TOWARDS HOLISTIC PANCHAYAT RAJ

Twentieth Anniversary Report
of the
Expert Committee on
Leveraging Panchayats
For Efficient Delivery of Public Goods and Services

VOLUME II
SECTORAL SCHEMES

National Panchayat Raj Day
24 April 2013
IN TRIBUTE TO THE FOUNDERS
Mani Shankar Aiyar

Mani Shankar Aiyar, former Union Minister of Panchayati Raj (2004-09) served as Joint Secretary to Prime Minister Rajiv Gandhi (1985-88) during which period he was involved with the drafting of the Constitution amendment relating to Panchayati Raj. Subsequently, after being elected to Parliament in 1991, he served on the Joint Select Committee that prepared the 73rd amendment, now enshrined in the Constitution as Part IX (‘Panchayats’). He was born in Lahore on 10 April 1941 and after his education at The Doon School, St. Stephen’s College and Cambridge University joined the Indian Foreign Service in 1963 where he served for 26 years before seeking voluntary retirement in 1989 to take up an alternative career in politics and the media. He has served in the 10th, 13th and 14th Lok Sabhas and is now a nominated Member of the Rajya Sabha. He was conferred the Outstanding Parliamentarian Award, 2006. He has written widely on Panchayat Raj for the general press and learned journals, and has spoken on the subject from several platforms. He has an honorary doctorate from the Indian Institute of Mines and has been elected an Honorary Fellow of his Cambridge college, Trinity Hall. He has authored seven books and is a popular columnist and TV guest on current affairs and news.

Prof. Thomas Isaac

Prof. Thomas Isaac was a Fellow at the Centre for Development Studies, Thiruvananthapuram. His specialisation has been in Political Economy, Labour Studies, Public Finance and Traditional Industries. He has authored ‘Modernization and Employment: The Coir Industry in Kerala’ (along with P. A. Van Stuijjenberg and K.N. Nair) Sage, 1993; ‘Democracy at work in an Industrial Cooperative: The story of Kerala Dinesh Beedi Cooperative’ (along with Richard Franke and Pyarelal Raghavan) Coenell University Press, 1998 and ‘Local Democracy and Development: The Kerala Peoples Campaign for Decentralized Planning’ (along with Richard Franke), Leftward Books, 2002. He has also authored more than two dozen books in Malayalam. ‘Kerala Land and People’ Kerala Sastra Sahitya Parishad, 1989, won the Kerala Sahitya Academy Award for the year 1989. He was a member of Kerala State Planning Board (1996-2001) and played a leading role in conceptualizing, designing and implementing Peoples Campaign for decentralized Planning, one of the most radical decentralization programmes in the country. He represented Mararikulam Constituency (2001-2011) and currently represents the Alappuzha Constituency in the Kerala Legislative Assembly. He was the finance minister in Kerala government (2006-2011). He is a Central Committee member of CPI (M).
Towards Holistic Panchayat Raj

Peelipose Thomas

Born in October 1949 Peelipose Thomas was an active student leader. He was elected President of Kerala University Students Union which had 117 affiliated colleges in 1974. He completed his LL.B. from Government Law College, Trivandrum. He was elected as President of Koipuram Gram Panchayat in 1979. He served as President of Alleppey District Panchayats Association (an association of Gram Panchayats) during 1979-1984. Peelipose Thomas was nominated as a member of the Kerala State Planning Board in 2005, where he was in charge of decentralized planning and local self-governments. He also served as member of the State Level Co-ordination committee for decentralized planning during his term as planning board member. He is a practicing Lawyer at District court at Pathanamthitta with 38 years standing, he had served as President of Pathanamthitta District Bar Association for two terms.

Nirmala Buch

Mrs. Nirmala Buch joined the Indian Administrative Service in 1960 and retired at the end of October 1993 after a long and distinguished service. She served as Development Commissioner cum Principal Secretary, Rural Development, Madhya Pradesh; Secretary, Rural Development, Government of India and Chief Secretary of Madhya Pradesh. At present she is President of the Mahila Chetna Manch, Bhopal and Member Executive of the Centre for Women’s Development Studies, New Delhi. She did her post graduation in English from Banaras Hindu University and was a Parvin Fellow in Woodrow Wilson School of Public Affairs, Princeton University, USA. She is an expert in matters relating to Panchayat Raj and women empowerment. She has written extensively on issues of governance, public administration, functioning of Panchayat Raj and empowerment of women. Her publications include, (i) ‘The Law of Two Child Norm in Panchayats (five states)’, Concept, New Delhi 2006, (ii) ‘From Oppression to Assertion: Women and Panchayats in India’, Routlege 2010.

M.N. Roy

M.N. Roy was a member of the Indian Administrative Service and he retired from the service as Additional Chief Secretary of the Government of West Bengal in the year 2012. He did his M.Tech from Calcutta University before joining the IAS and afterwards did his Ph.D from the Tata Institute of Social Sciences, Mumbai. He was District Magistrate of Jalpaiguri and also of undivided Midnapore district, where he led the largest literacy movement of the country and also pioneered in organising a people’s movement on public health and sanitation. He served as Secretary/Principal Secretary
of several departments of the Government of West Bengal including the Panchayat & Rural Development Department. During his long tenure of more than eight years in the Panchayat & Rural Development Department, he was instrumental in deepening the process of decentralisation in rural governance and strengthening the Panchayati Raj system in the State through several legal and administrative changes. He has served as member of many committees of the MoRD and the MoPR of the Government of India and the Task Force for Preparation of a Manual for District Planning of the Planning Commission.

Shri Joe Madiath

Joe Madiath is the Founder Executive Director of Gram Vikas, working in Odisha since 1979, in the areas of water and sanitation, renewable energy, education and environment. Gram Vikas uses water and sanitation for 100% inclusive growth for all people. At present Gram Vikas is working in more than 1200 villages with a population of over 400,000 people. Quite a large proportion of its constituency comprises the indigenous people. Joe Madiath is a founder member of the Voluntary Action Network India (VANI) and the Orissa Development Action Forum (ODAF). He currently serves on the Governing Board of several institutions including Council for Advancement of People’s Action and Rural Technologies (CAPART), Society for Participatory Research in Asia (PRIA) and BASIX. He has been a part of various consultative committees of the Central and State governments. He was the chairman of the working committee on Water and Sanitation for preparation of the 12th Five Year Plan.

Dr. M.V. Rao

Dr. M.V.Rao, is an IAS officer of 1988 batch and has considerable field experience in rural and tribal development. Dr. Rao has earlier served as Commissioner, Rural Development and Secretary, Govt. of West Bengal. He has also served as District Magistrate, Midnapore and Malda and as Senior Consultant, UNICEF. He did his Ph.D in Development Administration. Currently, he is working as Director General, National Institute of Rural Development, Hyderabad, a premier institute under the Ministry of Rural Development, Government of India. Dr. Rao has been working with the community for many years on innovative, practical and action oriented ideas for participatory development of the people at the grassroots. He has a number of published works to his credit: Persistence and Change in Tribal India – Saga of Tribal People of West Midnapore (2012); Community Health in Community Hands (2003), and Development for the People: Innovations in Administration (2002).
PREFACE

The 73rd and 74th amendments of the Constitution were passed by Parliament on 22/23 December 1992. After securing the endorsement of half the States of the Union and the consent of the President, as required by the Constitution, Part IX (‘The Panchayats’) was notified in the Gazette of India on 24 April 1993. Part IX A (‘The Municipalities’) followed a month later.

In this Twentieth Anniversary Year of Constitutional Panchayat Raj, that is, Panchayat Raj with Constitutional sanction, status and sanctity, the Government of India in the Ministry of Panchayati Raj constituted an Expert Committee, with

- Shri Mani Shankar Aiyar, MP (Rajya Sabha) and former Union Minister for Panchayati Raj (2004-09) as Chairman; and, as Members,
- Prof. Thomas Isaac, former Kerala Minister of Finance;
- Shri Peelipose Thomas, former Member, Kerala State Planning Board;
- Smt. Nirmala Buch, IAS (Retd.), former Chief Secretary, Madhya Pradesh and Secretary, Rural Development, Government of India;
- Shri Joe Madiath, Executive Director, Gram Vikas, Odisha
- Shri Manabendra Nath Roy, IAS (Retd.) and former Principal Secretary, Panchayat Raj, West Bengal; and
- Dr. M.V. Rao, Director-General, National Institute of Rural Development, as Member-Secretary.

to examine how Panchayat Raj Institutions might be leveraged to secure the more efficient delivery of public goods and services.

Although the Expert Committee was notified in the Gazette of India on 27 August 2012, it took the Chairman a few weeks, as a Member of Parliament, to secure from the Joint Committee on Offices of Profit the required clearance to take up his duties as Chairman. Accordingly, the Expert Committee held their inaugural meeting in New Delhi on 16 October 2012 and their first substantive meeting at the National Institute of Rural Development, Hyderabad, on 18-19 November 2012. Subsequently, the Expert Committee have met in plenary sessions eight times on 15-16 December 2012; 27-28 December 2012; 21-23

The Committee decided at their first meeting that they would not undertake field studies as there was neither the time to do so, nor adequate personnel. Besides, field studies and other literature on the subject are so detailed and voluminous that rather than attempt to generate fresh data, it should be enough for the mandate of the Committee to stay with information already in the public domain.

The Expert Committee have examined a total of 160 witnesses, including Union Government and State government officials concerned with Panchayat Raj; serving and former Members of the Planning Commission; Members of Parliament; and experts, activists and academics who have written or participated in Panchayat Raj. We are most grateful to this large number of distinguished personalities who have taken time off from their busy schedules to interact with us and, in some cases, to supplement their oral presentations in writing. The list of witnesses is attached and their depositions may be seen in Vol.III that contains the Appendices to this Report.

All Members were involved in the drafting of different chapters that constitute the Report but the Report as presented constitutes a collective endeavour on the part of the Expert Committee. What, in consequence, the Report has lost in homogeneity of style has been more than compensated by its diversity of thought and expression. The Chairman would like to express his profound gratitude to all Members for their invaluable contribution to the preparation of the Report. It has been a pleasure and privilege to work with them as a team.

The Chairman and Members of the Committee would also wish to express their deep gratitude to their Principal Consultant, Shri T.R. Raghunandan, Member, State Planning Board, Government of Karnataka who has relentlessly striven to give of his best, often putting in more than 20 hours a day in getting details right.

The Committee acknowledge their debt of gratitude to Dr Rajesh Shukla, Visiting Professor at the Institute for Human Development; Dr V.N. Alok, Associate Professor, Indian Institute of Public Administration; Dr Hari K Nagarajan, Senior Fellow at the National Council of Applied Economic Research and Dr Nupur Tiwari, Assistant Professor, Indian Institute of Public Administration for sharing their work and valuable counsel with the Committee.

We are grateful to Dr Shekhar Shah, Director, National Centre for Applied Economic Research for encouraging NCAER scholars to contribute to the work of the Committee. We are also grateful to Director, IIPA for the cooperation extended to us.
A special debt is owed to Shri Wajahat Habibullah, Chairman, National Commission of Minorities and former Secretary, Panchayati Raj; Dr Poonam Muttreja, Executive Director, Population Foundation of India; Dr Nidhi Sabharwal, interim Director and Principal Research Fellow, Indian Institute of Dalit Studies; Dr Javed Abidi, Director, National Centre for Promotion of Employment for Disabled People; Dr Ajay Dandekar of Central University, Gujarat; Dr Chitrangada Chaudhary of the Centre for the Study of Developing Societies; Dr Anita Brandon, Professor (PRI Training), SIRD, Jaipur; and Ms Rozy Vaid of SIRD, Chandigarh for their extremely valuable written contributions to different Chapters of this Report. A special word of thanks is due to Ms. Manisha Verma, IAS, for her immense help over large parts of the Report.

Exceptional assistance was provided to the Expert Committee in the preparation of Model Activity Maps by four young scholars, Ms. Raunak Ahmad and Shri Vijay Srivastava of the Indira Gandhi National Open University, and Ms. Vincy Davis and Shri Ashish Kumar of the Centre for the Study of Developing Societies, New Delhi, under the overall guidance of Shri T.R. Raghunandan. Ms. Avani Kapur, Senior Research and Programme Analyst at Accountability Initiative, Centre for Policy Research, New Delhi, provided invaluable assistance to the young scholars in collecting the financial allocation details for preparing the Activity Maps for financial devolution. We gratefully acknowledge her advice. The Committee also express their gratitude to Prof. D. Gopal and Dr. Savita Singh of IGNOU and Dr. Vipul Mudgal of CSDS who deputed these scholars to work with the Committee.

Deeply impressed with the young scholars’ intelligence, willingness to learn and quick grasp of what they are taught, their sincerity, dedication and application to the task at hand, the Chairman and Members of the Committee extend their best wishes to each of them in the pursuit of their academic studies and future careers.

The Expert Committee also record their thanks to experts from the World Bank, the UNDP and UNICEF who made a crucial contribution to enabling the Members to comprehend the nuances of much that might otherwise have escaped their attention:

**World Bank**

Mr. Nick Manning, Head, Governance & Public Sector Management Practice; Ms. Farah Zahir, Senior Economist, Poverty Reduction and Economic Management; Dr. Smita Misra, Senior Economist, Water and Sanitation; Dr. Deepa Sankar, Senior Economist, Education; Dr. Jonas Frank, Senior Public Sector Specialist; Dr. Ramesh Govindaraj, Lead Health
Specialist; Dr. Abdu Muwonge, Senior Economist, Urban Development; Ms. Manvinder Mamak, Senior Financial Management Specialist; Mr. Sitaramachandra Machiraju, Senior Rural Development Specialist; Ms. Sangeeta Kumari, Social Development Specialist; and Ms. Elin Bergman, Junior Professional Officer.

**UNDP**

Ms. Sumeeta Banerji, Assistant Country Director & Head Democratic Governance; Dr. Seeta Prabhu, Senior Adviser; and Ms. Ritu Mathur, Programme Analyst.

**UNICEF**

Mr Louis-Georges Arsenault, Representative for UNICEF India and Mr Tejinder Singh Sandhu, Programme Specialist Governance.

The Expert Committee are also grateful to the team of experts of the National Institute of Rural Development - Dr K. Jayalakshmi, Professor, Centre for Panchayati Raj; Dr Y. Gangi Reddy, Associate Professor, Centre for Rural Infrastructure; Shri K.P. Rao, Project Director, NRLM Cell; Dr C. Dheeraja, Assistant Professor, Centre for Wage Employment and Poverty Alleviation; Ms K. Jayasree, Research Associate, Centre for Wage Employment and Poverty Alleviation; Dr Kondaveeti Papa, Assistant Editor, Centre for Media and Rural Documentation and retired officer, Dr. K.S. Subramanyam former Director, State Finance Commissions Cell, NIRD.

The Expert Committee would not have been able to fulfill their task without the yeoman work of their Adviser-Secretary, Shri Amit Goel, and the dedicated and enthusiastic secretarial and staff assistance of his team comprising, Ms. Eisha Brenda, and Shri G.L. Bali. Outstanding support was also provided by the office boys, Shri Arjun Singh and Shri Shesh Nath Pandey.

The Expert Committee is also grateful to Smt. Alka Madhok, Shri. Ramit Basu and Smt. Seema Nayyar for conscientiously contributing to the Committees work.

The Report could not have been given its final shape without the dedicated and tireless work of the editorial team comprising Ms. Vandana Seth, who researched most of the footnotes and put together the Annexes and Appendices; Dr. Vidya Shankar Aiyar; and Ms. Anju Chandel. To the three of them our grateful thanks.
The Expert Committee thank also the young painter, Ms. Sonika Agarwal, winner of the Stree Shakti Award 2013, for the loan of her paintings which brightened the Committee’s rooms in Vigyan Bhavan Annex and for her permission to reproduce one of her paintings on the back cover of this Report. The painting symbolizes how Panchayati Raj has enabled 28 lakh democratically elected representatives, including over 12 lakh women members, to link arms to build a powerful force for fulfilling Mahatma Gandhi’s dream of an India in which “the poor shall feel that it is their country, in whose making they have an effective voice”.

The Expert Committee have been privileged to proceed further on the path towards holistic Panchayati Raj signposted by the historic Balvantray Mehta Study Team (1957) and the Asoka Mehta Committee (1978). For this, we place on record our deep gratitude to the Hon’ble Union Minister of Panchayati Raj, Shri V. Kishore Chandra Deo. The Committee also place on record their deep appreciation of the encouragement they have received from the President of India, Shri Pranab Mukherjee; the Hon’ble Prime Minister, Dr. Manmohan Singh; and the Chairperson of the United Progressive Alliance, Smt. Sonia Gandhi.
(Mani Shankar Aiyar)
Chairman

(Thomas Isaac)
Member

(Peelipose Thomas)
Member

(Nirmala Buch)
Member

(Joe Madiath)
Member

(Manabendra Nath Roy)
Member

(M.V. Rao)
Member-Secretary

New Delhi
24 April 2013
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CHAPTER IX

POVERTY ALLEVIATION AND LIVELIHOOD PROGRAMMES THROUGH PANCHAYAT RAJ INSTITUTIONS

INTRODUCTION

9.1 The conceptualization of PRIs in the 73rd Amendment is radically different from traditional notions of local bodies being limited to the performance of civic functions: they are visualized to be responsible for economic development and social justice and achieving these objectives through participatory and integrated planning processes. By introducing the “social justice” element, upgradation of rural livelihoods especially of the poor becomes one of their core functions. In fact, the Eleventh Schedule lists the following subjects which are directly linked to livelihoods:

a. Agriculture, including agricultural extension.
b. Land improvement, implementation of land reforms, land consolidation and soil conservation.
c. Minor irrigation, water management and watershed development.
d. Animal husbandry, dairying and poultry.
e. Fisheries.
f. Social forestry and farm forestry.
g. Minor forest produce.
h. Small scale industries, including food processing industries.
i. Khadi, village and cottage industries.
j. Fuel and Fodder.
k. Poverty alleviation programmes.
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1. Welfare of the weaker sections, and in particular of the Scheduled Castes and the Scheduled Tribes.

m. Public distribution system.

All the other sixteen subjects too have a definite relation to livelihoods.

Livelihoods Approach

9.2 In the early days of planned development, there was a general belief that the benefits of growth would trickle down to the poor. As this assumption did not work out in practice, the so called “direct attack on poverty” was induced as a strategy in the 1970s and was continued with different variations. Initially, the focus was on providing self-employment to individuals through subsidy and credit. In the 1990s there was a shift to a group approach.

9.3 Historically, a two-fold approach has been followed by the Government of India in its direct attack on poverty, especially income poverty initiatives, that is, to provide wage employment through public works and self employment through a combination of credit and subsidy. This approach was enlarged in the 80s with the introduction of the Integrated Rural Development Programme (IRDP) for self-employment, and National Rural Employment Programme (NREP), immediately followed by the Rural Landless Employment Guarantee Programme (RLEGP) for wage employment. The Employment Assurance Scheme was launched in 1993.

9.4 In the mid-80s, providing assistance to groups of women became the focus. In the mid-90s it was realised that for groups of the poor to sustain they have to develop organically. This resulted in the restructuring of the IRDP into the Swarnajayanti Gram Swarozgar Yojana (SGSY). After nearly a decade’s experience in running this programme, it was realised that independent self-help groups have limited success in tackling the different dimensions of poverty. Learning from the experience of States, especially Andhra Pradesh and Kerala, an empowerment approach aimed at creating organisations of the poor by networking SHGs horizontally and vertically and building their capacities has been given primacy. This is the underlying basis of the National Rural Livelihoods Mission (NRLM) which was started in 2011 and is now in the take-off stage.
9.5 As regards wage employment programmes, the successors of NREP and RLEGP, namely the Jawahar Rozgar Yojana and SGRY could not make much impact on rural poverty. Therefore, taking into consideration the experience of the Employment Guarantee Scheme (EGS) of Maharashtra, the Government of India introduced the concept of right to work and enacted the National Rural Employment Guarantee Act in 2005\textsuperscript{314}. In this chapter we critically examine the NRLM and MGNREGS programmes and make suggestions on how they could be better integrated with the PRIs. Before we take up this task certain conceptual issues related to poverty and organizational approach to tackle poverty are briefly discussed.

**Dimensions of Poverty**

9.6 That poverty is multi-dimensional is almost a truism. It is very difficult to separate the causes and manifestations of poverty which include material dimensions such as low income and low asset base; human development dimensions such as poor education and low skills and poor health; and social dimensions such as lack of power. As Robert Chambers\textsuperscript{315} appropriately terms it, there is a “ratchet effect” in which different elements of poverty mutually interact and often multiply the deprivation levels overtime. Furthermore, the phenomenon of poverty is exacerbated through its strong links to the social structure - caste, class and gender-intensify and complicate the experience of poverty. Broadly put, poverty could be equated to any of the following singly or in combination:

- Vulnerability
- Uncertainty
- Insecurity
- Shame
- Choicelessness / Unfreedom

\textsuperscript{314} The obligation under the Act to provide employment for a guaranteed number of days is operationalized through a CSS, the *Mahatma Gandhi National Employment Guarantee Scheme (MGNREGS)*

\textsuperscript{315} Robert Chambers.
• Voicelessness
• Dependence
• Marginalisation

To Amartya Sen\footnote{Table 9.1, p.6 These estimates have been challenged by the Planning Commission. The Minister of Planning, in his reply to Rajya Sabha Question No.1785 dated November 2010, said, “The Committee did not provide justification for using the cut-off line amount of ₹ 20 per day. Besides, the estimation of 77 per cent is also erroneous since the percentage works out to 60.5 per cent.” In fact, the Report, concerned as it was with the conditions of work and promotion of livelihoods in the unorganised sector, had based its calculations on available figures and not gone into their methodology in any great detail. This lacuna was however filled in Arjun Sengupta. K.P Kannan and G. Raveendran, India’s Common People: Who Are They, How many are They and How They Live, Economic and Political Weekly, Mumbai, 15 March 2008, a detailed technical paper which provided the data, methodology and “justification” for the approach his committee adopted. It may be noted that Sengupta’s figure is not for the “poor” as such but for the “poor and vulnerable”, a conceptual breakthrough that could alter the conventional approach to poverty alleviation. ₹ 20 a day is the per capita earning of a family of five under the Mahatma Gandhi National Rural Employment Guarantee Act. The latest provisional consumption poverty estimates of the Planning Commission take the poverty level to about ₹ 26 as day is the per capital earning of a family of five under the Mahatma Gandhi National Rural Employment Act. The latest provisional consumption poverty estimates of the Planning Commission to take the poverty level to about Rs 26 a day in rural India. But if to the “poor” are added the “vulnerable”, the Sengupta estimate of 77 per cent of the population would appear to be much nearer the mark than the more comforting figure adopted by the Planning Commission. See also Kannan and Raveendran, India’s Common: The Regional Profile, Economic and Political Weekly, Mumbai, 17 September 2011.} poverty is “deprivation of ability to live as a free and dignified human being with the full potential to achieve ones desired goals”.

9.7 The Report of the National Commission for Enterprises in the Unorganised Sector (NCEUS) clearly brings out the policy lesson that growth has not succeeded in bringing down poverty to the desired extent. Table 9.1 is revealing:

9.8 The validity of the estimates of different concepts of poverty presented in Table 9.1 has been generated by many including Planning Commission. Nevertheless, the insights that the Table provides are valuable. Poverty cannot be merely considered as a group of people who remain below an arbitrarily-fixed consumption level but as a process in which those who move above the poverty line remain vulnerable to adverse conditions.
Table 9.1: Share of Population in Different Expenditure Classes

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Expenditure Class (PL refers to Poverty Line)</th>
<th>Percentage Share in Total (figures in bracket refer to expenditure per capita per day in ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Extremely poor (below 0.75 PL)</td>
<td>11.5</td>
</tr>
<tr>
<td>2.</td>
<td>Poor (0.75 PL to PL)</td>
<td>19.2</td>
</tr>
<tr>
<td>3.</td>
<td>Marginally Poor (PL to 1.25 PL)</td>
<td>18.8</td>
</tr>
<tr>
<td>4.</td>
<td>Vulnerable (1.25 PL to 2 PL)</td>
<td>32.4</td>
</tr>
<tr>
<td>5.</td>
<td>Middle Income (2PL to 4 PL)</td>
<td>15.5</td>
</tr>
<tr>
<td>6.</td>
<td>High Income (&gt;4 PL)</td>
<td>2.7</td>
</tr>
<tr>
<td>7.</td>
<td>Extremely Poor and Poor (1 + 2)</td>
<td>30.7</td>
</tr>
<tr>
<td>8.</td>
<td>Marginal and Vulnerable (3 + 4)</td>
<td>51.2</td>
</tr>
<tr>
<td>9.</td>
<td>Poor and Vulnerable (7 + 8)</td>
<td>81.8</td>
</tr>
<tr>
<td>10.</td>
<td>Middle and High Income (5+ 6)</td>
<td>18.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>


9.9 Over the decade from 93-94 to 03-04, the proportion of Extremely Poor and Poor, i.e., persons below official poverty line has declined from 30.7 to 21.8 per cent, and their absolute number from 275 million to 237 million. However, the proportion of Vulnerable increased from 32.4 per cent to 36.0 per cent and their absolute number from 290 million to 392 million. The average consumption of the Vulnerable is only Rs 20 per capita per day and they are likely to slip into the ranks of the Poor in adverse circumstances. The Poor so defined including so vulnerable constitutes nearly 80 per cent of the population. Though there has been a marginal decline in the share from
81.8 to 76.7 per cent, their absolute numbers have increased from 732 million to 836 million. The Report points out that the rate of growth of consumption of the Middle and High Income Group has been 4.3 and 6.2 per cent a year respectively while it is only 2.8 per cent for the lower categories. It is less than one per cent for the groups identified as extremely poor and marginally poor taken separately. The relationship between social origin, educational status and work status with different categories is very strong. There is greater likelihood of Scheduled Castes and Scheduled Tribes, illiterates and workers in the self-employed and informal sectors, belonging to the poor and vulnerable categories.

**The Livelihood Programmes, the Panchayats and the SHGs**

9.10 The livelihoods of the poor are more insecure; incomes generated by them do not meet their essential needs. For that reason, the poor cannot withstand shocks caused by significant slippages in the economic situation. Furthermore, the poor also need to make provision for inter-generational needs. Naturally, the wide range of livelihood strategies followed by the poor need to be observed, analyzed and understood before action to improve these options can be initiated through an approach that, necessarily has to be multi-disciplinary and multi-level with equal emphasis on the promotional and preventive aspects.

“Conceptually, the following strategies could be adopted preferably in combination as a package for improving livelihoods:

a. Enhancing the coping capacities of the poor;

b. Enabling the poor to identify and utilize the opportunities and access amenities and service meant for their benefit;

c. Reducing exposure to risks and mitigating their potential impact;

d. Restructuring institutions with poor people in the central place; and

e. Designing policies which are affirmatively pro-poor.”

9.11 We shall not enter into a critical analysis of the experience on the above different methods of intervention. The fact that 80 per cent of the population is poor or vulnerable is a strong indication of the inefficiency of our livelihood programmes.
Much of this lack of efficiency relates to different aspects of service delivery. It is in that context that direct participation of the poor in the conceptualisation, organisation and delivery of the services has assumed great significance. The only elected government at the village, block and district levels is the PRIs. These are also the only institutions statutorily obliged to be accountable to the community at large through gram/ward sabha which comprises all the poor and vulnerable. Therefore, PRIs and gram/ward sabhas must be assumed centrality in the planning and implementation of all NRLM programmes. Different institutions of the poor should have a direct role in these programs. They may be generic institutions such as trade unions, peasant and self employed associations and co-operatives or autonomous social groups formed through internal or externally non-governmental or governmental motivation. The latter could be in the form of Community Based Organisations (CBOs), Self Help Groups and User Groups. They could function as advocacy groups, groups fighting against injustice or groups acting in unison to further common interest - economic, social, political and/or developmental. They could also be programme-specific groups, for instance, those groups organised by Government for implementation of specific programmes, such as water supply, irrigation and watershed management.

9.12 NRLM has been conceived and is being implemented through a large number of community-based organisations (CBOs). While CBOs are, indeed community-based, they are neither elected nor accountable to the community as a whole. They certainly have their uses but their effectiveness would be substantially enhanced if they were to be benefit into an organic relationship with the Panchayat Raj system. At present, CBOs tend to be pitted against PRIs leading to needless tension and conflict. The situation can be remedied by integrally linking CBOs with PRIs as has been done under the Kudumbashree programme in Kerala. This leads to synergies between the local self government and CBOs, which leads to dramatically improved outcomes

9.13 Therefore, the Committee have focussed upon Self- Help Groups (SHGs), and their networks and see them as the core institutions for improving the livelihoods of the poor. In the official approaches of SHG networks adopted by the Central or State Governments, with exemptions, the panchayats are given a peripheral status, more to be kept at arm’s length than to be engaged or partnered with. There are several reasons for livelihood programmes not using the potential advantages of Panchayats. They include:
• Origin of SHGs in donor/NGO/Bank programmes;

• SHGs being seen as thrift and savings agencies in the beginning and not as development entities;

• SHGs being visualised more as a family neighborhood system and not as a larger developmental entity; and

• Contesting development ideologies – of being led through peoples’ organisations or through local governments.

9.14 Sometimes people’s groups are proposed as efficient substitutes for “corrupt or political PRIs.” In such a scenario, CBOs, visualised as substitutes for Local Governments, tend to become bodies functioning in parallel to PRIs, contesting their space and sapping their strength. It has to be noted that howsoever vibrant CBOs are, they cannot substitute for local governments. PRIs are local governments performing a range of governance and development functions. They are not one-dimensional social groups or project implementation agencies; they are political and governance entities. They are accountable to the entire population of a Panchayat and not just to a small circle of beneficiaries. Thus, there is an obvious distinction between local governments and CBOs. This is not in any way to denigrate the importance of informal or formal groups for augmenting social capital and deepening democracy. As over the next five to seven years, six to seven million SHGs of women are likely to emerge, covering about eight to ten crore families, it is essential that the relationship between the CBOs and the elected panchayats especially at the Village level, are carefully guided in policy and practice. The report on Restructuring of DRDAs has brought out the issues tellingly, and we strongly endorse their recommendations. Some of the relevant extracts are given below and for a detailed treatment see Annexe 10.

9.15 Bringing about an organic linkage between the PRIs and CBOs is both a Constitutional obligation and a practical necessity. In fact, even the marginalised groups get innumerable opportunities for participation if the development processes are democratically structured. There is need to have clarity and a definite policy on the relationship between CBOs and PRIs. CBOs can act as the community wings of PRIs or as thematic or cross sectoral sub-systems of PRIs to generate demand, suggest priorities and be a vehicle for convergence of resources and services. While the autonomy of functioning CBOs should be ensured it is also equally important that the PRIs should have the right of information monitoring and coordination. As far as possible, public resources to people’s organisations should be routed through PRIs for rule-based
transfer to them without any space for patronage or pilferage. The CBOs must be obliged to render accounts to the PRIs for the resources they receive from the PRIs.

9.16 Structural linkage between PRIs and CBOs would be desirable. For example, units and federations of CBOs could be co-terminus with a ward or a panchayat. CBOs could be accredited to execute Panchayat works through the community in the contracting mode or through delivery of civic services.

9.17 If CBOs and PRIs work in parallel, the democratic gains cancel themselves out. But if they work together, each having a well-demarcated functional space and a well-structured working relationship, then the democratic gains are multiplied. Such is the dynamics of this relationship.

**National Rural Livelihood Mission (NRLM)**

9.18 The NRLM is the flagship programme for poverty alleviation and it marks a significant stage in the evolution of the approach to reduction of income poverty in households – from capital subsidy and credit to individuals and groups to community investment fund to organizations of the poor. The key distinguishing features of NRLM are:

a. Participatory identification of the poor;

b. Strategy of organising the poor through women into Self Help Groups at the local level and networked into organizations of the poor at the level of Village Panchayat or a cluster of Village Panchayats;

c. Focusing on multiple livelihoods;

d. Envisaging an increased role for Community Resource Persons in performing different tasks relating to poverty reduction; and

e. Aiming to build strong linkages with banks to mobilize at least Rs. one lakh of credit per family over five to seven years.

9.19 NRLM has evolved from the experience of States like Andhra Pradesh and Kerala. The Kerala model has a strong linkage with Panchayati Raj Institutions particularly at the village level whereas the Andhra model is independent of the Panchayat system. It is only after the launch of NRLM in 2011 that the importance of linkages with PRIs was fully recognized.
9.20 The NRLM framework provides for PRI linkages as follows:

**Role of PRIs**

PRIs would be actively involved in various activities of NRLM. Indicative activities of their involvement/engagement include:-

- Identifying and mobilizing BPL households into SHGs, with initial priority for poorest and most vulnerable amongst them;
- Facilitating SHG federation(s) at various levels and providing accommodation and other basic facilities for their effective functioning;
- Incorporating and making suitable financial allocations to the priority demands of the SHGs and their federations in the annual plans/activities of the PRIs; and
- Coordinating with different departments and agencies on behalf of the SHG network.

9.21 Responsibilities of the institutions of the poor

- Participate actively in Grama Sabhas and other forums of PRIs;
- Provide feedback through community based-monitoring;
- Support developmental initiatives of PRIs; and
- Support PRIs in their planning exercises.

9.22 In situations where the relationships between the PRIs and the institutions of the poor have matured, PRIs may lease out panchayat resources (like fish ponds, common properties, market yards, etc.) to them; and entrust them responsibilities for managing select civic amenities, executing civil works, extension and outreach mechanism for delivery of services, etc.

9.23 These linkages/synergies can be achieved only with significant capacity building efforts. PRIs should be imparted training and exposure on issues related to poverty,
social justice and other NRLM processes. Institutions of the poor need to be sensitised on the role of PRIs and the need to work in close coordination with them.

