

CHAPTER 22

LOCAL GOVERNMENTS AND DECENTRALISED DEVELOPMENT

Introduction

Of all the States in the country, Kerala is accepted as the leader in decentralization in the post 73rd and 74th Amendment period. In the last ten years it was able to structure a decentralized system of development administration, following classical fiscal decentralization principles with emphasis on untied funding, clear demarcation of functions on the principle of subsidiary, structuring of a transitional local governance system, setting up of independent umpiring institutions, facilitating people's participation and above all backing of all these with powerful laws.

22.2 In order to drive decentralization, which was achieved in a big bang approach, participatory planning was used so as to attract different interest groups. This approach called for harnessing the involvement of people other than the elected members and officials. Though a viable methodology has been evolved the focus has been on planning and spending. The time to move on to good governance and quality service delivery has come.

22.3 Realizing this, during the Tenth Five Year Plan, several institutionalization efforts have been taken but the results have been mixed but the

resolve to move on to a proper local government system beneficial and accountable to the people is there among the important stakeholders. It is this positive feature, which holds out hope for the future.

Performance during 2003-04

22.4 During the year there was a strong shake up of the system with the withdrawal of unspent funds as on 9-7-2003 and removal of the provision to carry over 25% of the unspent funds to the next year. Though this has brought about better fiscal discipline it completely upset the planning process as the local governments had to restructure their plans all over in accordance with available resources. In other words a Rs.1900 crore plan had to be reshaped into Rs.1200 crore plan. This affected sectoral ceilings and balances.

22.5 But it is worth mentioning that the largest amount of grant release in the nine years of decentralization was in 2003-04 and it was in this year that the highest ever expenditure was incurred.

22.6 The details of budget provision and release during 2003-04 are given in Table 22.1

Table 22.1
Details of Budget Provision and Release of Grant-in-aid during 2003-04

(Rs. Crore)

Sl. No	Category	Budget Provision	Grant-in-aid carried over (opening)	Grant-in-aid surrendered on 9-7-03	Release of Grant-in-aid	Additional Grant-in-aid released	Total Grant-in-aid released
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	General	923.92	401.76	327.36	616.69	198.35	889.44
2	SCP	263.33	151.30	133.19	167.75	39.92	225.78
3	TSP	45.31	10.14	8.98	30.51	0.99	32.66
4	EFC	79.55	33.81	29.47	58.72	17.73	80.79
	Total	1312.11	597.01	499.00	873.67	256.99	1228.67

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments.

22.7 The expenditure of local governments during the year is given in Table 22.2

22.9 The category wise expenditure of different tiers of local governments is given in Table 22.4.

22.8 The sector wise and category wise expenditure of local governments may be seen in Table 22.3

22.10 The sector wise expenditure of different

Table 22.2
Performance of Local Governments during 2003-04

(Rs. Crore)

Sl. No.	Category	Budget Provision	Total Grant in Aid released	Expenditure	Percentage of Release to Budget provision	Percentage of Expenditure on Release
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	General	923.92	889.44	816.94	96.27	91.85
2	SCP	263.33	225.78	182.41	85.74	80.79
3	TSP	45.31	32.66	22.61	72.08	69.23
4	EFC	79.55	80.79	67.90	101.56	84.05
	Total	1312.11	1228.67	1089.86	93.64	88.70

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments

Table 22.3
Expenditure Pattern of Local Governments during 2003-04

(Rs. crore)

Sl No.	Category	Productive Sector	Service Sector	Infrastructure Sector	Total	Un-classified	Grand Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	General	174.34	305.67	272.12	752.13	64.81	816.94
2	SCP	11.79	125.02	44.80	181.61	0.79	182.40
3	TSP	1.53	18.60	2.08	22.21	0.41	22.62
4	EFC	4.99	46.26	11.53	62.78	5.12	67.90
	Total	192.65	495.55	330.53	1018.73	71.13	1089.86

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments

Table 22.4
Expenditure Pattern of Different tiers of Local Governments (2003-04)

(Rs. crore)

Sl. No.	Tier of Local Governments	General	SCP	TSP	EFC	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Grama Panchayats	542.47	122.32	15.08	57.46	737.33
2	Block Panchayats	11.42	35.97	5.16	2.02	154.57
3	District Panchayats	42.10	8.40	2.24	0.00	52.74
4	Municipalities	95.45	12.68	0.13	7.35	115.61
5	Corporations	25.50	3.03	0.00	1.07	29.60
	Total	816.94	182.40	22.61	67.90	1089.85

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments

tiers of local governments is given in Table 22.5.

to be limited.

22.11 The percentage of sector wise expenditure of different tiers of local government can be seen in Table 22.6.

3) Under SCP and TSP expenditure under productive sector is very low. This implies that the focus is on beneficiary oriented minimum needs rather than on self-employment or economic development.

22.12 There are certain disturbing trends evident from the expenditure figures. They are:

- 1) The expenditure under Tribal Sub Plan is 22% less than the expenditure under General Sector. Similarly the expenditure under Special Component Plan is 11% less than that of the General Sector.
- 2) Expenditure under productive sector is also relatively lower at 17.68% in all. Within the productive sector capital expenditure seems

Achievements

22.13 Selected physical achievements during 2003-04 are given in Table 22.7.

22.14 The physical achievement show that the earlier trend of providing basic minimum needs like drinking water, electrification, housing continues. But it is significant that 11730 hectares have been brought under cultivation through

Table 22.5
Sector wise Expenditure of different tiers of Local Governments during 2003-04

(Rs. crore)

Sl. No	Tier of Local Governments	Sectors				
		Productive	Service	Infrastructure	Exempted	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Grama Panchayats	144.35	338.94	204.20	49.84	737.33
2	Block Panchayats	27.34	69.73	42.41	15.09	154.57
3	District Panchayats	12.44	26.77	13.22	0.31	52.74
4	Municipalities	7.74	46.43	56.24	5.20	115.61
5	Corporations	0.77	13.69	14.45	0.69	29.60
	Total	192.64	495.56	330.52	71.13	1089.85

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments

Table 22.6
Percentage of Sector wise Expenditure of different tiers of Local Governments during 2003-04

Sl. No	Tier of Local Governments	Sectors				
		Productive	Service	Infrastructure	Exempted	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Grama Panchayats	19.58	45.97	27.69	6.76	100.00
2.	Block Panchayats	17.69	45.11	27.44	9.76	100.00
3.	District Panchayats	23.59	50.76	25.07	0.59	100.00
4.	Municipalities	6.69	40.16	48.65	4.50	100.00
5.	Corporations	2.60	46.25	48.82	2.33	100.00
	Total	17.68	45.47	30.33	6.53	100.00

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments

Table 22.7
Selected Physical Achievements during 2003-04 (provisional)

Sl.No.	Item	Unit	Total
(1)	(2)	(3)	(4)
1	Area brought under cultivation	Ha	58401
2	Beneficiaries of vegetable cultivation	No	211939
3	Distribution of tractors under agricultural development projects	No	67
4	Distribution of tillers under agricultural development projects	No	506
5	Poultry-egg rearing units	No	32504
6	Poultry-broiler unit	No	1237
7	Construction of cattle sheds	No	15943
8	Watershed development projects	No	1553
9	Land brought under cultivation through watershed development projects	Ha	11730
10	Micro enterprises started	No	6276
11	Self employment units started	No	5521
12	Self employed persons	No	24901
13	Self employment units started by poor people	No	4055
14	Self employment units for destitutes	No	467
15	Employment training programme for destitutes	No	394
16	Destitutes trained (persons)	No	462
17	Distribution of land to landless (beneficiaries)	No	15320
18	Area of land distributed to landless	No	2662
19	Houses constructed	No	50426
20	Construction of sanitation units	No	174689
21	Drinking water projects	No	11926
22	Beneficiaries of drinking water projects	No	307489
23	Drinking water projects implemented with beneficiary contribution	No	3035
24	New Wells	No	21033
25	Renovation of drinking water projects	Sq.m	14706
26	Mobility assistance devices, Crutches, Walkers	No	2265
27	Wheel chair, Tricycle, mechanized three wheeler vehicles	No	2223
28	Hearing aids	No	1771
29	Braille kit, Study materials	No	757

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments

watershed development projects.

