



Government of Khyber Pakhtunkhwa
Planning and Development Department
Civil Secretariat Peshawar
(Coordination Section)
Phone No. 091-9211137 – 9210494-95

NO.C/COORD/P&D/105-4/ADP/2015-16
Dated: Peshawar, the 23rd December 2014

To

1. All Administrative Secretaries to the Government of Khyber Pakhtunkhwa.
2. All Commissioners in Khyber Pakhtunkhwa
3. All Deputy Commissioners in Khyber Pakhtunkhwa

Subject: **GUIDELINES FOR THE FORMULATION OF ANNUAL DEVELOPMENT PROGRAM (ADP), 2015-16**

Dear Sir / Madam,

I am directed to enclose herewith guidelines for the preparation of ADP 2015-16, along with Appendix I, II, III as well as proforma I & II, and to request that the sponsoring agencies under your administrative control may be directed to finalize the process of preparation of project proposals within the framework of policy decisions taken by the Government from time to time.

2. The Government of Khyber Pakhtunkhwa is moving towards modern planning, budgeting, and monitoring systems under its Medium Term Budgetary Framework (MTBF) with the aim to enhance delivery of public services. Hence, the formulation of ADP shall be based on the following parameters:

- i. The exact size of the program cannot be indicated at this stage. However, the overall size of your budgeted program should not be more than 10% above the allocations for the current year
- ii. The foreign component for each of the medium term i.e. 2015-18 shall be determined/finalized by respective sectors in consultation with the Foreign Aid Section of P&D department. *It may be added that these guidelines shall be read with the Budget Call Circular (2015-16) already issued by Finance Department vide its letter No. No. BO.1/ FD/5-20/2015-2016/MTBF BCC, Dated: 27-11-2014 to ensure greater integration of recurrent and development budget for a more focused approach towards service delivery*
- iii. **The inclusion of medium term perspective to the ADP/budgeting process is aimed to help the provincial government in achieving overall fiscal discipline, as well as allocative and operational efficiencies. Thus, the ADP 2015-16 shall stipulate the year wise breakup of throw forward for at least two outer years i.e. 2016-17 & 2017-18 with the leftover clubbed together in the prescribed format.**

3. The final deadline for the submission of ADP 2015-16 will be 31st March, 2015, which should be strictly adhered to. It is requested to provide hard copy of relevant Proforma/Annexures to this department latest by 31st March 2014, along with soft copy / CD. Calendar of various activities in this regard has also been provided in these guidelines. The guidelines and timelines as circulated vide this memo shall strictly be adhered to.

Chief (Coord)

Copy of the above is forwarded to the following for information and further necessary action to the:-

1. All Heads of attached Departments Govt. of Khyber Pakhtunkhwa.
2. The Director General, Monitoring & Evaluation, P&D Department.
3. All Chiefs of Sections, P&D Department
4. Director General, SDU, P&D Department

Chief (Coord)

Copy to:-

1. The Principal Secretary to Chief Minister, Government of Khyber Pakhtunkhwa
2. PSO to Chief Secretary, Government of Khyber Pakhtunkhwa.
3. PS to the Additional Chief Secretary, Govt. of Khyber Pakhtunkhwa.
4. PS to Parliamentary Secretary P&D Department
5. PS to Secretary, P&D Department.
6. PA to Chief Economist, P&D Department.

Chief (Coord)

MOST IMPORTANT/TOP PRIORITY

GUIDELINES FOR ANNUAL DEVELOPMENT PROGRAM (2015-16)



(December, 2014)

**PLANNING AND DEVELOPMENT DEPARTMENT
GOVERNMENT OF KHYBER PAKHTUNKHAWA**

GUIDELINES FOR ANNUAL DEVELOPMENT PROGRAM (2015-16)

1. General:

- 1.1 Annual Development Program represents a key policy instrument for actualizing development vision of provincial government through strategic resource investment. By virtue of its size and sectoral spread, ADP interventions should also be seen as principal drivers of economic growth and equitable development in the province. For these reasons, ADP formulation process needs to be accorded utmost priority and meticulous handling by provincial line departments
- 1.2 P&D department, Khyber Pakhtunkhwa intends to ensure that formulation process of ADP 2015-16 is fully geared towards and informed by principles of value for money through precious public sector investments. It is therefore expected that provincial government departments will view this process as a means to support actualization of sectoral policy goals and assign it utmost priority