9.24 Mechanisms for Interface with PRIs

Formal mechanism for regular interface between the institutions of the poor and PRIs is important. NRLM would create a platform for PRIs and the SHG network to work together, sharing information and views, resource pooling and planning and regular monitoring, [could be created]. Further, it would identify, assess and reward PRIs/villages annually for achieving milestones towards livelihoods outcomes. Towards this, an independent assessment and rewarding framework would be developed and implemented.

9.25 Experience so far

The NRLM is a process-intensive scheme and institution-building takes a long time. In particular, the maturation of institutions of the poor is slow moving. There are no examples of viable partnerships between the SHG network and Panchayats except in Kerala. In other places SHGs are seen as community-based organizations and function separate from Panchayats. Only recently has the Ministry of Rural Development realized the importance of forging organic linkages between PRIs and SHGs so that they can work together for mutual benefit. Pilots have just been initiated in seven States to work out the modalities of such partnerships which would guarantee the primacy of PRIs as local governments even while protecting the autonomy of the SHGs as community-based organizations.

9.26 Recommendation

The Committee note with concern the tendency for different Centrally/State sponsored programmes to create their own parallel SHG networks. It leads to multiple membership and envision of peer group pressure and micro group dynamics. Therefore, the Committee recommends that as far as possible the different SHGs be integrated into a single network which be included for the different programmes, micro credit and also certainly other development programmes.

9.27 In order to bring about effective working relations between the PRIs and SHG network, the following are suggested:
a. The SHG Federations should be co-terminous with different tiers of Panchayats;

b. Gram and Ward Sabhas and Villages Panchayats should be involved in the participatory identification of poor and in group formation. The identification of the poor and the formation of beneficiary groups of NRLM programs should take place only in gram/ward sabhas in consultation with the village panchayats;

c. Panchayats should interact with the SHG Federations in a formal manner once in a quarter to exchange information and ideas;

d. There should be a reporting system whereby SHG system sends regular formal reports to the Panchayats concerned once in a quarter;

e. The community plans of SHG Federations should be submitted to the Panchayat at the appropriate level at the draft stage for suggestions;

f. Panchayats should be mandated to top-up the resources of SHG Federations with scheme and non-scheme resources at their command;

g. Panchayats should involve the SHG Federations while preparing their plans related to livelihoods. Ideally the Panchayats should prepare anti-poverty sub plans by involving the SHGs and their federations for need assessment and priority setting in response to the multi-resource envelope, which is at the command of the Panchayats;

h. Panchayats should use the SHG Federations as organisations for conduct of participatory resource mapping for outreach, for service delivery and execution of works through community controlling, for community-based operation and maintenance of utilities and assets assessment and service;

i. Community-based monitoring should be put in place using the SHG federations;

j. The SHG federations should be conceptualised on the sub-systems of the Gram Sabha so that the participation in Gram Sabha is not only enhanced but also become more informed and effective; and

k. SHG federations could conduct a kind of community audit of the expenditure and performance of the Panchayats.
For this to happen, it should be mandatory for each State to develop and implement an Action Plan in a selected district to be scaled up to the State during the Plan. To facilitate this, it is necessary to conduct intensive training for the Panchayat members as well as to the SHGs separately and jointly.

**9.29 Mahatma Gandhi National Rural Employment Guarantee Scheme**

MGNREGS is the largest ever anti-poverty programme in the country, both in terms of financial allocations and individuals reached. As the Scheme is based on legally mandated entitlements, it is not constrained by resource availability as the right to demand and gaining access to work overrides any budgetary constraints. It may also be noted that the MGNREG Act provides a central place to Panchayats in undertaking planning and implementation responsibilities under the scheme, a significant departure from other mega-schemes.

If the potential for Panchayati Raj empowerment using MGNREGS as the entry point is not thought through and given operational shape, there is every danger that the PRIs will become mere pass through agencies in whose name implementation is undertaken by officials. Panchayat elected representatives face the danger of having to just go through the motions of decision making, without realising their central place or even exercise vigilance over the coterie of vested interests dominating the public works scene, which profits from snatching public resources for private gains. Thus, the legal empowerment of PRIs alone will not automatically lead to their actual strengthening, unless deliberate and purposive effort is taken to create capacity and build systems to enable PRIs to play their legally mandated roles.

**Legal Provisions**

The NREGA assigns PRIs critical role in its implementation. Some of the salient provisions illustrating this point are summed up below:

a. Section 12 (1) mandates the inclusion of representatives of the PRIs in the State Employment Guarantee Council which is the paramount institution at the State level in implementing the Act, with wide ranging powers and functions;

b. Section 13 declares that the three levels of PRIs as the “principal authorities” for planning and implementation and outlines the functions of intermediate
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and district level Panchayats in planning and supervision of implementation. The District Programme Coordinator who, in most part of the country, is the District Collector, is given an obligation by this Section to assist the District Panchayat;

c. Section 15 speaks of the Programme Officer at the intermediate Panchayat level (and not at the CD Block level). It further states that all or any of the functions of the Programme Officer can be discharged by the Grama Panchayat or any other local authority;

d. Section 16 explains the role of the Grama Panchayat and mandates that at least 50% of the works in terms of cost has to be implemented through the Gram Panchayat. Furthermore, it has given the responsibility of allocating employment opportunities among the applicants to the Gram Panchayat;

e. Section 17 endows the Grama Sabha with the authority to conduct social audit and monitor execution of works; and

f. Schedule II explains the duties of the Grama Panchayat in registering the household, issue of job cards, assigning of work, maintenance of records etc.

9.32 Probably the only deficiency with reference to PRIs is the non-mentioning of the District Planning Committees in the Act. Ideally the DPCs should have been assigned the task of coordinating the planning and preparation of the Perspective Plan, Labour Budget and the Annual Plan.

9.33. The Gram Sabha (GS) Gram Sabha as is the principal forum for wage seekers to raise their voice and make demands. The GS has the following rights and responsibilities under the Act:

a. It recommends works to be taken up and is the final authority to determine the order of priority in which works will be initiated under MGNREGA;

b. Monitor the execution of works within the GP; and

c. It is the primary forum for conduct of social audits. It provides a platform to all residents to seek and obtain all relevant information from all the Implementing Agencies including GP in relation to MGNREGA works implemented in the GP area.

9.34 The GP is the pivotal body for planning and implementation. Where Part IX of the Constitution does not apply, local councils/authorities as mandated by the State
concerned are to be invested with corresponding responsibilities. The Programme Officer (PO) is required to allot at least 50 per cent of the works in terms of cost of the works to the GPs for implementation. The GP is responsible for the following activities:

a. Receiving applications for registration;

b. Verifying registration applications;

c. Registering households;

d. Issuing Job Cards (JCs);

e. Receiving applications for work;

f. Issuing dated receipts for these applications for work;

g. Allotting work within fifteen days of submitting the application or from the date when work is sought in the case of an advance application, whichever is later, irrespective of the implementing agency;

h. Conducting periodical surveys to assess demand for work;

i. Identification and planning of works, developing shelf of projects including determination of the order of their priority. This list is forwarded to Programme Officer for scrutiny and preliminary approval;

j. Executing works that shall meet the required technical standards and measurements;

k. Maintaining records as specified;

l. Maintaining accounts and providing utilization certificates in formats prescribed by Central/State Govt;

m. Prepare annually a report containing the facts and figures and achievements relating to the implementation of the scheme within its jurisdiction and, copy of the same to be made available to the public on demand and on payment of such fee as may be specified in the scheme;
n. Awareness generation and social mobilization;

o. Convening the GS for planning and social audit;

p. Make available all relevant documents, including the muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected books of account and papers to the GS for the purpose of conducting the social audit;

q. Monitoring implementation at the village level; and

r. Pro-actively disclosing information.

9.35 The functions of the Panchayat at intermediate level are to:

a. Approve the Block-level Plan for forwarding it to the District Panchayat at the district level for final approval

b. Supervise and monitor the projects taken up at the Gram Panchayat and Block levels; and

c. Carry out such other functions as may be assigned to it by the State Council from time to time.

9.36 The District Panchayats are responsible for:

a. Consolidation of Annual Block Plans (within the District) into a District Plan;

b. Adding any inter-block work that according to them will be a good source of employment;

c. Monitoring and supervision of the MGNREGS Scheme in the District; and

d. Carrying out such other functions as may be assigned to it by the State Council from time to time.

9.37 Panchayats have been conferred powerful legal entitlement as the “principal authorities for planning and implementation” of the Scheme under the Act. Incidentally,
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NREG Act is the first developmental legislation which assigns a central role to PRIs. The Guidelines reaffirm this declaring the PRIs as the “Key Stakeholders.” Also it is significant to note that the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) does not allow creation of parallel bodies for implementation; even the ubiquitous DRDA has not been given any functional role.

9.38 In spite of legal provisions and operational instructions it is debatable whether the potential to use the scheme to strengthen Panchayat Raj institutions has been realised in practice. Since MGNREGS is a programme which combines the economic development and social justice functions in the context of local planning and implementation, it is only in the fitness of things that the PRIs need to play the lead role as the Constitution itself assigns these two responsibilities to them. Some of the challenges in realisation of the legal provisions in strengthening Panchayats under MGNREGS are:

a. The PRIs, especially the Village Panchayats have not been given the necessary staff to carry out the functions assigned to them by law. Of course, Data Entry Operators and Technical Assistants have been taken on contract and made available to Village Panchayats or a group of Village Panchayats wherever the size the Village Panchayat is too small. Yet this is not enough to implement the programme as it should be;

b. In several States, the autonomy of the Panchayats in the planning process has not been respected in practice. Works are decided by the officials, and the Panchayats only give their proforma approval;

c. The guidelines of MGNREGS envisage a participatory planning process where convergence of locally available resources is mandated. The Labour Budget has to emerge from this participatory local development plan. Unfortunately this does not appear to be the case. Almost in the entire country, Labour Budgets are prepared mechanically in Gram Sabha meetings, very often poorly attended with little awareness about the scheme and its potential for providing livelihood security to the poor;

d. The scheme is definitely not allocation-based in intent; but in practice fund flows are not smooth due to intricate procedures, lack of capacity of staff and incapability of higher level officials to smoothen things out. Because of this the Village Panchayats often bear the brunt and they are accused of not responding to demand and in delaying payments;
e. The capacity building of elected representatives and officials and sensitisation of the citizenry have been ignored after the initial phase. This has resulted in trivialisation of many of the important features of the scheme;

f. Since the Village Panchayat is seen as an agency, the Sarpanch has gained disproportionate authority, it has to be admitted that there have been widespread malfeasance in the implementation of MGNREGS giving Panchayats a bad name especially in the eyes of senior political leadership and policy makers;

g. While it is true that Village Panchayats implement more than 70% of the works, the roles of the Intermediate and District Panchayats are not very clear. They are not fully involved in the planning process. Their consolidation exercises are limited to mechanically putting together and forwarding the Labour Budgets prepared by the Village Panchayats; and

h. The major defect of the Act is that the District Planning Committee is totally ignored. In fact, ironically, in the Act the District Programme Coordinator is the DPC.


The Committee endorses the recommendations in the Guidelines, which are reproduced below:

a. States may issue detailed instructions to enable Panchayats at different levels to perform the roles and responsibilities assigned to them under the Act and in these Guidelines. This can be done in the form of a Hand Book which can easily be understood and used by the elected representatives and officials.

b. The additional workload due to the implementation of MGNREGA on the different tiers of Panchayat may be got formally assessed through a Work Study. Accordingly, staffing support should be provided to the Panchayats by creating permanent positions or through outsourcing. The State may ensure that at least one Gram Rozgar Sahayak is deployed in every GP except in GPs where demand for work under MGNREGA is almost non-existent. Depending upon their workload, technical support in the form of a Technical Assistant or Engineer may be provided to all individual Village Panchayats or a cluster. The Staff provided to Panchayats under MGNREGS
would work under the superintendence and control of the Panchayat concerned, including disciplinary powers.

c. In order to supplement the full time/contract staff, Cluster Facilitation Teams and Voluntary Technical Corps should be provided for a group of Village Panchayats. They are visualised as technical support systems of the Village Panchayats and have to perform their tasks accordingly and not act as parallel centres.

d. To provide additional support, Community Resource Persons, both on the technical as well as on the accounting and audit side may be attached to Village Panchayats. They may be drawn from the SHGs and suitably trained and assigned necessary powers and responsibilities.

e. The 6% provisions for administrative cost should be apportioned to the Panchayats according to the need to meet additional expenditure due to staffing, procuring stationery and so on.

f. The State should work out a formal partnership between the Village Panchayats and the network of SHGs emerging as part of NRLM with focus on the following:

- Awareness generation
- Mobilising workers
- Participatory planning for work
- Organising work by providing mates
- Providing Community Resource Persons
- Performing community-based monitoring

State may issue detailed guidelines on actualizing each element of this partnership.

g. The Labour Groups formed under MGNREGS should work in association with the Village Panchayats and Intermediate Panchayats.

h. The process of decentralized planning should be integrated with the preparation of the Labour Budget to ensure that local priorities are taken into account even while generating employment for the workers. States may issue detailed instructions on expanding the methodology by adapting the one laid down in BRGF Guidelines.
i. There is need to harmonize the processes and procedures of MGNREGS with those prescribed under the State Panchayati Raj Acts. Detailed operating systems may be laid down covering, among other things, the following aspects:

- According different types of sanctions
- Maintenance of records and registers
- Procurement
- Accounting,
- Transparency and disclosures
- Auditing

j. Progress of MGNREGS should be reviewed once in a month by each level of Panchayat;

k. A Help Desk may be set up in SIRDs with helplines to provide facility to Panchayats to get information on different aspects of the Scheme and to clarify doubts;

l. A formal grievance redressal system may be put in place at the District level for the Panchayats;

m. Monthly meetings of Village Panchayats may be organized at the level of the Programme Officer and of the Intermediate and District Panchayats at the level of the DPC to review progress and sort out problems;

n. Social-audit like sessions may be organized by the Programme Officer once in a year to which all the elected representatives of Village Panchayats and Intermediate Panchayats are invited. Similar session may be organised by the DPC to which all elected heads of Intermediate Panchayats and elected members of the District Panchayats are invited. These sessions would conduct detailed assessment of the performance of the roles and responsibilities of the Programme Officer and DPC respectively following broadly the methodology of Social Audit of the scheme. A consolidated report of these sessions may be prepared for the District and upload in the website by 1st of September every year; and
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o. SIRDs may prepare a Training Plan to cover all elected representatives and heads of the three tier Panchayats. This Plan should ensure that immediately after the elections, there is total coverage of all elected representatives within three months, and thereafter thematic refresher courses are to be held according to need every year.

In order to implement these guidelines in a systematic and state-specific manner, it is necessary that each State may develop comprehensive action plan for strengthening Panchayats using MGNREGS and publish it.

9.40 In addition, the Committee makes the following recommendations:-

a. Easy and effective flow of funds direct to the gram panchayats as soon as they meet the criteria to receive funds irrespective of whether the district as a whole has become eligible to receive further funds or not.

b. The District Planning Committees may be given a formal role in planning for MGNREGS, especially in bringing about convergence with other schemes; and

c. Works may be taken up by various government departments only after District Planning Committee approves the same. The Panchayats should be kept informed of the schemes approved in their areas and should also be apprised of the works actually taken up in their areas for social audit.
CHAPTER X

PRODUCTIVE SECTORS OF THE RURAL ECONOMY
AND THE PANCHAYATI RAJ INSTITUTIONS

Eleventh Schedule of the Constitution:

Entry 1: Agriculture, including agricultural extension
Entry 2: Land improvement, implementation of land reforms, land consolidation and soil conservation.
Entry 3: Minor irrigation, water management and watershed development
Entry 4: Animal husbandry, dairying and poultry.
Entry 5: Fisheries
Entry 6: Social forestry and farm forestry
Entry 8: Small scale industries, including food processing industries
Entry 9: Khadi, village and cottage industries
Entry 12: Fuel and fodder

RURAL ECONOMY AND THE PRODUCTIVE SECTORS

10.1 India is a country with a stark rural-urban divide. Rural people have limited options for taking up economic activities and many are left with no option but to take up agriculture and allied activities, which are the main livelihood activities in rural areas. Governmental interventions in driving agricultural production and the rural economy over the past sixty years have been determined by the priorities of the day – to increase food production, to ensure social justice (through land reform and distribution of land to the landless) and poverty alleviation (all the economic programmes designed to increase the disposable income levels of farmers). While these initiatives have shown considerable success, their effect has plateaued.
10.2 There is now no doubt that rural areas lag in comparison to urban areas in almost all aspects of economic and social development. As on 2009-10, the estimated number of rural households engaged in agriculture and allied sectors were 57.5 per cent\textsuperscript{317}. However, contribution of that sector to the GDP is a mere 14 per cent, compared to 23.4 per cent during the 9\textsuperscript{th} Five Year Plan\textsuperscript{318}. The low levels of productivity in agriculture and allied sector, combined with high dependence of rural populations on it, contribute to persistent poverty and chronic hunger in the country\textsuperscript{319}. The gap in productivity of a few crops and milk in India with the rest of the world is given in the Table 10.1 below\textsuperscript{320}, which explains the low productivity in the farm sector in India.

<table>
<thead>
<tr>
<th>Crop</th>
<th>India</th>
<th>World</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice (kg/ha)</td>
<td>3,370</td>
<td>4,309</td>
<td>Egypt (9,731); China (6,556), Japan (6,488)</td>
</tr>
<tr>
<td>Wheat (kg/ha)</td>
<td>2,802</td>
<td>3,086</td>
<td>3,108 (US)</td>
</tr>
<tr>
<td>Maize (kg/ha)</td>
<td>2,324</td>
<td>5,109</td>
<td>9,658 (US)</td>
</tr>
<tr>
<td>Milk (kg/animal/year)</td>
<td>1,145</td>
<td>2,309</td>
<td>7,342 (Netherlands)</td>
</tr>
</tbody>
</table>

10.3 There are too many people engaged in agriculture, while earning too little an amount. Farming as an occupation is increasingly becoming non-remunerative. More capable persons are migrating to non-farm activities leaving the women and the aged to work in the farm sector, which has an adverse impact on productivity. In particular, landless agricultural labourers are the worst hit because of poor performances in the

\textsuperscript{317} Source NSS, Report No 531 quoted in India Human Development Report, 2011(Table 3.7, page 101)

\textsuperscript{318} 12th Plan Draft Prepared by the Planning Commission (Page 7, Vol 2)

\textsuperscript{319} The average per capita calorie intake in the country is not only below the minimum nutritional level of 2400 k cal in rural areas and 2100 k cal in urban areas as on 1983-84, the NSS data of 1993-94 and 2004-05 have shown further decline of per capita calorie intake as well as consumption of protein. This has devastating consequences in child nutrition outcome though, admittedly, malnutrition is not caused by lower food intake alone. India has 43.5 per cent of children below five years in India underweight and for the period 2005-2010, India ranked second to last on child underweight - below Ethiopia, Niger, Nepal, and Bangladesh. The tragedy is that, despite high economic growth, India stands at position 65 in Global Hunger Index (GHI) out of 79 countries which had GHI more than 5 during the year 2012, as published by the International Food Policy Research Institute. The report finds that hunger is inextricably linked to growing pressure of land, water and energy resources.

farm sector thereby having to suffer higher incidence of poverty. Reduction of poverty and hunger in the country is, therefore, contingent upon improving the farm sector comprising agriculture, horticulture, animal husbandry, fisheries and downstream related post-harvest activities. Cottage and small scale industries that exist in the rural area are mostly unorganized and has a very small share of the economic activities within the rural area. Rural economy is not likely to improve without strengthening those sectors for which different tiers of government have different roles as per responsibilities assigned by the Constitution.

**Rural Productive Sector and the Panchayats**

10.4 All the components of the productive sector of rural economy, like the farm sector comprising agriculture, irrigation, animal husbandry, fishery, forestry and agriculture market etc. and small scale industries including khadi, village & cottage industries have been assigned to the State government through entries in the State List of the Seventh Schedule of the Constitution. This was done when there was no mandatory provision for establishment of Panchayats. When the 73rd Amendment was introduced, it was thought that much of the activities in these sectors would be too local to be managed by the state government alone, because most of the States themselves are too large in size. Preparation of plans and implementation of schemes in these sectors were recommended to be ‘matters’ to be entrusted on the Panchayats under Article 243 G of the Constitution by including those in the 11 Schedule.

10.5 Importance of these sectors in respect of devolution on the Panchayats can be appreciated from the fact that these were the entries at the very beginning of the 11 Schedule and nine out of twenty nine entries in that Schedule are related to these sectors. These sectors have two broad categories – the farm sector comprising most of the primary sector activities and activities for small scale production starting from home based and unorganized enterprises to small and medium industries, many of which have their inputs from the farm sector. All these categories of economic activities have certain features which demand more ownership and involvement of the Panchayats as the local government for which specific responsibilities with clear accountability framework are to be appropriately devolved on different tiers of Panchayats.

10.6 In most States there has been little devolution based on rational Activity Mapping in respect of various subjects under these sectors all of which fall in the State list. What has been generally assigned to the Panchayats is the task of beneficiary
selection and supporting the initiatives of the State governments. This has resulted in implementation of various programmes of the State in a vertical mode and in isolation from each other resulting in sub-optimal outcomes.

Rural productive sector and the CSS

10.7 At the same time, in view of the importance of improving rural economy as well as meeting the need for foodgrains in the country the GoI have been implementing many CSSs in these sectors, each with different programme guidelines, which do not favour ownership and centrality of the PRIs in implementation of these programmes. Flow of funds under these programmes are the bulk of the resources available with the departments concerned of the State government, and in following the guidelines of these programmes the States, in general, find it convenient not to devolve responsibilities of planning and implementation of even their own schemes in these sectors on the Panchayats. Thus, the systemic problem of not adequately involving the people in planning and implementing activities related to agriculture and allied sectors, which are best done at the local level through the Gram Sabha and the PRIs persists with sub-optimal outcome in these sectors.

10.8 The need for devolution in the farm sector is very clearly stated by the National Commission on Farmers, which mentions that321 “The problems facing Indian farmers are generally dealt with in an aggregated manner – i.e., taking into consideration the problems of over 100 million farming families as a whole which make them appear formidable. However, if such problems are disaggregated and dealt with by Gram Sabhas and Panchayats, location-specific problems can be attended to speedily and effectively. Therefore, it is time that the provisions of Article 243 G are implemented, both in letter and spirit.”

10.9 Alas, the same is yet to happen! Parallel structures created through the CSS guidelines continue to marginalise the roles of the PRIs. Analysis of programme guidelines of some of the important CSSs and related issues made in the subsequent paragraphs will help to appreciate the marginalized role of the PRIs that exist at present, and what the Expert Committee consider should be done to leverage the PRIs for improving productivity with sustainability and equity for improving the rural economy by giving PRIs a more central role in implementation of these CSSs.

321 Fifth and Final Report of the National Commission on Farmers, 4th October, 2006
A. AGRICULTURE INCLUDING AGRICULTURE EXTENSION

The challenges in agriculture

10.10 The challenges now being faced in agriculture are quite different from those that India faced earlier. The main challenges as well as the burdens that weigh heavily on Indian agriculture are the following.

AUGMENTING PRODUCTIVITY WITH SUSTAINABILITY

10.11 Successive plan documents of the country have emphasized on enhancing agriculture growth but the same has been elusive. The growth of production in agriculture during the 11th Plan was 3.3 per cent, against a target of 4 per cent, which is also the target for the 12th plan\(^{322}\). While capital and technology can be mobilized, there are more constraints on increasing labour and land productivity with sustainability. Small and marginal farmers typify Indian agriculture and they lack adequate access to credit, extension, seed, fertilizer, insurance, markets and other infrastructures. The public extension system has weakened and though some private providers have emerged “their effective reach is limited and most poor producers are served neither by public nor private sector in many distant and remote areas”\(^{323}\). For improving delivery of services in these respects there is need for strong involvement of the PRIs, which are closest to the farmers, to directly provide such services or to mediate on behalf of the marginalized farmers for meeting their needs.

POOR ACCESS TO CREDIT AND HIGH COST OF MONEY:

10.12 As in any other production process, agriculture requires investment, and a gestation period before the return materialises. A farmer needs credit not only for meeting long term investments in agriculture but also for employment of farm labour, purchase of fertiliser, pesticides, farm implements and other inputs, which poorer farmers find it difficult to raise. The importance of adequate, competitive and timely credit is exacerbated by the movement away from subsistence farming. In spite of

\(^{322}\) 12th Plan Draft Prepared by the Planning Commission (Page 2, Vol 2)

\(^{323}\) Ibid, page 34
all efforts, the co-operative credit structure, as also the commercial banks and other sources of institutional finance, have not been able to make a sufficient impact on the rural credit scene. The rural moneylender continues to be a preferred source of finance for farmers despite exorbitant interest charged by them. The Committee feel that the involvement of Panchayats can improve access of farmers to credit by mediation with the credit institutions as well as in the recovery of their outstanding loans.

Lack of Risk Mitigation Mechanisms

10.13 With increased market orientation of agriculture, farmers – small, medium and big, are vitally dependent on the market for their sustenance. Farmers expose themselves to a wide range of risks that include the choice of crop, the price and quality of inputs, the weather and availability of irrigation, harvesting and post-harvest storage and finally marketing. Climate change is the added risk for which many risk mitigation measures have to be organized locally, which are better done if the Panchayats remain involved because risk mitigation will require coordination and convergences of many activities at the local level.

Marketing Inequities and Market Failure

10.14 Marketing risk revolves around the choice available to the farmer for marketing his product. Often marketing risk is self-inflicted – a farmer may restrict his marketing opportunity to his moneylender who takes on marketing to recover his loan; or the farmer may resort to distress sale because he needs the money urgently, or because he has no access to storage facilities. Even where marketing opportunities are available the small and marginal farmer is defeated by information asymmetry on prices. Attempts to secure collective bargaining power on both prices and regularity of payments through the formation of cooperatives, has met with limited success. Minimum support prices are not fixed in a transparent manner and have limited application. Often prices fluctuates due to factors much beyond the control of the farmer, such as international price trends in the case of commodities that have an export market. Small and marginal farmers are more vulnerable to these risks. Failure of the market affects them the most and their plight becomes worse if they have to face an added government failure. Presence of a responsible and responsive government at the local level, to which the farmers have easy access, can mitigate the
sufferings inflicted by market failure. The Panchayats can also take some activities like development of storage facilities and marketing infrastructures, establishment of IT Kiosk/Common Service Centres for dissemination of real time price information etc or mediate with the State Government for taking timely actions on issues beyond their capacities.

**LACK OF INFRASTRUCTURE AND TECHNOLOGY RISK**

10.15 While irrigation will continue to be a prime infrastructure for agriculture, attention is required on a number of interventions for a robust supply chain, which is only as strong as its weakest link. Thus, practically free power to pump water to irrigate, does not make sense if later the crop fetches low prices because there are not enough cold storages to handle a production glut. The supply chain infrastructure, (as distinguished from production infrastructure – in the form of irrigation and subsidised fuel and agricultural power supply) would also need government intervention, mostly at the local level, such as planning for better roads and facilities for storing, grading, cooling and processing etc.

**IMPROVING AGRICULTURE EXTENSION SERVICES**

10.16 Increasing productivity by adopting appropriate agronomic practices and rational use of inputs will require improvement of extension services. The Green Revolution of the mid-sixties was, of course, a technological revolution, but it succeeded essentially because excellent extension services took this new agricultural technology to every village in Punjab and a few other places. By the 1990s, although the Green Revolution was spreading, for example, even to eastern India, there was a serious deterioration in the availability of extension services for propagating yet newer technologies for agriculture and irrigation to mount a second Green Revolution, especially in rainfed and dryland areas. Moreover, the bourgeoning genetic technology made it imperative that farmers understood both the pros and cons of such genetic technology which could give massive returns if deployed appropriately or lead to massive losses otherwise. Thus, as in the first Green Revolution, so in second Green Revolution is agricultural extension services the key to resounding success. While it was the Punjab Agricultural University and the rice research centre in the Tanjavur district of Tamil Nadu which successfully provided the extension services, for the
second green revolution, the freshly minted systems of Constitutional Panchayati Raj needs to be fully leveraged. This is why the very first entry in the Eleventh Schedule was deliberately worded ‘Agriculture extension services’.

10.17 The situation at present is that public extension services have dwindled over the years and private extension services have little reach and may not be affordable. A review of agriculture extension services in India by Glendenning et al.\textsuperscript{324} has concluded that “Despite the variety of agricultural extension approaches that operate in parallel and sometimes duplicate one another, the majority of farmers in India do not have access to any source of information. This severely limits their ability to increase their productivity and income and thereby reduce poverty. The long chain of accountability of the vertical structure with extension worker at the bottom has structural weakness because of huge physical, administrative and psychological distance between the farmers, who are supposed to receive the services, and the policy makers and middle level managers.

10.18 There are both institutional failures, like poor monitoring and supervision, weak support to field functionaries to enable them to deliver, failure to fill up vacancies and train the field workers, individual failure due to weak motivation and competence, absenteeism and lack of responsiveness of the extension workers, which thrive on institutional failures. There is a low level equilibrium between expectation of the farmers and poor delivery of extension services, which are purely supply driven with little responsiveness to the demand of the farmers. There is need for appropriate reforms in agriculture extension to break the vicious cycle so that the farmers can raise their demand and receive due services to meet the demand by an accountable delivery system.

**Rationale for Devolution of Agriculture and Agriculture Extension**

10.19 The Committee are of the opinion that all the challenges mentioned above need actions at various levels of government including the Panchayats but in many cases the missing link is the organizational weaknesses at the local level. Mere framing of appropriate policy and centralized implementation of programmes, taken in pursuance of those policies, has not yielded result so far and will not be able to meet the growing challenges mentioned before, till the interface between the delivery system

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at the local level and the farmers are improved. The problem in the agriculture sector is further aggravated by presence of a very large number of private and unorganized producing units, including large number of farmers surviving on subsistence farming with little resource base while having enormous diversities. A prescriptive blue print approach, developed at the State or Central level, is ineffective in addressing the highly diversified needs of the farmers. Therefore, local participation matters in improving production, and well-being of all those associated with this sector. Many programmes in this sector have attempted induced participation, which are engineered by the design of the programmes. Participation in these cases may not last beyond the life of the programme. If such participation is mediated by the Panchayats as the local government then there is a fair chance that the Panchayats take the responsibility of ensuring participation and provides continuity to the process. It is pertinent to mention that the Planning Commission in its draft 12th Plan has proposed launching a mission called the National Mission for Sustainable Agriculture (NMSA) to meet the ensuing challenges in agriculture. Design issues for the proposed mission, highlighted in the document, puts emphasis on investment in local institutional capacities and strengthening the PRIs, to create the required institutional basis for achieving desired inclusive and sustainable agriculture growth.

The Committee believe that strengthening the PRIs and devolving appropriate activities related to agriculture with clear accountability will have several advantages:

i. The most important advantage is related to convergence of various activities having a positive impact on different factors of production and improving inclusiveness, many of which may not be within the scope of any particular programme or within the domain of any particular line department, which plan and implement various agriculture schemes. All policy documents related to growth of agriculture mention about convergence of different interventions. Convergence of all interventions within an area can be best ensured by the Panchayats, if they are allowed the responsibility of planning with a bottom up approach involving the people. This is more so for agriculture, which faces wide variation of agro-ecology and the social context. That will also help organizing local action like efficient use of rain water, which is going to be a central policy for agriculture growth in rainfed areas.


326 Planning Commission of India _ Draft 12th Plan, page 46.
ii. The second advantage is related to ensuring equity. The activities of any group, such as production group or user group, may have externalities affecting others in the community adversely, and if the poorer sections are so affected they will have little scope to have their grievances redressed. Involvement of the Panchayats can have an inbuilt mechanism for taking care of issues of equity (which of course presumes existing of true democratic processes and no elite capture in the Panchayat).

iii. The third argument in favour of more devolution of agriculture is related to its sustainability and environmental protection. People will be more prone to maximizing their private gains by unsustainable use of natural resources, many of which are common property resources like ground water. The PRIs are in a better position to take a long-term view and judge suitability of desired mode of exploitation of natural resources to protect common interest for its sustainable use.

iv. The fourth argument is that it is only the government who can invest in activities leading to development of common property resources, such as recharging of ground water, where the gain is for the public at large with no specific return for an individual and will not attract any private investment. Such activities, which result in improvement in natural resources, are better done by the government and the interventions are more specific and efficient if done by the Panchayat as the local government.

v. The last and the most important rationale is the possible service delivery improvement due to shortening of the chain of accountability, if agriculture related services such as agriculture extension is provided by the Panchayats. This is so for many reasons such as; proximity of the farmers to the Panchayat for reporting any failure, the elected Panchayat functionaries being local residents will have first-hand knowledge of what is failing and absenteeism of field workers can be substantially reduced if they become employees of the Panchayats. Delivery of extension service by the PRIs will be more demand-driven to cater to the need of the farmer more effectively because while the extension system should be linked at one end with research
organizations at the other end, when it comes to transferring the knowledge to the farmers, the person at the last mile will be accountable to the farmers through the Gram Sabha to which the Panchayat is accountable.

10.20 It was the intention of the Prime Minister who initiated the process of giving political empowerment to village India through Panchayati Raj to complement it with economic empowerment through the co-operatives and inexpensive quick justice through Nyaya Panchayats. While the question of Nyaya Panchayats has been dealt with elsewhere in the report, the Committee wish to lay particular stress on recent Constitution Amendment that has led to the insertion of Part 9B ‘The Co-operatives’. This opens the way to an imaginative new synergy between Panchayati Raj and Co-operatives. While the Ministry of Agriculture has positively reacted to this opportunity, the Committee regret that the Ministry of Panchayati Raj had been less enthusiastic. Credit and marketing through Co-operatives had to be fused with extension services through PRIs/Gram Sabhas to achieve optimal breakthrough in agricultural productivity and production. No single measure would increase rural prosperity and diminish rural poverty more than reversing deeply disturbing trend of agriculture and allied activities receiving a diminishing share of GDP. This has now plunged from nearly a third share of GDP at the start of the economic reforms process to a mere 14 per cent now. Yet, the share of the workforce in agriculture and allied services remains much the same, as pointed out at the beginning of this Chapter. The Committee are reiterating these significant statistics in this paragraph in order to emphasize importance of yoking Parts IX, IXA (particularly the Article 243ZD) and Part IXB in the direction of significantly boosting the productive sectors of the rural economy.