Mobilisation of Resources

22.15 The sources of funding of the Development Projects of Local Governments are shown in Table 22.8.

2.16 It is seen that beneficiary contribution in cash comes to a substantial amount of Rs.63.81 crore but loan from financial institutions including Co-operative Banks works out to only Rs.12.89 crore or less than 1% of the total investment. This is cause for concern. This shows that the special

effort made by the State Government to dovetail credit with local government investments has not borne fruit.

22.17 The Budget provision for different tiers of local governments is shown in Table 22.9

22.18 The sector-wise allocation of Plan Grant by local governments during 2004-05 is shown in Table 22.10.

22.19 The above data show that the allocation to productive sector has improved to 22.31 %. It is interesting to note that the allocation for

Table 22.8
Expenditure of Local Governments across Sources of Funds during 2003-04

(Rs.crore)

Tier of Local Governments	Grant in Aid	Own Fund	State Sponsored Scheme	Centrally Sponsored Scheme	Externally Aided Fund	Loan from Cooperative Institutions	Loan from Financial Institutions	Voluntary Contributions	Beneficiary Contribution (Direct)	Others	Total
2	3	4	5	6	7	8	9	10	11	12	13
Grama Panchayats	737.33	62.86	18.08	55.04	6.80	0.95	3.44	5.37	54.73	44.87	989.47
Block Panchayats	157.57	0.20	5.45	79.27	1.19	0.93	6.84	0.01	7.57	1.23	260.26
District Panchayats	52.74	0.35	9.37	6.63	0.00	0.00	0.00	0.00	0.02	1.56	70.67
Municipalities	115.61	11.54	2.97	10.26	0.00	0.11	0.62	0.22	1.49	0.61	143.43
Corporations	29.60	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	35.61
Total	1092.85	80.95	35.87	151.20	7.99	1.99	10.90	5.60	63.81	48.28	1499.44

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments

Table 22.9
Tier-wise Budget Provision to Local Governments during 2004-05

(Rs. lakh)

Sl. No	Local Government	No. of LGs	Budget Provision			Amount per Local Govt.		
			Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	Grama Panchayat	991	77837.54	23745.53	101583.07	78.54	23.96	102.51
2	Block Panchayat	152	22006.39	901.36	22907.75	144.78	5.93	150.71
3	District Panchayat	14	19749.90	1525.59	21275.49	1410.71	108.97	1519.68
4	Municipalities	53	15131.11	2427.17	17558.28	285.49	45.80	331.29
5	Corporations	5	11693.31	879.24	12572.55	2338.66	175.85	2514.51
	Total	1215	146418.25	29478.89	175897.14	120.51	24.26	144.77

Source: APPENDIX IV. Budget 2004-05. Govt. of Kerala

Table 22.10
Sector-wise Allocation of Plan Grant by Local Governments during 2004-05 (Provisional)

(Rs.Crore)

Sl. No	Local Governments	No. of Projects	Plan Grant to Sectors				Total
			Productive	Service	Infrastructure	Not included in any group	
1	Grama Panchayat	117715	187.73	376.51	133.44	43.93	741.60
2	Block Panchayat	13679	31.62	83.38	31.06	9.56	155.62
3	District Panchayat	2741	2056	55.90	25.57	0.96	102.99
4	Municipalities	8044	11.59	55.01	32.88	4.18	103.65
5	Corporations	705	2.04	17.34	12.99	0.00	32.37
	Total	142884	253.54	588.14	235.94	58.63	1136.24
	Percentage of Allocation		22.31	51.76	20.76	5.16	100.00

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments.

infrastructure sector has come down by one-third.

22.20 The percentage of allocation of Plan Fund to productive sector varies among different tiers as may be seen in Table 22.11.

22.21 It is seen that District Panchayats and Block Panchayats have set apart lower allocation for the productive sector compared to Village Panchayats though they are all bound by the same mandatory sectoral provisions. Similarly Corporations spend far less on the productive sector than Municipalities.

Capacity Building

22.22 Capacity building efforts continued on a large scale during 2004 also. The Kerala Institute of Local Administration was responsible for organizing several training programmes. The details are summed up below:

General Training Programmes

22.23 General Training Programmes were held for elected representatives and officials as follows:

- (1) Training on good governance
- (2) Training for Empowerment of women and SC/ST elected representatives
- (3) Training for Standing Committee Members
- (4) General Training for Panchayat Secretaries
- (5) Training on Performance Audit
- (6) Training on Bill system
- (7) TOT for Technical Committee Members
- (8) TOT for Technical Advisory Committee Members

Decentralized Training Programmes

22.24 Regional Training programmes were conducted to reach out to all the members and officials. Most of these training programmes were on topics of immediate relevance. The District Panchayat Officers and Deputy Directors of

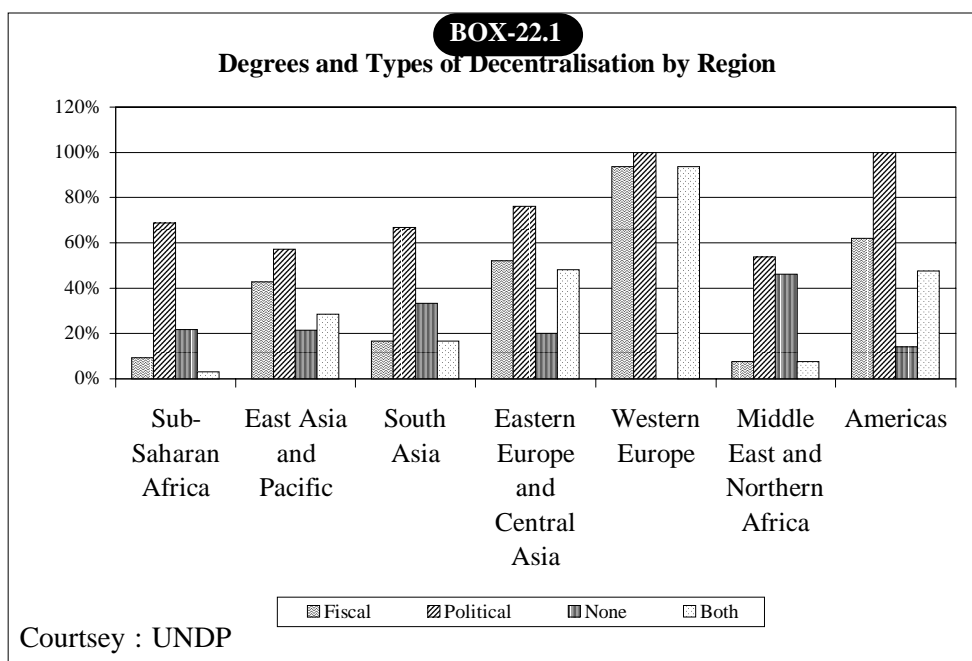


Table 22.11
Percentage of Allocation of Plan Fund to Productive Sector by the Local Governments during 2004-05 (Provisional)

Sl.No.	Tiers of Local Governments	Percentage of Allocation
1	Grama Panchayat	25.31
2	Block Panchayat	20.32
3	District Panchayat	19.96
4	Municipalities	11.18
5	Corporations	6.30

Source: Compiled from the Statistical Annexures of Plan Documents of Local Governments.

Panchayats arranged the District level training programmes. More than 100,000 people were trained in this manner.

Certificate Course for elected representatives

22.25 KILA has conducted four batches under this course, which is a one-year programme based on correspondence-cum-contact methodology. Sixty seven representatives have completed the course successfully. Such persons are fully involved in the decentralised planning process as members of Working Groups and Technical Advisory Committees. The feed-back on this programme indicates that there has been significant capacity addition and confidence creation among the participants.

Best Practice sharing

22.26 This training was arranged on the principle of “learning from the doers”. Four such programmes were organized covering Watershed management and poverty reduction in which interested Village Panchayats and Block Panchayats learned from the experience of lead performers by actually visiting such Panchayats and studying their efforts first hand.

22.27 Recognizing that for sustainable

decentralization, the local governments themselves need to take the lead in partnership with other stakeholders, KILA has started the process of setting up platforms at the district and state levels. It is expected that local governments individually and through their associations would take an active role in setting the agenda for performance and reform through the semi-formal bodies.