2. Overarching Development Policy Framework:

- 2.1 It is critical to remember that provincial government is embarking upon formulation process for ADP 2015-16 within a specific and well-defined development policy milieu. Development vision of provincial government has already been articulated through the development of Strategic Development Partnership Framework (SDPF) and Integrated Development Strategy (IDS). These policy instruments would need to be fully considered by provincial government departments for defining direction and determining the contours of their ADP interventions
- 2.2 ADP formulation process by individual departments is also required to be fully cognizant of OBB (Output based Budget) stipulations which are extremely useful in terms of defining results from budgetary investments. It is critical to ensure alignment of outcomes and outputs proposed to be generated through public sector resource utilization across development, non-development and current side
- 2.3 Considering above points, it is expected that departments will make every effort to ensure that ADP 2015-16 is not a compendium of PC-Is but is actually reflective of priorities set out in SDPF and IDS besides contributing to outcome areas of OBB
- 2.4 Last but not the least, sectoral interventions in ADP 2015-16 should be contributing to Government's mission of achieving 7% growth rate, complimenting private sector-led economic development, boosting competitive and entrepreneurial spirit and facilitating timely pursuit of MDG/ SDG targets in Khyber Pakhtunkhwa

3. ADP Formulation Parameters:

- 3.1 Formulation of ADP 2015-16 will continue to follow the medium term perspective, adopted for ADP 2014-15. Such a perspective is central to helping provincial government in realizing its objectives of fiscal discipline, allocative as well as operational efficiencies.
- 3.2 Following Medium-Term Development Framework, ADP 2015-16 will comprise portfolio of development schemes for 2015-16 and projections for next two financial years, viz, 2016-17 and 2017-18 in the prescribed format
- 3.3 Each department/sector is required to submit proposed ADP including mission statement with vision and goals to be achieved in the next 2-3 years. Needless to say, these statements will be contextualized within laid down policy framework of SDPF and IDS. Sector briefs will also contain reference to OBB parameters, clearly identifying strategic objectives and targets, proposed to be achieved through ADP 2015-16 for each department/sector
- 3.4 Proposed interventions under ADP 2015-16 must be arranged by assigning clear and logical prioritization, facilitating readjustments and course correction during the year, in accordance with resource situation. *Proposed interventions, establishing robust linkages with SDPF objectives and priorities shall be assigned high priority*
- 3.5 The exact size of the program cannot be indicated at this stage. However, the overall size of your budgeted program should not be more than 10% above the allocations for the current year
- 3.6 The foreign aid component for the medium term i.e. 2015-18 shall be determined/ finalized by respective sectors/departments in consultation with the Foreign Aid Section, P&D Department
- 3.7 Departmental ADP proposals should be worked out on net basis and information supplied in the proforma at **Appendix-I**. All figures in relevant columns of the proforma are to be indicated in million rupees
- 3.8 Details of ADP will be provided as per prescribed Proformas. The priority for allocation of funds should be as follows:
 - a. Counterpart funds for foreign aided projects as per commitment should be given highest priority.
 - b. Maximum allocation should be provided to on-going projects that are at fairly advanced stage of implementation.
 - c. Full funding should be allocated to projects that are due for completion in 2015-16.
 - d. Projects dealing with emergencies, such as flood relief, rehabilitation etc may be prioritized.

- e. Departments dealing with social sector may focus on consolidation and improving service delivery activities instead of expansion
 - f. New projects.
- 3.9 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
 - 3.10 Counterpart funding for the foreign aided projects and projects co-financed with Federal Government be phased as per PC-I
 - 3.11 For the 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 **Appendix-II**. This will enable the Planning & Development Department to capture necessary inputs on new initiatives. Please note that **no proposal of new project would be accepted for which the proforma is not properly filled**
 - 3.12 The Cost Estimation of the new schemes proposed for inclusion in the ADP 2015-16 should be based on rational calculation, cost escalation and marketing analysis, because any scheme whose cost would exceed by 15% of the ADP cost would require approval of the competent authority
 - 3.13 Project life should be kept at minimum possible and in no case should exceed 2-3 years. Projection for 2016-17 and 2017-18 may be worked out with due care on the proforma at **Appendix-I**
 - 3.14 The Sectoral allocation for ADP 2015-16 shall be in accordance with the ADP 2013-14 as per following distribution formula:-
 - i. 70% ongoing projects
 - ii. 30% for reforms initiatives and new program.