**IMPORTANT CENTRAL SCHEMES FOR DEVELOPMENT OF AGRICULTURE**

10.21 Some of the features of a few important CSSs related to agriculture and agriculture extension are briefly analysed below to examine the responsibilities currently assigned to the PRIs through guidelines of those CSSs as well as what scope exists in leveraging the PRIs for improving implementation of those CSSs for better output and outcome.
Towards Holistic Panchayat Raj

**Rashtriya Krishi Vikas Yojana (RKVY)**

10.22 The RKVY was conceived in the backdrop of slow growth of agriculture and allied sector to draw up plans for the sector more comprehensively, taking agro-climatic conditions, natural resource issues and technology into account, and integrating livestock, poultry and fisheries more fully. The programme is funded to an extent of 100 per cent by the GoI and total allocation under the programme in the year 2011-12 was ₹ 7,810.87 crore\textsuperscript{327}. The RKVY guidelines envisage formulation of a Comprehensive District Agriculture Plan (CDAP) by including the resources available from other existing schemes of the State, or Central government such as BRGF, SGSY\textsuperscript{328}, NREGS and Bharat Nirman, etc. and mentions that “since RKVY is conditional to proper District Planning and since Planning Commission has already circulated guidelines for District Planning in line with Constitutional requirements, these requirements should be adhered to by the State as far as possible\textsuperscript{329}”. Thus, the intention for taking up the agricultural plan as a part of an integrated District Plan is very much in the agenda. Yet, the District Agricultural Plan, like other sectoral plans prescribed in other Central schemes, is being actually formulated without going through the rigorous process of carrying out a people-centric bottom-up planning process involving the Panchayats, as per guidelines issued by the Planning Commission. The Panchayats are hardly involved\textsuperscript{330} though the RKVY guidelines mention that “It should however be ensured that the convergence with other programmes as well as the role assigned to the PRIs are satisfactory”\textsuperscript{331}.

10.23 The need for bottom-up planning arises more in the agriculture sector for harmonizing of goals of individual farmers, having varying priorities and constraints, with the State/National goals related to agriculture production. The Committee believe that planning at the village level only can result in the best fit between the State/National goals with what is doable by the individual farmers, which may be reflected in a local plan. This will require tremendous mobilization of the farmers, continuous engagement with them by the extension workers and building convergence

\textsuperscript{327} Accessed from the website www.agricoop.nic.in

\textsuperscript{328} The SGSY has since been replaced by the NRLM.


\textsuperscript{330} Evidence by Chairperson of Kannur Zilla Parishad at the meeting of the Expert Committee at Trivandrum on 14th February, 2013.

\textsuperscript{331} RKVY Guidelines, Paragraph 3.3, page 7 op. cit.
Towards Holistic Panchayat Raj

of various related interventions. Often such convergence has to be achieved at the micro-level, which will include activities like upgradation of land, irrigation, arranging inputs including institutional finance, adoption of new agronomic practices through extension work, storage and marketing of the produce etc. These will require working of multiple agencies in unison and the same can possibly be coordinated by the PRIs, provided they are given the responsibility, authority, resources and helped to acquire capacity. This will also help in better utilization of resources available with the Panchayats under BRGF or MGNREGS for promotion of growth in the farm sector and such convergence is desired as per the RKVY guidelines.

10.24 In view of RKVY being the single most important programme for increasing agricultural production, which is the mainstay of the rural economy, the Committee have undertaken a major exercise to demonstrate how RKVY can be integrated with PRIs through a process of Activity Mapping. The model Activity Map may be found at the end of this Chapter. It is to be stressed that this is an illustrative exercise designed to show how RKVY Activity Mapping can be done practically. It is not definitive but illustrative, prepared in the hope that the Union Ministry of Agriculture will work on the proposed model with the view to incorporate the model RKVY Activity Map in the RKVY guidelines, but leaving it to States/UTs to adapt the model Activity Map to their local requirements. The Committee stress that while uniformity of Activity Maps is not desired, could be counterproductive, it is important that State-specific Activity Maps are indispensable for the receipt and distribution of RKVY funds for different components of RKVY.

**Agriculture Technology Management Agency (ATMA) Scheme, 2010**

10.25 The ATMA was conceived as a semi-autonomous, decentralized and market driven model for not only transferring technology related to crop production but also providing a platform for integration of all extension needs of farmers cutting across line departments, such as agriculture, animal husbandry, fishery and forestry. After a pilot and initial coverage in 250 districts during the year 2005-06 the programme was scaled up for the entire country in 2007-08. Strategic Research and Extension Plan (SREP) are to be prepared for districts, which will form the basis of Block Action Plan (BAP), to be prepared annually for implementation of ATMA. The BAPs are to be consolidated in to a District Action Plan which will be a sub set of Comprehensive District Agriculture Plans (CDAP) prepared for the district under RKVY. There should be a Farmer Advisory Committee at State, district and block level but there is not even any representation of any PRI member.
Towards Holistic Panchayat Raj

10.26 ATMA has been criticized as making the extension system more bureaucratic with District Magistrate as the chairman and lack of local ownership converting the same into yet another scheme\textsuperscript{332}. Though ATMA was meant to address all extension needs in a converged manner, it lacked the mechanism for such convergence of extension needs as demanded by the farmers. The farmers based organizations and SHGs were to articulate the needs of the farmers, but due to little involvement of the Panchayat as local government the accountability structure became weak. The inherent weakness of a public sector extension system was not actually addressed under ATMA\textsuperscript{333}. Those weaknesses could be removed with appropriate involvement of the PRIs leading to desired outcome of the initiative to reform agriculture extension in the country.

10.27 The importance of agriculture extension has been emphasized earlier for improving agriculture production and productivity. The Committee believe that lack of effective involvement of the PRIs in the ATMA will not serve the purpose of the new approach to agriculture extension fully. There is need for involvement of all the tiers of Panchayats and different responsibilities related to different extension needs from crop production to post-harvest management and marketing should be devolved on Panchayats after preparing an Activity Map of the scheme. The importance of Gram Sabha for direct interaction between the grassroots level extension workers and the farmers should also be given due importance in the exercise.

Revised Macro Management of Agriculture (MMA) Scheme

10.28 MMA scheme was launched in 2000-01 by integrating 27 CSSs for moving away from programmatic to a macro management mode of assistance. The scheme was revised in 2008 in the backdrop of launching two new initiatives, namely, the National Food Security Mission (NFSM) and the RKVY. 10 per cent of the expenditure under the MMA scheme is to be borne by the State government and allocation during the year 2009-10 was ` 1032.47 crore\textsuperscript{334}. The revised guidelines mention that “The State Government/implementing agency would have to ensure active participation of the PRI of all tiers in implementation of the Revised MMA Scheme\textsuperscript{335}”. The guidelines

\textsuperscript{332} Glendenberg et al, 2010 \textit{op. cit}

\textsuperscript{333} Ibid

\textsuperscript{334} Accessed from the website www.agricoop.nic.in.

\textsuperscript{335} GoI, Ministry of Agriculture, Department of Agriculture & Cooperation: Revised Macro Mode Arrangement Guidelines, July 2008, paragraph 4.22, page 12.
also mention that since the programme vitally concerns the people, the implementing machinery consisting of extension workers and research organization may plan and implement the programme under “direct supervision and control” of the PRIs.

10.29 However, in practice there has been token or no involvement of the PRIs under this scheme. All those policy statements in the guidelines were mere pious wishes in absence of any procedural details being in place, which gave freedom to the line department to undermine the role of Panchayats. Thus, the same story of intending for more active involvement of the Panchayats for better outcome of the programmes, has not been realized in practice. This is due to an infirmity in the guidelines not specifying the details on how “direct supervision and control” by the Panchayats will take place resulting in sub-optimal performance in agriculture production.

National Horticulture Mission (NHM)

10.30 The NHM was launched in the year 2005-06 to give a thrust on development of horticulture in the country. The revised operational guidelines of 2010 state that “At operational level, State governments will have freedom to nominate or create State Horticulture Mission (SHM), as a suitable autonomous agency to be registered under Societies Registration Act for implementing Mission programmes at State and district levels. Panchayati Raj Institutions (PRI) existing in the State will be fully involved, in implementation structure”. However, there is no mention as to how the PRIs will be ‘fully involved’. Further, the District Mission Committee will be responsible for carrying forward the objectives of the Mission for project formulation, implementation and monitoring. The DMC may be headed by the CEO of ZP/CEO of DRDA. The guidelines also mention that “District Planning Committee and PRI will be involved, depending on their expertise and available infrastructure”. The guidelines also speak of convergence with MGNREGS, Watershed Development, RKVY and preparation of Annual Action Plan.

10.31 Thus, responsibility for implementing the NHM has been assigned to a parallel body undermining the role of the PRIs. The PRIs are hardly involved in implementation of the NHM, though many of the activities under the programme naturally fall under their

336 Evidence by the officials from Department of Agriculture and Cooperation before the Committee
338 Ibid paragraph 4.9, page 12.
domain. This guideline also brings out one general point, not mentioned explicitly; that the departments expect the PRIs to first acquire capacity subsequent to which devolution should follow. However, the guidelines do not elaborate how capacity will be induced and how it will be judged whether the PRIs have acquired enough capacity to be devolved responsibilities under the NHM. The Committee understand that capacity is acquired in the process of discharging responsibilities and the same has not been even tried under the NHM. Convergence of NHM with other programmes through involvement of the PRIs as well as mobilizing people for the activities of the Mission, therefore, remain subdued due to not involving the PRIs. Effective involvement of PRIs could not only result in better implementation of the NHM but horticulture could have got a big boost through the MGNREGS, under which the activity may be taken up as an ‘Individually Benefiting Scheme’; because PRIs would have acquired more capacities by being involved with implementation of the NHM. The other possible implication is that the NHM is more likely to support only those farmers, who have higher capability but will not cover so well the poor farmers, who may own land not suitable for agriculture but perfectly fit for horticulture, because of their poor access to the current structure of NHM.

10.32 The Committee strongly recommend that the NHM authority may prepare a model Activity Map of functions, fund and functionaries in respect of all activities taken up under the Mission and directs the States to adopt those to their respective condition for giving more centrality to the PRIs and the Gram Sabha in development of horticulture in respective areas.

Risk Mitigation in Agriculture and Horticulture; Role of the PRIs:

10.33 The Approach Paper of the Twelfth Five Year Plan of the Planning Commission of India acknowledges the distress, particularly in the rainfed areas, which comprises 56 per cent of total cropped area and mentions that “the most visible aspects of this distress are farmer suicides on the one side and the rising tide of left wing extremism on the other”. The document also accepts that expansion of farm incomes is still the most potent weapon for reducing poverty. It is not growth of agriculture production at the desired rate of 4 per cent, as envisaged in the 12th Plan but also its inclusiveness and sustainability that can reduce the poverty in rural areas. That will not be achievable by mere transfer of technology or pumping in more funds. The Committee feel that

339 Planning Commission of India - Faster, Sustainable and More Inclusive Growth – An Approach to the Twelfth Five Year Plan (2010-17); page 74.
inclusive and sustainable growth in agriculture will require change in governance structure of agriculture programmes for effective involvement and ownership of the rural community, within a responsive and accountable local governance framework to be able to mitigate the risks apart from other steps for promotion of agriculture.

10.34 In the above context, all endeavours of government should be towards mitigating the risks that afflict agriculture, described in detail in the opening paragraphs of this Chapter. For that purpose governance of land, water and energy becomes very important, which not only calls for optimal and equitable use of these resources but so in a sustainable manner. Many of the activities towards sustainable and optimal use of the resources require local action within appropriate governance framework, where local people can have the ultimate say.

10.35 The Committee believe that PRIs could have a key role to play in de-risking agriculture, particularly as no compartmentalized approach of any individual governmental department can effectively intervene to mitigate all these risks. Some of the ways in which the PRIs could play a part is elaborated below in Table 10.2 and Table 10.3.

<table>
<thead>
<tr>
<th>Constraints</th>
<th>Current interventions</th>
<th>Shortcomings</th>
<th>Role that PRIs/Gram Sabha could play</th>
</tr>
</thead>
<tbody>
<tr>
<td>High cost of money</td>
<td>Banking and Coop credit network</td>
<td>Regulated, inflexible, only 50 per cent penetration, no formal credit flow into trading – therefore all trading is financed through high cost informal credit. Not competitive</td>
<td>Facilitate and provide support to SHGs and their self-financing institutions, which might provide some competition to moneylenders.</td>
</tr>
<tr>
<td>Lack of social security</td>
<td>Paltry pensions. PSU sponsored insurance schemes that scratch the surface</td>
<td>Low penetration of insurance – low coverage. High cost of delivery – lack of competition means poor service.</td>
<td>Demand aggregator for basic household information that facilitates more comprehensive insurance coverage</td>
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Table 10.2 Continued...

<table>
<thead>
<tr>
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<th>Current interventions</th>
<th>Shortcomings</th>
<th>Role that PRIs/Gram Sabha could play</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing inequities</td>
<td>Price Support operations - Marketing departments, Regulated Market Committees set up – Revolving funds.</td>
<td>Price support operations often knee-jerk type. Only demonstrative – rarely are funds available to carry out any meaningful price support operations, except in the case of the big two, rice and wheat. RMCs have become instruments of inequity. Tremendous information asymmetry, leading to exploitation.</td>
<td>Tie up with the Kisan Knowledge Centre initiative to proactively disseminate agricultural price information</td>
</tr>
<tr>
<td>Lack of infrastructure</td>
<td>Irrigation, Power departments, Roads, Storage, Supply chain infrastructure</td>
<td>Misplaced subsidies leading to inefficiencies and wastage – High cost of implementation. Priority only to Irrigation and power. Poor penetration of Roads, Storage and Supply chain infrastructure. Remunerative revenue models not developed in Storage and Supply chain infrastructure. Poor private sector participation.</td>
<td>Arrange for connectivity, better irrigation coverage, storage and marketing infrastructure using schemes like as PMGSY, MGNREGS, BRGF and their own funds.</td>
</tr>
<tr>
<td>Transfer of technology</td>
<td>Government research bodies – ICAR Agri universities</td>
<td>Research has plateaued in Govt. sector. Govt. research largely marginalised. Even if research is good, extension is poor. Private initiative has largely overtaken govt. research.</td>
<td>Provide leeway to tie up with private providers of technology, with adequate safeguards.</td>
</tr>
</tbody>
</table>

Table 10.2: Constraints, Current Interventions, Shortcomings, and Role that PRIs/Gram Sabha could play.
<table>
<thead>
<tr>
<th>Kind of risk faced</th>
<th>Role PRIs/Gram Sabha could play</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low spread of insurance mechanisms</td>
<td>PRIs could aggregate data on the basis of which insurance systems can work out risk profiles and operate insurance schemes. Micro-level data on weather can be collected by PRIs so that insurance providers can build risk profiles on a PRIs wise basis. The shift from crop insurance to insurance against bad weather, will critically depend on the collection and maintenance of such data, which the PRIs can do well</td>
</tr>
<tr>
<td>Input risk: Risks associated with purchase of spurious seed, fertilizer and pesticide.</td>
<td>PRIs could run awareness campaigns against spurious inputs, liaise with regulatory agencies to promptly report incidences of such supply and build evidence for prosecution of such suppliers. The Gram Sabha may be used to bring out such complaints for being taken up by the PRIs</td>
</tr>
<tr>
<td>Shortage of water: Irrigation risk</td>
<td>PRIs have a potentially big role to play in water conservation. In addition, the issue of water-power nexus is also an emerging area where PRIs could add value. This area of reform straddles both the power and the agricultural sector. There are interesting mechanisms of combined pricing of both power and water emerging at the GP level, which incentivise judicious use and conservation of both. For instance, if electricity companies were to provide subsidies for conservation of power rather than for power consumption, they could drive downstream water conservation – a GP could actually think that it makes more sense to spend money on watershed development and raise the water table, rather than on spending power to pump out water from increasing depths.</td>
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Table 10.3  Continued...

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<tr>
<th>Risks associated with agricultural operations:</th>
<th>PRIs, as they are principal authorities for planning and implementation of NREGA could set up labour banks of those preferring to work on NREGA works, so that their skills are upgraded and they can become more productive and earn more on non-NREGA works too. Agricultural operations also require technological input. While PRIs and Gram Sabha can facilitate technology dissemination, they must go beyond merely running government programmes. PRIs could seize the opportunity of private collaboration, which is a means of contracting in of capacity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural operations at the production stage include ploughing, raising seedbeds and transplantation. The seasonal unavailability of labour, especially in areas of intensive agricultural activity is a risk.</td>
<td></td>
</tr>
<tr>
<td>Post-harvest risks:</td>
<td>PRIs could provide storage space, including cold storage through private partnership. Revenue models that enable PRIs to operate these at no loss – no profit basis are available. The facilities may be developed through Panchayat private partnership. To improve marketing, PRIs could upgrade village level haats. These haats generate a lot of local business and need to be improved, with links to outside markets and to act as disseminators of information.</td>
</tr>
<tr>
<td>There are two main post harvest risks associated with agriculture, namely, storage risk and marketing risks.</td>
<td></td>
</tr>
</tbody>
</table>

B. LAND IMPROVEMENT, IMPLEMENTATION OF LAND REFORMS, LAND CONSOLIDATION AND SOIL CONSERVATION

10.36 There is only one CSS in this sector, which is the Integrated Watershed Management Programme (IWMP). The IWMP helps to treat the land within a watershed, resulting in better water and soil conservation and improved sustainability of such development. Watershed development has been mentioned in entry 3 of the 11th Schedule and the IWMP has been discussed under that entry at paras 10.47 to 10.50 below.
10.37 Land reform, though very vital for agriculture as well as well-being of the rural people, is difficult to be taken up through any CSS since it is not funds but strong ‘political will’, of the State which is essential for the same. In West Bengal the Panchayats have been entrusted with the power of recommending names of landless persons for being assigned with ceiling surplus vested land and resolving local land management issues and they played a significant role in implementation of land reforms in the State\textsuperscript{340}. All the programmes including the CSSs require land as an important resource and there are many local issues which need to be resolved for making land available for implementation of those programmes. Giving PRIs specific responsibilities related to management of land can help in improvement of management and use of land with greater involvement of the community.

10.38 Large quantum of land in India is not fit for any farming activity and, therefore, remains fallow. A sizable portion of such fallow land may be improved to make that fit for agriculture, fodder cultivation, horticulture or fishery. Most of the activities for land development including soil and water conservation for bringing such lands to productive use can be taken up under the MGNREGS for which fund is available with the Panchayats. PRIs need functionaries and support of experts for taking up land development activities, which will have huge impact on both farm sector production and augmentation of livelihood of the rural people.

C: **Minor Irrigation, Water Management and Watershed Development**

10.39 Improving water management is critical to growth of agriculture, particularly in the rainfed zone, having 55 per cent share of agriculture within the country\textsuperscript{341}. Optimal use of water even in irrigated areas needs to be highlighted. Irrigation is a vital input for agriculture and it is not only creation but use of the potential created that will determine the growth of agriculture. Performance in respect of creation and utilisation of irrigation facilities during the Eleventh Five Year Plan was not satisfactory. As per the draft 12\textsuperscript{th} Plan document “The original Eleventh Five Year Plan target for creating irrigation potential was 16 million ha. This was subsequently revised to 9.5 million ha, which has been achieved. However, utilisation out of the created potential is expected to be only 2.7 million ha. The

\textsuperscript{340} Bardhan and Mookherjee, 2004: *Poverty Alleviation Efforts of Panchayats in West Bengal*, February 28

\textsuperscript{341} Planning Commission of India: Final Report of Minor Irrigation and Watershed Management for the Twelfth Five Year Plan (2012-2017), page 3
ever increasing gap between created potential and its utilisation is an issue that is a Twelfth Plan priority.”

10.40 Much of the expansion of irrigation will be possible through minor irrigation, which is ideal to be handled by the PRIs because of smaller benefit area and little externalities. However, the Central programmes designed for expansion of minor irrigation and better management of water either hardly recognize any role of the PRIs or envisage a mere token role for them. Some of those programme, guidelines in the context of the current and possible role of the PRIs are briefly analyzed below.

THE ACCELERATED IRRIGATION BENEFIT PROGRAMME (AIBP)

10.41 The AIBP was launched during 1996-97 to give loan assistance to the States to help them complete some of the incomplete major/medium irrigation projects which were in an advanced stage of completion and create additional irrigation potential in the country. Grant component has been introduced in the programme from April, 2004 like other Central sector schemes. As per the existing AIBP criteria effective from December, 2006, grant amounts to 25 per cent of the project cost for major and medium irrigation projects in non-special category States and 90 per cent of the project cost for major/medium/minor irrigation projects in special category States (including undivided Koraput, Bolangir and Kalahandi districts of Odisha). The State governments have been provided an amount of ₹ 43,425.63 crore as CLA/Grant under AIBP since inception of this programme till 1.12.2010 for 283 major/medium irrigation projects and 11,655 surface minor irrigation schemes. Budgeted estimate for AIBP during the year 2011-12 was ₹ 12,650 crore. Total outlay under AIBP during the 11th Plan was ₹ 72,500 crore. As per the Modified Guidelines for the AIBP Effective from December 2006, there is no scope for involvement of the Panchayats.

10.42 The Working group on minor irrigation and watershed management established by the Planning Commission has estimated that during the 11th Plan a total of 6,488 MI schemes at an estimated cost of ₹ 9,798.80 crore have been taken till March 2011, of which 3,670 (57 per cent) have been completed, creating an additional potential of 5.976 lakh Ha against the target of 7.5 lakh Ha from surface (MI) schemes.

343 Modified Guidelines of AIBP available at wrmin.nic.in
The Working group has also recommended as a strategy for improving minor irrigation that the MI schemes be handed over to the PRIs. The report says “If a particular MI system is within the boundaries of a Gram Panchayat then that particular GP can take over the system. If its command area cuts across the boundaries of one or more GPs then either the PRI of the immediate next order can take over or can have the same institutional arrangements as suggested by the Common Guidelines for Watershed Development (2008). However, for its day-to-day management (water distribution, operation and maintenance, tariff collection and so on) the PRI should constitute a WUA345 within the legal framework of participatory irrigation management framework existing in a particular State. Here the difference would be that the WUA would be accountable to the PRI. If the command area is not manageable by one WUA or the command area cuts across more than one gram Panchayat then more than one WUA could be constituted346. The Committee fully endorse this view and also recommend that not only handing over of old schemes, planning and implementation of new MI schemes should also be the responsibilities of the PRIs.

10.43 Responsibilities of different tiers of Panchayats will be obviously different, which may again vary in different States. The Committee have undertaken an exercise to demonstrate how different activities under AIBP can be integrated with PRIs through a process of Activity Mapping. The model Activity Map may be found at the end of this Chapter. It is to be stressed that this is an illustrative exercise designed to show how an Activity Map of AIBP can be done practically. It is not definitive but illustrative, prepared in the hope that the Union Ministry of Water Resources will work on the proposed model with the view to incorporating the model AIBP Activity Map in its guidelines, but leaving it to States/UTs to adapt the model to their local contexts. The Committee reiterate that while uniformity of Activity Maps is not desired, could be counter-productive, it is important that State-specific Activity Maps are indispensable.

COMMAND AREA DEVELOPMENT (CAD) PROGRAMME

10.44 CAD programme was initiated in 1974-75 for providing financial assistance to State governments for development of adequate delivery system of irrigation water up to farmers’ fields and other support services for promoting irrigated agriculture.

345 Water User’s Association.
Towards Holistic Panchayat Raj

This involves construction of field channels, providing drainage where necessary, equitable distribution of water among farmers, land leveling and shaping etc. with an objective to enhance efficiency of water use and thereby to enhance production and productivity of crops. The programme was restructured and renamed as Command Area Development and Water Management (CADWM) Programme with effect from 1st April, 2004. Central Government provides 50 ₹ assistance for construction activities and 75 per cent assistance for training, demonstration, adoptive trials etc. and during the year 2010-11 an amount of ₹ 456.4 crore was released under the programme. The activities involve micro-planning for water distribution and use and maintenance of field channels etc. and are highly localized. Also, planning for water use requires intensive involvement of the farmers, which are taken up by Water Users’ Associations (WUAs) for promotion of Participatory Water Management (PIM). The guideline categorically asserts that the irrigation system can be better managed by the WUAs rather than the PRIs and believes that the involvement of PRIs can be ensured by their representation in the WUAs.

10.45 The view of the Committee is that, the arrangement mentioned above should have been the reverse. The PRIs can function as the overarching authority to ensure better management of both surface and ground water within its area and the WUAs should function as delivery arms of the PRI. That will lead to possible convergence of activities of various programmes of the PRI in the domain of water conservation and management, including taking up works under the MGNREGS. The cost norm for constructing field channel is not updated regularly, which is one of the reasons for delay in completion of projects. Involvement of PRIs could help bridging the shortfall by use of their untied fund. Such interventions by PRIs is quite common in activities which have been assigned on them and is quite natural since the responsibility of the PRI, as local government, is towards the entire citizen while the WUAs are strictly guided by the guidelines and have no responsibilities to other farmers, including those whose farm land may be denied water or otherwise affected by the operation of the command area. It has been also argued, to justify not involving the Panchayats, that the command area may cover more than one administrative area, but that can be easily be solved by making higher tier of Panchayat responsible for the task. In fact, if the PRIs are given the services of technical staff associated with CADWM, resources under MGNREGS could have been used much better for creating irrigation potential as well as better water management.

347 Accessed from the website wrmin.nic.in
10.46 The Committee prepared a model Activity Map for the CADWM also, which may be seen along with the model Activity Map of AIBP at the end of this Chapter. The Committee recommend that the Ministry of Water Resources work further on the model for incorporating the Panchayats specific responsibilities in the CADWM guidelines and advise the States to adapt the same as per their local contexts but after taking up similar exercise of Activity Mapping in respect of functions, fund and functionaries.

**INTEGRATED WATERSHED MANAGEMENT PROGRAMME (IWMP)**

10.47 The programme was launched during 2009-10 by modifying the erstwhile Drought Prone Areas Programme (DPAP), Desert Development Programme (DDP) and Integrated Wastelands Development Programme (IWDP) of the Department of Land Resources. It was being implemented initially as per Common Guidelines for Watershed Development Projects 2008, which has since been revised in the year 2011. The main objectives of the IWMP are to restore the ecological balance by harnessing, conserving and developing degraded natural resources such as soil, vegetative cover and water. The outcomes are prevention of soil erosion, regeneration of natural vegetation, rain water harvesting and recharging of ground water. This enables multi-cropping and the introduction of diverse agro-based activities, which help to provide sustainable livelihoods to the people residing in the watershed area. Total amount released under the programme during the year 2010-11 was ₹ 1496.83 crore.

10.48 The salient features of the organization structure of the IWMP include setting up of Dedicated Institutions with multi-disciplinary experts at State level - State Level Nodal Agency (SLNA), District level - Watershed Cell cum Data Centre (WCDC), Project level - Project Implementing Agency (PIA) and Village level - Watershed Committee (WC). The WCDC may be chaired by the Collector/CEO ZP and will oversee the implementation of watershed programme in each district and will have separate independent accounts for this purpose. It will be set up in DRDA/Zilla Parishad/District Level Implementing Agency/Department in all programme districts as per the convenience of the State governments. Thus involvement of the Zilla Parishad as the main agent for implementation of the programme is optional. The guidelines also say that, “WCDC will help the DPC in providing oversight and ensuring regular monitoring and evaluation of the programme. The District Panchayat/Zilla Parishad will have an important role of governance in matters relating to the co-ordination of various sectoral schemes with watershed development projects, review of progress,
settling disputes etc. However, the responsibility of the Zilla Parishads is not clearly defined and is rather vague. The PIA, as per the guidelines, may be any government department, Panchayat or any Voluntary Organization and the PIA will provide necessary technical guidance to the Gram Panchayat for preparation of development plans for the watershed through Participatory Rural Appraisal (PRA) exercise, undertake community organization and training for the village communities, supervise watershed development activities. Intermediate Panchayats have also been given “an important role in planning the watershed development projects at the intermediate level. They can also provide valuable support to PIAs and Gram Panchayats/ Watershed Committees in technical guidance with the help of their subject matter specialists.” Thus, there is confusion about the roles of village and intermediate Panchayats and the PIA (in cases where it is other than the Panchayat). Work at the grassroot level is the responsibility of the WCs, which will be formed by the Gram Sabha. As per the guidelines, the WC may either be a sub-committee of the GP or a registered society and at the same time the GP has to have one or more sub-committees to manage the watershed development project, which makes the accountability mechanism quite unclear.

10.49 Thus, there is lot of confusion about roles and responsibilities of various tiers of Panchayats and the PIAs, which are parallel bodies outside the Panchayats. Though the guidelines have attempted to provide some important roles to the PRIs but basic principles of Activity Mapping for giving specific and unambiguous responsibilities to each tier of government with clear accountability has not been followed. Such systemic weakness affects performance and output of the IWMP has been less than expected. The Working Group on Minor Irrigation and Watershed Management for 12th Plan of the Planning Commission has observed that during the 11th Plan 15.13 mHa land have been treated under IWMP against a target of treating 22.65 mHa lands, which works out to be an achievement of 67 per cent. Diffused governance structure is one of the reasons for such lower achievement.

10.50 PIA has also been given the responsibility to set up institutional arrangements for post-project operation and maintenance and further development of the assets created. The 11th Schedule of the Constitution recommends putting this responsibility

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349 ibid.
on the GP, yet the guidelines propose creating alternative local institution. It is the experience worldwide that local institution created through a project is difficult to sustain when the project is over. Such arrangement in which assets will be created by the PIA, which is a parallel body and the assets will be maintained by the Panchayats is bound to be weak and non-functional. The Committee are of the strong opinion that asset creation and responsibility of maintenance should rest on the same body, in this case the Panchayats and different responsibilities of creation of assets and its maintenance should be devolved on PRIs based on Activity Mapping. The guidelines are to be appropriately amended in conformity with a model Activity Map to be prepared by the Department of Land Resources and the States should have the liberty to adapt the same based on Activity Map which suits their respective local context.

**D: ANIMAL HUSBANDRY, DAIRYING AND POULTRY**

10.51 Livestock alone contributes 25 per cent of gross value added in the agriculture sector and provides self-employment to about 21 million people. Rapid growth of this sector can be even more egalitarian and inclusive than growth of the crop sector because those engaged in it are mainly small holders and the landless. However, there are no major CSS as compared to those in the agriculture sector and so no discussion on CSS is made in this section. In any case, the rationale for devolution in these sectors is quite similar to what has been mentioned in paragraph 10.11. Investment out of Central budget in these sectors should be in conformity with the principles for devolution based on Activity Mapping discussed in Chapters II and III and the policy of the Central Government should encourage the State governments to devolve more responsibilities of delivering various services related to these sectors to the PRIs. That will not only promote growth in these sectors but also will ensure the much desired convergence of this sector with other activities related to rural livelihood and economic development. Such convergence is particularly important in using MGNREGS fund for better cultivation of fodder and fishery through creation of more water bodies, as recommended in the draft 12th Plan document. Fish production can be enhanced 2 to 4 times in rainfed water bodies, whether irrigation reservoirs, natural wetlands or ponds and tanks created by watershed development or MGNREGS. The Committee

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are of the view that more assignment of responsibilities to the PRIs in these sectors has the potential of enhancing growth with equity in rural areas.

E: Social Forestry and Farm Forestry

Fuel and Fodder

10.52 There is no important CSS specifically for those subjects. However, social forestry is being taken up under different CSSs by the Panchayats from the early 80s when National Rural Employment Programme (NREP) was launched. In fact, all employment related CSS, which were taken up from time to time after NREP as well as the present MGNREGS have allowed taking up social forestry as an important activity. There is hardly any other programme of the Central and the State Government in this sector. With introduction of the MGNREGS and given the large amount of funds involved, the quantum of works has increased substantially. However, there is little technical support available to the Panchayats for taking up social forestry work from the officials of the State government. Panchayats need technical support and monitoring for raising quality plantation and using the produce for not only meeting the demand of fuel wood and fodder, but also meeting part of their energy needs through decentralized power generation units, particularly in remote areas. Devolution of functionaries to Panchayats for taking up social forestry under MGNREGS, through which both functions and fund has been made available, will be extremely beneficial for meeting energy demand of the country as well as in improving water and soil conservation and arresting and reversing environmental degradation. Raising plantation on individual land (which are degraded and not fit for cropping) under MGNREGS can help augmenting income of farmers. Since such support is required at the village level it is possible to raise local youths and train them as para-professionals for providing technical support to Village Panchayats on contract basis.

F: Small Scale Industries, Including Food Processing Industries

Khadi, Village and Cottage Industries

10.53 There are not many important CSSs in these sectors also. Two CSSs, one under each entry mentioned above namely, National Mission on Food Processing (NMFP) and the Prime Minister Employment Guarantee Programme (PMEGP) are discussed below.
None of these schemes, however, has any particular role to be played by the PRIs, as per guidelines of those schemes.

**Food Processing Industries**

10.54 The Ministry of Food Processing Industries has launched the NMFP during the 12th Plan. Objectives of the NMFP includes among others supporting established self-help groups working in food processing sector and to upgrade skill through institutional training to ensure sustainable employment. The States will decide whether to implement the NMFP schemes through State or district level bodies and will have the freedom to nominate, or create a suitable autonomous agency to be registered under the Societies Registration Act. The guidelines also mentions that the Panchayati Raj Institutions existing in the State may be involved in the implementation structure, without mentioning the specific activities which may be taken up by the Panchayats and related procedural details.

10.55 The experience is that when the guidelines are so loose the Panchayats remain side-lined and they are hardly allowed to perform any specific role which can be taken as an independent activity, output of which can be measured and accountability can be clearly established. The Committee recommend that the PRIs be given specific responsibility after taking up an exercise of Activity Mapping of the tasks to be performed under the programme.