22.28 Another initiative taken by KILA is to identify high quality Trainers-on-Call at the district level and utilize them for decentralized training programmes. To start with Thiruvananthapuram, Thrissur and Kasaragod have been identified.

22.29 In order to get the best performers among local governments to contribute substantially to the decentralization process an action research project has been initiated by KILA in which the Beacon Panchayats would experiment in selected areas of governance and development and evolve high quality replicable models.

Issues

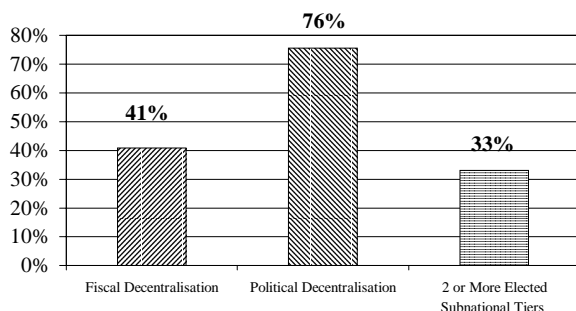
22.30 Some of the issues which need immediate attention are the following:

- 1) There is a persistent departmentalism which is not wearing away. Even after ten years of decentralization organic and harmonious linkages between transferred institutions and the local governments have not been generally established even though there are isolated outstanding examples of coordinated functioning. By and large much more needs to be done to integrate the functioning of different officials and institutions with local governments.
- 2) Critical support systems in the formulation and vetting of local government projects like the Working groups which basically formulate the projects and Technical Advisory Committees which are responsible for their proper vetting have not been functioning very effectively.
- 3) A major innovation of Kerala’s decentralization was the de-mystification of the process of issuing Technical Sanction

BOX-22.2

Decentralisation Worldwide

- It is estimated that 80 percent of developing countries including the transitional economies of Eastern and Central Europe are experimenting with some form of decentralisation.
- In 1999, 96 of 127 (76%) countries were **politically** decentralised. (At least one elected sub-national level of government.)
 - 42 or 33% had two or more elected sub-national tiers.
- 52 of the 127 countries (41%) had **fiscal** decentralization



Courtesy: UNDP

and its de-technocratisation. As per rules Committees of technical experts consisting of qualified people from government, private sector, NGOs and academic institutions are to come together and technically appraise and approve public works projects. This system seems to be falling apart and there is a strong clamour for going back to the old system whereby individual officers would accord technical sanction as per their delegated powers.

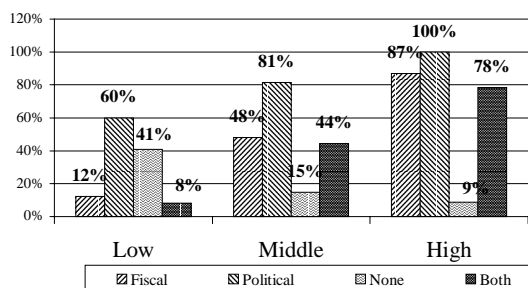
poverty reduction local economic development has been rather limited.

- 7) The checks and balances designed to increase accountability do not seem to be functioning very effectively. Both the Local Fund Audit and Performance Audit have not succeeded in improving the accountability systems in local governments. The account-keeping leaves much to be divided.
- 8) Local resource mobilization has been very weak. Though massive infusion of grants has not affected normal collection of own revenue, the collectable quantum is rarely reached.
- 9) The fiscal crisis of the State is getting transmitted to local governments through fund flow problems and treasury restrictions.

BOX-22.3

Degrees and Types of Decentralization by Income

- Degrees and types of decentralisation vary by income. Countries with high incomes are likelier to adopt both fiscal and political decentralisation.
- Countries with low GNP are least likely to devolve fiscal responsibilities to the sub-national level.



Courtesy : UNDP

- 4) Participation is the cornerstone of Kerala’s decentralization. But the quality of participation seems to be declining with people attending Grama Sabhas and Ward Sabhas more in expectation of benefits than with the objective of shaping investment decisions. Similarly social auditing is also weak.
- 5) A major difficulty in decentralized planning has been the tendency to spread resources thinly across constituencies – to have councilor-wise or member-wise allocation of development funds. This has affected the quality of investment and its impact even though local governments have proven that their investments are comparatively cost effective.
- 6) In spite of the mandatory sectoral investment for the productive sector, increase in production and productivity has been limited to a few projects. Other than

Initiatives launched to strengthen decentralization.

22.31 Several initiatives have been launched during 2004 to strengthen decentralization. They are summarized below:

Implementation of Second State Finance Commission Recommendations.

22.32 All the important recommendations of the Second Finance Commission have been accepted by Government except the recommendation to give statutory basis to the transfer of Plan Grant to local governments by permanently fixing it as one-third of the State’s total Plan outlay. As the first step from 1-4-2004, Rs.205.32 crore has been set apart as General Purpose Grant, constituting 3.5 per cent of State’s Own Tax revenue and Rs. 325.79 crore has been set apart as Maintenance Grant, constituting 5.5 per cent of the State’s Own Tax revenue. The tier-wise allocation of these two grants is given in Table 22.12.

22.33 The distribution of Maintenance Grant is based on a tentative formula related to the formula for distribution of Plan Grant. But this is to be fundamentally changed in the coming year so that the Maintenance Grant is directly linked to the assets owned/transferred to local governments. This calls for preparation of an Asset Register as

Table 22.12
Tier-wise allocation of General Purpose and Maintenance Grant

Tier	General Purpose Grant	Maintenance Grant	
		For Road assets	For non-road assets
Village Panchayat	15,021.76	9,351.00	11,047.00
Block Panchayat	836.00	-	2,181.00
District Panchayat	560.00	1,073.00	3,141.00
Municipalities	1,626.56	1,462.66	1,831.51
Corporations	2,487.68	1,048.34	1,443.49
Total	20,532.00	12,935.00	19,644.00

well as Maintenance Plans by local governments. Once this is done a quantum improvement is expected in the maintenance of critical public assets especially those related to human development like anganwadies, schools and hospitals, thus solving to a significant extent the problems hitherto caused by poor maintenance of important public assets.

22.34 Among the critical reforms suggested by the Second Finance Commission, which have been accepted by Government the following are to be operationalised on a priority basis.

1. Introduction of presumptive Profession Tax.
2. Issue of rules for assessment and collection of Advertisement Tax
3. Issue of rules for Service Tax
4. Removal of ceiling on surcharges on Property Tax
5. Fixing of minimum fees and removing the cap on maximum fees
6. Setting up of a single financing agency for local governments
7. Amending the Kerala Panchayat Raj Act and Municipality Act to specify the shares of General Purpose and Maintenance Grants.
8. Conduct of survey of local government assets
9. Linking tax and non-tax items to value of money through legislation
10. Penalizing un-permitted diversion of funds by charging two percent penal interest per month from the person(s) responsible.

22.35 Operationalizing these recommendations would help local governments improve their financial base.

Constitution of Third Finance Commission

22.36 Kerala is one among the few States, which has set up the Third Finance Commission. The Third SFC came into being on 20th of September 2004 and has a period of one year for submitting its report. The terms of reference of the Third Finance Commission is given in Box. No. 22.4.

Introduction of Bill system

22.37 As recommended by the Second State Finance Commission the Bill system has been introduced for local governments with effect from 1st December 2004. Though there are severe teething problems the new system is expected to strike root soon. This will enhance accountability and improve monitoring considerably. The biggest gain is that people don't have to go to treasuries to get payment from local governments.

Restoration of Implementing Officer system.

22.38 Implementing Officer system has been reintroduced along with the Bill system. The withdrawal of the Implementing Officer system in July 2003 led to a major set back to decentralization in the sense that Officers transferred to local governments were cut off from their formal links with local governments resulting in indifference and non-cooperation. The restoration of the system is expected to reconstruct the formal links between officers transferred to local governments and the elected executive authority.

Computerisation of DPC approvals

22.39 From 2004 onwards all approvals given by the District Planning Committee are being computerized and local government-wise proceedings are issued by the Member Secretary on behalf of the DPC. This simple administrative reform has brought in the following advantages:

- (i) Clear database on projects approved;

BOX-22.4**Terms of Reference of the Third Finance Commission**

The Finance Commission shall review the financial position of the Panchayats and Municipalities and make recommendations as to –

(a) The principles which should govern,

- (i) the distribution between the State, Panchayats and Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under Part IX and Part IX-A of the Constitution and the allocation between the Panchayats at all levels and the Municipalities of their respective shares of such proceeds;
- (ii) the determination of the taxes, duties, tolls and fees which may be assigned to or appropriated by the Panchayats and the Municipalities;
- (iii) the grants-in-aid to the Panchayats and the Municipalities from the Consolidated Fund of the State.