Efforts should be made to focus the new portfolio on SDPF/IDS-related reforms initiatives

- 3.15 Education & Health Departments shall make every effort to ensure consolidation and improvement in services delivery projects for enhancing efficiency and effectiveness
- 3.16 Unapproved on-going projects reflected in the current year (ADP 2014-15) may be considered for deletion if they are no longer priority of the sector. All un-approved projects by 30th of June 2015 would automatically become new projects in the next ADP (2015-16)
- 3.17 Special attention may be given to new initiatives /programmes of the Government with emphasis on pro-poor growth, poverty alleviation, MDGs attainment and creation of productive assets

4. District ADP

- 4.1 Decentralization represents one of the key policy priorities for the provincial government in KP. Divisional and District Administrations are therefore required to ensure necessary facilitation and coordination for finalization of development proposals, planned to be implemented through District ADP on the principles of decentralized planning. Objective of this strategy is to gear up district departments for future implementation of local governance framework in the province
 - 4.2 Both in design of District ADP as well as for proposed interventions in sectoral ADP having a localized character, Divisional and District Administrations are expected to ensure adherence to processes of needs analysis, evidence-based planning and stakeholder consultation
 - 4.3 Alongside other needs-based sectoral priorities, proposed interventions under District ADP should prioritize community-led development, provision of improved municipal and social services at local level as well as pro-poor and gender mainstreaming interventions
- 5 *All the above-mentioned ADP guidelines shall be read with the Budget Call Circular (2015-16) already issued by Finance Department vide its letter No. No. BO.1/ FD/5-20/2015-2016/MTBF BCC, Dated: 27-11-2014 to ensure greater integration of recurrent and development budget for a more focused approach towards service delivery. The Budget Call Circular contains sufficient provisions to complement the "Output Based Budgeting/Budgeting for Service Delivery" by clearly spelling the vision, goal, outcomes and outputs of each department with SMART output level indicators. Thus, all the developmental schemes identified for inclusion in the ADP as per the prescribed format circulated herewith need to be duly mapped/incorporated in the forms and formats already circulated by Finance Department via Budget Call Circular (2015-16)*
- 6 **All provincial government departments are requested to indicate their proposed programs under ADP 2015-16 after thorough deliberations and get these countersigned by the Administrative Secretary accompanying one page brief indicating vision of the sector, objectives and glimpses of the strategic intervention. The proposals must also be shared with respective Ministers.**

**TIME SCHEDULE FOR PREPARATION OF
ANNUAL DEVELOPMENT PROGRAMME 2015-16**

DATE	ACTION
December 2014	Circulation of guideline for the preparation of the Draft ADP 2015-16 to all departments
31 st March 2015	Submission of draft ADP 2015-16, proposals by the concerned departments to the P&D Department.
8 th April 2015	All Chief of Sections will have to submit the draft ADP 2015-16 to Computer Section for processing after scrutiny & examination of the proposal received from counterpart line department(s).
15 th April 2015	The Computer Section will furnish the consolidated report of Draft ADP 2015-16 to the Chief Economist, P&D Department.
20 th April 2015 to 9 th May 2015	Meetings with the departments to discuss & finalize the Draft ADP 2015-16
15 th May 2015	Submission of 2 nd Draft ADP 2015-16 by the concerned department to the P&D Department.
22 nd May 2015	Meeting of ACS on the Draft ADP 2015-16 with the departments to finalize the Draft ADP 2015-16.
3 rd June 2015	Submission of Draft ADP 2015-16 to Chief Minister for approval.
7 th June 2015	Final Draft 2015-16 will be sent to the printing press for printing with copy to Finance Department for budgeting.
2 nd July 2015	Circulation of ADP 2015-16 to all concerned departments.

DEPARTMENTAL ADP PROPOSALS

Sector:
Sub-Sector

ADP Sr. No.	Code, Name of the Scheme, (Status) with forum and date of last approval	Cost		Exp Upto June 2015	Allocation for 2015-16				2016- 17	2017- 18	Throw Forward beyond 2015-16
		Loca l	Foreign		Local			Forei gn			
					Capit al	Reve nue	Tot al				

Project Concept Form for New Initiatives

Rs in million

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

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