**Prime Minister’s Employment Generation Programme (PMEGP)**

10.56 The PMEGP was launched by merging the two schemes that were in operation till 31.03.2008, namely Prime Minister’s Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. This is a Central sector scheme administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME). The bank sanctions 90 per cent of the project cost in case of general category of beneficiary/institution and 95 per cent in case of special category of the beneficiary/institution, and disburse full amount suitably for setting up of the project. Bank credit amounts to 60 to 75 per cent of the project cost and the remaining 15-35 per cent is the subsidy of the government. Around 45 per cent of the budget of the Ministry of Micro, Small and Medium Enterprises of

354 Scheme guidelines received from the Ministry of Food Processing Industries.
the GoI is spent on the scheme PMEGP\textsuperscript{355}. The Scheme is implemented by Khadi and Village Industries Commission (KVIC) through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. Beneficiaries may be identified by many agencies including the PRIs. Selection of beneficiaries under the scheme is done by a district level Task Force headed by the District Magistrate/Collector/Deputy Commissioner. However, the guidelines also mention that “the selection process should be through a transparent, objective and fair process and Panchayati Raj Institutions should be involved in the process of selection (Para 11 (i)(b) of the guidelines refers)\textsuperscript{356}”.

10.57 It is not clear at all how the Panchayats will be involved, who are not even represented in the Task Force. In any case, there is no activity assigned to the PRIs, which may be taken up independently for establishing enterprises under the PMEGP. The Committee recommend that there is a need for taking up an Activity Mapping exercise of the programme to clearly assign responsibilities on the three-tier Panchayats without any diffusion of responsibilities. The PRIs may be of help in establishing enterprises by reducing the entry point barriers, faced particularly by entrepreneurs from poorer section, by constructing small industrial/commercial estates and allowing them to set up units at lower than market rates. The Committee recommend that the PRIs should be incentivized for taking such venture.

**F: Modification of guidelines of CSSs in the Farm and Allied sector**

10.58 The above analysis of the guidelines of the CSSs related to the sectors mentioned above reveal the following general features:-

i. Almost all the guidelines recognize the role of Panchayats in planning and implementation of the schemes and recommend their involvement. However, the nature of desired involvement varies widely as indicated in terms like ‘full involvement’; ‘involved where feasible’; ‘will be involved depending on their expertise and available infrastructure’ and no involvement at all. There are also programmes where responsibility to ‘ensure active involvement’ of the PRIs has been given to the

\textsuperscript{355} Evidence before the Committee by the officers of the MoMSME. It was also mentioned that around 21 per cent of the enterprises set up were agro-fruit based and another 5.7 per cent were forest based, which makes linkage of this programme with primary sector of the rural economy quite strong.

\textsuperscript{356} Guidelines of PMEGP (page 5) available at msme.gov.in
agency implementing the programme, which makes the Panchayat, a constitutional body, an agent of a parallel body which has no accountability to the people. The Committee recommend that all functions of the parallel bodies created under various programmes be transferred to the relevant tier of the PRIs. In case there is an operational need to have a separate body of users etc. at the village level, it should have an organic linkage with the Village Panchayat to ensure accountability of that body to the Gram Sabha through the Village Panchayat.

ii. The guidelines do not clearly define the exact nature of involvement of the PRIs, which will make the Panchayats own certain activities under the programme and remain accountable to the people for delivery of related outputs. In general, the nature and extent of involvement is discretionary, without any systemic arrangement for giving ownership of development to the elected Panchayat as local government and ensuring through guidelines that various agents with technical expertise become available for providing services to the PRIs. That would require assigning specific responsibilities to each tier of Panchayat, which can be carried out independently and also specifying the procedures for integrating all activities related to the programme so that there is no confusion or concurrent jurisdiction or operational difficulty in functioning by any institution. In absence of activity based clear guidelines, the States take the easier option of bypassing the Panchayats. The only exception, in some cases, is assigning responsibility of identifying beneficiaries or area to the Gram Sabha/Panchayat. However, that requires to be integrated with pre-identification and post-identification activities, which are not always well defined. Unless those are clearly defined there could be more friction on those issues and blaming each other for any failure. Thus the desire to involve Panchayats for greater people’s participation becomes mere rhetoric and at best what is practised, that too in States with strong Panchayat system, is consultation with the Panchayats where it suits the implementing agencies.

iii. An attempt has been made in most guidelines, to form district level parallel structure with a committee to overview planning and implementation.
ZPs have been involved in many cases by including one of their officials to be a member of the committee. Many departments have presumed such arrangement to be enough to ensure involvement of the PRIs. Such an arrangement is clearly not a substitute of institutional linkage with the Panchayats, without which there is no ownership and accountability. The arrangement should, therefore, be the other way round in which the Panchayats, as the local government, own and implement the schemes and the experts become members of appropriate committees of the Panchayat for providing necessary support.

iv. In almost every programme preparation of a District Plan has been desired along with its integration with related activities in the district. Article 243ZD of the Constitution has created District Planning Committees, which are to consolidate plans prepared by the Panchayats and the Municipalities in the district and prepare a draft development plan for the district as a whole. This is a mandatory provision. The Programme/Mission guidelines do not provide for a linkage with this planning process involving the District Planning Committee, envisaged under the Constitution. This system also creates problem for convergence, which would have been a systemic output, if the Panchayats were to own planning and implementation of the programmes.

v. The Committee recommend that the responsibilities of the different tiers of PRIs, State and Central government should be decided by carrying out Activity Mapping under each subject/CSS by the department concerned. This exercise should be carried out for devolving appropriately all the three Fs, namely function, fund and functionaries. The Committee have developed Activity Mapping for functions, funds and functionaries for three of the schemes mentioned in this Chapter, namely RKVY, AIBP and CADWM. These are not meant to be models that need to be followed precisely, but will help in illustrating the exercise that needs to be carried out by the Central government and State governments to suit the need at respective States. As already mentioned, the model Activity Maps of RKVY, AIBP and CADWM have been placed at the end of this Chapter. Desired role of the District Planning Committee has also been shown in the functional Activity Maps mentioned before.
G: RECOMMENDATIONS

10.59 The analyses above speak volume about the deficiencies in designing the CSS in terms of giving specific responsibilities to the PRIs for implementation of those programmes. The ambiguity in the guidelines about roles of the PRIs, lack of procedural details of how those will be carried out and unspecified interface with other agencies/higher tiers of government in discharging their responsibilities makes it difficult for them to play their due role, which is very vital for strengthening the rural economy, in implementing the CSSs. Those difficulties are to be removed for resulting in better outcome of those programmes. Recommendations of the Committee in this regards are the following:-

i. There is need for clearly defining the activities which are to be performed by each tier of Panchayat to give each Panchayat specific and unambiguous mandate along with resources in implementation of the CSS. Activity Mapping of all the CSS should, therefore, be carried out by the Ministry concerned. In fact, Activity Mapping ought to be a precondition to launching any CSS. Help of the MoPR may be taken in this regard, if necessary. In terms of functions, activities associated with setting standards and other policy issues, monitoring coverage and quality of output against standard set and outcome and those activities covering jurisdiction of more than one district, which cannot be split district-wise, should remain with the State government. All other activities should be devolved to appropriate levels of Panchayats. Once the exercise mentioned above is carried out, fund allocation for State and different tiers of Panchayats within a State can be worked out for prior information to all concerned before planning starts every year.

ii. Based on the exercise mentioned above, the CSS guidelines are to be suitably amended. All ambiguity and options for not involving the Panchayats are to be removed from the guidelines. There should not be any parallel structure and the Ministry concerned may guard against unintentionally giving scope for setting up any structure against the letter and spirit of the 73rd Amendment. Existing staff of those structures should be placed with the appropriate tiers of Panchayat.
In case of Mission Mode Project like the NHM, the technical group working at district level should become a working group of the Zilla Parishads concerned. While there may be adequate freedom for them for their day-to-day work but they will work under the umbrella of the Zilla Parishads. All user association etc. at the village level, where need to be formed, should report to the Gram Sabha and will function under the general supervision of the GPs.

iii. Each CSS should have a component for capacity building of the functionaries of the Panchayats, particularly the chairpersons of the Panchayat and the Chairperson of the Standing Committees concerned, wherever those Committees are formed. Where such Committees do not exist the States should be encouraged to constitute appropriate Committees to deal with subjects mentioned in Schedule 11. The subject matter specialists working at district and sub-district level should be associated with the Standing Committee concerned and all of them including the State level experts should be orientated to understand the Panchayati Raj Institutions properly and to develop attitude to work with them for providing professional support.

iv. Each programme should be monitored Panchayat-wise. The Zilla Parishads should be involved in regular monitoring of implementation of the CSS by the State level officials. In fact, such monitoring should be made in presence of elected Zilla Parishads functionaries and professionals head working at the Zilla Parishads level. In order to have more effective involvement of the Panchayats, the Management Information System (MIS) of all the CSS should be so designed that important outputs and outcomes are worked out for as much disaggregated level (district, intermediate and village) as possible. Ideally such information should be available Village Panchayat-wise. For easy access to the Panchayats as well as ordinary people all such disaggregated data must be available in the web.

v. Planning guidelines under all the CSSs are to be modified to be in line with the Constitutional provisions related to functioning of the DPC for
formulation of the draft District Plan. Allocation under each CSS should be communicated to each tier of Panchayat well in advance as well as to be made available in the web for avoiding any communication gap, for preparation of their draft plans.

vi. Fund for CSS should be placed with respective tier of Panchayat directly from the State within a week (five working days) of receiving such fund. In case there is conditionality of spending a threshold level of expenditure for being eligible to receive the next installment, the same condition should be applied to each Panchayat and not in aggregated manner for the entire district.

vii. Panchayat establishments need to be strengthened for implementing the CSS. It is not enough to pay them a small percentage (generally up to 6 per cent) for engaging personnel on contract. That neither attracts qualified people nor is it sufficient to institutionalize the role of Panchayats in local service delivery. The States should be incentivized to create permanent posts within the Panchayats or depute employees, for whom the salary should be disbursed by the Panchayat, and in that case the amount of administrative charges may be hiked to 10 per cent to be distributed among different Panchayats depending on their salary burden. The Panchayats should be allowed to pull all these amounts to engage regular employees and States should be assured by the Central Ministries to continue to provide the support for at least next ten years.

viii. Given the current status of extension services in the farm sector, there has to be extension workers at the lowest tier of the Panchayat, where engagement of such a worker is economic. Depending on the size of the GP, one such worker needs to be engaged either by the GP or by the Intermediate Panchayat, and preferably people living within the jurisdiction of the Panchayat concerned should be engaged, subject to availability of person with desired qualification. The worker should be well trained in various aspects to act as the interface between the farmer and subject matter specialists at higher levels. Depending on the predominant farm sector activity in the district, major field of expertise of the proposed extension worker may be decided by the ZP.
ix. The role of the Gram Sabha should be clearly prescribed in all the programmes, wherever the same is relevant. This will be very important in all farm sector activities, in which there is a stake involved by majority of the rural people. At present the Gram Sabha is mostly used to disseminate what the Panchayats have done or they propose to do in terms of various supply-driven and agency-based programmes. Only the beneficiaries of those programmes get interested to attend the Gram Sabha. However, most of them generally have little voice and can hardly demand and discuss issues leading to declining interests to attend such meetings. The rural people have little scope to discuss their own problems of economic development, which are not concerned with any programme or current agency function of the Panchayats in the Gram Sabha. Deliberations on demand-based farm sector issues in presence of extension workers or para-professionals, who have been proposed to mediate extension services, will make the Gram Sabha vibrant. In fact, there can be special Gram Sabha for farmers/other interest groups like those interested in setting up enterprises in presence of extension workers concerned. That will make the accountability framework to function effectively and will help to bridge the gap between aspiration of the people and delivery of services related to rural economic development by the PRIs and the higher tier of government.
CHAPTER XI

RURAL INFRASTRUCTURE AND THE PRIS

Eleventh Schedule of the Constitution:

1. Rural housing.
2. Drinking water.
3. Roads, culverts, bridges, ferries, waterways and other means of communication.
4. Rural electrification, including distribution of electricity.
5. Non-conventional energy sources.
7. Health and sanitation, including hospitals, primary health centres and dispensaries.
8. Maintenance of community assets.

INTRODUCTION

11.1 Infrastructure is essential for production and distribution of goods and services as well as for carrying on day-to-day activities by the people. Level of infrastructure development is a key determinant of the economy and quality of life. The economy and productivity of a country is related to the adequacy and efficiency of its infrastructure, given that one per cent growth in infrastructure stock per capita leads to a one per cent increase in the GDP per capita across all countries, as per the World Bank. Economic and social development of the rural people likewise critically

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depends on rural infrastructure. Better infrastructure leads to more efficient delivery of services and more investment in rural infrastructure augments well-being of rural people including the poor. In fact, public infrastructure plays a critical role for the poorer section of the society and helps them to come out of poverty. The Planning Commission has analysed the incidence of poverty in various States and found that poverty is very closely linked to social infrastructure. Therefore, poverty alleviation is critically linked to appropriate investment in rural infrastructure and providing access to public utilities like drinking water, electricity and access to opportunities outside the local area through roads, water ways etc. Rural areas pose more problems in developing infrastructures for public use because small population located in faraway places do not attract private investment. Also, low level of income of the rural people will not permit supply of private infrastructure, which people may not be able to afford. So, there is a strong need for more public investment to provide universal access on a normative basis to certain basic infrastructures and at the same time to ensure universal access to related services so that people actually enjoy the services irrespective of their social or economic status. Efficient use and maintenance of infrastructure depends on the role of local people (users) and how they are associated with creation and maintenance of the infrastructure. PRIs, being the local government, play an important role in that respect in planning, implementation and operation of the rural infrastructure for ensuring availability and access to infrastructure services. Importance of the PRIs in creation and management of rural infrastructure is reflected in the entries of the 11th Schedule of the Constitution, which recommends assigning quite a few subjects on basic infrastructure to the PRIs.

11.2 This Chapter deals with only those infrastructures in rural areas for which the PRIs can play an important role as envisaged by the Constitution through entries in the 11th Schedule, which are mentioned above. Those include public utilities like water, electric supply and public works like roads, community assets. It also includes rural housing. Though houses are individually owned, government also has a critical

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359 Planning Commission: Eleventh Five Year Plan, Volume III, paragraph 6.3, page 129; accessed through www.planningcommission.nic.in/plans. Association of Head Count Ratio of poverty has been checked with the Index of Infrastructure developed by the 11th Finance Commission. States with high infrastructure index had lower poverty.

role in developing necessary housing stock in the country. Health services and related infrastructure has been included in entry 23 of the 11th Schedule of the Constitution and, therefore, health related infrastructure has been discussed in Chapter XII, which deals with Health and Family Welfare. Only sanitation infrastructure, which is a public utility as well as a privately owned infrastructure, in that entry is discussed here. Sanitation is intimately connected with water supply and both are handled by the Ministry of Drinking Water and Sanitation (MoDWS). Therefore, both water and sanitation have been taken up together for discussion.

11.3 Development of rural infrastructure in India is mostly driven by public investment through various CSSs. For providing a sense of urgency in building up rural infrastructure in the country GoI launched the ‘Bharat Nirman’ programme in the year 2005 with a projected estimate of ₹ 1,74,000 crore. Certain physical targets were fixed for each of the six types of basic infrastructure of which four, namely rural housing, drinking water supply, rural electrification and rural roads are relevant for this Chapter. Targets were to be achieved in the four years coinciding with last two years of the 11th Plan and the first two years of the 12th Plan.

11.4 However, higher outlays have not always been accompanied by higher outputs in spite of being given high priority. Sub-optimal outputs may be associated with the structure of the programmes, particularly with respect to involvement of the local people through the PRIs. The system of delivery of the relevant CSSs, as explained in respective scheme guidelines are analysed below for understanding if scope exists for improving implementation of these CSSs through leveraging the PRIs.

**A: Rural Housing (Entry 11 of the 11 Schedule of the Constitution)**

11.5 Shelter is an essential requirement for living with dignity. It is well recognized that improvement and expansion of rural housing stock leads to improved labour productivity and better health outcomes. Yet, many rural households in India are shelterless and do not have their own homestead land. Also, houses owned by large number of households provide neither enough space for healthy living nor are well built to provide security. As per 2011 Census, 11.9 per cent of rural housing stock in India were having walls with grass/thatch/bamboo and another 30.5 per cent had

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361 Planning Commission: Eleventh Five Year Plan, Volume III, paragraph 6.6, page 130
walls made of mud or unburnt brick. The Census also reveals that 4.3 per cent of the households had no exclusive rooms and another 39.4 per cent lived in one room. Also, another 37.9 per cent households had no kitchen.

11.6 Government intervention in improving rural housing stock has been an important component of poverty alleviation strategy for a long period. In pursuance of that, the Indira Awaas Yojana (IAY), programme for rural housing of the country is under implementation as an independent CSS since 1996. The IAY is being implemented by the Ministry of Rural Development (MoRD) with the help of the State Government and the Panchayats. The scheme provides grants to rural BPL families for construction/upgradation of dwelling units\textsuperscript{363}. The cost is shared between the Centre and the States on a 75:25 basis (90:10 for Sikkim and North-Eastern States). As per the guidelines of the IAY, at least 60 per cent of funds and physical targets are reserved for SC/ST families and there is also reservation for BPL minorities and the physically and mentally challenged persons. The scale of assistance has been regularly increased and the same has been proposed to be ₹ 75,000/ in plain areas from 1\textsuperscript{st} April 2013. Central assistance under IAY is decided by the MoRD based on 75 per cent weightage on housing shortage as per Census and 25 per cent weightage on SC/ST population. Physical target is worked out accordingly and same policy is used for fixing targets for district, block and Gram Panchayat. Target for each Gram Panchayat will be fixed by the District Panchayat/DRDA. Households to be provided with assistance under IAY are identified by the GP for which each Gram Panchayat prepares two lists of shelterless BPL families, one for SC/ST and the other for non-SC/ST families and their seniority in the list is based on rank in the BPL list. Those lists are the Permanent Wait Lists of IAY from which beneficiaries are selected every year, as per seniority in the list, based on target. The list is to be ultimately vetted by the Gram Sabha, which makes the list final with no need for any other approval. The scheme also allows for providing house-sites and bank loans up to ₹ 20,000/ at 4 per cent rate of interest from banks. The beneficiaries are to construct their own houses with assistance under the IAY for which funds are disbursed to them in several instalments by the Gram Panchayat. Annual target under the scheme during the year 2012-13 was to construct 30,16,597 houses and the central allocation was ₹ 10,536.48 crore\textsuperscript{364}. Achievement of construction of houses under IAY is generally close to target.

11.7 The IAY guideline provides specific responsibilities on the Gram Panchayat but the responsibility of the District Panchayat depends on the State concerned since

\textsuperscript{363} GoI, MORD, 2010: Indira Awaas Yojana Guidelines (updated up to 30\textsuperscript{th} May, 2010).

\textsuperscript{364} Accessed from the website of the MoRD rural.nic.in
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The DRDA has been permitted to function as the district level authority. Shylendra and Rajput have found in one study conducted across eight major States, that the Gram Panchayat plays a proactive role in implementation of the programme. The Gram Sabha has been found by the study to change the priority in the list of beneficiaries for correcting genuine mistakes but there are also cases of bias. The roles played by different tiers of Panchayats vary across States and is conditioned not only by the guidelines but also by the nature of Panchayats and the local context in the State. They have concluded that “the PRIs’ involvement is being approached more in an instrumental than in an integrated manner”. In fact, such agency function, assigned to the PRIs as per the structure of the scheme, does not help to visualize the problem of housing in a holistic manner and the only target remains to spend the amount transferred to the Panchayat, unless they are well sensitized on these issues, which is hardly done. There are many serious issues like non-availability of homestead land, transfer of technology for construction of houses by the poor people and development of skill among local workers as well as to consider housing as an integral component of habitat development and providing minimum living condition to each household. The gap in housing shortage in rural areas is also quite large with low rate of declining in the gap. The Working Group on Rural Housing of the Planning Commission has estimated housing shortage for the 12th Plan as 43.67 million compared to a shortage of 47.43 million during the previous Plan. The Working Group has also recommended the need for improving quality of the houses, micro-planning for habitat development by the PRIs and convergence with other schemes related to different component of a habitat.

11.8 The PRIs, particularly the Gram Panchayat, has to play a much more important role than to identify beneficiaries, occasionally identify land for construction and to be the conduit for transferring money to selected beneficiaries for constructing their houses. Houses have traditionally been constructed in rural areas without any plan. Individuals improve their houses with or without government assistance without any considerations of the habitat for healthy living of all the villagers. Issues like water supply, electric connection, access to roads and drainage are left to individual and sometimes unorganized group efforts. Lack of any organized effort to improve the habitat has unwelcome consequences such as 63.2 per cent of rural houses in India do not have any

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366 The Working group on Rural Housing for the 12th Plan has estimated that 7.7 million households in India do not have a house due to not having a house-site.

*ibid.* Page 8.
drainage and another 31 per cent have open drainage\textsuperscript{367}. The Gram Panchayat, as the local government has to plan the habitat for providing for common civic facilities like access roads and drainage and convergence of services like water supply, electricity with optimum cost for the community as a whole and to regulate the construction through approval of the building plan. Unlike in urban areas, premises in villages are not generally not clearly demarcated with associated individual legal rights. Planned habitation along with clear ownership record will help private investment in rural housing and will also help the Gram Panchayats to mobilize more property tax\textsuperscript{368}. The IAY does not promote rural housing in an integrated manner. In order for the PRIs to play their role as a local government for planned development of rural housing to improve the quality of life of the rural community, the IAY has to be restructured without undermining the need for providing grants to BPL families for constructing their houses. The proposed restructuring is to help the GPs own the responsibility of proper habitat development along with housing as their domain of responsibility and not merely implement IAY as an agent of the GoI. However, that will also require developing capacities within the PRIs; at Gram Panchayat level for implementation and at higher levels for playing supporting role and a strong system of facilitation and oversight from the State Government. There should be adequate professionals at least at Intermediate Panchayat level and dedicated at Gram Panchayat /cluster of Gram Panchayat level for supporting planned development in rural housing for APL and BPL families. Capacity of PRIs may be enhanced to go in collaboration with private partners/NGOs for transfer of technology for improving housing stock of both BPL and APL families. To appreciate housing stock at each Gram Panchayat the available Census 2011 may be disaggregated for Gram Panchayat level and based on the finding Gram Panchayat-specific perspective plans may be developed which may be supported under IAY and the process of preparing and implementing such plans may be facilitated by the State and Central Governments.

**B: Drinking Water (Entry 10 of the 11 Schedule of the Constitution)**

Sanitation (One of the items of entry 23 of the 11th Schedule of the Constitution)

Access to Safe Drinking Water and Related CSS

11.9 In 2011, only 30.8 per cent of rural households in India had access to piped water, and the same showed a very little increase from the corresponding figure of 24.3

\textsuperscript{367} Census 2011.

\textsuperscript{368} Vide S, 2011 Op Cit.
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As shown in the bar graph here (which also shows the change of access to sanitation, to be discussed later), however, as per the 2011 Census, around one-third of tap water in rural India was untreated, which clearly conveys the quality concern. The situation was not good from the point of view of physical access. As per Census 2011, 22.1 per cent of households had water sources away from their premise, 42.9 per cent had the source near the premises and remaining 35.0 per cent had the source within the premises. The corresponding figures for the 2001 Census were 19.5, 51.8 and 28.7 per cent, respectively, implying worsening of access for the poorer section of the society, who fetches water from sources away from home. There are several other issues related to providing safe drinking water, which is so essential for healthy living and maintaining good quality of life, to the rural households. Key issues include: (i) Reliability of Services: Many rural habitations have declining service standards and coverage, slipping to ‘partially covered’ status, mainly due to sources going dry, or systems working below capacity due to poor operations and maintenance (O&M); (ii) Environmental Sustainability of Services: Depleting groundwater table and deteriorating water quality are threats to source sustainability; (iii) Affordability of Services: Inadequate O&M results in partially functioning or defunct schemes, so that rural communities have to bear huge coping costs and revert to traditional water sources that are often unsafe; (iv) Financial Sustainability of Services: Rural schemes continue to survive on large operating subsidies provided by GoI and the States, mainly due to lack of ownership of the community and consequential low cost recovery.

369 Census 2011.
through user charges. It is the poorer section which suffers the most due to lack of access to safe drinking water.

11.10 Considering the importance of rural water supply, which is the responsibility of the State under the Constitution, the GoI has been supporting the States through the Accelerated Rural Water Supply Programme (ARWSP), as a CSS from the year 1972-73. There was a change in strategy by the GoI to address these issues and the National Rural Drinking Water Programme (NRDWP) was launched in the year 2009-10 in modification of the ARWSP. The NRDWP presents a roadmap that places the sector into a new trajectory based on the new organizing principle of universal water security. The implementation framework also makes a significant departure from national water supply norms enabling States and communities to determine what standards they want to aspire and to develop comprehensive water security plans at village, district and State levels. This affords greater flexibility to States and districts to respond to their local situations—a mark of devolution as well as an opportunity to address rural water provision in a manner with potential long-term benefits in terms of sustainability and effectiveness of public investments. The new approach mentioned more of village level drinking water security and envisaged role for the PRIs in operation and maintenance of the existing facilities. A Framework for implementation of the programme was issued in the year 2010, which provided that “The fundamental basis on which drinking water security can be ensured is the decentralized approach through PRIs and community involvement370. The States were also incentivised to hand over the existing schemes to the PRIs.

11.11 Central outlay during the 11th Plan under NRDWP was ₹ 39,300 crore, against which the anticipated expenditure is Rs 39,211 crore. The States were also expected to spend ₹ 49,000 crore during the same period. However, output has not been commensurate with outlay and out of a target of covering 7,98,967 habitations actual coverage has been 6,65,034371. Apart from inadequate coverage, quality of service delivery continues to be an area of concern. The Working Group on Rural Domestic Water and Sanitation for the 12th Plan constituted by the Planning Commission observed that “Issues like slippage from fully covered to partially covered due to depleting groundwater sources, contamination of sources, poor Operation and Maintenance, lack of adequate involvement by the community or Panchayats continue to dog the

370 Framework for Implementation of the NRDWP, page 6, accessed from www.ddws.gov.in
371 Planning Commission of India: Draft 12th Five Year Plan, paragraph 17.49, page 300.
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system, leading to poor service delivery\textsuperscript{372}. The report also says that “achievement measured by habitations where the population is fully covered with adequate (40lpcd) and safe drinking water, as per information entered by States on the online monitoring system of the Ministry, is about 72 per cent of total rural habitations. The rest are either partially covered or have drinking water sources contaminated with chemical contamination”\textsuperscript{373}. The approach taken for involving the PRIs, in many cases was to merely transfer the existing schemes for operation and maintenance (O & M), many of which became a liability in absence of adequate maintenance caused by lack of transfer of required fund and manpower. Panchayats sometimes even refused to take over those schemes because of faulty devolution of not transferring fund and functionaries along with function. The problem was reflected in the Approach Paper for the 12\textsuperscript{th} Plan which mentions that “Drinking water supply schemes have also suffered from poor upkeep. Responsibility for operation and maintenance of water supply schemes lies with the PRIs but in many States this responsibility is poorly defined and not supported by transfer of adequate funds and trained manpower to the PRIs. PRIs and Village Water and Sanitation Committees (VWSCs) are not willing to take over completed schemes in which they were not involved at the planning and implementation stages\textsuperscript{374}”. If PRIs are to be involved in providing drinking water they should be involved right from planning and then subsequent implementation and there should be adequate transfer of fund and functionaries along with building their capacities for being able to discharge their responsibilities. Also, technology chosen should make planning and management possible at levels as close to the users as possible in a given circumstance and to follow this as a principle of subsidiarity of technology choice.

11.12 The MoDWS has prepared its long-term strategic plan (2011-2022) for ensuring drinking water security to all rural households, aiming to cover 90 per cent of households with piped water by the year 2022\textsuperscript{375}. The strategy emphasizes achieving water security through decentralized governance with oversight and regulation, participatory planning, and implementation of improved sources and schemes. Keeping the strategy in mind, the NRDWP emphasizes the involvement of PRIs and communities in planning,

\textsuperscript{372} Planning Commission of India: Final Report of the Working Group on Domestic Water and Sanitation, Executive Summary, page 3; accessed from www.mdws.gov.in
\textsuperscript{373} ibid.
\textsuperscript{374} Planning Commission: Approach Paper for the 12\textsuperscript{th} Plan, paragraph 6.25, page 63.
implementing and managing drinking water supply schemes, along with providing support to capacity building programme. Sustainable service delivery mechanisms are a central feature of the programme, with the intention that State institutions and/or District Panchayat will implement and manage large multi-village schemes, delivering bulk water to villages in water stressed areas, and Gram Panchayat will implement and manage the intra-village schemes. The strategy highlights source sustainability measures, water quality safety, monitoring and surveillance, convergence of different development programme, and building professional capacity at all levels.

11.13 The strategy of involving the PRIs for ensuring drinking water security to all households in rural areas is commendable. However, the same will bear fruit not merely by involving the PRIs but assigning to them the central role in reaching the desired goal. An Activity Map of NRDWP has to be carried out to identify what responsibilities are to be devolved on different tiers of Panchayats. Building capacities of the Panchayats will be the biggest challenge so that they may discharge their responsibilities for which adequate funds and functionaries are also to be devolved on the Panchayats. The State government has to effectively monitor the performance of the Panchayats in carrying out their tasks to ensure coverage and quality of water being supplied. The monitoring should also focus on identifying gaps in capacity of the Panchayats for taking up specific measures in building capacities within those institutions.

Leveraging PRIs for Efficient and Accountable Rural Water Supply Services

11.14 While the 73rd Constitutional Amendment directs service provision to be decentralized to PRIs, most of the work of designing, implementing and operating water supply schemes continues to be with State engineering agencies through top-down, engineering-based, ‘supply-driven’ approaches, and with limited, if any, involvement of PRIs and beneficiary groups in scheme design, implementation and management. The current emphasis on targets and norms encourages excessive investment, undermines efficiency, and deters the transfer of ownership to the PRIs and communities who should be responsible for planning, implementing and maintaining the infrastructure. It is essential to shift from the target-oriented supply driven approach, which does not pay much attention to the practices and preferences of end users, to a demand driven approach which provides users with the services they want. Also, monitoring of the systems focuses mostly on ‘infrastructure creation’ rather than on ‘provision of services’, providing data on the number of schemes and expenditures but less information on the quantity, quality and availability of the
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water and sanitation services provided. This approach has created a gap between infrastructure creation and service provision, which can be seen and rectified only through local action by local government because of their direct accountability to the users. Thus, the key challenge now faced in India in the rural water supply sector is how to achieve effective decentralization, placing Gram Panchayat and communities in the central role supported by higher levels of PRIs, the State government and the private sector, where necessary, for facilitating, planning, monitoring and providing a range of technical back-up services. There is evidence that decentralization of Rural Water Supply (RWS) improves quality of services\textsuperscript{376}. There are also successful models in which NGOs have adopted decentralised approach in collaboration with the community by initiating the process of planning (for both water and sanitation) from the household level and using the Gram Sabha in the process, which proves the strength of a bottom up planning process in improving access to water supply and sanitation\textsuperscript{377}. Sustainable local government managed models, backed up by bottom up people centric planning, need to be implemented for intra- Gram Panchayat Rural Water Supply (RWS) schemes and State-PRI partnership models for multi- Gram Panchayat schemes, whilst clarifying roles and responsibilities at all levels. This implies that fund, function and functionaries need to be gradually devolved on the PRIs and the user communities. Following are the major areas for leveraging PRIs for efficient and accountable rural water supply services based on the said approach.

Policies for Decentralised RWS Responsibilities and State Action Plan

11.15 The thrust of the policy of decentralisation should be on the changing role of the State Department/Engineering Agency from direct service delivery to policy formulation, planning, and facilitation; devolution of responsibilities to the PRIs with user involvement and implementation; cost recovery to the extent possible, cost sharing and financial sustainability. Currently, there are unclear and overlapping responsibilities for policy making, regulation, financing, ownership of assets and provision of services, resulting in a low level of accountability and deteriorating RWS services. It is becoming increasingly important to un-bundle and re-structure the State institutions and agencies in line with the shifting role of the State as a facilitator and the devolution of funds, functions and functionaries to the PRIs and user communities.

\textsuperscript{376} De Indranil, 2009: Can Decentralization Improve Rural Water Supply Services? Economic and Political Weekly, January 3.

\textsuperscript{377} Experience of Gram Vikas in this regard is narrated in the Annex.
These policies need to take care of the following:-

i. Clearly define the mandate and role of the State Agencies and PRIs, with emphasis on the increased role of the PRIs and rural communities, and a change in role of the State Agencies from “service provider” to “facilitator”. The States may have the option to create a State level Mission but at the district and sub-district level the Panchayats should be responsible for all activities. If it becomes necessary to have a Mission at the district/block level for operational advantage, those should function under the umbrella of District Panchayat and the Intermediate Panchayat. VWSC should be an implementing arm of the Gram Panchayat.

ii. Decentralise sector functions based on Activity Mapping to the lowest appropriate level, following the principle of subsidiarity and prepare a State action plan and prepare road-map to devolve responsibilities to the PRIs at the district, block and village levels based on the said activity mapping. This implies a road-map for phasing out the supply driven approach and adoption of demand responsive approach, along with community participation. The design, implementation and O&M responsibilities for the intra-GP Single Village Schemes (SVSs) need to be handed over to the respective GPs. Such schemes have several advantages and have been found to be running quite successfully. The policy can be endorsed by Government Orders (GOs) which specifically assign to the Gram Panchayats / VWSCs and communities the powers to plan, implement and operate all SVSs, supported by funds of the Gram Panchayats. The policy should also consider a phased transfer of the larger multi-Gram Panchayat (Multi Village Scheme – MVS) Schemes to the Intermediate Panchayat or District Panchayat, as the case may be, except the complex multi-district schemes which could be retained with the State agencies. For the MVS, the design,

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378 The scheme may include more than one village which are within one GP and the inter-village distance justifies taking up such schemes.