(b) The measures needed to improve the financial position of the Panchayats and the Municipalities with reference to:-

- (i) the scope for local bodies to raise institutional finance and to suggest a frame-work for local self governments to take recourse to such sources along with procedures to be followed and limits, if necessary, to raise such resources;
- (ii) the need for sharing the cost of maintenance of assets and institutions transferred to local self-governments, and evolving criteria for it, with due regard to the fiscal position of the State Government and the local self governments;
- (iii) the steps necessary for efficient financial management with particular reference to efficiency in resource mobilization and economy in expenditure;
- (iv) the settlement of claims and dues of Panchayats and Municipalities vis-à-vis Government and Governmental agencies;
- (v) the procedures to be followed for smooth flow of funds to local self governments and for ensuring proper financial accountability;
- (vi) the systems and procedures with respect to budgeting, accounting and auditing;
- (vii) the incentives for higher source mobilization and efficiency in resource use;
- (viii) the systems and procedures for monitoring the fiscal performance of local self governments;
- (ix) providing for specific fiscal responsibilities on local self governments.
- “(x) the transfer of budget to Local Self Governments for the payment of pay and allowances of employees working in institutions already transferred to Panchayats and Municipalities and modalities for the same”.

- (ii) A document for verification by local governments, treasuries and auditors;
- (iii) A tool of financial discipline as the amounts approved by DPC cannot be exceeded without prior permission of the DPC while bills are presented;
- (iv) Incentive to improve the costing of projects;
- (v) The tool for accountability preventing unauthorized change of projects.

Deployment of Engineers

22.40 Four years after the decision was taken the transfer of engineers to local governments advanced considerably during the last one year. Of course there are a lot of operational problems owing to the scale and nature of the redeployment process but by April 2005 the process is expected to be completed and local governments would have technical persons under their direct control.

Modification of Plan Guidelines

22.41 The guidelines for preparation of the Annual Plan 2005-06 have been revised. The revised guidelines address two long-standing issues. Firstly, framework has been prescribed for local governments to assist cooperatives in a rational and accountable manner. Secondly, the Plan preparation process has been advanced so that the new projects are ready by end March allowing the local governments a full year for implementation.

Activity Mapping

22.42 Based on the decision of the First Round Table of Ministers of Panchayati Raj convened by Government of India at Kolkata, it has been decided to prepare a responsibility map for local governments. By demarcating the areas of responsibility of different tiers of local government and by exhaustively listing out sub-functions and activities it is expected to achieve greater clarity on the functional responsibility of local governments.

Setting up of the Appellate Tribunal

22.43 Five years after the enabling provisions were introduced in the Panchayati Raj and Municipality Acts, the Appellate Tribunal has been created. This institution would serve both as accountability-enforcing mechanism against illegal and biased decisions in the regulatory sphere of local governments as well as an effective

autonomy-protecting system by preventing the bureaucracy from sitting in judgment over local government decisions. To start with one Tribunal has been set up at Thiruvananthapuram. Depending on the quantum of work, the need for more Tribunals would be examined.

Database for Anti-poverty Sub Plan

22.44 The Anti-poverty Sub Plan introduced from the Tenth Plan onwards has been suffering from certain infirmities arising from the absence of validated data on poverty available at the level of the Village Panchayats and Urban Local Governments. Now Government have approved a programme to get the data validated by the volunteers of the Neighbourhood Groups of the Kudumbashree net work. Thus the poverty data would now become community owned and would serve as the basis for participatory planning for poverty reduction in a transparent and normative manner.

Expansion of Asraya

22.45 The innovative community based social security scheme implementing through the CDS system called 'Asraya' has now stabilized and is being extended to cover 350 more Village Panchayats and 20 Urban Local Governments in the next one year. Enhanced allocation has been provided under Plan to Kudumbashree to achieve this in partnership with Village Panchayats and Urban Local Governments where the scheme would be taken up for the first time. Going by the current indications Asraya bids-fair to be a viable model for convergent social security to the poorest of the poor.

Janasevana Kendrams

22.46 In Urban Local Governments, to improve service delivery to the citizens, *Janasevana Kendrams* are being set up in all the 53 Municipalities and 5 Corporations. Essentially, these IT based Centres facilitate the following services:

- (i) Birth and death registration
- (ii) Payment of taxes, fees etc.

Service Delivery Project

22.47 Under Modernizing Government Programme (MGP) Service Delivery Projects have been taken up in 104 Village Panchayats, 14 Municipalities and 5 Corporations. The

services delivered through these local governments and improvement required in respect of each service has been identified both at the micro and macro levels. At present, projects are being prepared by these selected local governments for supplementary funding from MGP.

22.48 Simultaneously government have adopted a Service Delivery policy that covers the State and local governments. This policy envisages reparation of action plans by each local government to improve the quality of Service Delivery to citizens. This is to be linked up with the decentralized planning process as also to the Citizen Charter initiative.

Operationalisation of Decentralization Support Programme

22.49 After a lot of initial delay - the Decentralization Support Programme with the help of Royal Netherlands Embassy has finally been operationalised. Several initiatives are proposed under this programme, all selected to tone up the general and development administration of local governments by creating viable processes and systems evolved on the basis of action research. The areas targeted for intervention in the first year are:

- Strengthening Women Component Plan and capacity building for gender planning, gender budgeting and gender auditing.
- Improving management of educational institutions.
- Preparing an action plan for local economic development.
- Revisiting the decentralized planning process to tone up systems and procedures.
- Designing support systems from expert institutions and agencies for local governments.
- Addressing staffing issues.

22.50 These bunch of initiatives can go a long way in addressing the deficiencies seen in the first decade of decentralization.

Strengthening expert participation

22.51 Government have decided to dialogue

with academic institutions and NGOs, to harness their involvement in the local planning and development process. The process of local applied research would be initiated.

Thematic focus on poverty reduction and public health

22.52 A development paradigm “with a human face and a human heart” is to be operationalised through local governments with account on poverty reduction and public health. This grand vision will inform policies and practices in the coming years. The impact of decentralisation on poverty reduction is explained in Box No. 22.5

Improving monitoring

22.53 A new monitoring arrangement is to be put in place by assigning one local government to one officer from the Statistics Department whose duty would be to collect plan performance and fiscal data from each local government and transmit it to the government on a regular basis. In the case of Village Panchayats, to start with, the Block mechanism would be utilized, till such time the computerization takes place.

22.54 Along with this formal monitoring system, a community based system would be in place from 1st April 2005 to periodically monitor different Anti-poverty programmes being implemented by local governments. This participatory monitoring would be through the CDS system.

Evaluation study on Panchayats awarded by Swaraj Trophy

22.55 The State Planning Board undertook an evaluation study on the effectiveness of productive sector schemes implemented by 27 Grama Panchayats which are recipient of Swaraj Trophy during 2001-02. The findings are given in Box No. 22.6

Best Practices

22.56 There have been highly innovative initiatives by Local Governments spanning different activities.

BOX-22.5

DECENTRALISATION AND POVERTY REDUCTION

A forthcoming UNDP study on the subject by Prof. M.A. Oommen of Institute of Social Sciences, New Delhi gives the following conclusions in respect of Kerala:

“Now the question is how far has the decentralisation process launched in Kerala helped to consolidate the gains in human development and facilitate the eradication of poverty in the state. We have adduced substantial macro and micro level evidences to evaluate the impact of decentralization on poverty. There is no need to reiterate them. We have noted that while the overall outcome definitely helped to deepen participatory democracy and poverty reduction, there are several negative aspects that need be considered to put the wheels of democratic decentralization and development on a stable track.

