internal travel, etc.
- Ensure that there is no overlap between funds requested and funding from other sources.

Budget Revisions

- Budgets, which appear to be on the higher side may be negotiated for proposals that are innovative and technically sound. Negotiations on work program and budget must be kept to the bare essential so as not to impair the organization's ownership of the project.
- The organizations passing the field verification stage must be asked to submit revised budgets if there have been mutually agreed changes.

Sustainability Aspects

- The installment schedule requested for loan/grant from the local government must be reasonable and linked broadly to availability of funds from other sources of financing and to the proposed project activities and the work programme.
- Yearly recurrent costs should be analyzed specially from the point of view of sustainability. Recurrent costs must also be checked against project activities to ensure that these are realistic and consistent. The overall budget, especially recurrent costs must show a declining trend in the use of funds over the project period and an increasing trend of funds from alternative sources such as user charges, community contributions, local fund-raising etc.