379 For small piped schemes, which rely on powered pumps, the technical skill requirements do not exceed local capabilities. Local mechanics and contractors are generally available to repair broken taps, as well as pipe leaks. Also, the O&M cost for a typical SVS serving about 600 households is about Rs30 per household per month (cost may vary, according to the design of the scheme, electricity cost, and the number of households served). Although the O&M cost is higher than the hand-pump scheme, it is still affordable by local communities. The Swajal (Uttarakhand) Project shows that 100 per cent O&M cost recovery from beneficiaries is possible. The key challenge is to motivate GPs and communities to take ownership and responsibility for maintaining these schemes.
implementation and management of intra-village scheme should follow the same principles as the SVS.

iii. Restructure the State administration to provide support services to the PRIs at the district, block and village levels, including the Gram Panchayats and the VWSCs. It is also important that the State agencies accept their new role and establish a contractual relationship with performance agreements with the GPs other tiers of Panchayats. If necessary, the Panchayats may contract out their functions to State agencies, higher tier of Panchayat or even private organizations in case they have capacity gap for carrying out any function pertaining to their responsibilities. Transferring the responsibility for construction and O&M of single village schemes to the Gram Panchayats/other tier of Panchayats does not imply that they have to carry out associated tasks themselves.

iv. Most States have initiated the process of decentralisation in drinking water supply but the progress is generally slow due to the weak capacity of the PRIs. The vicious cycle of weak capacity leading to lesser devolution has to be converted into virtuous cycle of Panchayats being devolved more functions, accompanied by fund and functionaries leading to acquiring more institutional capacity, which require appropriate facilitation by the States. Capacity needs to be built with the district, block and the village level PRIs for planning, designing, implementing, and maintaining schemes matching the functional devolution. The communities need to be made aware and empowered to ensure their full participation in the decision making process regarding the choice of scheme, control of finances and management arrangements. They should also be made aware of the responsibility framework.

v. Currently the incentives for decentralisation are very low, with 10 per cent of the NRDWP funding being allocated for that under ‘sustainability’ head. These can be gradually increased to 50 per cent of the NRDWP funding, with an aim to finally achieve at least 80 per cent of the NRDWP funds for incentivising the adoption of decentralized programme. The State Government would need to allocate special resources for the rehabilitation of existing defunct schemes, before
handing over these schemes to the PRIs. The State and Central Finance Commissions could also make special provisions for devolving “grants-in-aid” to supplement resources of the Panchayats.

vi. Engineers and other professionals of the State government/agencies are to be sent on deputation to work for the PRIs through appropriate restructuring of the State agencies. In the long run, posts should be created to establish a District Panchayat Cadre of engineers for the water and sanitation sector. There should be provision for promoting the senior level engineers from the Panchayat Cadre to State cadre of employees to man the activities to be taken up by the State agencies, as explained in the Chapter III of the report.

ACCESS TO SANITATION AND RELATED CSS

11.16 Access to sanitation facilities in India as whole is appalling. As on 2010 around one-third of the 2.5 billion people of the world without improved sanitation lived in India. Some fifty percent of all open defecation in the world occurs in India, and a recent study by the World Bank has estimated that the Indian economy loses some 6.4 per cent of the Gross Domestic Product (GDP) annually, as a result of the high levels of inadequate sanitation encountered throughout the country. The situation is far worse in rural areas. As per Census 2011, 69.3 per cent of the rural households did not have any latrine. The corresponding figure during 2001 Census was 78.1 per cent, implying marginal improvement over the decade.

11.17 Government interventions for improving access to sanitation in rural areas as well as to provide privacy and dignity to rural women started through the Central Rural Sanitation Programme (CRSP) in the year 1986. It was a supply-driven and subsidy oriented programme and had little scope for participation of the community. Essential need for involving the community and advocacy for change of behaviour for making the programme demand based was brought out by several pilot projects taken up in different parts of the country. The lessons from those experiences led

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381 www.wsp.org
382 Census 2011.
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to emergence of a new programme, known as the Total Sanitation Campaign (TSC), in the year 1999. The TSC made provision for advocacy for raising awareness on nexus between sanitation and health apart from more dignity of women as well as change of behaviour for using toilets. BPL households were provided subsidy for construction of household toilets and there was also provision for construction of toilets in schools and Anganwadi centres. The TSC provided wider scope for involvement of the PRIs, which came in to existence in the entire country by the time it was launched, as the third stratum of government.

11.18 TSC recognises each Gram Panchayat as a unit of administration. The gap in access to household toilet was identified for each Gram Panchayat for fixing target under TSC in each district and the progress is monitored Gram Panchayat wise with the target of reaching 100 per cent coverage of household toilets. Universal access to toilets in institutions like schools and Anganwadi centres were also made components of TSC target. TSC also provided for proper management of solid and liquid waste for overall cleanliness of the villages. The Panchayats were incentivised by launching the Nirmal Gram Puraskar (NGP - an incentive program which awards ‘open defecation free’ villages) in October 2003 for promoting safe sanitation and clean environment as a way of life. Critical indicators for achieving the NGP status were to make the entire Gram Panchayat ‘open defecation free (ODF)’ and to adopt ‘solid and liquid waste management (SLWM)’\(^{384}\). This has to be achieved at the Gram Panchayat or above level of aggregation (intermediate and district). Till the year 2011, 28,002 Gram Panchayats, 181 Intermediate Panchayats and 13 District Panchayats have received the awards\(^{385}\). In respect of construction of individual toilets, achievement as on 30.03 2013 was 49.03 million (79.2 per cent of target) for the BPL families and 41.87 million (65.5 per cent of target) for APL families\(^{386}\). Poorer outcome for APL families implies supply centric implementation feature of the programme by constructing more toilets for BPL families driven by available subsidies.

11.19 MoDWS has recently restructured the TSC as the Nirmal Bharat Abhiyan (NBA, the Clean India Campaign Program) for a GP-based ‘saturation’ approach to sanitation, with enhanced cash support to households for construction of toilets, along with emphasis on solid and liquid waste management programme for achieving clean villages. The NBA promotes an integrated approach for planning and implementing the sanitation and

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\(^{385}\) ibid.

\(^{386}\) Data accessed from the site www.mdws.gov.in on the 30th March, 2013
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water schemes, along with convergence of local programme like the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), for achieving the long term goal of attaining universal ‘Nirmal Status’ (clean status) by 2022.

11.20 While expenditure on toilet construction has increased, there have been significant ‘slippages’ in the sanitation coverage status, with toilet use and demand for new installations being low, coupled with a lack of understanding by rural households on the linkages between sanitation, hygiene practices and related diseases. This has been brought out clearly in the Approach Paper to the 12th Plan by the Planning Commission, which mentions that “Questions of sustainability have somewhat undermined the otherwise dramatic success in the Total Sanitation Campaign (TSC). The Nirmal Gram Puraskars (NGPs) spurred competition among PRIs to hasten toilet construction, but it does not appear to have ensured sustained use. A 2008 study covering 162 NGP Gram Panchayats in six States shows that only 4.0 per cent of GPs were genuinely open defecation free. In 32.0 per cent of the GPs, more than 40.0 per cent of the people are not using the toilets built for them under TSC387”. Thus, a huge investment has merely created infrastructure with far less outcome on service delivered through such investment, which invariably fails to reap the social and economic dividend of having cleaner environment. One may seriously doubt the efficacy of such a centralized programme on an activity which concerns behavioural change of every individual. Though PRIs are associated in implementation of the programme, but they face the typical weaknesses of an agency function, delivered through a supply driven implementation structure, by focussing on spending the released amount without being able to getting deeply involved in changing the way of life of the entire community. There is need to review the roles being played by the PRIs in improving access to sanitation by the rural people.

LEVERAGING PRIs for EFFICIENT AND ACCOUNTABLE SANITATION SERVICES

11.21 Although the policy adopted for TSC and NBA espouses demand responsive approaches with equity, the same have in practice remained construction driven programmes that have resulted in slow and unsustainable progress, especially amongst the poorest quintiles of the rural population. Capacity development through human resource development, supply chain development through establishing rural Sanitation Marts (RSM)) at the level of Intermediate Panchayat, community

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mobilization and IEC / behaviour change programmes, including hygiene practices and linkages with nutrition that are needed to provide a health impact, are largely neglected or are occasionally implemented as stand-alone activities disconnected from the construction of latrines. This is further exacerbated by a weak enabling environment (concerning institutional arrangements, monitoring, clear operational strategies and implementation methodologies, formative research, and capacities) and the low priority that is given to rural sanitation. Finally, the envisioned convergence with MNREGA is proving to be challenging. All these require taking Panchayats out of their role as an agent for implementation of the CSS to a responsible local government with the mandate of providing hygienic living for the people living within its area, which should be associated with a strong enabling environment and capacity building at the Gram Panchayat level.

11.22 In order that the Gram Panchayat plays the central role in ensuring environmental and household sanitation, there is need for raising the level awareness as well as internalization of the issues involved by the Panchayat members and Gram Panchayat functionaries. Institutional capacity of the Gram Panchayat for planning, implementing and monitoring of all activities should also be enhanced to match with their responsibilities. This has to be along with a strong advocacy programme, with support of NGO/SHGs where possible for raising awareness of ordinary citizen. The process may start with a participatory survey by the local people under the leadership of each elected Panchayat member under overall supervision of professionals, who are to be available at the Intermediate Panchayat level. The process will not only improve the current status but will sensitize the people on sanitation related issues. Finding of the survey will form the basis of a sanitation action plan for the Gram Panchayat for achieving certain normative level of sanitation as per actual use of the facilities. There should be a perspective plan from which the annual plan will be worked out every year depending on the resources available under NBA, other untied fund of the Gram Panchayat as well as individual contribution. There is need for simultaneous capacity building at the local level for having adequate skilled masons, supply of materials and overall management of the programme by the Gram Panchayat. Dedicated manpower at Gram Panchayat, or cluster of Gram Panchayat level, has to be made available with necessary fund provision under NBA and they should be trained to ultimately function as the inspector for water and sanitation for the Gram Panchayat. For very small size Gram Panchayats such personnel may be developed for a cluster of Gram Panchayats with accountability to Intermediate Panchayat. Higher tier Panchayats as well as the State has to provide strong facilitation
and regular monitoring of the process and progress made in this respect. This has to be supplemented by coming out with a ‘status of sanitation’ report by the State showing up to Gram Panchayat-wise availability and usage of sanitation facilities by third party monitor for giving feedback to the Gram Panchayat on both access to sanitation related services as well as quality in respect of each Gram Panchayat. The report should be available in the website for public viewing. Ideally, such exercise should be taken up at a time coinciding with any taking over by the newly elected representatives and around the middle of their tenure.

**Monitoring and Evaluation Systems**

11.23 The present system of monitoring and evaluation mechanism, for both water and sanitation, captures the progress of program related activities and produces periodic physical and financial reports at the State and Central levels, but does not assess scheme functionality or performance (availability, adequacy, quality of facilities or user satisfaction) and easy availability of those data disaggregated up to Gram Panchayats. The M&E system needs to cater to the new institutional setting, catering to the various stakeholders ranging from user communities to policy makers. The M&E indicators need to provide a comprehensive coverage of inputs, processes, outputs and outcomes: (i) Inputs (institutional revenues, community revenues, expenditure breakdown); (ii) Processes (community participation, role of women, planning, awareness/IEC coverage, VWSC formation /composition, training, M&E, construction, implementation, etc.); (iii) Outputs (improved water supply, improved sanitation, construction progress, water quality, etc.); and (iv) Outcomes (satisfaction, time saving, health and hygiene status). This will help to evaluate the PRIs to internalize their performances with clear service related objectivity and compare the same with other Panchayats as well as to learn from well performing Panchayats. For more involvement of the community in monitoring and evaluation as well as other governance functions the following steps may be taken.

**Governance and Accountability Issues**

11.24 The decentralised program can improve transparency and enhance governance and accountability through the following:

i. *Roles and responsibilities* are to be clarified for the RWSS functionaries at each level: State, district, block, and village, with well-defined
responsibilities for policy and planning, designing, implementing, managing and maintaining schemes.

ii. *Independent construction quality surveillance* through RWSS technical experts (State / district level) during implementation of intra-GP and multi-GP schemes, to ensure works are carried out as per technical design and estimates, with good engineering practices.

iii. *Social audits and civil society supervision* through NGOs and community organizations can provide oversight during project planning and implementation regarding adherence to policies and guidelines, social and environmental aspects, etc.

iv. *Grievance redressal* measures are to be established at the village, intermediate, district and the State level. At village level the VWSC, with help of Gram Panchayat, will try to resolve as much complaints as possible. Depending on the nature of complaint and functional responsibilities the grievances have to be redressed at higher level for which Gram Panchayat should do necessary mediation.

v. *Beneficiary assessment through household surveys* will be carried out once in two years to assess water and sanitation services, including quantity and quality of water supply, number of hours of supply, household sanitation facilities, solid and liquid waste management at the village level, incidence of water-borne diseases, household expenditure on water supply and sanitation, and related aspects.

vi. *Technical and financial audits* are to be undertaken periodically, through internal and external audits, to confirm and validate the technical aspects and expenses incurred for the schemes and programme under the project.

vii. *Procurement processes*, should be clearly prescribed, transparent and robust, including competitive bidding processes with on-line contract management and monitoring systems are to be used to provide full information. A separate Procurement Manual should be prepared for the Gram Panchayats.

viii. *Monitoring and Evaluation Systems* to involve the community for knowing the baseline data and scheme implementation achievements with the help of clearly defined indicators.
ix. Public disclosure of all scheme documents and reports should be available at the web-site of the State and District Panchayats.

C: Roads, Culverts, Bridges, Ferries, Waterways and Other Means of Communication. (Entry 13 of the 11 Schedule of the Constitution)

11.25 Access to various social and economic services for people living in villages is a critical need. Evidence shows that rural poverty comes down with improvement in rural connectivity\textsuperscript{388}. Efforts were made right from Independence to improve road connectivity. However, as on 2000-01 in spite of having 26,50,000 km of rural roads, which comprised 85 per cent of total road network in the country average distance all weather road from a village was 2 km\textsuperscript{389}. In order to provide better connectivity to the entire rural population of the country the Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched as a 100 per cent Centrally funded scheme in the year 2000. The primary objective of the PMGSY is to provide connectivity, by way of an All-weather Road to the eligible unconnected habitations with a population of 500 persons and above in Plain areas and 250 and above in the hilly areas, as per population in 2001 Census. This is for both new connectivity as well as upgradation of existing fair weather roads. A District Rural Road Plan was to be prepared for each district to derive the Core Network for providing single connectivity to all habitations as per the above criteria. As per paragraph 4.6 of the PMGSY Guidelines, the Block level road plan has to be prepared first for approval of the Intermediate Panchayats, and all Block Plans will be integrated to a District Rural Road Plan to be approved by the District Panchayat\textsuperscript{390}. The programme was to be implemented by creating dedicated Rural Road Development Agency in each State. There has to be a Programme Implementation Unit (PIU) in each district. As per paragraph 8.4 of the guidelines, the Detailed Project Report for each work will be finalized after the PIU holds consultation with the local community through the GP and finalize the most suitable alignment through a transect walk in which the Pradhan should participate. The State Government has the liberty to decide which line department or ZP would be the implementing agency under which the PIUs will function. However, responsibility of maintaining the roads constructed will lie with the District Panchayat for which “State Governments will take steps to build up capacity

\textsuperscript{388} Planning Commission, 2011: Final Report of the Working Group on Rural Roads in the 12\textsuperscript{th} Five Year Plan, page 2.

\textsuperscript{389} ibid.

\textsuperscript{390} Ministry of Rural Development, GoI: PMGSY guidelines dated 02.11.2004, accessed from www.pmgsy.in
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in the District Panchayats and shall endeavour to devolve the funds and functionaries onto these Panchayats in order to be able to manage maintenance contracts for rural roads\(^{391}\).

11.26 The Core Network plan was prepared in the year 2003-04, which found 1,70,594 unconnected habitations, requiring construction of 3,69,331 km new roads and upgradation of existing roads measuring 3,68,278 km. Total requirement of funds was estimated as ₹ 1,33,126 crore\(^{392}\). PMGSY was taken as a part of Bharat Nirman from the year 2005-06 for time bound delivery of road connectivity in rural areas. As reported by the Working Group on Rural Roads for the 12th Plan, “projects for 1,09,010 habitations have been sanctioned out of total 1,36,464 eligible habitations by clearing the proposals for 4,20,637 kms roads. In order to achieve the targets, ₹ 84,731 crore was released up to March 2011, against the sanctioned projects of ₹ 1,18,949 crore. The balance requirement of funds has also been estimated as Rs. 1,85,438 crore for works yet to be sanctioned, including projects for left out habitations, new habitations of 250+ LWE\(\text{L}\)AP Schedule V, missing bridges, impact of increase in length of bridges to 75m, impact due to snow fall/ landslides, administrative expenses, repayment of NABARD loan, launching of PMGSY-II, connecting smaller IAP habitations (100-250 population), relaxation of norms for the Special Category States\(\text{S}\) in line with IAP districts etc\(^{393}\). As on June 2011, 79,281 habitations were connected out of a total 1,09,010 habitations cleared under the programme. That was done through construction of 1,95,692 km of new roads against 2,56,425 km of road cleared under PMGSY. 1,32,516 km of road was upgraded against 1,64,212 km road cleared under the programme\(^{394}\). Till 27.03.13, total sanction made under the scheme was Rs 1,39,367 crore, against which Rs 1,04,371 crore has been released and road works amounting to Rs 94,755 crore have been completed\(^{395}\).

11.27 PMGSY, as rural road component of Bharat Nirman, was evaluated by the Programme Evaluation Organization (PEO) of the Planning Commission in 14 districts of 7 States during the year 2005-06 to 2006-07. The report found that “in 57 per cent sample districts (8 out of 14) the proposals were finally approved by District Panchayat and District Planning Committee which was further adopted for construction. In 50 per cent of sample districts (7 out of 14), PRIs were actively participating in the selection

\(^{391}\) ibid. Paragraph 17.1


\(^{393}\) ibid, page 3

\(^{394}\) ibid, page Table 1.2, page 23

\(^{395}\) The figures were accessed from the website omms.nic.in linked to rural.nic.in on the 27th March
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of road and their Gram Panchayats were involved in transect walk procedures, motivating people in donating their land for the road\textsuperscript{396}. The report also found that in only 29 per cent of the districts the PRIs kept watch on the quality of materials and implementation of the works by the contractors. Representatives of the PRIs expressed that there should have been more awareness generation about their roles in implementation of PMGSY\textsuperscript{397}.

11.28 Thus, though the guidelines clearly provide for the PRIs to play a very important role in plan preparation but its implementation has been left to the PIU which may be either under District Panchayat or under other departments. At the same time responsibility for maintenance of roads constructed under PMGSY has been left with the District Panchayats and directive have been given for building capacities of the ZPs. This is unworkable since capacities can be built only when they are associated with construction of the asset. There is also the question of why the District Panchayat will maintain an asset created by others who are not accountable to the District Panchayat. The State has to take the responsibility of strengthening the District Panchayats with adequate engineering capacity so that the District Panchayats are associated with implementation of the PMGSY without any alternative and there may be incentives given for creating required capacity. Also, the scheme should be so redesigned that the District Panchayat implements the road projects not as an agent to do so under PMGSY but as the local government in charge of all Other District Roads (ODR) and Village Roads (VR). The ODRs and the VRs are to be fed by smaller roads, which may be developed by the lower two tares of Panchayats. The States should also come out with clear identification of entire road network (including roads to be constructed) within every block to show roads under jurisdiction of different tiers of Panchayats and make the list known publicly for fixing accountability. Also, all such roads should be uniquely numbered so that even for taking up road works (new construction as well as maintenance) under MGNREGS, which takes a large share of MGNREGS fund, the same will be known uniquely to avoid any duplication. To improve things further the entire road network should be put in to a web enabled GIS for public viewing and roads under jurisdiction of different tiers of Panchayats and the State roads and National Highways, if any, in the block should be shown in different colours. Such clear demarcation will also help the PRIs to levy tolls on roads for raising fund for maintenance. However, collection of tolls from rural roads, which normally


\textsuperscript{397} ibid. page 21
have less traffic, may meet only a small portion of the cost of maintenance. The issue of maintenance is also linked to availability of fund after the period of five years guarantee, which is imposed during construction of the road is over. Maintenance of PMGSY roads by District Panchayats is going to be a huge recurring burden for which fund may not be available with the State Government to pass on to the District Panchayats who will remain accountable to the people for upkeep of the roads. With clear documentation of the maintenance burden of rural roads by the District Panchayat, the State has to come out with mechanism for required fund transfer and the 14th Finance Commission may also look in to this issue for a solution.

**D: Rural Electrification, Including Distribution of Electricity**

(Entry 13 of the 11th Schedule of the Constitution)

11.29 Electricity is essential for good quality living as well as for various economic activities. Yet, only around 55.3 per cent of the rural households had access to electricity, measured by households who used electricity for lighting, as per 2011 Census. Also, percentage of rural households using electricity increased by mere 12 percentage points between 2001 and 2011, indicating slow rate of growth of access to electricity. On the other hand, as per Census 2001, around 80 per cent of the total inhabited villages were electrified. The figure has since improved to 96 per cent as on 31st July 2011\(^{398}\). The Census data also reflects huge urban-rural divide as around 92.7 per cent of urban households had access to electricity during that time. Such an imbalance has its origin in lack of emphasis on rural electrification or ‘electricity for all’ till the 1970s. The emphasis was on village electrification which had little association with household connection and due to inadequate distribution capacity availability and quality of power in rural areas was quite poor in most parts of the country. To facilitate electricity use by BPL families a programme called Kutir Jyoti was launched in late 1980s, which was to provide single point connectivity to BPL households. Allocation of resources under the programme was very little resulting in little impact on electric connection to poor households. So, till 2001 not even half the rural households had access to electricity, severely impairing socio-economic development of rural areas. Providing electricity to all in rural areas was thus a huge challenge.

11.30 The challenge of rural electrification is not mere electrification of villages but ensuring universal access to electricity by the rural household and availability of quality power. To meet the challenge, Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched by the GoI in April 2005, which is a component of Bharat Nirman and is one of the flagship programme of the Central Government. This is a comprehensive scheme of development of Rural Electricity Infrastructure and Household Electrification for providing quality power not only to all households for domestic consumption but also for dispersal of small scale and Khadi and Village industries and delivery of quality healthcare and education services. The RGGVY not only provided for electricity connection to all rural households but also provided for free electric connection to all BPL households. There is a provision of capital subsidy of 90 per cent of the total project cost under the programme and balance 10 per cent of the project cost are being provided by Rural Electricity Corporation as loan to the State power utilities. The programme provided total capital subsidy of Rs 5,000 crore during the 10th Plan. The same was given a massive boost in the 11th Plan by providing capital subsidy of 28,000 crore.

11.31 The physical progress of RGGVY is quite impressive. The RGGVY aimed at electrifying 1,18,499 (later revised to 1,10,00) un-electrified villages and intensify available electricity network in 3,54,967 villages and provide connections to 246.45 lakh (later revised to 233 lakh) BPL households. As on 31st July 2011, out of the total capital subsidy of Rs 33,000 crore, Rs 29,913 crore was expected to be released by the end of 11th Plan. In terms of physical target 98,612 un-electrified villages were electrified by 31st July 2011 Out of a revised target of providing electric connection to 233 lakh BPL households, connections could be given to 168.85 lakh households as on 31st July, 2011.

11.32 The RGGVY is a top down target oriented programme planned from the central level. The PRIs were not involved in implementation of RGGVY, even in activities like Decentralized Distributed Generation and Supply of power, which is one of the activities financed under the programme, in areas where local generation of power is more economic than bringing grid power or maintenance of the huge distribution systems being created. Support of PRIs was sought only when BPL lists were required for providing free connection to BPL households. While creation of infrastructure by

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399 ibid. paragraph 3.1.1, page 3 of chapter 3.
400 ibid. page 7, Chapter III.
401 OM of the Ministry of Power, GoI, dated 6th February, 2008; accessed from the website www.rggv.gov.in
engaging contractors with such an approach is possible, as is clear from the physical progress, when it comes to use of electricity for socio-economic development of the rural people, then there are several question marks. For example, as against the targets of providing electricity connections to 2.34 crore BPL and 5.46 crore APL rural households, there is a significant progress with the BPL households, with 68 per cent of the target met but progress with APL household electrification is very slow with only 2.68 per cent of the target met.\textsuperscript{402} Thus, the programme was more oriented on creation of infrastructure and providing connections driven by subsidies but not providing services to the rural people in general. Without increasing consumer base of ordinary consumer financial sustainability of the distribution network is also doubted. Since the programme is not so well connected with the Panchayats as local government their services for monitoring and vigilance for proper use of power, avoiding theft and support for O & M activities could have ensured better services. There are, however, good practices of involving the villagers in improving quality of services and other social benefits.\textsuperscript{403} Distribution of electricity being a commercial activity it may not be possible to provide a central role to the PRIs in directly delivering electricity supply but they should be involved in mediating quality of services and grievance redressal of the consumers as well as in collaborating in Decentralized Distributed Generation of Power as a stakeholder. Participation of PRIs in decentralized power generation is all the more useful in areas where power is not available even for around 6-8 hours a day, as the minimum time of daily supply in the RGGVY network.

E: Non-conventional Energy Sources

(Entry 15 of the 11th Schedule of the Constitution)

11.33 Non-conventional energy sources like bio, wind, hydro, solar, geothermal and tidal electricity are gaining importance due to renewability of such sources as compared to depleting fossil fuel based energy. These sources of energy are also clean causing less pollution to environment. Such sources are more suitable for providing localized stand alone solution to energy need of the people located in remote and inaccessible areas where it is not economic to provide grid power. Thus, the PRIs are ideally suited

\textsuperscript{402} Sreekumar and Dixit, 2011: Challenges in Rural Electrification, Economic and Political Weekly, October 22

for extension of electricity supply in unreached areas using non-conventional energy sources. However, present share of non-conventional energy within entire energy sector is quite little. There is no major CSS in this sector and there is no scope for analysis of CSS in this sector.

11.34 However, use of non-conventional sources of energy in areas where grid power is not available becomes very important and capacities of Panchayats in those areas may be increased so that they can access services from specialized agencies working in this field for providing electricity to these areas. In certain applications, like construction of family based bio-gas and solar heating, the PRIs may play a significant role if appropriate policy framework is put in place. In areas, which are even served by grid power the PRIs may be empowered to take up decentralized power generation activities either directly or in collaboration with suitable partners, which will help to provide quality power to the local people and any surplus power may be fed to the grid, which may be a revenue generating activity of the GP.

**F: Markets and Fairs**

*(Entry 22 of the 11th Schedule of the Constitution)*

11.35 Market is an important infrastructure and is very helpful for development of rural economy. PRIs, being the local government, have important responsibility of developing good market infrastructure for providing access to selling local produce as well as for purchasing outside products by the local people. There is no CSS for development of market. Panchayats may develop market using Rural Infrastructure Development Fund, which is strictly not a CSS but a loan based scheme of NABARD. Also, market may provide infrastructure for promotion of various other service sector activities and can become an economic hub for the local area catering to economic development and employment generation. Ownership of market by the Panchayats can help the local entrepreneurs to have access to business infrastructure on modest term and poor people, particularly the Self-Help Groups, who may be in need of such infrastructure support, may be greatly benefited in entering the market with low entry barriers. Each State may take up special drive to assess current status and gap of market infrastructure in rural areas, including the traditional haats, and use the PRIs for strengthening the network of market infrastructure, which may also provide them with opportunity for generating non tax revenue. Small markets may be developed by the GP/Intermediate Panchayat
and large markets may be developed by the Intermediate Panchayats/ZP so that an integrated marketing chain can develop within each district under the ownership of the PRI.

**G: MAINTENANCE OF COMMUNITY ASSETS**

**Entry 29 of the 11th Schedule of the Constitution**

11.36 There are no arrangements for the maintenance of the community assets in virtually any programme or scheme. In consequence even the most casual visit to any rural area presents the distressing spectacle of buildings, structures and other community assets, built at very considerable cost lying neglected and misused. In recognition of the magnitude of the problem the terms of reference given to the 13th Finance Commission specifically refers to the question of the maintenance of community assets. If there is any one place where the maintenance of community assets finds mention, it is in the Entry 29 of the 11th Schedule. Compared, however, to the magnitude of the problem and the specific Constitutional responsibilities assigned to the PRIs, the Committee strongly recommend that in addition to such funding of maintenance as may be provided by the Finance Commission, the Central and State governments need to thoroughly assess the scale on which repairs and maintenance of community assets needs to be undertaken so as to make the adequate funding of the maintenance of community assets a central feature of the planning process and budgetary allocation with the responsibility for planning and implementation placed squarely on the PRIs who are the only bodies capable of assessing the requirement, prioritizing and then implementing.

11.37 Community assets include whatever is owned by the community, i.e., what is located in the area and not owned by any individual and may be used by the entire community. Those could be natural common property resources or man-made public infrastructure, which does not belong to any particular department/agency. All these assets, which are generally created under certain programmes, including some CSSs, are normally handed over to the PRIs for maintenance. Community assets may be movable or immovable and remunerative or non-remunerative. As the representative body of the community the GP is normally assigned to manage and maintain those assets. Proper management of those assets is necessary for deriving maximum benefit to the community and the asset has to be maintained for that purpose. Good maintenance should be such that the
value of the asset does not get reduced. All such assets should be maintained in the stock book of the Panchayats and those should also be reflected in its annual accounts. PRIs, particularly the GPs, should also endeavour in creating community assets which may be natural, social or economic and are needed by the citizen but is not economic to be created by any individual or group of individual. Sometimes assets created under programmes of State or Central governments are thrust upon the Panchayats without making provision for its maintenance. Ideally, assets to be maintained by the Panchayats should be planned and implemented by that tier of Panchayats only. The Ford foundation funded Action Research Project on Strengthening of PRIs in Karnataka has clearly demonstrated the strengths of PRIs in planning, implementation, monitoring and maintenance of the assets created by themselves with an untied funds provided. 404

11.38 Non-availability of adequate fund for maintenance of community assets is a major problem faced by the PRIs. That is also one of the reasons for poor maintenance of the community assets. User charge may be collected from the remunerative assets but normally that is too inadequate for maintenance of those assets. In order to ensure proper maintenance of all such assets it is necessary to have the assets values for each Panchayats documented and compiled regularly for helping the State government to consider releasing fund on a normative basis for maintenance of those assets. Such documentation will also help the Finance Commissions to appreciate the financial requirement of PRIs in maintaining community assets.

**H: Recommendations**

11.39 The analysis made above shows that the roles assigned to PRIs are widely different in respect of the existing CSSs on rural infrastructure. Some of the CSSs like IAY, NWDPRA, NBA and PMGSY have some roles assigned to the PRIs. On the other hand, the RGGVY hardly provides any role to the PRIs. The role of Panchayat can be made more central in respect of the former type of schemes by devolving responsibilities, after carrying out Activity Maps of these schemes on the PRIs. It is also possible for the PRIs to play an important mediating role in delivery of services related to rural electric supply under the RGGVY. The Committee, after going through the current practices and potential of leveraging the PRIs for improving service delivery

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related to those CSSs make the following recommendations. In respect of entries in Schedule 11 which do not have any sizable Central or State schemes some steps for more proactive involvement of the PRIs have also been suggested.

**Rural Housing**

i. The IAY aims at transferring fund to beneficiaries through the GPs for construction of houses by BPL families and in some cases arranging house-sites for them. The PRIs in the current design of the programme work as agents of the higher tiers of government. That prevents the PRIs, particularly the GPs, to take a holistic view on housing and habitat development for the entire area as an activity under their own domain. PRIs should be assigned the main responsibility for promotion of housing and development of habitat, as their core function, in respective areas.

ii. Housing status for all the households within each GP may be worked out from 2011 Census data for assessing current status of housing for both BPL and APL families. The disaggregated data should be made available to the GPs for preparing a perspective plan, based on their own expected standard of housing, for holistic development of habitat and houses within its area. While grants may be provided under IAY for BPL families as being done now, there should be provision of fund either from IAY or through untied transfer for taking up activities which are aimed at general improvement of habitat as per the perspective plan.

iii. All activities related to rural housing, including IAY, should be unbundled through an Activity Mapping for assigning responsibilities for both IAY and other aspects of rural housing to respective tiers of PRIs.

iv. Capacity of the Gram Panchayats and higher tiers of PRIs should be augmented for being able to take up the activities to be assigned to them as well as to be able to be a catalyst in transferring technology for construction of houses in partnership with professional bodies/NGOs. Capacities should also include ability for better regulation of construction of houses and development of appropriate habitat with due provision of sanitation, drainage, water supply, electric connection
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and access to road for each house. A component of IAY may be used for training, which will also take care of better internalization of housing need and using IAY resources as one of the resources for planning in the housing sector in respective Gram Panchayats.

v. PRIs should also play an important mediating and facilitating role for improving flow of institutional finance for construction of houses by APL families. They need to be trained for that purpose also.

vi. There should be dedicated manpower for rural housing at Gram Panchayat/Cluster of Gram Panchayat level for taking up the activities mentioned before. There should also be dedicated manpower at District Panchayat/Intermediate Panchayat level for supervision and facilitation of the entire process and monitoring quality of works being taken up by the Gram Panchayats for habitat development and construction of individual houses with grants from IAY.