It is a widely acknowledged fact that sustained increase in economic growth is needed to eradicate poverty. As a matter of fact the PPC was “a political response” to the crisis of economic stagnation that has engulfed the state for several years. But the progress made in economic growth, leaves many things to be desired, especially because a sum of Rs.62270 million has been spent through local bodies during 1997-2002 and more than 87 per cent of which has been through the PRIs. The rate of growth in agriculture during the 9th Plan was only 2 per cent as against 19 per cent during the 8th Plan when there was no devolution of powers and resources to the local governments. True, there was significant quantitative and in some respects qualitative improvements in the conditions of the housing, sanitation, drinking water supply, electricity supply and the like to the poor. Even so, one cannot firmly maintain that the public delivery system as a whole has acquired a new style of performance as one would expect. The primary duty of the public health centers, viz. preventive health care of the people is virtually neglected. Not more than 40 per cent of the population attend the PHCs. The increasing shift to private medicare system which is highly costly has driven the poor to indebtedness. The endemic leakage of public resources through artificial escalation of project estimates, manipulation of tenders, use of inadequate and poor quality materials and so on continues despite the great effort made to contain these corrupt practices through the beneficiary committee system and social audit practices. While transparency guarantees, right to information, citizen’s charter seeking to guarantee minimum standards in the delivery of public services, accountability to gram sabha and so on are accepted principles of decentralised governance in Kerala, they are neither insitutionalised nor operationalised except in very exceptional instances. The situation of the tribals and fisher folk continues to be bleak. Despite a seven-fold increase in the annual average plan expenditure in the fisher-folk panchayat we studied (Karumkulam), there was no perceptible transformation in the quality of life of the people. The unhygienic overcrowding and poor housing (several families in a single house), insanitary conditions, the reported cases of diarrhoea and dysentery during rainy seasons, chicken pox during summer and the continuation of chronic diseases like tuberculosis, lung cancer, asthma etc. do not speak highly of the preventive and curative efforts of the panchayat. The debt per poor family to the money lenders ranged from Rs.10,000 to Rs.150,000. It is indicative of the economic malaise they are in. surely there are acute pockets of poverty in the state, which continue to elude the purview of decentralisation.

The most sanguine story that one can write home about the decentralization episode of Kerala is definitely the demonstrated synergy between Kudumbashree (the state poverty eradication mission), and the local self-governments. This synergy has helped and definitely will continue to help not only in reducing poverty, but even in eradicating the worst forms of poverty within a foreseeable time in Kerala.

It will be difficult for this brief study to come out with firm inferences or lessons for

Box Continued...

other states. Even so, it may be possible to formulate certain tentative hypotheses that hold great promise for further in-depth probe and analysis.

First, the linkage between decentralisation and poverty cannot be comprehended without reference to the historical context of the region under study. This is particularly true in regard to a state like Kerala with a rich public action tradition and a strong social capital base.

Second, there is no automatic linkage between poverty reduction and decentralized governance. More than any other state in India Kerala has provided the necessary conditions and framework for democratic and participatory governance to take root. But in practice not more than 150 to 200 GPs could be considered as having internalized the message and acted firmly to usher in sustained democratic practices. There is a great chasm between the ideal and the actual which can be bridged only through support from the higher level governments, the political parties, the media, the intelligentsia, the voluntary sector, the public and so on. It is a learning game.

Third, decentralization will not easily succeed in a highly fragmented society which contemporary Kerala has fast tending to become. The slogan “decentralization with mass participation” will not work in such a society. Clientelism has enveloped the civil life and all political parties. Quite often it is not logic or common purpose, but partisan rhetoric that gets echoed in gram sabha meetings, development seminars, panchayat committee meetings, public debate and so on. An average Keralite is a member of several organizations, social, cultural, political, religious, economic and so on. Caste and communal interests, which were buried deep in the past, are raising their ugly head in manifold ways. Indeed, there are serious problems in embedding decentralization in the emerging social setting of Kerala.

Fourth, the longstanding collusion between the bureaucrats, technocrats, contractors, and the political class has to be broken to ensure sustained decentralized governance and sustained poverty reduction in Kerala and equally so in the rest of India. This is one area in which the higher-level governments also will have to demonstrate their sincerity and commitment. The PPC failed to resist the concerted onslaught of the rentier class. The beneficiary committee system instead of being fostered as an agency to fight corruption has been discredited and permitted to vanish. Political initiative to dismantle corrupt practices and establish the role of the public accountability mechanism already available in place is very important.

Fifth, the proven outcome of the effective linkage between Kudumbashree, the local governments and the community-based organizations of the poor show that, unless the poor are fostered as the agents of their development, the linkage between decentralization and poverty reduction could not be firmly established. In this pattern the local government acts as the facilitator of the self-help initiatives of the poor. Being located nearest to the people, the local government has a comparative advantage in developing a synergistic relationship between the government and the community-based organizations for strengthening poverty alleviation efforts. The conventional poverty approach perceiving the poor as the object of development should not be the dominant approach in seeking to establish a viable linkage between poverty reduction and decentralization.

Six, decentralization could be endangered by the inefficiency or deliberate action of the higher level government. Not only that the higher government should not give a wrong signal regarding decentralization to the lower government, the latter should be actively supported through appropriate policy initiatives statutory and institutional backups and so on. Institutionalising local democracy remains a far distant goal and is a process that needs fostering care for several years to come”.

BOX-22.6

Evaluation Study on 27 Grama Panchayats which are recipient of Swaraj Trophy 2001-02

The State Planning Board undertook an evaluation study on the quality and effectiveness of productive sector schemes implemented by 27 panchayats which are recipient of Swaraj Trophy during 2001-02.

The study revealed that there is an increase in income and employment of the beneficiaries of productive sector projects. The findings from analysis of these projects reveal the following:

- Majority of the productive sector projects are multi purpose minor irrigation projects which is followed by SSE and live stock development
- Most of the minor irrigation projects relate to installation of pump sets followed by construction of wells
- Irrigation enhancement under paddy development was mainly through construction of canals and bunds
- Among the women projects, majority of them are kudumbashree based small scale units
- Average Plan outlay was higher for SSE and SSI sector through Kudumbashree units, whereas it was lowest for fisheries projects
- The highest average expenditure under productive sector projects was reported in Wayanad and the lowest in Malappuram District.
- In Thiruvananthapuram, Pathanamthitta, Palakkad and Kannur districts, cent per cent expenditure was reported.
- The highest resource mobilisation (through beneficiary contribution) was reported for vegetable promotion schemes followed by live stock development.
- Additional resources mobilisation through beneficiary contribution was highest in Thrissur and lowest in Kannur District.
- The highest increase in area was for paddy development projects.
- The highest production increase was reported in coconut extension projects
- Kudumbashree units based SSEs and SSIs registered highest income generation
- Employment generation was highest for projects implemented through Kudumbashree units.
- Minor irrigation projects succeeded in reducing the cost of cultivation of crops
- The average value of Growth Trigger Index (GTI) for all products is estimated at 0.461
- The highest value of GTI was registered for Kudumbashree based SSEs and SSIs.
- Paddy development projects recorded highest values for area index
- Production index was higher for coconut development projects
- Kudumbashree based SSEs again scored higher indices for income and employment generation
- Cent per cent achievement was reported in 34 per cent of projects
- Vegetable promotion projects ranked first in achievement of targets.

A collection of best practices as listed below is presented in Box Nos 22.7 to 22.20.

(1)	Nedumbassery Grama Panchayat	:	Towards a dynamic Local Level Development (Box No. 22.7)
(2)	Panmana Village Panchayat	:	Resoruce Mobilisation (Box No. 22.8)
(3)	Changanassery Municipality	:	Recycling of Solid Waste (Box No. 22.9)
(4)	Maneed Village Panchayat	:	Promotion of Paddy cultivation (Box No. 22.10)
(5)	Elikulam Grama Panchayat	:	Vanila Development Project (Box No. 22.11)
(6)	Vadakarapathy Grama Panchayat	:	Water for Local Level Development (Box No. 22.12)
(7)	Edayur Grama Panchayat	:	Harvesting Rain water (Box No. 22.13)
(8)	Kollam District and Pulinkunnu Grama Panchayat	:	Participatory Spatial Planning : Two pioneering initiatives (Box No. 22.14)
(9)	Pathanapuram Grama Panchayat	:	A Waste to Energy Plant (Box No. 22.15)
(10)	Paravur Municipality	:	Vermi-composting Unit (Box No. 22.16)
(11)	Venganoor Grama Panchayat	:	Special School for physically and mentally differently abled children at the age 0-6 years (Box No. 22.17)
(12)	Ten Village Panchayats from Wayanad District	:	Panchayat, NGO, Government partnership (Box No. 22.18)
(13)	Mangattidam Grama Panchayat	:	Poverty Reduction (Box No. 22.19)
(14)	Pilicode Village Panchayat	:	Winner of Nirmal Grama Puraskar (Box No. 22.20)

BOX-22.7**Nedumbassery Grama Panchayat in Ernakulam - towards dynamic local development****Resource mobilisation**

The Panchayat mobilised Rs.1.62 cr. from different sources like Cochin International Airport Ltd., Kerala Agro Machinery Corporation, SAJ Flights Ltd., Federal Bank Ltd., and NRIs, during 2003-04. This amount together accounted for about 56 per cent of the total plan outlay of Rs.2.92 cr., which included grant in aid, own fund, central and state sponsored schemes.