**Water Supply and Sanitation**

i. Water supply and sanitation are such basic civic requirements that the PRIs should not play a mere agency function, but should be the provider of related services as their core responsibility. To strengthen the PRIs in this regard, Missions created at district and sub-district level should be merged with the District Panchayat and Intermediate Panchayats. In case, for operational reasons such Missions are necessary, they should function under the Panchayat concerned.

ii. Activities related to water and sanitation, including those under NRDWP and NBA, should be devolved to different tiers of PRIs after conducting an Activity Mapping. The State should provide support services to PRIs for carrying out those activities. State may directly plan and implement RWS schemes where the technology involved is complex (such as in areas having arsenic contamination) or the scheme extends beyond one district. In those cases also, water may be supplied in bulk to the Gram Panchayat for distribution to households through a mutually agreed arrangement.
iii. PRIs should take full responsibility of planning, implementing and maintenance of water supply schemes and there should be a contractual arrangement with the State government and within different tiers of PRIs so that any Panchayat may outsource any activity within its domain from higher tiers of PRIs or the State. Outsourcing from private organizations may also be allowed for which norms should be clearly spelt.

iv. Schemes which are located within a Gram Panchayat (Single Village Schemes) should be the responsibility of the Gram Panchayat concerned with respect to planning, implementation and monitoring. Multi-village schemes covering jurisdiction of more than one Gram Panchayat may be taken up by the Intermediate Panchayat or the District Panchayat, which may be decided based on the principle of subsidiarity.

v. Normally schemes which fall under the domain of PRIs should not be constructed by the State Government for subsequent transfer to PRIs for O & M of the facility. However, once the policy of decentralization as mentioned before is adopted, existing schemes may be transferred after bringing the facilities to proper status of functioning and after arranging for transfer of required funds and functionaries, for which also an Activity Mapping should be carried out. There should be clear assurance from State government through enforceable agreement for ensuring regular transfer of funds for O & M purpose.

vi. Instead of waiting for capacity building to transfer the existing schemes the reverse should be followed by transferring the schemes first and helping the PRIs to acquire capacity in management of those schemes with full support of functionaries and funds to be transferred to the PRIs.

vii. For the purpose mentioned above, the existing government structure implementing RWS and sanitation should be restructured for transferring officials to work for the PRIs based on Activity Mapping. Posts, belonging to a Panchayat cadre, should be created in the Panchayats to meet their manpower requirement in the field of water supply and sanitation. There should be dedicated functionaries for water and sanitation at Gram Panchayat/cluster of Gram Panchayat level, who should be well trained.
viii. Decentralisation for RWS should not stop at the Gram Panchayat level but should go further down up to the household level. The VWSC should also be involved in all planning, implementation and monitoring related activities, based on the principle of subsidiarity. This should also be true for sanitation related activities. All households should be involved to the extent possible in planning, implementation and management of facilities and the VWSC has to remain accountable to the users through the Gram Sabha.

ix. Incentive for decentralisation under NRDWP should be enhanced from 10 per cent at present to 50 per cent in the short run and ultimately to 80 per cent in phases.

x. PRIs should recover possible cost of O & M for RWS and community sanitation facilities and the State should assess the gap between fund required and that can be raised through user charges so that the gap, which is to be met through transfer, can be clearly worked out for each Panchayat on a normative basis.

xi. In respect of sanitation there should be a survey conducted in a participatory mode by the people under leadership of the elected Panchayat member to assess the status of physical infrastructure and actual use of facilities at household and institution level. A similar survey has been recently taken up under the NBA and result of the same may be used for the present. Such exercise should be taken up after every Panchayat election. Findings of status of use and availability of sanitation facilities at households and institutions and practice of open defecation as well as SLWM measures in existence should be uploaded in a website Gram Panchayat-wise after the survey. Result of the survey is to be used to work out a perspective plan for each Panchayat for improving access to sanitation, including solid and liquid waste management for making the area free from open defecation and putting in place a proper waste management system. The entire exercise will require strong facilitation from the State for which support of NGOs and specialized organizations may be taken. Responsibility of each tier of government in this regard has to be worked out and clearly spelt out for actions at all levels.
xii. The process will also act to improve the level of awareness of the people in making sanitation a way of life. Annual action plan for TSC should emerge from findings of the survey and progress made during any year. Content of the perspective and annual plan and progress made during each year is to be discussed in Gram Sabha meeting for sensitizing the community for organizing action at their level. There should be strong advocacy, with support of NGOs/SHGs, for improving awareness on sanitation and deliberations in the Gram Sabha meetings.

xiii. Capacity of Gram Panchayats should be specially enhanced to be able to take corrective measures against observed failures in service delivery. Higher tier of PRIs should play a facilitating role to monitor the processes. The higher tiers should also be involved in ensuring supply of sanitary materials, especially with support of Rural Sanitary Marts, and training of masons within the areas for improving capacity and quality of construction.

xiv. The process will be successful only if the Panchayat members and its functionaries are trained well on issues on sanitation and role the Panchayats should play, which should be organized after each Panchayat election.

xv. The State should also independently monitor quality of implementation, meeting standards of services actually delivered by the PRIs as per specification of respective services and watching on measures for source sustainability and tackling water contamination in case of RWS. In respect of sanitation, the State should independently monitor progress of improvement in sanitary practices and putting in place various institutional processes to be followed. They should also take steps for helping the PRIs to internalise the issues related to observed failures and building their capacities further for tackling the problems.

xvi. All data related to water and sanitation, available with the State from Census or other sources should be disaggregated for each Panchayat and the same should be made available in the website for public viewing. The disaggregated data should be used to work out the
investment required to maintain existing facilities and creation of new facilities for knowledge of Finance Commissions at the State and the Centre.

**Rural Roads**

i. The District Panchayats should play a more central role in implementation of the PMGSY. The District Panchayats should directly implement schemes and the PIUs should work under the District Panchayats to avoid taking over assets for maintenance after the same is constructed by the line department.

ii. Capacity of District Panchayat for being able to maintain the roads constructed under PMGSY can be developed only through taking responsibility of planning and implementation of those roads as mentioned above. However, that will require tremendous support for required capacity building as well as placing adequate engineering staff with the District Panchayats for this specific purpose.

iii. The States should restructure their engineering cadre of employees and place the available personnel with the district Panchayats for the present. Later on suitable posts, as a part of a Panchayat cadre, should be created and professionals should be recruited to gradually replace professionals of the State Departments working for the District Panchayats.

iv. There is need for tremendous capacity building of the District Panchayat members as well as functionaries of the District Panchayats for being able to discharge their responsibilities in planning, implementing and maintaining roads. Awareness of the Panchayat members at the lower tier should also be built so that they can play their roles related to planning for rural connectivity, availability of land, construction of road and its maintenance properly.

v. There should be an activity mapping for all tasks related to road sector for deciding responsibilities of different tiers of PRIs. This should also include construction and maintenance of roads using MGNREGS or other funds.
vi. The entire road network of the State, to provide desired level of connectivity, should be disaggregated as per responsibility of maintaining the same by State government and the PRIs, and should be made available for public viewing so that people know which government is responsible for maintaining which road. All the roads are to be uniquely identified (including roads constructed and maintained under MGNREGS) to avoid any duplication. If possible, all those roads should be shown in web enabled GIS (Geographic Information System) showing the roads, its unique identity number and boundaries of the Gram Panchayat and other tiers of Panchayats. All habitations may also be shown on the map to judge access to road connectivity from every habitation.

vii. All the roads identified above should appear in the asset register of the PRIs concerned. This will help the State government and the Finance Commissions to assess the requirement of fund by the District Panchayats for maintenance of roads.

viii. PRIs should be encouraged to collect tolls from users of important roads under their control for meeting part of the maintenance costs. Requirement of fund, beyond what is likely to be available from toll collection, should be made available to the District Panchayats or other tiers of Panchayats by the State/Central government through formula based transfer. Un-metal roads which may be maintained out of MGNREGS should be kept out of consideration for working out requirement of maintenance fund.

*Rural Electrification*

i. The PRIs should play an important mediating role for providing new connections and redressal of grievances of the consumer in case of failure of services.

ii. PRIs may also be given an appropriate role in reducing wastage of electricity, drawing less power by the consumers during peak load
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Demand and PRIs may be incentivised for playing these roles properly.

Non-conventional Sources of Energy

i. PRIs should play an important role in generation of electricity from non-conventional sources, if necessary, in partnership with private firms. This may be particularly useful for areas where it is difficult to reach grid power.

ii. PRIs may also be involved in higher use of non-conventional energy for meeting part of energy requirement of individual households through establishment of bio-gas plant, solar heating system etc.

Markets

i. Each PRI should be encouraged to develop markets within its jurisdiction to not only allow sale and purchase of goods, but to also develop necessary infrastructure, including IT infrastructure, for promoting activities in other service sectors for transforming the markets including traditional haats, into a hub of economic activity.

ii. A list of existing markets owned by the State government/PRIs which need to be developed further and those that need to be newly developed to have a well integrated network of markets within every district should be prepared by the State government. Depending on the location and size of the market, responsibility of developing the same should be entrusted with the concerned Panchayat. Funds may be made available to the PRIs concerned for construction and upgradation of markets.

Community Assets

The Gram Panchayat-wise list of community assets should be prepared for entry into asset registers of the Gram Panchayats and an assessment may be made at regular intervals to know the required cost of maintenance of those assets. Potential for
collection of user charge from remunerative assets may be deducted to work out the amount of funds which should be transferred to the Gram Panchayat concerned every year. The Finance Commissions should be furnished with such information for their consideration of necessary requirement of fund on a normative basis for proper upkeep of all community assets.
CHAPTER XII

EDUCATION, SKILL DEVELOPMENT, CULTURE, SPORTS AND PRIs

Eleventh Schedule of the Constitution:

Entry 17: Education, including primary and secondary schools
Entry 18: Technical training and vocational education
Entry 19: Adult and non-formal education
Entry 20: Libraries
Entry 21: Cultural activities

A. Elementary Education (Entry 17 of Schedule XI of the Constitution)

12.1 The Right of Children to Free and Compulsory Education, 1999, generally known by its acronym, RTE, has sought to carve out a domain for the “local authority” in the elementary education system, but not designated PRIs as the “local authority”. In consequence, “such other authority or body having administrative control over the school or empowered by or under any law for the time being in force to function as a local authority” can substitute for a PRI. And more often than not does. So, while the option is provided for PRIs to function as the local authority for RTE, except in relative enlightened States like Kerala where a large measure of both devolution to PRIs and high elementary educational levels had been attained long before RTE, elsewhere in actual fact RTE is operationalised in top-down manner, with the “local authority” being responsible to the higher line authority and not downwards to the students, parents or the community at large. This is hardly in conformity with the Constitutional order envisaged in Part IX of the Constitution, in particular entry 17.
12.2 The Anil Bordia committee, established to work out the modalities for implementing RTE, attempted to retrieve the situation by spelling out in great detail in chapter 12 of its report the powers, responsibilities and duties of the “local authority”. This could have been a charter for PRIs in Elementary Education but as the committee was constrained by the definition of “local authority” provided in the Act, its attempt at drawing attention to Section 2 (h) of the Act which says PRIs “are the local authority” but adds that this is in addition to “a body having control over schools of the area” compounds the confusion as there is no attempt to delineate the respective domains of the two sets of “local authority”; or to vest the “body having control of schools in the area” in the PRIs; or even establishing an organic link between the PRIs and these “bodies”. The Bordia committee is thus left with little alternative to admitting on p.78 that responsibility for implementation has been vested in “appropriate government” (that is, the State government or UT administration) without acknowledging that, according to the Constitution (Article 243G), PRIs are not “local authorities” but “institutions of self-government”. [Even before Part IX, Article 40 of the Directive Principles of State Policy had described Village Panchayats as “units of self-government”]

12.3 The Sarva Shiksha Abhiyan (SSA) Framework also makes mention of PRIs at p. 113 and entrusts a whole raft of duties to them which show an awareness of what PRIs could do, but then enters the caveat that this is possible only “wherever the State governments and UTs designate the Panchayat Raj Institution as the local authority.”

12.4 Moreover, because the principal responsibility for last-mile delivery is entrusted to (weakly empowered) School Management Committees (who together receive only about 5 per cent of Sarva Shiksha Abhiyan funding405) it remains necessary for this Committee to attempt to highlight the critical importance of embedding the elementary education system in the PRIs if responsibility and responsiveness to local concerns are to be met and, to an extent, learning outcomes are to register significant enhancement. It is by no means the argument that PRI involvement alone will ensure improved learning outcomes but that whatever pedagogical improvements are made from above, and however much financial outlays are augmented, at the end of the day the delivery of elementary education to schools within a Village Panchayat area has to be made accountable to the beneficiaries (that is, the students, parents and the community at large). This is not possible in a system where PRIs are responsible to Gram/Ward Sabhas but School Management Committees are not accountable either

to PRIs or to Gram/Ward Sabhas. Thus, while greatly welcoming the RTE, and the considerable improvements made in the current version of SSA over the previous version, the Committee stress that the PRI system, including the Gram/Ward Sabha, is indispensible to effective performance on this single most important parameter of human development and the contribution this could make to faster, more equitable and more inclusive economic growth.

12.5 It is indeed encouraging that the Framework Guidelines 2011 for implementing the Sarva Shiksha Abhiyan (SSA) recognize that:

“Planning and implementation for universal access in the rights-based approach would require an understanding of community needs and circumstances as well as decentralised decision-making for improving the diversified needs of children”406.

But the Framework Guidelines do not spell out the methodology for “understanding community needs” or “decentralised decision-making” to meet the “diversified needs of children”. How but through the PRI system can these vital requirements be met?

12.6 Happily, the Twelfth Plan also recognizes that effective elementary and secondary education requires “linkages with Panchayats and Municipalities” and that “the most important” step in this regard would be to empower local communities so that they have better oversight over schools and teachers. The local communities, says the Twelfth Plan, should be given the authority to hire, pay and renew the contracts of community-based contract teachers hired over and above the stipulated number of regular teachers407.

12.7 While the Expert Committee welcome this approach, they note that there appears to be a lack of clarity regarding how exactly “community needs and circumstances” and “linkages” to elected local bodies are to be institutionalized into the process of operating the system, and also by a lack of clarity in respect of the proposed process of “decentralized decision-making” for meeting the “diversified needs of children”. There is also little indication in the Twelfth Plan documents about how the Planning Commission’s perceptions in respect of hiring, firing, and remunerating “community-based contract teachers” is to be secured. In any case, it is clear that SSA delivery, as at present structured, is through parallel bodies with

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little or no organic linkages to PRIs. This section attempts to explore possible ways in which the Framework Guidelines on decentralization, and the Planning Commission's understanding of the role of local communities in school education, might be built into SSA's delivery system, thus contributing to the attainment of better learning outcomes at lower per child cost. (It is also suggested in the section that follows how similar steps might be undertaken, with suitable adaptation, for secondary schooling through the Rashtriya Madhyamik Shiksha Abhiyan).

12.8 Accordingly, the Expert Committee have interacted with representatives of the Department of School Education, Ministry of Human Resource Development as well as domestic and international experts on education in India\footnote{see Minutes of Meetings of the Expert Committee, 4 February 2013 (Prof. Lant Pritchett); 5 February (Additional Secretary Amarjit Singh); and 12 March 2013 (Dr. Rukmini Banerjee, ED, Pratham), Appendix}, and had some regard to the vast and growing literature on the subject to see how systemic reform in SSA might lead to significantly higher learning outcomes.

12.9 The Annual Status of Education Report (Rural) 2012 (Provisional), dated 17 January 2013, opens by asserting that

“We are looking at a deepening crisis in education that is like an unseen and quiet killer disease.”

It adds that

“There is a national crisis in learning that permeates all schools”

and notes that notwithstanding progressive measures over the last decade, from the Constitutional Amendment of 2002 to the imposition of the Education Cess in 2004 to the Right to Education Act 2010:

“We are chasing ideals while practical realities limit what is possible on the ground”.

12.10 How serious is the problem of learning outcomes has been dramatically demonstrated by the ASER Report 2012\footnote{The key findings of ASER 2012 have been summarised in Box 13.4, \textit{Main Findings of ASER 2012}, on p. 286 of the Economic Survey, 2012-13} which shows that learning levels in rural schools have not risen but slipped by a staggering 20 per cent from nearly 50 per cent of Standard 3 children being able to read and study a Standard 1 level book in 2008 to just over 30 per cent in 2012. There is a similar finding in respect of simple arithmetic, even number recognition. What is even more disturbing is that “learning declines”
are “cumulative” with “successive cohorts of children being “much worse off than children before them”. How can PRIs contribute to more effectively delivering the crucial service of elementary education to students and the local community at the grassroots?

12.11 In the view of the Committee, it is entirely possible to bring the “ideals” of our education policy in alignment with “realities on the ground” provided “decentralized decision-making” clearly demarcates the jurisdiction of the Central and State Governments, on the one hand, and the domain of the Constitutionally-mandated three-tier Panchayat Raj system, on the other, as envisaged under Entry 17 of the Eleventh Schedule for “Education, including primary and secondary schools”. PRIs have to be recognized as one of the three level governments (Union, State, local) in the allocation of tasks under RTE/SSA, not treated as an inconvenient add-on, as at present.

12.12 The Committee are encouraged to believe this might be possible as the representative of the Department of School Education, Ministry of Human Resource Development testified before the Committee:

“I would like to reiterate that this (SMC) is an arm of the local bodies. In ideal circumstances, it should reflect the vision of the local bodies. The school plans prepared are to be presented to the Gram Sabha and their approval has to be taken”.410

12.13 The Committee wish to emphasize that the inclusion of an Entry in the Eleventh Schedule does not mean the devolution to PRIs of the entire subject or sector. Citing the example of Indonesia, a World Bank discussion paper has cautioned against transferring elementary education ‘wholesale’ to local governments.411 There is no way in which the subject of primary or any other level of education can or should be devolved as a whole to the district and sub-district institutions of local self-government. The education sector has to be a participative exercise involving the Central and State governments and the institutions of local self-government. At the same time, it would be folly to neglect or marginalize the PRIs in “last mile” delivery,

410 See Minutes of Meeting of 5 February 2013, Appendix.

411 Lant Pritchett and Varad Pande, Making Primary Education Work for India’s Rural Poor: A Proposal for Effective Decentralization, World Bank Social Development Papers, South Asia Series, Paper No.95/June 2006, p.20: “Common mistakes include decentralizing primary education ‘wholesale’ without thinking through required checks and balances that should be kept centralized (e.g. Indonesia)”.
Towards Holistic Panchayat Raj as has often been the case with CSS (including SSA), notwithstanding the entry into force of these Constitutional provisions all of twenty years ago.

12.14 While “decentralization is no panacea for primary education” and “there is no cross-country evidence of a systematic co-relation between decentralization and improvements in indicators of primary education quality”, it would be reasonable to foresee exponential improvements in the efficiency of the elementary education system, including learning outcomes, if there is not just decentralization but “effective decentralization”\(^{412}\). Such effective decentralization must aim at making SMCs responsible to Gram Panchayats, and through Gram Panchayats to Gram Sabhas, so that both parents and the community at large secure an effective voice at the interface between the school and the parents, as well as the school and the community. This should lead through clearer accountabilities to higher efficiency and better learning outcomes by community/parental supervision and monitoring of both student attendance and teacher attendance; mid-day meals; school-specific needs; student-specific requirement (e.g. tuitions), etc. The rationale for this conclusion, critical to learning outcomes, is sought to be spelt out in the paragraphs that follow.

12.15 The Committee have reviewed some of the research work conducted over the past decade or so into the relationship between parents, on the one hand, and teachers/school management, on the other, as well as between teachers/school management and the local community that the school is supposed to serve. There appears to be broad agreement in the literature that “the key problem is that within the current institutional structures for Government production of schooling, there are too few accountabilities for learning performance oriented management”\(^{413}\). This is because, under SSA:

i. There is no connection between school budgets and performance, and parents have little or no ability to enforce discipline on teachers or reward government teachers\(^{414}\). Thus, schools are largely not accountable to parents or the local community

ii. In consequence, teaching activity has been reduced to a minimum in terms of both time and effort. And this pattern is not confined to a

\(^{412}\) ibid., p 19
\(^{413}\) ibid., p 10
\(^{414}\) ibid., Table 2, p 14
minority of teachers – “it has become a way of life in the profession”\textsuperscript{415}.

iii. Moreover, teacher pay seems to have little effect on performance. On the contrary the highest paid teachers are also absent most often\textsuperscript{416}. In fact, since higher salaries are associated with longer tenure, teaching practices can only worsen – this probably explains the finding that the highest paid teachers are absent more often than lower paid para-teachers.

12.16 To rectify these basic defects, the first step would be to draw clear lines of accountability to parents and the community. Unless SMCs are organically linked to Gram Sabhas and PRIs, there would be little accountability of teachers to the community. So, if teachers do not turn up or are not teaching, there is very little that the community and parents, who are the primary stakeholders, can do at present to ensure accountability. Also, the centralized monitoring of teachers does not work. It is only when teachers are accountable to the local community that teachers actually show up and teach, as has been shown with the hiring by Panchayats of para-teachers in some States. Of course, without teachers dedicated to teaching, learning outcomes are bound to be poor.

12.17 In addition to the question of monitoring teacher attendance and actual teaching, the non-involvement of PRIs has also meant that all school-related decisions are taken centrally through norms dictated by the Government of India and/or the States. But, as the SSA Framework Guidelines recognize, school needs are varied. School-specific needs require, of course, that the school be enabled to adjust its resources to its specific circumstances to ensure that school-specific learning needs are met, which might mean more teaching materials in one school or a new classroom in another or an extra teacher in the third or a compound wall in a fourth to give parents the comfort that their children are not in danger of being run over by speeding vehicles on the road or highway outside. Such diversity of school needs can best be met through decentralization. For expenditures to be made in a way that reflects the needs of the individual schools, not only do grants to SMCs have to be much larger than at present, it would also be necessary for parents and the community at large to have a more effective voice in the running of schools than they have at present in SMCs by involving the Gram/Ward Sabhas through frequent and regular special sessions

\textsuperscript{415} Das et.al

\textsuperscript{416} Chaudhury et.al
devoted to elementary education\textsuperscript{417}. Moreover, grievance redressal requires that Gram Sabhas report through their Village Panchayats to SMCs and that SMCs be empowered with the autonomy to respond in at least routine matters to such grievances in a timely manner instead of functioning merely as post offices to transmit such grievances to distant higher authorities in line departments.

12.18 The pre-requisite of bringing PRIs/Gram Sabhas into elementary education is to carefully and in detail define the elements of “decentralization” in elementary education so as to demarcate the respective jurisdictions of the Central, State and local governments. Then, within that framework, to ensure that, in regard to last mile service delivery, the functions that are devolved to the institutions of local self-governments are matched by a corresponding devolution of funds and functionaries. The World Bank discussion Paper cited above underlines the point that the key systemic defect in India’s process of devolution in primary education has been the “experience of decentralizing functions…but not giving PRIs adequate finance or control over functionaries (teachers) or equipping them with capacity.”\textsuperscript{418}

12.19 The World Bank discussion Paper is nearly seven years old and there have been many developments in this crucial sector over these years, but apart from token representation of the PRIs in School Management Committees (called School Development and Management Committees in some States) set up under the SSA, there is no mechanism in place to ensure that the Village Panchayat, as a tier of government, is accorded that centrality in last mile delivery of primary education which is imperative for securing that “understanding of community needs and circumstances” that the SSA framework guidelines quoted in the opening paragraph see as necessary for “decentralized decision-making”. The Committee emphasize that there can be no accountability to the community for the operation and management of the primary school system unless that accountability is to the local community. Only the Gram Panchayat has such accountability as it is accountable to the Gram Sabha. It is in the Gram Sabha that “community needs and circumstances” come to light. Therefore, the non-involvement of the Gram Sabha and the token representation of the PRIs in the SSA system combine to ensure that notwithstanding efforts at higher level to secure improved pedagogical standards, accountability for school performance and learning outcomes continue to fall far short of outlays. This is principally because PRIs have not been entrusted with local accountability for “discretionary, transaction-intensive and

\textsuperscript{417} Evidence led before the Committee indicates that attendance at special Gram/Ward Sabha meetings tends to be significantly higher than at regular meetings.

\textsuperscript{418} Pritchet and Pande, \textit{op.cit.}, p.20
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locally-observable” elementary education-related activities. While raising learning outcomes requires fixing over a range of school activities, one key requirement is the full involvement of duly elected Panchayats at all three levels, representing the local community, responsible to the local community and, therefore, responsive to the local community in the development and management of elementary schools in the Panchayat area.

Unfortunately, the SSA parallel bodies at each of the three tiers are not integrated with but separated from the PRIs, with the degree of separation increasing as the system goes nearer the grassroots from the district to the block to the village level. The disconnection is worst where the Gram Sabha, comprising the adult voters of the community, is excluded. The inclusion of a few parents in the SMC is no substitute for the participation of all parents and the community as a whole in a sector that is crucial to the prospects of their children. Schools need to be cherished and nurtured by the beneficiary community. But the present SSA system takes accountability and responsibility, as also grievance redressal, upwards to line department authorities instead of downwards to the local communities. This fundamental systematic defect is what makes the “key problem within the current institutional structures” the fact that “there are too few accountabilities for learning performance oriented management”.

Without incentives for effective learning, neither budget increases, nor more teachers nor better teacher: pupil ratios, nor more generous remuneration for teachers nor higher enrollment nor lower dropout rates, lead to better learning performance. The Committee share the view expressed in the World Bank discussion paper that “failures are not happenstance but are the result of weak accountabilities”.

The Committee are, therefore, deeply concerned that the “Strategies” outlined in the chapter on Education in the Twelfth Plan document make no mention

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419 Power-point presentation to the Committee by Prof. Lant Pritchett of the Harvard Kennedy School and Center for Global Development on 4 February 2013. The presentation distinguishes between “thick accountability” and “thin accountability”, that is, between larger and broader issues of “policy formulation, legislation, apex activities” and issues where accountability is limited to “compliance with algorithms”, the former being the proper domain of higher levels of government and the latter those of local government institutions.

420 cf Prime Minister Rajiv Gandhi’s statement: “...give meaningful content to our basic equation, namely, that Representativeness and Responsibility equal Responsiveness”, Jaipur, 30 April 1988, Selected Speeches and Writings, 1988, Vol.IV, Publications Division, New Delhi, p.164

421 Pritchett and Pande, op.cit, p.10

422 ibid., p.10

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of PRIs in regard to “Access”\textsuperscript{424}, “Equity”\textsuperscript{425}, or “Quality”\textsuperscript{426}. Indeed, even in the section on “Governance” relating to educational “Strategies”, the Twelfth Plan talks of “improving educational leadership” without making any mention of the elected leadership of the local community; of improving “management at the district, block and school levels” without envisaging any role for the PRIs at each of these levels; and of “making better use of data” without recognizing that the only level at which reliable, locally-useable data, can be generated quickly and frequently updated is at the local community level through the Panchayat Raj system\textsuperscript{427}. In “the six core elements of the driving principles and strategy for the Twelfth Plan”, PRIs find no place\textsuperscript{428}. Indeed, the Twelfth Plan demands that “States need to set up transparent and reliable systems”\textsuperscript{429}. In fact, it is the Centre that needs to do this with regard to SAA as SSA guidelines are drawn up by the Centre and, as such, it is for the Union Ministry of Human Resource Development, Department of School Education, to ensure community ownership, community involvement and community participation through SSA guidelines.

12.23 Following suit, the Economic Survey 2012-13 refers, in relation to education and other social sector programmes, to the “pressing governance issues (that) need to be addressed”\textsuperscript{430} but makes no mention of PRIs in its section on Education.\textsuperscript{431} It is disturbing that “institutions of self-government” are not regarded as critical to “governance issues”.

12.24 There is no managerial solution to this issue. It is systemic reform that is called for.\textsuperscript{432} This is evident from the Twelfth Plan’s own frank assessment of disturbingly

\textsuperscript{424} ibid, para. 21.16
\textsuperscript{425} ibid., para 21.17
\textsuperscript{426} ibid., para. 21.19
\textsuperscript{427} ibid., para. 21.20-21.23
\textsuperscript{428} ibid., para 21.12
\textsuperscript{429} ibid., para 21.7
\textsuperscript{430} para. 1.100
\textsuperscript{431} pp.284-287
\textsuperscript{432} cf. Prime Minister Rajiv Gandhi’s speech in the Rajya Sabha winding up the debate on the 64\textsuperscript{th}/65\textsuperscript{th} amendment Bills, on 13 October 1989: “As we went along, we discovered that a managerial solution would not do. What was needed was a systemic solution.” Selected Speeches and Writings, Jan-Nov1989, Vol.V, Publications Division, 1991, p.216
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low student attendance rates\(^{433}\), imbalance in teacher deployment\(^{434}\), a large number of schools lacking “minimum facilities” despite “massive infrastructure developments at the school level”\(^{435}\). These and other factors have led to “weak learning outcomes at each stage of education” and this constitutes “the central challenge facing the Indian education sector today”\(^{436}\). But the Twelfth Plan “strategies” to meet these “challenges” do not include the institutions of local self-government set up under Article 243G of Part IX and are not aligned with the relevant Constitutional provisions in the Eleventh Schedule.

12.25 The SSA, as systemically structured at present, builds on the Village Education Committees of the 1990s District Primary Education Project by putting in place School Management Committees, howsoever named in different States, as the final link with teaching and learning at the school level. This has not succeeded. Notwithstanding the massive widening and deepening of the primary school system in the country, with aggregate public spending amounting to ₹ 12.5 lakh core in the Eleventh Plan period, 43 per cent of which went to elementary education, “the country’s mean years of schooling at 5.12 years is well below the other emerging market economies” and “significantly below the average for all developing countries”. The Twelfth Plan goes on to candidly state that a “matter of particular concern is the steep drop-out rate after the elementary level” with “disadvantaged groups” being worse off and “dropout rates for SCs and STs (being) higher than the national average”\(^{437}\).

12.26 Learning outcomes at the macro-level often hide differential outcomes for different sections of the community from the same system. An education system managed from above is generally guided by macro-features emanating from data based on higher levels of aggregation. As one drills down to get disaggregated data relating to the different sections of the community and for different local areas, the specific problems of any particular section or a particular area unfolds and only local actions can take care of such problems. If such local actions are driven by Panchayats, in which women, SC and ST have due representation in both seats and posts, it is much more likely that the specific problems of these sections will be better addressed than by SMCs in which there is no reservation for, or guarantee of the presence of, women,

\(^{433}\) ibid., para. 21.7

\(^{434}\) ibid., para. 21.9

\(^{435}\) ibid., para. 21.10

\(^{436}\) Ibid para. 21.13

\(^{437}\) ibid., para. 21.6
SC and ST. It is in Panchayats that special problems faced by girls students, SC and ST, are likely to receive the kind of attention required that has been highlighted by, among others, M K Mishra and P C Mahapatra in Odisha for tribal communities\(^{438}\). The Twelfth Plan recognizes that

“Ideally books and teaching medium up to the primary level should be in tribal dialects to the extent possible and the teachers should also be drawn from local communities”\(^{439}\)

but stops short of considering how PRI involvement is central to finding any practical solution to these issues.

12.27 The inadequacies of the present system of elementary education for Scheduled Tribes is underlined in the Twelfth Plan which shows that the gap in literacy rates between the total population and the Scheduled Tribes has stagnated at about 18 per cent over the thirty years between 1971 and 2001 while the gap in female literacy has widened from 13.84 per cent to- greater empowerment of SMCs 9.40 per cent over the same period. It adds that the “gap would be wider if the north-eastern states are excluded” and adds:

“There are districts in India where the female literacy among adivasis is less than 10 per cent”

Drop-out rates for tribals are also very high: “31.33 per cent in Classes I-V; 58.3 per cent in Classes I-VIII; and 76.9 per cent in Classes I-X”, as of 2008-09. Add to this the DISE finding that enrollment for tribal children has declined, albeit marginally, in the range of 10.93 per cent to 10.70 per cent between 2009 ad 2011 and that there were “noticeable gaps in learning achievement levels of SC, ST and Muslim children in almost all the states” and one begins to understand why top-down education delivery that does not take into account local conditions and responsiveness to local requirements cannot but fail, notwithstanding “the largest proportion of centrally sponsored schemes for tribal development (being) related to the single sector of education.”\(^{440}\)


\(^{439}\) Vol.III, para 24.52, p.231

12.28 How but with local government and local community involvement can any significant dent be made in this deeply disturbing situation? The parallel bodies set up by SSA are inherently incapable of more than incremental improvement at the margin. Community mobilization through effective participation of PRIs, on the other hand, could secure ‘big bang’ learning outcomes if Gram Panchayats, Gram Sabhas and parents were tasked to address these issues by having the SMCs report to the Gram Sabhas through the PRIs. This would be feasible if SMCs were made a sub-committee of the Gram Panchayats and hence responsible to (and responsive to) the community as a whole and the collective voice of parents, in particular. After all, everyone in the country, and the most deprived sections of the rural population even more, share the Planning Commission’s recognition that “Education is the most potent tool for socio-economic mobility and a key instrument for building an equitable and just society”\textsuperscript{441}. PRIs would work to this end – but cannot do so without being empowered to do so. As at present, they are excluded or marginalized from SSA by SSA guidelines.

12.29 Of course, learning outcomes are not uniquely a consequence of SMCs being made sub-committees of the Gram Panchayats and hence accountable to the Gram Sabhas. There is much activity, often of a highly technical kind, to be undertaken at higher levels of the system to finally prepare the teacher for providing effective learning. Measures relating to the “six core elements” of the Twelfth Plan strategy cannot but be the concern of higher authorities; innovations like “software tools and pedagogically appropriate e-content in local languages”; research on quality improvement; ‘early learning’ innovations; orienting teachers away from “grade-level to ability-level teaching-learning”; methods for “child-friendly assessments” through Continuous Comprehensive Evaluation; special provisions for girls, weaker sections and Children with Special needs; as also teaching aids and equipment, etc\textsuperscript{442} – all these and many other essential, indispensible activities must continue to be dealt with at the appropriate level.