The Federal Bank has constructed an Agathamandiram costing Rs.15 lakhs in 15 cents of land contributed by the Cochin International Air Port Ltd.

There are 6 water tanks ranging from 2.5 Acres to 9.5 acres cleaned, beautified by planting trees and maintained by the panchayat for rain water harvesting. The clay removed from these tanks fetched Rs.33 lakhs, which was used for beautification. The water level in the wells of the panchayat increased considerably as a result. The panchayat has planted 500 trees aside roads. Watering was done for two years. Tree- guards were provided free of cost by the ABT Company and all the 500 plants planted are alive.

Destitute Plan

The Grama Panchayat has prepared a destitute plan under Asraya Scheme costing Rs.75 lakhs benefiting all the 156 destitute families in the panchayat, and is under implementations. Houses have been provided to 24 families of the total 74 homeless. House plots have been identified for 19 landless families. Micro enterprises have been organised for 66 families and are under different stages of implementation. Under Antyodaya Annapoorna scheme 10 Kg. of rice costing Rs.3/- per kg. is being distributed every week to all the 156 destitute families and the cost is met by the panchayat. Separate files are maintained for every family for effective monitoring of this programme.

BOX-22.8**Resource Mobilisation in Panmana Village Panchayat**

One of the remarkable features of Panmana Village Panchayat is the spectacular achievement it could make in the field of collection of taxes and income from other sources. When one goes through the collection details of the panchayat during the last four years, it could be seen that the graph goes up steep making the overall increase of income during 2003-04 when compared to that of 2000-01. The noteworthy feature of this upward and steep increase in own income is that among different sources of income, nearly 20 items show a percentage increase of above 100 during the above period.

Deliberate and systematic effort on the part of the Panchayat to mobilise all sources of income and collect the amount in full succeeded.

In order to study the increase in income of the Panchayat only those items that fetched an income above Rs. one lakh during 2003-04 were taken into account. The percentage increase in income is calculated taking the difference between the income of 2000-01 and 2003-04. The following are the various special efforts taken by the panchayat for maximising the collection.

Box Continued....

1. Arrears under different items were collected issuing notices and filing suits in the court
2. Revision of license fee with retrospective effect was resorted. Accordingly, the annual license fee of Rs.2000 per year collected from KMML was raised to Rs.2 lakh a year and the arrears for the previous years were also collected.
3. Buildings constructed remained unassessed were assessed and numbers were given. On the basis of which arrears are collected.

The following table shows the details of important items of tax and amount of tax collected during last four years.

**Resource Mobilisation of Panmana Village Panchayat from 2000-01 to 2003-04
(Selected Items only)**

Sl. No.	Items	2000-01	2001-02	2002-03	2003-04	Percentage change
1	2	3	4	5	6	7
1	Building Tax	481308	621511	633565	1006506	109.12
2	Service Tax	177630	230502	234880	373057	110.02
3	Profession Tax	1576480	1745200	2034310	2989720	89.65
4	Shopping Complex	134603	78867	253752	175230	30.17
5	Late Fees	2716	3222	1898	134664	4858.17
6	Slaughter House	81000	79025	190830	246810	204.70
7	D and O License Fee	50012	51050	23565	410200	720.20
8	Pensions	-	-	978736	2525239	158.01
9	Deposits	1200	142661	770346	558290	46424.16
10	Penal Interest	12932	11584	23420	179454	1287.67
11	Receipts from Various Departments	257773	-	-	500452	98.14

Panmana is one of the very few village panchayats which has been able to develop as a model in resource mobilisation.

BOX-22.9

Recycling of Solid Waste – Changanassery Municipality

Changanassery Municipality in Kottayam District has 15789 households, 2467 trading shops, 24 Hospitals, 4 Colleges, 20 Schools, 12 Common Halls, 2 Markets, 79 Hotels and 15 Hostels, which together produce an average of 20 tonnes of solid waste per day. Disposal of waste was the main issue in the Ward Sabhas and this forced the Municipal Authorities to find out solution by employing appropriate technology.

Manufacturing of Farm Yard Manure (FYM) by employing Vermi Compost method was the project designed, and it has two components – (i) improvement of dumping yard infrastructure and (ii) recycling of Solid Waste.

The Municipality constructed the required facilities, such as, road, compound wall, shed, waste sorting yard, pits, modern slaughter house, etc., for the said purpose. Further, the Municipality procured two vehicles, two power tillers with trailers. This project started to work as a catalyst at the grassroots level by creating mass awareness among families and the Kudumbashree units. Further, three bins with separate colors for depositing metal/plastic/degradable waste are also placed in various points, such as public places, residential areas, hostels, hospitals, hotels, etc., and the Kudumbashree units collect the same, and the waste is sent to manure manufacturing unit where vermi compost method is employed.

The total plan outlay of the project is Rs.8.50 lakh. Out of this Rs.4.06 lakh is plan fund and Rs.4.44 lakh is the own fund of the Municipality. The expenditure incurred was Rs.3.56 lakh.

BOX-22.10**Promotion of Paddy Cultivation - Maneed Village Panchayat**

Group farming has been introduced in all the 16 padasekharams of Maneed Grama Panchayat covering an area of 300 ha., with a view to reducing the cost of cultivation. A uniform management and cultivation practice was adopted in the Panchayat by introducing high yielding variety of paddy called jyothei.

The Panchayat invested Rs.3 lakhs for the purchase of 3 power tillers. The power tillers, have worked for more than 5,000 hours. There is a saving of about one lakh rupees from these tillers. Introduction of machines usually reduces the employment opportunities for women even though it reduces the cost of cultivation. To compensate the employment opportunities to women, lease-land-farming was introduced through the Kudumbashree Unit in 50 Acres of land.

Paddy cultivation has been reintroduced in 38 ha. of fallow land. Besides these, 12 ha. of paddy crop area has been brought under double cropping system. The productivity of paddy has increased from 4 MT to 4.5 MT per ha. due to introduction of better management practices at farm level, and adoption of High Yielding Varieties (HYV).

BOX-22.11**Vanilla Development Project in Elikulam Grama Panchayat**

Elikulam Grama Panchayat is largely rural and based on an agrarian economy with a strong background of field and cash crops. During the first half of 1980's, Rubber emerged as the major crop. Fall in price of this major cash crop suddenly had an adverse impact on the standard of living of the people. In this alarming situation, the Panchayat formulated a project in 2002-03 for popularising Vanilla cultivation, which was not very familiar then with the help of the Krishi Bhavan. Spices Board provides technical exposure to the farmers with regard to vanilla cultivation. The cost of cultivation is presented as below:

(Cost in Rs.)

Sl.No.	Item	Production Cost
1	Preparation of site	750
2	Supporting stands	450
3	Vanila Cuttings	4500
4	Cost of Planting	300
5	Cow dung/manure(5 Kg/plant)	750
6	Irrigation and mulching	250
	Total	7000

There were 201 farmers selected for the project and sapling were supplied through the Krishi Bhavan during 2002-03. The Panchayat gave subsidy of about one-third of the total expenditure, (Rs.2.44 lakh) and the rest (Rs.4.92 lakh) was met by the beneficiaries. The vanilla cultivated during 2002-03 will be yielding in 2005-06. It has been decided that an agency namely "Farmers Forum Pala" will be collecting the beans from the farmers.

Vanilla, being an eco-friendly crop, can be cultivated even in smallholdings. The prevailing high prices for beans and vanilla cuttings, has attracted more farmers. The Panchayat intends to start a large scale processing unit during 2005-06, which will generate employment opportunities and income earning opportunities through value addition.

BOX-22.12

WATER FOR LOCAL LEVEL DEVELOPMENT –
LESSONS FROM VADAKARAPATHY

Vadakarapathy Grama Panchayat launched the Potteri Community Irrigation Scheme to solve the problem of irrigation and water scarcity in the region. The Palakkad gap does not allow the rain clouds to condense and the dry wind blowing from the gap removes the humidity in the area. So the average rainfall in the area is 60% less than the state average.

About 90% per cent of the population of this Panchayat depend on agriculture and the major problem faced by the population was water scarcity.

The proposal was to connect the Chinna eri pond with the Potta eri pond. Chinna eri pond gets fill up in rainy season and with the water of the Walayar river. By linking Chinna eri pond with Potta eri pond a command area of 50 acres would benefit.

The two ponds are linked through a channel of 400m. Through this channel water flows to the Potta eri pond. An existing canal of 100 meter length was also repaired to complete the link and direct rain water to Potta eri pond.

The scheme was implemented with the active participation of beneficiary groups. The total cost estimated for the scheme was Rs. 2.6 lakhs, with 90% of the expenditure (Rs.2.34 lakh) to be met by the Village Panchayat. The beneficiary contribution was Rs. 26,000/-. But the total expenditure incurred for the scheme is Rs.2.1 lakh.

The noticeable achievement of the scheme is that the Panchayat could save more than 50,000 rupees through proper management of the work. With the launching of the scheme, the Potta eri pond was filled up during this rainy season after a long period of 20 years. The community has now returned to paddy cultivation during this year.

BOX-22.13

Harvesting Rain Water

Members of Edayur Panchayat in Malappuram district in Kerala State participated in a World Bank-supported project in the hope of installing water taps in their homes. They borrowed money but never thought that the project, called *jalanidhi*, would completely change their life.

As members of the Women Development Group, they opted to undergo a skill-building program to construct ferro-cement tanks for rainwater harvesting. After the 16-day training, they started building demonstration units at the village primary health centre. Group leader Sarada proudly says her team is now confident about constructing any number of tanks for the villagers. They also plan to learn how to build environmental sanitation structures such as flush latrines, soak pits and compost pits, and hope to set up a service center too.

The \$65.5 million (Approx. Rs.3045.75 million) World Bank credit for the Kerala Rural Water Supply and Environmental Sanitation project is helping improve water and sanitation services for 1.5 million people in Kerala's Kozhikode, Malappuram, Palakkad and Thrissur districts. The project, which targets disadvantaged communities, has helped local and state public agencies shift their focus from direct service delivery to supporting some 2,500 community groups in planning, constructing and operating piped water supply (using traditional local water sources), constructing more than 45,000 environmental sanitation systems, and promoting ground water recharge schemes.

To ensure sustained commitment, communities finance part of the capital cost and all of the operation and maintenance costs. The communities also have gained a greater voice in determining how the water and sanitation schemes are designed and where they are located.

The project has encouraged the participation of women and socially disadvantaged groups, who had limited access to drinking water and latrines. It has also given opportunities to generate income.

Source: Stories of Development, World Bank.

BOX-22.14**Participatory Spatial Planning Two pioneering initiatives**

Ever since decentralized planning started, there has been a debate on preparation of local level plans with reference to accepted scientific planning principles which at the same time are recognized by the stakeholders, both the elected representatives as well as the people. In fact there is a widespread criticism that spatial planning had been given the go by as negotiated priorities in decentralized planning more often reflect short-term and local interests rather than the long-term interest of the community as a whole.

It is against this background that the Town and Country Planning Department and the State Planning Board launched an initiative to develop a model for participatory spatial planning. Two case studies outlining the progress are summarized below:

1. Preparation of Integrated District Development Plan (IDDP) and Local Development Plans (LDP) in Kollam district

This is a district-wide initiative of the District Planning Committee of Kollam in partnership with the Town and Country Planning Department. The objective is to prepare Local Development Plans (LDPs) for individual local governments marrying the best practices of spatial planning with local knowledge. These LDPs are to be integrated into a District Development Plan (DDP) with a perspective of at least 15 years within which an execution plan for five years would be embedded.

The following steps are involved:

- Collection of primary and secondary data for LDPs under the co-ordination of a Spatial Integration Committee set up for each local government.
- Computerization of data.
- Analysis by Town and Country Planning Department as well as by the Spatial Integration Committee.
- Joint identification of priority areas for development, basic planning principles and strategies.
- Preparation of Draft LDPs
- Data collection at the district level for IDDP using the existing structures of decentralized planning.
- Vetting of the analysis by Technical Advisory Committees.
- Development seminar to discuss findings.
- Approval of draft IDDP by DPC.
- Discussion with local governments and appropriate modification of LDPs.
- Finalisation of IDDP and LDPs.

So far the most difficult first stage, of collection and compilation of data has been completed in 64 out of the 72 local governments in the district. Discussion of the data is going on in Grama/Ward Sabhas.

In Paravoor Municipality and in Panmana Village Panchayat the local level analysis is over. It is expected that the entire process would be completed for the whole district by September 2005. This could become a major innovation in town and country planning.

2. Integrated spatio economic development plan of Pulinkunnu Village Panchayat in Alappuzha

As different from the approach in Kollam, in Alappuzha district one Village Panchayat has been taken up to prepare an integrated spatio economic development plan. As the first step the primary data collection has been done at the grassroots level. For the first time in Kerala every data on land and inhabitants going down to each plot in a survey number has been collected. 14 types of land use has been documented. Every item of infrastructure has been mapped in scale. To this layer has been added socio economic data.

This was done by 20 persons having ITI qualifications selected from the Panchayat area and the survey was carried out with the support of elected members and NGOs.

As the second stage the digitalization process has been completed so that a ready to use data base is available for GIS applications.

In a third stage secondary data from all public agencies in the Village Panchayat have been compiled. Now the fourth stage of the project is under implementation which is the critical plan preparation process with the involvement of experts and all stakeholders. This process has several stages of consultation and community based validation and approval.

Once completed, it can become a model, which could be adopted for local level planning in the XIth Five Year Plan

BOX-22.15**A Waste to Energy Plant at Pathanapuram – a Grama Panchayat**

Pathanapuram, a grama panchayat in Kollam district has initiated an innovative step by considering waste as resource and an input to energy plant in the Pathanapuram meat and fish market. The plant received a subsidy from the Ministry of Non-conventional Energy (MNES), Government of India. The plant was erected in 2003, processing 250 kg of meat and fish waste per day. The treatment plant comprises of a gas holder and a fermentation chamber in which bio degradable organic matter and other cellulose waste materials can be treated anaerobically which is used for cooking, lighting, running diesel engine and for generation of electricity. The meat and fish waste collected from the market stalls is brought to the plant where it is shredded first in a mechanical shredder operated by 1 HP motor. The enzymes are added to the shredded waste to accelerate the decomposition process. The gas generated containing methane and carbon dioxide mainly is routed through a filter to get rid of the carbon dioxide gas. Part of the methane gas is converted into electricity (equivalent to 2 kW) using a dual fuel engine using 20 per cent diesel and 80 per cent Methane. The generator is operated during night only at present. Hence, the remaining methane is flared off. The generated electricity is used for lighting 20 CFL provided in the market.

BOX-22.16**Vermi-composting unit at Paravur Municipality**

Paravur Municipality in Ernakulam District of Kerala State has a population of 30056 people (2001 census) and estimated solid waste generation is 70. tons/day, of which about 60 per cent is collected and transported. The earlier practice was crude dumping of the waste in one hectare land owned by the Municipality. In 1998, Municipality decided to process the organic fraction in the same site to mitigate the environmental problems. A project for composing the market waste by open pit method was formulated but the programme had to be discontinued due to processing difficulties of un-segregated waste, water accumulation in pits during rains and poor quality of compost.