12.30 Yet, there is much evidence to show that however effective the teacher might be in having the capacity to deliver effective learning, unless the teacher is rendered accountable to the community, the teacher’s teaching capacity alone is no guarantee for the delivery of effective learning. Studies conducted over the last fifteen years or so, from the initial PROBE Report of 1999 and the subsequent PROBE Report of 2006 to the more recent information provided by ASER 2012, show that the

\textsuperscript{441} ibid., para. 21.1

\textsuperscript{442} Details may be seen in the section entitled “TWELFTH PLAN INITIATIVES” at ibid., paras. 2.42 to 21.95
single biggest lacuna in providing effective learning is the lack of accountability of teachers and managers of schools to the intended beneficiary community. So, while it is commendable that higher levels of investment are leading to larger numbers of teachers with improved levels of pedagogy, school facilities such as buildings, class rooms, compound walls, toilets (specially for girls) and kitchens for cooking mid-day meals\textsuperscript{443}, absent effective teachers, absent effective learning. Therefore, whatever the achievements with respect to increasing enrolment and reducing drop-out rates, unless learning attainments are substantially increased, the current trend of learning levels dropping rather than increasing since RTE came into effect\textsuperscript{444}, will persist and the fundamental purpose of the exercise – higher learning outcomes - would remain defeated.

12.31 In consequence, a larger and larger segment of rural families are sending their children to private schools, with private school enrolment in rural India “increasing at about 10 per cent every year”\textsuperscript{445}. At this rate, ASER 2012 estimates that there is every indication that over 50 per cent of rural children will pay for their primary school education by the end of this decade, thus leaving “only the poorest (by all measures) send(ing) their children to Government-run schools”\textsuperscript{446}. This would be acceptable if private education were “affordable” to the rural poor, but until rural income levels rise many times over present levels, poor parents sending poor children to private schools is not an expression of market choice but an indictment of the failure of education service delivery through SSA. Equally, introducing a voucher system to market-orient choice to poor families in rural areas is fraught with uncertainty as only one country, Chile (very much more urbanized than our country), has succeeded in the last century or more in efficiently running a school-voucher system\textsuperscript{447}. There is, therefore, little practical alternative to Government-funded elementary education to ensure that children (the overwhelming majority of whom are poor to very poor and vulnerable) are in reality given the right to education – or, more to the point, the right to quality education. If government-run primary schools are to resume their predominant position, there are, of course, many steps to be taken at higher levels,

\textsuperscript{443} Economic Survey, 2012-13, para.13.31, p.284

\textsuperscript{444} ASER 2012, p.1, charts 1 and 2: “the proportion of children who could even recognize numbers up to 100 correctly has dropped from 70 per cent to nearly 50 per cent over the last few years with the real downward turn distinctly visible after 2010, the year RTE came into force”.

\textsuperscript{445} However, Additional Secretary, Ministry of Human Development, in his testimony on 5 February 2013, maintained that 80 per cent rural children are in public not private schools

\textsuperscript{446} ASER 2012, p.4

\textsuperscript{447} Pritcett and Pande, op.cit., p.54
but the most critical is at the point where the teacher meets the child, and the teacher and the school are rendered responsible to the community as a whole. Short of that critical step, all other steps will have sub-optimal consequences.

12.32 The task, then, is to reorient the SSA at the grassroots to switch to a system where the teacher is principally accountable to the school and the school, in turn, to the local community. Many exercises, notably in the Social Development Papers of the World Bank, have attempted to carve out a jurisdiction for the three levels of Panchayats that would demarcate the domain of each tier in elementary education, and mesh this into the existing experts-cum-civil service-cum-NGO network, in such a manner as to make the teacher accountable to the school and the school accountable to the community. Drawing on the existing literature, and by application of its own mind, the Committee have attempted to frame a Model Activity Map for incorporation in SSA guidelines. What is recommended is a “Model” and not an undifferentiated, universally applicable, centrally-imposed Activity Map. State Governments would need to adapt the Map to their perceptions of local realities. One would hope they would do so in consultation with the PRIs. Thus, the Model Activity Map attached to this Chapter of the Expert Committee’s Report, comprising all the three Fs (Functions, Finances, Functionaries) that would be need to be devolved to the PRIs under SSA Guidelines, might require modification at the State level, but would result in a State-specific Activity Map covering all 3 Fs being a necessary conditionality for the receipt and disbursement of SSA funds at the grassroots level. It may be noted that there is no effort to displace the existing SMCs and higher level SSA parallel bodies, but to require that they be brought into an organic relationship with the PRIs at each level so that clear lines of accountability to the community, including the parents of the children involved, are drawn and implemented.

12.33 The suggested Model Activity Map seeks to unbundle activities relating to elementary schooling, as also to unbundle the jurisdictions of Central, State and local governments in regard to elementary education, with a view to matching the unbundled activities to the appropriate unbundled jurisdiction at each level of the 3-tier PRIs in respect of all the 3Fs – Functions, Finances and Functionaries. This is expected to lead to a significantly more optimal allocation of responsibilities by effecting a systemic reform in SSA that would be both politically supportable and administratively implementable. Thus organizational responsibility would remain with SMCs but responsibility and responsiveness would be shifted to the
representative jurisdiction by integrating SMCs into Village Panchayats and thus make them accountable and answerable to the local community in the Gram Sabhas.

12.34 In unbundling activities through Model Activity Mapping, and assigning appropriate activities to SMCs embedded within Village Panchayats, and responsible to Gram/Ward Sabhas, the Committee have endeavoured to follow the principle of subsidiarity (“as much as possible, as low as possible”) so that operational matters are devolved to the school/VP/GS level (such as supervising children’s enrollment and reducing dropout rates; overseeing student/teacher attendance; observing and, where called for, redressing grievances; observing and suggesting improvements in teacher/student interaction; determining the need or otherwise for paid tuitions; supervising extra-curricular activities, including sports; managing school mid-day meals; determining and attending to school-level construction requirements; generating and updating school and village-level vital statistics and other essential data, etc) while District and Intermediate Panchayats provide institutional back-up on professionalism, supply teaching aids and equipment and furnish technical assistance, and the State/Centre governments design policy, set standards, determine curricula, update pedagogical techniques, and undertake high-level monitoring. It is hoped that such well-designed Activity Mapping will lead to improving schooling outcomes by increasing real-time accountability through the acceleration of “client power”.

12.35 Activity Mapping not only delineates the domain of the three levels of Panchayats in elementary education; to secure tangible learning outcomes, such Activity Mapping will have to be undertaken for other key CSS to facilitate the convergence at the local community level of SSA with several other CSS that are crucial to SSA outcomes. After all, the learning capacity of a child is determined from the womb onwards. If the mother receives proper pre-natal care and nutrition; then breast-feeds the baby for at last the minimum required time; and also receives the right kind of post-natal care and supplementary nutrition; if the infant is immunized well on time before being sent into ICDS anganwadis and there secures the appropriate nutritional supplements, including vital iodine in salt – only then will the child’s innate learning capacities blossom and bloom. While all these requirements and more are catered

448 cf. Prime Minister Rajiv Gandhi: “...we must take the plunge now, and unreservedly base responsive administration upon representative administration...for making our administration more representative, more responsible and, therefore, more responsive”, Coimbatore, 18 June 1988, Selected Speeches and Writings, 1988, Vol. IV, Publications Division, New Delhi, pp.168 and 170

449 cf. Pritchett and Pande, op. cit., p.44.

450 See Box reproducing the relevant passage from Pritchett and Pande, op. cit., p 14.
to by diverse CSS, there is not even an attempt at convergence since each CSS comes with its own delivery silo insulated from other CSS silos. The Twelfth Plan talks of convergence for construction activities between MNREGA and SSA\textsuperscript{451} but the gamut of convergence is considerably wider than the Plan documents indicate. The only point at which such convergence can be secured is the Panchayats at the three levels, with VP accountability to the GS being the last and most decisive point of convergence and real-time accountability.

12.36 In conjunction with Activity Mapping, teachers are the critical element for it is the interface between the teacher and the child that determines learning outcomes. Yet, there is hopelessly inadequate supervision, let alone control, over teachers as far as the community, the Gram Sabha, the Village Panchayat and even the SMC are concerned. Teacher absenteeism is between a quarter and a fifth of the time that is supposed to be devoted to teaching\textsuperscript{452}; absenteeism is even higher in some States; even when teachers are present, there is no assurance of whether he/she is actually teaching nor of the quality of teaching; and teachers are so often assigned to non-teaching duties by the State that the RTE Act has had to statutorily limit non-teaching duties to census and election duty (which in themselves takes up a great deal of time). In practice, RTE provisions in this regard are often breached. Most disturbing of all is the research finding that the very teachers whose performance is way below par in the school, where their salaries are unaffected by attendance or teaching attainments, magically turn into outstanding teachers once they are incentivized by the payment of tuition fees by the very children for whom SSA has been designed.

12.37 Moreover, the economics of the present structure of SSA imposes huge costs without securing concomitant returns\textsuperscript{453}. PAISA 2011 has estimated teaching and management costs at 78 per cent of the education budget, including about 45 per cent on teachers’ salaries alone\textsuperscript{454}. This has raised the average cost per child per annum to

\textsuperscript{451} Twelfth Plan, 2012-2017, Volume III Social Sectors Para 21.68, p 63

\textsuperscript{452} Although this is heatedly contested by other authorities who maintain that limited studies by “some academics” exaggerate the rate of absenteeism. The Committee keep their mind open to the exact percentage but regard teacher absenteeism as a critical negative factor contributing to poor learning outcomes

\textsuperscript{453} In oral testimony before the Committee on 5 February 2013, Prof. Pritchett maintained that the present expenditure of 4 per cent of GDP on education could be cut by half and outcomes substantially improved if high cost-low performance regular State teachers in primary education were to be replaced by “qualified teachers” drawn from the local community and responsible to it. This would not, in the Committee’s view, be violative of RTE provisions – although, of course, there is scope for reconsidering whether RTE norms do not in fact amount to killing the goose that lays the golden eggs.

\textsuperscript{454} PAISA 2011 p 6
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over ₹ 11,500\textsuperscript{455}. A substantial reduction in costs, with substantial increase in learning outcomes, might be secured by progressively phasing regular teachers into secondary and higher secondary education while opening elementary school teaching to locally recruited contract teachers who meet the stipulated minimum qualifications and then investing heavily in their initial pedagogical training and frequent subsequent refresher courses. Such contract teachers could be recruited by the PRI system at the District Panchayat level, on the basis of candidates recommended by the Village Panchayat and Intermediate Panchayat but subject to selection by District Panchayats meeting the minimum qualifications stipulated in RTE and related directions or securing these minimum qualifications through training within the stipulated period.\textsuperscript{456} The specific advantage is that if teacher assignment is made at the behest of the Village Panchayat, then the teacher would be responsible to the Village Panchayat/Gram Sabha. Thus, many of the lacunae in learning outcomes might be filled by greater accountability of teachers to parents and the community. One estimate is that by shifting to a well-designed system of PRIs hiring duly qualified local teachers on contract for elementary education, the education budget of the nation might be slashed by half while doubling learning outcomes\textsuperscript{457}. Therefore, it behooves the Committee to bring to Government’s attention a proposal for a District Professional Teachers’ Cadre that might be incorporated into SSA without unduly disturbing the status quo in terms of vested political, administrative and regular teachers’ interests. The experience thus far has been that while “primary and secondary education”, in terms of the Eleventh Schedule, have been incorporated in State legislation as a subject for devolution to PRIs, in actual practice such devolution as has been undertaken is ‘unbalanced’, in the sense that the domain of the three tiers has not been carefully demarcated leading to overlapping and confusion in the role that each tier is expected to play and with either none or inadequate matching devolution of funds and almost no control over the principal functionary – the teacher. SSA guidelines have further marginalized the

\textsuperscript{455} See testimony of Prof Lant Pritchett dated 04 February 2013

\textsuperscript{456} The Madhya Pradesh experiment in appointing contract teachers as “Gurujis” has certainly been an inspiration but moderated by developments since then, including RTE, to stress that only “qualified” teachers, or teachers who acquire the required qualifications, should be contracted and not just anyone willing to perform the task, or arbitrarily appointed, as in the earlier MP experiment. This will also preclude the kind of nepotism, leading to absenteeism even among contract teachers, which proved to be the bane of the MP experiment. Professionalism combined with accountability has to be the hallmark of the proposed system. Of course, teachers, whether regular or contract, should be well-paid but only on the basis of linking pay to performance by institutional reform that brings accountability into the system. It is the absence of such accountability that lies at the root of present failures.

\textsuperscript{457} Evidence tendered before the Committee by Prof. Lant Pritchet on 04 February 2013 See Appendix

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PRIs, limiting them to token representation in SSA parallel bodies.

12.38 As PAISA 2011 pithily puts it:

“(The) hierarchical centralized education system has been successful in creating education inputs and putting in place a system for schooling. The challenge for India now lies in shifting its focus from schooling to learning”\textsuperscript{458}. Shifting this focus is inhibited by “a bottom-up delivery system with no bottom-up control or decision-making power”\textsuperscript{459}. This requires:-

- greater empowerment of SMCs
- incentivising parent participation
- SMCs incentivising parents and PRI representatives to attend
- SMC meetings
- SMC accountability to Village Panchayats and, through Village Panchayats to Gram Sabhas.

12.39 Thus far, the accountability for schooling has drawn lines of accountability upwards from SMCs to higher authorities in line departments; accountability for learning has to draw lines of accountability downwards from SMCs to all parents and the local community. The parents and the local community together constitute the “school community” and these school communities “need an enabling and supportive institutional environment that will allow them to make decisions for meeting their stated goals”\textsuperscript{460}. This requires a systemic overhaul in the SSA delivery mechanism to embed SMCs in Village Panchayats and embed parental responsibility for schooling and learning in Gram Sabhas. Thus will parental and community involvement lead to responsiveness within the SSA system – a responsiveness to local needs and perceptions that is now missing.

\textsuperscript{458} PAISA 2011 p 7
\textsuperscript{459} Ibid p 7
\textsuperscript{460} Rukmini Banerjee, PAISA 2011, p.14
12.40 It is the expectation of the Committee that structured and scientific devolution to PRIs through Model Activity Mapping in the elementary education sector the country will find a cost-effective method of improving learning achievements; that we can and should align increased autonomy for the PRIs, in which the SMCs will be embedded, with greater accountability; that while standards setting for learning achievement, monitoring performance and disseminating information, as well as for curricular and pedagogical training, will be at higher levels, we will see the current high per student cost of instruction palpably decreasing while quality improvement in learning palpably goes up through making the operation of SSA at the school/GP level function with the greatest possible autonomy, including controlling finances, assigning teachers, and creating assets. The Committee also believe that managing individual schools for elementary education, developing them and replicating them within the Panchayat area, should essentially be undertaken or proposed by SMCs embedded within the Gram Panchayat and accountable to the Gram Sabha; and that the consolidation of planning for elementary schools and coordination of asset creation might be undertaken at the block/district level, as appropriate.

12.41 For cutting costs to improve outcomes, the Committee commends to the attention of Government an innovative suggestion made in a working paper for the World Bank. The proposal aims at converting the present state-level teaching cadre for primary schools into a District Professional Teaching Cadre (DPTC) in three distinct phases. In phase I, the Village Panchayat would recommend a name of as local resident for the past of contract teacher. His/her “eligibility” would then be determined by the Zila Parishad on the basis of the criteria for qualifications and technical requirements stipulated by State or national guidelines. Those declared “eligible” by the ZP would be put in a pool, from which Village Panchayats, in consultation with their respective SMCs, would be free to hire shiksha karamcharis (contract teachers). The person(s) so assigned to the village primary school could well be the very person(s) the VPs themselves have recommended to the ZP for consideration. Such school-specific assignments would ensure that it is only those teachers who want to live in the village or its vicinity would be chosen and contracted by the Village Panchayat for a fixed term.

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461 Pritchett and Pande, op.cit., p 49

462 There is legitimate concern that having two sets of teachers at the same level – contract and regular – might not stand the scrutiny of the courts and could lead to demands for the regularisation of contract teachers. However, the proposal made in this Report aims at phasing out regular teachers from the elementary education system by absorbing them into the secondary and higher secondary cadre while opening the opportunity of regularization for competent and qualified shiksha karamcharis into shiksha adhyapaks and maha-adhyapaks.
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term, renewable at the discretion of the Village Panchayat. This will ensure that the *shiksha karamchari* is accountable to the school and his/her salary is paid by the Village Panchayat or through the SMC bank account (which in the Committee’s proposed system will be in effect the VP bank account for running SSA schools).

12.42 In phase 2, the *shiksha karamchari* can, if approved after due evaluation, rise to the position of *adhyapak* or associate teacher, with the evaluation being done through parental inputs, peer inputs, technical review and, of course, Gram Sabha/Village Panchayat approval. At this point, the *adhyapak* would receive substantial increments in emolument, enjoy a longer-term contract, and find less stringent conditions for his/her removal from service, but with the power of assignment resting with the school. In the third phase, the *adhyapak* would be permitted to apply for the post of *Maha Adhyapak* or Master. However, only a duly reputed and qualified share of *adhyapaks* would end their career as *maha adhyapaks*.

12.43 Thus, a provisional district level cadre would exist but assignment to specific schools would be at the instance of the PRI at the appropriate level. The key logic behind this proposal is to progressively promote a professional cadre of district-level primary school teachers who would be remunerated and rewarded over an entire career period according to an objective evaluation of their provisioning of effective learning outcomes at the school/village level. The State cadre teachers might be deployed above the elementary schooling level (until they are perhaps phased out by taking DPTC, if successful at the elementary schooling level to higher levels of schooling)*463*.

12.44 Thus would parents, the local community through Gram Sabhas and GPs with embedded SMCs become meaningful stakeholders in the elementary education system with a sense of ‘ownership’ of SSA and community participation in securing better learning outcomes for their children, the key to social mobility, economic advancement, and equity in access to opportunity.

B. SECONDARY EDUCATION (ENTRY 17 OF SCHEDULE XI OF THE CONSTITUTION)

12.45 While the 12th Plan strategy links secondary and higher secondary education, the Committee have concentrated only on secondary education as this is specifically

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*463* The Committee are aware that “contract teachers” are no longer permitted under RTE but urge that this be reconsidered for duly “qualified” contract teachers at the primary level, where conventional deployment of regular teachers has proved both most uneconomical as also not outcomes-oriented.
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mentioned at Entry 17 of the Eleventh Schedule to see how Panchayati Raj Institutions can be leveraged for securing better secondary schooling and learning outcomes.

12.46 The 12th Plan emphasizes the need for secondary education to fulfill the “large manpower needs of the semi-organized and the organized sectors of the economy”; to function as “the supply chain for higher education”; to source “teachers for primary schooling”; and secure improvements in “health, gender equality and living conditions”. It also envisages a growing role for the private sector but to vest in the government education sector “the prime responsibility to provide access (to secondary education) to disadvantaged sections and to bridge the rural/urban, regional, gender and social group gaps”. To this end, the Rashtriya Madhyamik Shiksha Abhiyan (RMSA), launched in 2009-10, is to be further strengthened and supplemented by model schools, girls hostels; an incentive scheme for girls to take to secondary education; inclusive education for the disabled at the secondary stage; a National Merit-cum-Means scholarship scheme; and increasing the attractiveness of the vocational stream at the plus 2 stage. To work towards this goal of “universal secondary education”, the overall strategy is based on “consolidation” through better use of “physical assets” and “resource mapping” as well as “leveraging private and non-governmental expertise and resources to improve the quality of education”.

12.47 The RMSA is structured on broadly the same template as SSA but with the PRI system even more distanced from the parallel bodies of RMSA. The example of Kerala has demonstrated that the Intermediate Panchayat (IP) can play a decisive role in promoting enrolment into secondary education, supervising teachers and school management; and mobilizing community awareness and support for the key national goal of more and better secondary schooling leading eventually to universal secondary education. For reasons analogous to those described at length in the section on SSA, the Committee urge that the RMSA parallel bodies at the district and sub-district levels be embedded in the PRI system, with particular importance being given

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466 ibid., para. 21.89, p.68.
467 ibid., para 21.98, p.70.
468 ibid., para 21.103, p.72.
469 ibid., para.21.103, p.72.
470 ibid., para21.105, p.73.
471 This was highlighted to the Committee at its meeting wth Kerala government representatives and experts in Thiruvananthapuram on 14 February 2013.
to the Intermediate Panchayat that caters to the Village Panchayat clusters served by RMSA. The Village Panchayats comprised in the IP area would be responsible to, and responsive to, Gram Sabha recommendations regarding school-specific or community-specific needs and perceptions regarding secondary education. In particular, motivation for increasing enrolment in vocational training courses at the plus 2 stage from the current desperately low rate of under 5 per cent to the target of 25 per cent could best be achieved by intensive extension exercises undertaken by RMSA authorities at the Gram Sabha level through Intermediate Panchayat and Village Panchayat.

12.48 Accordingly, the Committee strongly recommend that Activity Mapping for RMSA be undertaken as part of the RMSA framework guidelines. The template proposed for SSA might also serve for RMSA.

**C. TECHNICAL TRAINING AND VOCATIONAL EDUCATION (ENTRY 18 OF SCHEDULE XI OF THE CONSTITUTION)**

12.49 For many years, it has been advocated at the highest levels of Government that elementary and secondary education be integrally linked with vocational training so that education becomes the path to assured self-employment and employment, as also to enable MSMEs flourish as the principal vehicle for diversifying rural employment avenues and thus promoting inclusive growth. The linking of skill development to education has now emerged as a significant component of the nation's programme of Education. “A new strategic framework for skill development for early school leavers and existing workers has been developed” with a key emphasis on the projects of the National Skill Development Corporation

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473 "Our education system cannot be limited just to literacy and degrees and higher education. It must look at vocational training, bringing in skills relevant to daily life, to the type of work the individual will have to do, or the type of work which is accessible to him": Prime Minister Rajiv Gandhi, Inaugural Address to the 39th Meeting of the National Development Council on Education Policy, 29 April 1986, Selected Speeches and Writings, 1986, Vol. II, Publications Division, New Delhi, p.190. It was in his time that the vocational stream was introduced in 1988 into the secondary education system. Earlier, his predecessor, Prime Minister Indira Gandhi informed the Central Advisory Board of Education on 4 November 1974 that: “Most students would like a vocational bias to education and a certain amount of vocational training is essential”, Selected Speeches and Writings, 1972-77, Vol. III, p.508. Earlier still, Prime Minister Jawaharlal Nehru had told a gathering of students in Indore on 14 September 1952: “I emphasize the value of technological skills and knowledge. If you want to build up India, if you want your country to progress, you must acquire this knowledge...and acquire the necessary skills”, Selected Works of Jawaharlal Nehru, Second Series, Volume 19, published by the Jawaharlal Nehru Memorial Fund, New Delhi

in partnership with private industry and several sectoral Skill Councils. Besides, the Twelfth Plan strategy for secondary and higher secondary schooling envisages a framework for vocational education at the plus 2 stage that places the “emphasis on generic and multiple skills so that trainees/students may respond to changes in technology and market demands”. Therefore, the revised scheme on vocationalisation of secondary schools, under preparation, proposes to “ensure that it is aligned with the new qualifications network and industry-led sector skill councils, so that vocationalisation does not become an expensive dead end for students”.

12.50 The Twelfth Plan notes that “there is low penetration of vocational education and training” and that “skills are yet to become aspirational among youth”. It also further recognizes that “systemic and institutional reforms” have to be worked into the “key strategies”. But while the Operational Strategies envisaged do include a “Focus on Deliveries”, there is no more than a passing reference to PRIs in the Summary of Points on which the Twelfth Plan says the skill development programme needs to focus. However, this one reference, the context of which is quoted below in full, provides the opening through which “systemic and institutional reform” might yet secure that centrality of PRIs which is crucial to attaining the objectives of a programme that seeks, inter alia, to take “skill development to the doorstep of the rural population” and targets “minority and weaker sections of the society” and “youth from low-income families in rural semi-urban areas”:

“Focus on Informal sector by finding a model that reaches out to the people, as the livelihood promoting institutions, panchayati raj institutions and

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475 ibid.
477 ibid., para 21.121, p.77
478 ibid., para. 22.96, p. 150
479 ibid.
480 ibid., para 22.97, p.150
481 ibid.
482 ibid., Box 22.4, p.151
483 ibid., point 8, p.159
484 ibid., para 22.108, p.153
485 ibid.
486 ibid., para. 22.109, p.153
NGOs are engaged effectively” (emphasis added)

As the “model” is yet to be developed, there is scope for suggesting how PRIs can be brought centre-stage; at the same time, the Committee are concerned that the Ministry of Panchayati Raj is not explicitly included in the listing of Central Ministries at point 16 of the Summary that are proposed to be engaged in elaborating the programme.

12.51 Nevertheless, given that “84 per cent of the workers are employed in the unorganized sector and 92 per cent are engaged in informal employment” (a substantial proportion of whom – probably two-thirds or more – are in rural India) there seems to be every opportunity for involving Intermediate Panchayats at the cluster level, under overall District Panchayat supervision and the involvement and participation of Gram Panchayats/Gram Sabhas within the cluster area, to give the Skill Development programme that salience, momentum, and participatory strength without which the programme will remain a bureaucratic construct. This is especially necessary for “spreading skill development activities throughout the country, particularly the backward areas and the areas affected by extremism and reach weaker sections of the society”, as the Twelfth Plan aims to do.

12.52 The Twelfth Plan affirms that this larger objective can best be attained through Skill Development Centres located in such areas. The Committee are of the view that embedding the Skill Development Centres in the Panchayat Raj system would be the best – and perhaps only – way of making skill development a “people’s movement” riding on the aspirations of the youth with their informed participation and responsive to their perceived needs. Extension work, that is, spreading information about the Skill Development programme, the opportunities being opened up, and the advantages to be secured, would be most effective if undertaken through special Gram/Ward Sabha meetings called at frequent and regular intervals to mobilize young people and rally their parents and community

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487 ibid., point 8, p.159
488 ibid.
489 ibid., para 22.101, p. 152
490 ibid., para 22.102 (d), p. 152
491 ibid.
492 The expression is derived from Prof. Thomas Isaac’s celebrated work with Richard W. Franke, *Local Democracy and Development: People Campaign for Decentralised Planning in Kerala*, LeftWord Books, New Delhi, 2000
elders to the cause of skill development and vocational training, and the job opportunities this opens up. This is particularly important as low motivation and inadequate mobilization at the community level through Gram Sabhas has resulted in its having taken all of a generation, 25 years, from the launch of the vocationalisation programme in secondary education in 1988 to the present to attain a mere 4.8 per cent enrollment in the vocational stream as against the target of 25 per cent\(^4\). Only by involving PRIs, and through them the Gram Sabhas, in the school vocationalisation programme can consciousness and awareness among parents and students be raised to take advantage of the revised vocationalisation programme on offer\(^4\).

12.53 That would also be the forum to identify potential beneficiaries and classify them according to individual preferences for the range of skill development activities on offer. The involvement of PRIs, particularly at the block level, would promote at the cluster level a sense of ‘ownership’ of the skill development programme in the community at large and channel grassroots feedback to the technical and official personnel involved.

12.54 Therefore, the Committee recommend that a detailed Activity Mapping exercise for the devolution to PRIs of Functions, Finances and Functionaries involved in Skill Development be undertaken (perhaps on the template provided in the Activity Map for SSA attached to this Chapter) so that the MSME sector, which already provides employment to some 6 crore persons and contributes 45 per cent to manufacturing output, 40 per cent to exports and 8 per cent to GDP\(^5\), grows into a surcharged engine of growth with equity. This would accord with the clarion call given by Prime Minister Dr. Manmohan Singh at the Chief Minister’s Conference on 29 June 2004:

“...We need to learn from the Chinese model of rural business hubs that add value to agricultural produce within the rural areas...For differential strategies to emerge in rural development and to make rural India our big opportunity we need to implement Panchayati Raj in letter and spirit... Panchayati Raj is the medium to transform rural India into 700 million opportunities.”\(^6\)

\(^4\) See fn. 69 above.

\(^5\) Twelfth Plan 2012-13 Social Sectors para 22.72 p 144.


\(^6\) http://pmindia.nic.in

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And those 700 million opportunities can be created only if Skill Development Centres are organically linked through detailed Activity Maps with the PRIs at all three levels.

D. Adult Education and Non-formal Education (Entry 19 of Schedule XI)

12.55 The impressive increase in general and female literacy levels has resulted in the Twelfth Plan advocating a strategic “paradigm shift from literacy to life-long learning”497, principally through the flagship Saakshar Bharat adult education scheme, with a special focus on women and disadvantaged groups. It is recognized that to this end the single “most important” task is

“eliminating barriers to participation through ICT, awareness, mobilization, environment building and well-designed and targeted guidance, information and motivation.”498

12.56 However, the programme continues to be bureaucratically driven with the “Gram Panchayat level” being confused with responsibility vesting in the Village Panchayats and Gram Sabhas. Thus, the Lok Shiksha Samitis are designed as parallel bodies to the PRIs and PRIs are misconceived as one of several other “implementing agencies”499.

12.57 The “barriers to participation” identified by the Twelfth Plan could best be eliminated by mobilizing the community through their locally elected representatives, but the prerequisite is that locally elected Village Panchayat leaders be empowered to effectively supervise and monitor the Lok Shiksha Samitis and the impact at the grassroots of the Saakshar Bharat programme in general. This would require the embedding of Lok Shiksha Samitis in the Village Panchayats, as proposed for SMCs under SSA, rather than their being constituted, as at present, as parallel bodies delinked from the PRI system. Indeed, to the extent that the PRIs are regarded as just one among other “implementing agencies”, it is the PRIs who are made responsible to the Lok Shishka Samitis and not the other way round! Also, Lok Shishka Samitis are not responsible to the community in the Gram Sabha but to the State Literacy Mission authorities. Village Panchayats, on the other hand, are responsible not upwards but

499 Twelfth Plan Social Sectors para 21.178(4) p 89.
downwards to their respective Gram Sabhas. Of course, responsiveness to the Gram Sabha perceptions and redressal of grievances is possible only when Village Panchayats are empowered to be effectively responsible to Gram Sabhas. Lines of accountability to the local community could best be drawn if the Lok Shiksha Samiti is made an arm of, and not differentiated from, the PRI system. It may also be noted that while ICT, awareness, and mobilization are of the essence in promoting literacy, adult education and non-formal education as tools for “life-long education”, Lok Shiksha Samitis tend not even to spend their allocations for these purposes because of the structural disconnect between the Lok Shiksha Samitis and the Gram Sabha, a disconnect that can only be removed by embedding Lok Shiksha Samitis in PRIs.

12.58 The example of the Village Panchayat in Nilambur in Kerala that became the first Village Panchayat in India to ensure cent per cent literacy by converting the goal of literacy into life-long education could serve as a model example of securing Saakshar Bharat goals by vesting the central responsibility in the PRI system instead of persisting with a bureaucratic top-down model of delivery. A note on the Nilambur scheme may be seen at Annexe 12.1 of this Report.

E. LIBRARIES AND CULTURAL ACTIVITIES (INCLUDING SPORTS) [ENTRIES 20 AND 21 OF SCHEDULE XI]

12.59 While libraries in schools would clearly be limited to schools at the appropriate level, the goals of life-long education and the enhancement of knowledge, horizons as well as the mobilization of community interest in vocational education and technical training require libraries to be established in every Panchayat area, indeed in as many of the habitations comprising a Panchayat area as possible. Several State schemes for the development of Panchayats, such as Tamil Nadu’s Village Renaissance Scheme, named after former Chief Minister C.N. Annadurai (and its successor scheme) have included the establishment and running of libraries as a primary PRI responsibility. In West Bengal, every PRI was authorized to collaborate with the public library in that area to preserve all their records which were open to access by the general public. The innovation of using public libraries as archival repository of the PRIs is commended by the Committee for replication in other States. In other States, like, Kerala, Andhra Pradesh and Tamil Nadu, building taxes levied and collected by the Panchayats, there is a surcharge called the Library cess, which is available to recognized public libraries. This is a ‘best practice’ that the Committee would recommend to be pursued in other States.
12.60 Although a separate Entry for “Libraries” has been made in the Twelfth Schedule, there has been little funding by the Centre or incentivization to the States to make libraries the centerpiece of village cultural life. The Committee would urge that the Twelfth Plan goal of life-long education requires, at a minimum, the provision of resources to Panchayats at all three levels to establish reading rooms and libraries for the use of the local community. The Rajiv Gandhi Panchayat Sashaktikaran Abhiyan might be the appropriate scheme to leverage to this end.

12.61 The Twelfth Plan recognizes that “visual and performing arts are a critical part of school education” and recommends that:

“Institutions like the National Centre of Performing Arts and the National School of Drama along with the Central Academics should contribute significantly to the inclusion of arts in the school curriculum and its implementation”\textsuperscript{500}.

12.62 While this is welcome, the ambit of “Culture” as a fit subject for devolution must, of course, extend beyond village schools to the entire village community. Panchayats may be enabled by the provision of adequate financial resources and technical assistance from the Centre and the States to organize their own cultural events with local talent as also bring in artistes from elsewhere in the State. As regards familiarizing village populations with the wide variety of India’s cultures in order to enable them to meaningfully participate in the celebration of diversity, which is the bedrock of our national unity, the Committee would like to draw attention to the Report of the Committee on Zonal Cultural Centers constituted by the Hon’ble Prime Minister of India on the occasion of the Silver Jubilee of the Zonal Cultural Centers. The Report draws attention to Prime Minister Rajiv Gandhi’s Zakir Hussain Memorial address on 22 April 1987 that explains the crucial role of the performing arts in promoting the emotional integration of the nation and its secular ethos\textsuperscript{501}. The Report has proposed that:

“It is of the essence that a grassroots movement like the Zonal Cultural Centers be integrally linked with grassroots governance through the institutions of local self-government... the Review Committee believes that mobilizing and

\textsuperscript{500} Twelfth Plan 2012-13, Social Sectors para 21.72 p 64

\textsuperscript{501} The summary of the main points of the Address prepared by the ZCC Review Committee may be seen at Annexe
assiduously promoting a close and symbiotic relationship between the Zonal Cultural Centers and local self-government... will facilitate the achievement of the grand vision of the Zonal Cultural Centers as the means of reaching the very best in the bouquet of our cultures to the people at large, wherever they might live and at their doorstep.”502

12.63 Similar to school libraries, while sports facilities in schools clearly fall within the domain of the schools, it hardly needs emphasis that school sports facilities would tend to be used only by the school community and not by the rural population at large. Therefore, in addition to guidance, supervision and monitoring of school sports facilities by the local community through SMCs/Village Panchayats/Gram Sabhas, there needs to be more widespread opportunity for the community as a whole, both of the school-going age as well as the adult population and senior citizens, to participate in health-improving sports and other physical exercise.