The present Vermi-composting unit was then setup with the assistance of Peerumedu Development Society (An NGO experienced in Vermi-composting). The plant currently has 15 composting beds (7.5x1.2x0.3m) with a roof (10x5.7m) to protect the beds from sun and rain. Bed is prepared by digging 30 cm below ground level and spreading or lining the pit with a layer of coconut fiber followed by a layer of cow dung slurry. Approximately 3000 earthworms (of 'eifenia foetida' species and of average 7 cm size) are spread evenly over this. The waste is fed to the bed prepared in alternate layers of waste and cow dung slurry. One pit is enough to accept one ton of waste per day for one week. The pits are covered with wet jute bag (available in plenty as waste) to prevent the top layer from getting dried. After 60 days the matured pits are opened and there after broken down, sieved manually and the worms are separated. The current production rate of vermi-compost is 300 kgs. Worms are sold at Rs. 0.50 / worm. Though the plant capacity is 2 tons per day, the current operation is one ton / day only. The Municipality is earning about Rs. 1.2 lakhs per annum. The Municipal Health department has been managing the plant with one lady supervisor and 3 women workers.

BOX-22.17**Special School for physically and mentally differently abled children at the age 0-6 years in Venganoor Grama Panchayat**

As part of decentralised planning with a view to preparing anti-poverty sub plan, the Venganoor village panchayat conducted detailed survey with the help of Kudumbashree setup. As part of this, details on the children at the age group of 0-6 years were collected. On the basis of the details collected, it was decided to conduct medical camps for the children and accordingly six such camps were conducted. In the medical camps 72 children were found facing either physical or mental disability. Again a detailed medical check up by the Medical Board was conducted and out of the 72 children 53 were found having disability above 40 per cent. They were given disability certificates too in the camp.

In order to rehabilitate these children as a first step the panchayat committee decided to start a school. The school was first started at Balabhavan with the financial assistance of Rs. 1.50 lakh received from Kudumbashree Mission. In the beginning 32 children were admitted to the school. All the basic amenities are provided in the school, Children from neighboring panchayats are also coming to this school.

School Activities

School functions from 9 AM to 3.30 PM. Technical advice of State Handicapped Development Corporation and 'Adarsh', another school of similar type functioning at Ernakulam is received. Two trained ladies are employed to look after the children. Another woman with a Post Graduate degree in child psychology is appointed as teacher. The service of a physiotherapist is made available twice a week in the school.

School Administration

A committee consisting of eight members including elected panchayat representatives, CDS Chairperson and a few officers handle administrative matters of the school.

Expenses met for running the school

To and fro travelling expenses of the children, stationary items, expenses for keeping the school hygienic, food to the children, items required in the kitchen, annual maintenance of the school building and payment of salary to psychologist, lady helpers, sweepers, physiotherapist, speech therapist, principal, driver etc. are the expenses. They are met from the funds raised from the following sources.

- a. Five per cent of the plan grant-in-aid assistance of the panchayat
- b. Grant from the Social Welfare Department
- c. Grant from Government of India
- d. Contribution from public.

Monthly expenses come to Rs. 33,166 in all.

BOX-17.18**Panchayat, NGO, Government partnership – Example from Wayanad**

The Giridhara Water Supply and Sanitation Project exclusively for tribals was approved for implementation using additional Central Assistance which was allotted to ST Development Department. It was decided that the work would be entrusted to the leading NGO in the WATSON sector, Socio Economic Unit Foundation (SEUF) with the full involvement of the Village Panchayat and beneficiary groups.

Tribal hamlets in 10 Village Panchayats have been taken up for implementation. The beneficiaries have formed Ooruvikasana Samithies. Those CBOs are involved from the pre-planning stages and have a direct say in the choice of technology. For example, some of the hamlets have gone in for rainwater harvesting considering the low capital investment and low O&M cost.

The project is structured in such a way that 80 per cent of the cost is met from the Central Assistance, 10 per cent by the Village Panchayat and 10 per cent by the beneficiaries.

For the first time, the long prevailing notion that the tribals are unwilling to pay has been completely belied. Sixty four schemes are in various stages of implementation in the Pania hamlets covering 847 households (Panias are one of the poorest tribal groups in Kerala working as agriculture labourers without their land). These households have contributed 1.82 lakh rupees as their share. Even more remarkable is the fact that 12 schemes are being implemented by the Kattunaikars who constitute a Primitive Tribal group. In this case twelve schemes have been taken up benefiting 218 families and these poor people have raised Rs. 4,40,000 as their share towards capital cost.

The entire Operation and Maintenance is to be carried out by the Ooruvikasana Samithies which have a mandatory 30 per cent representation of women. This project is a path breaker and holds out much hope for developing Scheduled Tribes who constitute the most exploited, most dispossessed and most excluded social group in the State.

BOX-22.19

Poverty Reduction in Mangattidam Grama Panchayat in Kannur

Mangattidam grama panchayat has made remarkable achievement in poverty reduction during 2003-04. Kudumbashree unit conducted comprehensive household survey in this Panchayat based on nine risk factors and the results are given below.

Number of families below poverty line

Sl. No.	No. of risk factors	Number of families BPL	
		December 2003	December 2004
1	2	3	4
1	9	-	-
2	8	48	-
3	7	9	-
4	6	26	1
5	5	26	20
6	4	167	135
	Total	276	156

The panchayat constructed 180 houses during 9th plan period. There were 133 houses constructed during the first two years of 10th plan. Efforts are on to construct further 162 houses to fulfill the demand of the total 180 homeless families in the Panchayat. There were 763 latrines constructed during 9th plan and 281 latrines constructed during the 10th plan. At present, there are 382 families in need of latrine facilities.

In the Panchayat, about 20 thatched houses are there, and they are to be replaced with tiled roof. This Panchayat promoted 83 micro enterprises benefiting 730 families. The following activities, such as direct marketing, organic vegetable cultivation, vermi culture, bee keeping, goat rearing, cow rearing, pickle units, soap units, and paper bag units are in progress. Under Clean Mangattidam project, plastic bags have been banned and paper bags are introduced to promote better environment. Under Bhavanasree project, 116 houses have been constructed. In this Panchayat, a pre-school is functioning particularly meant for the mentally retarded children. This Panchayat has published a citizens charter. The Panchayat has shown a model for resource mobilisations. Relief fund has been mobilised by receiving contributions from individuals and organisations. The fund is used for treatments of diseases like cancer among the poor families.

The initiatives taken by the Panchayat for economic and social changes has yielded good results. The gap between social groups like scheduled castes, scheduled tribes and others have been narrowed. All scheduled castes and scheduled tribes in the panchayat have livable houses.

Ageing is a major problem in the State. The traditional social safety mechanism is giving way, leading to exclusion of old people. To address this problem the Panchayat has come out with an innovative idea of clubs for the aged. There are nine such clubs for the aged in the Panchayat facilitating regular social interaction to reduce loneliness and boredom. All the 18 old Anganwadis in the panchayat have own building. Own buildings are to be constructed only for the newly sanctioned 5 Anganwadis. All the schools in the Panchayat have water supply and sanitation facilities. It has been observed that the Panchayat has made serious efforts to develop the families live below poverty line. As a consequence, large number families (44 per cent) have crossed the poverty line within a year. It is an excellent example of improving well-being through pro-poor action.

BOX-22.20

Pilicode Village Panchayat – Winner of Nirmal Grama Puraskar

The Pilicode Village Panchayat of Kasaragod District with 5103 families has been selected as one among the 38 Village Panchayats in the country for outstanding excellence in Environmental Sanitation.

This Panchayat, which won the ‘Grama Swaraj’ Trophy in 1997-98 started its sanitation efforts way back in November 1996, when a survey was conducted and it was found that 2020 families did not have any toilet facilities. (i.e. nearly 50% of the then number of families). The Panchayat submitted a project to Government of India for support under RCRSP and received an assistance of Rs.39.92 lakhs. It constructed latrines for all the families and the then Chief Minister Shri E.K. Nayanar declared the Panchayat as a total sanitation Panchayat in November 1997.

The Village Panchayat conducted a resurvey after eight years in 2004 and found that 249 houses without toilet facilities. In the Annual Plan 2004-05 a project was prepared to cover these families as well. In the last two years the Village Panchayat has been taking several other sanitation projects like protecting drinking water wells, construction of sanitation complexes in all schools and holding of awareness camps. It has also started paper bag units to eradicate plastics and compost units to manage solid waste, linking with the anti-poverty Kudumbashree programme.

The Panchayat has been given recognition for its systematic and holistic approach to sanitation taking into account its total coverage with sanitary latrines and prevention of plastic waste from accumulating.