12.64 The Committee believe that the proposed New Sports Policy, as well as the proposed revamp of the Nehru Yuva Kendra Sangathan and its village branches, needs to be availed of to promote a joint venture between Panchayats and Nehru Yuva Kendras to promote opportunity for sports grounds and sports facilities in every Panchayat area for village youth and the generality of the rural population. Panchayats, Nehru Yuva Kendras and other community-based organizations remain the most important and widespread institutional network available for rejuvenating the sports culture in rural areas, supplemented by any support they might receive from corporate entities, public or private. Under the overall aegis of the Sports Authority of India, the State Sports Authorities should be enabled, through additional financial and human resources, to provide the back-up support required, especially with respect to coaching and training and the use of sports infrastructure for the broad-basing of sports. The Panchayat Yuva Krida aur Khel Abhiyan (PYKKA) was launched in 2008 with precisely this goal in mind but has not made adequate progress in the last five years503. In any case, the Panchayat element has been underplayed and much of the activity envisaged for NYKs has been taken over by the education programme. What is needed to give impetus to PYKKA is for the Union Ministry of Youth Affairs and Sports to provide the three-tier PRI system, through appropriate Activity Mapping in PYKKA, with sufficient financial and human resources to dynamize the programme, especially as a visit to any village in the country will show young people very keen on

502 http://indiaculture.nic.in/indiaculture/index.html#
503 See answer to Rajya Sabha unstarred Question no. 2633 dated 2.12.2010
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having a place to play and in need of basic sports equipment. Such resources could also be made available in convergence with appropriate existing schemes such as the National Rural Livelihoods Mission (NRLM) and the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA). It might also prove possible to incentivize Members of Parliament and Members of Legislative Assembly to invest in such projects under MPLADS and MLA LADS. It would thus be entirely feasible, as was envisaged at the launch of PYKKA, to enable Panchayats to create the minimum required sports infrastructure in every panchayat area to cover the whole country over a ten-year period.

12.65 Apart from dovetailing Central and State schemes for rural infrastructure with the resources made available for this specific purpose by Union and State governments, Panchayats should be charged with the responsibility of identifying an active local institution, such as a Nehru Yuva Kendra or other local youth club, to be responsible for organizing and managing sports and games in the village. To accomplish this objective, the Government should ensure that there is a sports complex in each Panchayat which should also hold sports competitions and championships periodically. Panchayats can also play a significant role in taking up the responsibility of scouting talent at an early age and select them on a scientific basis.

12.66 Finally, Panchayat Raj Institutions should be encouraged and incentivised to remove barriers in the form of lack of information, motivation and affordability to ensure the optimal utilization of sports facilities by boys and girls, young and old, and all segments of the village community. This robust action plan will enhance mass participation and better performance in sports through effective sports development system, leading to the emergence of India as a leading sporting nation. The Committee urge that PYKKA be rapidly expanded and fully funded to more effectively leverage PRIs for the promotion of sports and other physical training facilities.
XI Schedule of the Constitution has following entries:

Entry No.23: Health and Sanitation, including hospitals, primary health centres and dispensaries.
Entry No.24: Family Welfare
Entry No.25: Women and Child Development
Entry No.28: Public Distribution System

In this chapter the matters relating to Health, Family Welfare and ICDS from WCD and PDS are discussed. The subject of sanitation is discussed with Drinking Water in chapter 9.

Health

13.1 Health is a subject under the jurisdiction of the states with entry 6: “Public health and sanitation, hospitals and dispensaries in List II in Schedule VII. Family Welfare is in List III Concurrent List as entry 20A : Population Control and Family Planning. Public distribution system, covered by entry 33(b) of the List III – Concurrent List.

13.2 Article 243G provides for endowing the Panchayats with powers and authority to function as institutions of self-government and the devolution of powers and responsibilities for planning and implementation of schemes is to be made in this context. The Centrally Sponsored Schemes in the matters of Health, Nutrition, Public Distribution System and Food Security and the centrality of PRI role have to be examined against this express intent and mandate in the Constitution.

13.3 A holistic perspective of health sees people’s health as an outcome of the interplay of socio-economic, cultural, political and technological forces. This outcome
varies, depending on gender and caste, class stratification, regional and ethnic factors. “Health services touch upon only one aspect of the determinants of health but the provision of health services is one of the most important welfare responsibilities of the Indian State enshrined in the guiding principles of our Constitution and operate as clinical or public health services”\textsuperscript{504}.

13.4 The structure for health care services in India is based on the report prepared by the Bhore Committee in 1946 which promised health care to all, irrespective of an individual’s paying capacity. The report also recognised that poverty and environmental conditions hamper public health systems from achieving the best possible results. It conceptualised a three-tier pyramidal structure for each district to run an integrated health service. This structure was to be further strengthened through medical colleges and speciality hospitals in the cities. National disease control programmes were initiated along with family planning and nutritional programmes, and manpower training became an important part of building the health services. A number of Centrally Sponsored Schemes for family planning, specific disease control, expansion of health infrastructure have been the main source of planning and funding of activities in this sector.

In 2012-13 Plan outlay for health was increased by 13.9 per cent to ₹ 30477 crore. In the 12\textsuperscript{th} Plan the central outlay for health has been increased by 200 percent to ₹ 99491 crore compared to ₹ 30018 crore in XI Plan. But expenditure\textsuperscript{+} on public health as percentage of GDP is low\textsuperscript{505}.

**Governance in the Public Health**

13.5 The governance reforms in the public Health system in the XI Plan had included devolution of powers and functions to local health care institutions. The XII plan document, however, admits that the NRHM strategy of decentralisation, PRI involvement, intersectoral convergence, etc have been partially achieved (para 21.13 XII Plan). NRHM was already launched in 2005 as a CSS which has an overarching scope in matters of health and family welfare with integration of earlier vertical programmes. As NRHM was conceived and launched a whole decade after the 73\textsuperscript{rd} Amendment and the first Panchayat elections in different States, it was expected that the guidelines of

\textsuperscript{504} Imrana Qadeer: *Status of Health Services in India: An Overview in Ensuring Universal Access to Health and Education in India*, November 2007 – Published by Wada Na Todo Abhiyan).

\textsuperscript{505} Economic Survey 2012-13, Page 287.
implementation of this programme would be in accordance with the Constitutional provisions especially the local governments mandated and guaranteed and entries in the XI Schedule about the subjects e.g. Health that may be entrusted to them. The Committee looks at the NRHM and its implementation guidelines in this light.

In the rest of this part, we briefly recapitulate the scope, objectives, experience of NRHM and then see how its guidelines incorporate the role of PRIs as per the intent of the Constitution. The Committee looks at how it takes note of the role of PRIs in its planning and implementation at the local district and sub-district levels and then address the issues emerging for securing centrality of PRIs in its planning and implementation for efficient delivery of health services which is the goal of the NRHM and also of the self-governing institutions of PRIs.

13.6 National Rural Health Mission (NRHM)

13.6.1 NRHM, one of the nine flagship programmes of the government, seeks to provide accessible, affordable and quality health care to the rural population, especially the vulnerable sections. Besides the disease specific reduction rates and improvements, and upgradation of certain infrastructure, it seeks to

i. Reduce the Maternal Mortality Ratio (MMR) in the country from 407 to 100 per 1, 00,000 live births,

ii. Reduce the Infant Mortality Ratio (IMR) from 60 to 30 per 1000 live births and

iii. Reduce the Total Fertility Rate (TFR) from 3.0 to 2.1 within the 7-year period of the Mission i.e. by 2012.

For the purposes of PRIs involvement, these are the most significant targets as community participation, local level planning and implementation and convergence are essential for them. The disease-specific programmes are more in the nature of accessing medical treatments and preventive services. This is reflected in the key features, approaches, institutional structures, broad based committees at different levels and community level workers at the village level introduced in the programme. As the Committee see later, NRHM has made progress but nowhere near the targets included for its final year 2012 of the Implementation Framework 2005-2012.
The framework for implementation of the programme mentions that the key features in order to achieve the goals of the Mission include making the public health delivery system fully functional and accountable to the community, human resource management, community involvement, decentralisation, rigorous monitoring and evaluation against standards, convergence of health and related programmes from village level upwards, innovations and flexible financing and also interventions for improving the health indicators. (emphasis added)

The five main approaches of NRHM are:

- Communitise
- Improved Management through Capacity
- Flexible Financing
- Innovation in Human Resource Management and
- Monitor Progress against Management.

The broad institutional mechanisms at various levels and in which the role of PRIs at various levels as stated in this NRHM framework document include District Health Mission and Society, Committees at different levels – village to district with, ASHA – a community level worker locally selected and fully trained and working with the Village Committee and the Health Mission.

District Mission under leadership of Zilla Panchayat

District Health Missions have been placed under the leadership of Zilla Parishads with Chief Medical Officer of the district (District Health Head) as Convenor and all relevant departments, NGOs, private professionals, etc. represented on it.

Fund Flow to Health Societies-State, District

Funds under CSS like NRHM are specific purpose transfers from GoI to the states for influencing expenditure in areas of States’ Constitutional responsibility. These schemes are formulated and substantially funded by GoI and States have the primary responsibility for implementation. The States have implementation units, including PRIs and CBOs with relatively low capacity and awareness of the schemes. GoI has no units to implement and supervise these schemes. The States often speak of funds flow

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constraints. It is observed that this CSS like other CSSs has diffused accountability with GoI as provider of funds but implementation by states and lower level implementing units. GoI has no direct control over implementation.

“These have also tended to reduce ownership and accountability of States and create a principal and agent relationship.”

In NHRM, the State Health Mission and District Health Missions with the responsibility for planning and implementation have the fund flow from GoI to State Health Society and to District Health Societies. This appears to be the preferred mode particularly in large CSS and is adopted for NRHM as a ‘funds flow’ mechanism. The Committee agree with the view that it is not a sufficient condition for effective programme implementation or utilisation of funds. NRH Mission, however, seeks to improve service delivery by putting in place enabling systems at all levels.

- Committees at village, Gram Panchayats, Block and district levels for preparation and approval of Village and District Health Plans and for monitoring.
- Village Health and Sanitation Committee (at village level) comprising Panchayat representatives, ANM/MPW, Anganwadi Worker, Teacher, ASHA, Community Health Volunteers.
- Gram Panchayat/Sub-Health Centre level Committee of Panchayat.
- PGC/Cluster of Panchayat Level PRI Committee.
- Block level PRI Committee for approval of Block Health Plan.
- Zilla Parishad approval of District Health Plan.
- Independent Monitoring Committees at block, district and national level.
- Hospital Management Committee/Rogi Kalyan Samiti for Community Management of Public Hospitals.
- ASHA as community level volunteer locally selected and locally accountable.


508 Ibid.
13.7 ASHA is provided in each village in the ratio of one per 1000 population. She is to be selected by the Gram Sabha following an intense community mobilisation process. She would be fully accountable to Panchayat. Though she would not be paid any honorarium, she would be entitled for performance-based compensation. (NRHM Framework for implementation)

i. ASHA is the first port of call for any health related demands of deprived sections of the population, especially women and children,

ii. will create awareness on health and its social determinants, utilisation and accountability of the existing health service,

iii. is a promoter of good health practices,

iv. provide a minimum package of curative care as appropriate and feasible, and

v. to make timely referral.

So far in the 7 years of NRHM, these workers have been selected, trained and are working in the villages (number given below).

ASHA\textsuperscript{509}. 8.84 lakhs ASHAs selected by September 2012
8.09 lakhs given orientation training and
7.46 lakh provided drug kits

It can be said that after the ICDS's Anganwadi worker, she is a significant addition as a visible community worker particularly for increasing the reach of health services, nutrition interventions, pre-school education, awareness on health and its social determinants.

Selection of ASHA worker - PRIs and Gram Sabha

13.8 PRIs and Gram Sabha are involved in the selection process of Asha. She is not selected by the health officials. The selection process for ASHA provides that a meeting of the Gram Sabha would be convened to select one out of the three shortlisted

\textsuperscript{509} Economic Survey 2012-13
names. The minutes of the approval process in Gram Sabha shall be recorded. The Village Health Committee would enter into an agreement with the ASHA. The name will be forwarded by the Gram Panchayat to the District Nodal Officer for record. The District Health Society under the chairmanship of the District Magistrate/ President Zilla Parishad will oversee the selection process\textsuperscript{510}.

It is recognized that ASHA cannot function without adequate institutional support. The women’s committees (like self-help groups or women’s health committees), Village Health and Sanitation Committee of the Gram Panchayat, peripheral health workers especially ANMs and Anganwadi workers, and the trainers of ASHA and in-service periodic training are the major source of support to ASHA. At the block level, the Block Co-ordination Committee with the Block Nodal Officer/Block Panchayat President as Chairperson are to ensure involvement of PRIs and civil society and support of all related departments.

**Gram Panchayat leading ASHA initiative**

13.9 The Gram Panchayat is expected to lead the ASHA initiative in three ways:

i. The Gram Sabha undertakes (through the process outlined earlier) the selection of ASHA,

ii. It is involved in supporting the ASHAs in their work and itself undertaking many health related tasks through its statutory health committee. All ASHAs will be involved in this Village Health and Sanitation Committee of the Panchayat either as members or as special invitees (depending on the State laws),

iii. It develops the village health plan in coordination with ASHA and

iv. A part of the compensation incentive is to be provided by/routed through Panchayats.

However, the committee noted that all these expectations have not been fully met in the first phase of 7 years of NRHM implementation and will need to be fully operationalised now in the letter and spirit of the guidelines.

\textsuperscript{510} Accredited Social Health Activist (ASHA) Guidelines p.7, 8, 11, 12, 13, MoHFW, GoI two years after programme started.
AWC as the hub for services and convergence; monthly village health nutrition day

13.10 NRHM identifies the AWC as the hub for service provision and also as a platform for inter-sectoral convergence. It provides for organization of Village Health Nutrition Day (VHND) every month at the AWC in the village. The Guidelines mention the responsibility of PRIs to ensure that (i) the members of the VHSC are available, (ii) participation of school teachers and PRI members and (iii) availability of clean drinking water, proper sanitation and convenient approach to the AWC for participating in the VHNSC.\textsuperscript{511,\textsuperscript{512}}

Village Health and Sanitation Committees (VHNSC) and Village Health Plans

13.11. The role of Village Health and Sanitation Committee (VHSC) is given a major emphasis in preparation of village Health Plan. It has

- Representation of 50 per cent women members
- Representation of each hamlet within a revenue village so as to ensure the needs of the weaker sections especially Scheduled Castes, Scheduled Tribes and Other Backward Classes.
- At least 30 per cent representation from the non-governmental sector.
- Representation from women’s self-help group etc.

It is stated that these provisions are made so that the committee could undertake women’s health activities more effectively. But the overall composition and nomenclature of the VHSC is left to the State governments as long as these committees were within the umbrella of PRIs.

13.12 A Concurrent Evaluation of NRHM to assess the reach and impact of NRHM activities- Report based on data collected from 187 districts covering 33 States/UTs found that around half of gram panchayats had prepared village health plans. The number of panchayats who had prepared village health plans varied in different States from 14 to 100 per cent.\textsuperscript{513}


\textsuperscript{512} Since 2012 the Village Health and Sanitation Committee has been re-designated as the Village Health, Nutrition and Sanitation Committee.(VHNSC).

\textsuperscript{513} ‘IIPS- Concurrent Evaluation of NRHM 2009 National Report’
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It was found in this concurrent evaluation that around half of the Gram Panchayats had prepared village health plans. The number of Gram Panchayats who had prepared village health plans varied in different States from 14 to 100 percent (page 143).

13.13 A seven states study\textsuperscript{514} appraising NRHM observed low percentage of VHSCs involved in preparing any Village Health Plan and being consulted over issues/problems related to Village Health and Nutrition, the study finds that these are not playing their roles properly.

Most of the 260 VHSC members over 296 villages in 37 districts reported that their village had the sub-centre facility (253/260) Only 57 percent of the VHSC members reported participation in making Village Health Plans, with minimum participation in Jharkhand (8/26). Maintaining of the Village Health Calendar, providing details of health and sanitation activities of the villages, was very poor (38/260). Similarly, record keeping like health register (159/260), demographic data (89/260), and regular meetings records (148/620) etc. was extremely poor.

The role of VHSCs in providing safe drinking water was very impressive (250/260). However, their role in keeping good sanitation conditions and community toilets was extremely poor in all the States excepting Tamil Nadu.

Knowledge of VHSC is a significant component of NRHM but this study found that a very low percentage of households knew about VHSC (12 per cent), 79 percent of the household respondents reported to have heard of any health worker but only 47 percent reported that any health worker visited their household in the last one month.

Over 3/5th of the births were not registered. Over half of the births nationally took place at homes, over 70 percent children age 12-23 months were fully immunised. But most of the women did not know about VHSC in their village.

13.14 Role of PRIs in Planning and Implementation of NRHM: There are important statements related to decentralisation, role of PRIs and involvement of community in the NRHM – Framework for Implementation 2005-2012. In doing so, sometimes the same features, role and mechanisms are restated. We are however briefly restating these as they are to see if these restatements have led to their implementation. These may be stated in brief as follows:

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- Health facilities control would be gradually shifted to the PRIs and Civil Society.
- Sub-centre exclusively under Panchayat control.
- PHC to be under control of Block Panchayat Samiti.
- CHC to be with Rogi Kalyan Samiti (RKS).

The narration speaks of PRIs and range of community based organisations like SHGs, committees, for local levels accountability in the delivery of social sector programmes. (page 4)

- Seeks to adopt a convergent approach under the umbrella of the district plan.
- Set up a platform for involving the PRIs and community in the management of primary health programmes and infrastructure. (para 3 page 10)
- It highlights the role of Mission when it says that: The DHM under the Zilla Parishad would get the district plan prepared covering health as well as the other determinants of health. (page 4)

13.15 The core strategies again mention enhancing PRI capacity to own, control and manage public health services.

- The priorities, constraints and action to overcome them speak of:
  - Control and management of health facilities by PRIs,
  - Budget to be managed by the PRI/User
  - PRI/User Group mandate for action,
  - Evolving diverse appropriate PRI/User framework PRI/User Group action at Village/GP/Block and District level Active Village Health and Sanitation Committee
  - Training of Panchayat members,
• Linkage of all above to the Panchayat committee on health
• Involvement of PRIs in health untied resources for planning and monitoring.
• Management of health facilities by the PRIs.
• Thrust on community monitoring, NGO involvement, PRI action, etc.
• Ensure Equity and Health, promote education of women SC/ST and other vulnerable groups.

13.16 It is stated that keeping in view the decentralisation envisaged under the NRHM, the States would be required to devolve sufficient administrative/financial powers to the PRIs (para 10, page 19).

Describing the broad framework for implementation, more details are given under institutionalising community-led action for health about role of PRIs. Communitization is stated to be an important strategy of NRHM to ensure that the programme reaches at the community level. It includes involvement of Panchayati Raj Institutions, formation of hospital management committee i.e. Rogi Kalyan Samiti (RKS) and also the provision of community worker known as ASHA. In para 13, p.20 of the document, details about role of PRIs are stated under institutionalising community led action for health. Thus it stated that to institutionalise community led action to health:

i. NRHM has sought amendments to acts and statutes in States to fully empower local bodies in effective management of the health system.

ii. would attempt to transfer funds, functionaries and functions to PRIs.

iii. To facilitate local action, will provide untied grants at all levels (village, G P, Block, District, VHSC, SHC, PHC and CHC).

iv. Monitoring Committees at various levels, with participation of PRI representatives, user groups and CBO/NGO representatives for their inputs in the monitoring planning process, and to enable the community to be involved in broad review and suggestions for planning. (para 13, page 20).
13.17 Para 11 under this broad head of community led action, speaks of PRIs at three levels to be given ownership of the public delivery health system.

“With the development and capacities and systems the entire public health management at the district level would devolve to the district health society which would be under the effective leadership and control of the district Panchayat, with participation of the block Panchayats”. (Para 12 page 20 emphasis added)

13.18 It is stated that the accountability framework to be truly community owned, the effort will be to ensure that at least 70 percent of the total NRHM expenditures are made by institutions and organisations that are being supervised by an institutional PRI/ community group. (para No 31, page 25 emphasis added)

The Gram Panchayat Pradhan, the ANM, the MPW, a few Village Health and Sanitation Committee representatives will be responsible for the Gram Panchayat Health Plan. They will also be responsible for overview and support for the household survey, preparation of Village Health Registers and preparation of Village Health Plans. The Gram Panchayat/SHC level would also organise activities like health camps to facilitate the planning process. (The planning process levels of planning and key functionaries, page 30).

13.19 Giving the details of funds proposed to be given at village level and above, it is mentioned that a revolving fund would be set up at the village level for providing referral and transport facilities for emergency deliveries as well as immediate financial needs for hospitalisation. The fund would be operated by the VHSC. Untied fund would also be made available to VHSC for various health (para 58, page 39). It again reiterates VHSC’s leading role in health matters in the village.

The sub-centres would be given an untied support of ₹ 10,000 per annum, kept in a joint account to be operated by the ANM and the local Sarpanch. To bring in greater community control, the sub-centres would be brought fully under the Panchayati Raj framework (para 63, page 40). The CHCs would be brought under the community ownership through the system of Rogi Kalyan Samiti (RKS). Once the PRIs gain experience in controlling the SHC and PHC, the composition of the RKS would be changed to bring CHCs also under the fold of the PRIs. (para 73, page 43).

The last sentence reflects the lack of conviction in PRI’s capacities, which in the Committee’s opinion, leads to non-implementation of the exhortation for PRI’s role.
13.20 Convergence Framework for Effectiveness

District level Zilla Parishad framework allows convergent action of all departments under one umbrella (para 8.1, page 51). The document mentions a critical role of Panchayati Raj Institutions in the success of the NRHM – planning, implementing, monitoring, inter-sectoral convergence, and community ownership.

Janani Suraksha Yojana (JSY)

13.21 Janani Suraksha Yojana (JSY), a 100 percent Centrally Sponsored Scheme, is one of the most important flagship programmes of the Central government under the broad umbrella of the National Rural Health Mission (NRHM). The scheme integrates:

- The cash assistance with antenatal care during the pregnancy period.
- Institutional care during delivery and
- The immediate postpartum period in a health centre by establishing a system of coordinated care by field level health workers. The scheme aims at reducing the overall maternal mortality ratio and infant mortality rate in the country by increasing the institutional deliveries in BPL families. The present position is:

  - JSY515: Beneficiaries increased from 7.38 lakh 2005-06 to >109 crore 2011-12
  - Institutional Delivery in 2012-13 up to September 80.39 crore

The intent and ground level action

13.22 Thus the narration about role and responsibilities of PRIs in NRHM makes all appropriate statements like gradually shifting control of health facilities to PRIs, district health missions under Zilla Parishads preparing health plans, training and enhancing capacities of PRI to own, control and manage public health facilities, budget to be managed by them, etc. However, none of these appear to be mandatory. In a number of matters, PRIs are clubbed with CBOs, user groups and the broad category of action is under communitisation. The ground reality is completely different from what is stated in the document and PRIs are not fully involved institutionally in planning and implementation of NRHM.

A report on State of Panchayats in 2008-09 concluded “the guidelines/frameworks are making fairly elaborate provisions to involve PRIs at various levels”. But “the actual linkage is being approached more in an instrumental rather than in an integrated way”. There is inadequate responsiveness to shed powers in the well entrenched bureaucracy. So the committees get constituted mostly as parallel bodies to PRIs\(^{516}\). The Committee observe that, in fact there is only a linkage with PRI’ representatives in committees set up outside the panchayats and they are not involved with responsibility and authority to take the Mission objectives further.

13.23 While the narration seems to imply a direct involvement of the Gram Panchayat and Block level PS in NRHM, basically the whole responsibility, control is of the district society which may generally have the Collector as chairman and ZP Chairman may not be included as a member. The whole programme is with the Health Society and the Mission. The PRIs are associated with the village health and sanitation committee which has been renamed now as Village Health Nutrition and Sanitation Committee (VHNSC), entrusted responsibility at the village level and funds given in joint account of ASHA and Sarpanch and in some States Panchayat women representatives. It is stated that this committee would be a sub-committee of the Gram Panchayat, an order issued by the NRHM headquarter is annexed but it is seen that it is not a sub-committee of GP everywhere.

13.24 The Committee note that the programme is implemented by the departmental officers and the Panchayat representatives are only associated as members of committees. It is not given to the ZP and lower level Panchayats as could be understood by the simple reading of the document. One component of the NRHM, appointment and functioning of ASHA does have involvement of GP/GS in her selection. But her accountability seems to be to the departmental hierarchy and perhaps to the local PRI simultaneously. How much she reports to PRI is a matter of verification in different States.

13.25 The State of Panchayats Report 2008-09\(^{517}\) gives the whole picture about the ZP’s leadership for district health mission or district health plan when it says that “while the district Collector/Magistrate was involved in the district level structure of NRHM (DHM or DHS) in all the States, the same was not the case with the Zilla Panchayat President” (p.31). It further mentions that District Health Plans were prepared but “the involvement of either ZP or DPC was found missing in all the districts visited and

\(^{516}\) State of Panchayat Raj Report (MOPR) 2008-09.

\(^{517}\) Status of the Panchayat Raj Report (MoPR) 2008-09.

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the ZPs approval as such had not been sought or obtained for the district health plan and where there was consultation, it was “found to be a mere perfunctory exercise” (p.31).

In almost all the cases, the District Health Plans had been prepared without looking at the plans of the lower level committees, no attempts made everywhere to prepare block plans or village level plans which could feed into the district plan. So the exercise was found to be top down in nature.

13.26 The report also mentions that ‘there was a highly mixed kind of involvement of IPs’ (intermediate panchayats). Block level committees involving IP President or CEO were made in some States and as a sub-committees of IP, but there was no involvement of IP in preparation of block plan.

At the village level the involvement of Village Panchayat was to be at the village and PHC/SC level. The VHSC had been constituted involving the Village Panchayat leaders too and were headed by Village Panchayat President or a ward member. But the Village Panchayat leaders were not found involved in the committees of PHC/SC.

In most of the States the role of VHSC for planning was yet to emerge but they could see their involvement in sanitation, hygiene, creation of awareness, utilisation of untied funds and health officials informed about these quickly bringing to their attention break out of any disease and ASHA workers said they were able to approach women easily for health awareness through the help of Village Panchayat members. In terms of monitoring also, the role of VPs was found to be very limited.

13.27 The Committee also observed that the NRHM evaluations do not speak anything about how PRIs are involved and what has been the impact. This applies to the concurrent evaluation and seven States study given to IEG by the Planning Commission. Only aspect which the seven States study mentions in some detail is about setting up of the VHSC and how much the villagers knew about it. Here also villagers’ awareness about the committee’s existence and the level of its performance did not match. So obviously the functioning was not very participatory with PRIs and the village society.

**Health in the XII Five Year Plan**

13.28 The Twelfth Plan seeks to strengthen initiatives taken in the Eleventh Plan to expand the reach of health care and work towards the long-term objective of
establishing a system of Universal Health Coverage (UHC) in the country. (para 20.19) The strategy is to expand the reach of health care and work towards the long term objective of establishing a system of Universal Health Coverage in the country. Each individual should have assured access to a defined essential range of medicines and treatment at an affordable price including entirely free for a large percentage of population. Preparations to be initiated for rolling out a pilot UHC are given in the XII Plan to include:

1. Build an effective system of community involvement in planning, management, oversight and accountability.

2. Build an effective oversight and grievance redressal system through active involvement of Local Self-government Agencies and Civil Society”. (para 20.49, page 15).

The Committee note and welcome that this emphasis on the role of local government agencies and community involvement underscores the role of PRIs but also notes that it again juxtaposes it with civil society and system of community involvement in management without clarity about how it will be done by PRI, by the departmental staff as usually tried or otherwise. In our Committee’s view it is this lack of clarity and details which leaves the intent non-operational.

13.29 Jeffrey Hammer, Yamini Aiyar and Salimah Samaji518 give more optimistic observations where they state that the NRHM identifies the district as the key institutional unit for planning, budgeting and implementation of health services. The key role articulated for the district is the development of cross sectoral health plans that integrate health concerns with determinants of health they feel that in recognising the potential of local governments in strengthening the delivery of health services, the NRHM marks an important step in the direction of articulating a role for district and Gram Panchayats in delivering health services. However, they also admit that it does not go far enough. There are two key issues that are highlighted by them here as given below

1. NRHM privileges the district as the key implementing body without providing the necessary discretion and autonomy at the Gram Panchayat level to reallocate resources and change activities according to needs of the individual Gram Panchayats.

2. The ASHA is accountable both to the Gram Panchayat and its parent department, the department of family welfare and women and child. The same argument applies at the district level where functionaries at the district health mission report to multiple departments at the State level.

13.30 Jeffrey et al also accept that there is substantial resistance in State ministries of health to give up money and control to PRI institutions generally and certainly to levels below the District Panchayat. Given the central role that contracting up can play in improving accountability; it is critical that the Central government encourage State governments to implement this seriously. One way to do this would be for the centre to use the MoU as a tool to incentive State government to contract up. They feel that the Government of India should also take advantage of the stated goals of the NRHM to improve surveillance, monitoring and measurement of health outcomes as well as inputs and develop better information to help policy making in the future.

Activity Mapping

13.31 Activity Mapping for NRHM identifies activities to be taken up for (i) Setting Standards, (ii) Planning, (iii) Asset Creation, (iv) Operation and Management, (v) Monitoring and Evaluation. While there can be variation in specific items, general trend can be seen here. Thus Setting standards including norms for construction of AWC, for recruitment and training, nutrition and feeding norms, health guidelines are to be handled by GoI and State level authorities. Planning will be in the domain of DPC and intermediate and village Panchayats. It is in the area of Asset Creation, Operation and Management, Monitoring, IEC and MIS that the role of PRIs at different levels is appropriate. An indicative, model Activity Mapping done by the Expert Committee is attached. An exercise on these lines in the States will bring clarity in the role, authority and accountability for outcome, Committee recommends adoption of this approach. The incorporation of a model activity map in NRHM guidelines would ensure while States are free to modify the Activity Map to suit local conditions and State-specific Activity Map would be the indispensable pre-requisite to receiving and disbursing NRHM funds.

Recommendations

13.32 The Committee feel that the NRHM guidelines and consequently intention to really decentralise and make PRIs responsible for the programmes is not unequivocal despite the language of the document. Apparently there is no conviction about the
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capacity of these institutions. This is also reflected in the discussion of implementation issues and decentralisation in the Economic Survey 2012-13 which says that “Another area needing attention is decentralisation. While Plan programmes are designed with a bottom-p approach and are Panchayat - and PRI-centric, they are actually implemented in a top down manner and do not effectively articulate the needs and aspirations of the local people, especially the most vulnerable. Several functions were transferred to PRIs and since 2004 there has also been massive transfer of funds to PRIs especially after the enactment of MNREGA.

“But institutionally the PRIs remain weak and do not have the required capacity to Plan or implement programmes effectively”\(^{519}\) (emphasis added).

13.33 The Committee are of the view that the formation of standing committees for a CSS outside the formal statutory institutional structure of the PRIs cannot be very effective except for giving a forum for bringing in voices. The PRIs despite being the local government and the frontline actors are not in command in NRHM implementation. This is the principal reason for IMR/MMR ‘targets’ being nowhere near achievement at the end of seven years of operation of promulgation of framework NRHM 2007-2012.

13.34 There is also lack of clarity as to the expectations from PRI’s association in the committees and how is the ownership of the local community, local women and PRIs responsibility to be operationalised. As we have seen earlier, the District Health Mission is still not with the ZP and the District Health Plan is prepared by the Health Department officers and the technical staff and consultants in the DPMU (District Programme Management Unit) set up to assist in this work.

13.35 Neither decentralised planning nor decentralised implementation by the elected local governments is operationalised so far. Now that the Framework of Implementation is due for revision/correction for the post-2012 years, the Guidelines need to be made more specific and clear in the intent and strategy of their operationalisation. To begin with, the Guidelines should not only lay down indicative action line but their compliance should be monitored. The monitoring tools need to be appropriately designed so that their compliance, impact and difficulties can be constantly reviewed. Some of the specific points to be incorporated in the Mission document Guideline are:

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i. the District Health Mission must be universally placed under the ZP leadership in the ZP and not outside with suitable association of other actors,

ii. It should be a regular item of agenda for review in the ZP meeting or of its standing committee at least quarterly.

iii. The District Health Plan must invariably be prepared with participatory planning with village, block level committees and discussed in the Gram Sabha.

iv. The strategy should categorically move from associating PRIs or their members to making the PRI bodies responsible and accountable for Mission’s success through its committees.

v. States may modify NRHM model Activity Maps to suit local conditions, but a State-specific Activity Map would be essential pre-requisite for rolling out NRHM in the State. This exercise is important not only for its output in the form of final mapping but also in participation in it to help in clarity about what is to be done at what level of PRIs or by the government at the Central and State level and why and its rationale. The model indicative activity mapping for NRHM functions and functionaries which the Committee had got prepared are attached.

vi. ASHA and VHNS Committee be accountable to the PRIs. While the report of ASHA may go to the department, her accountability should be only to the PRI and through the GP to the Gram Sabha.

vii. Lastly, the Mission should include capacity and competence building of PRIs focused on the requirements of the public health issues and health issues of women and children and marginalised groups.

No involvement and control of PRIs can be really effected without activity mapping which would clearly indicate where the role of Central/State government and role of PRIs is the most appropriate. Considering the type of responsibility and functions involved, an indicative model activity mapping has been attempted by the committees and is attached. The Committee has earlier discussed the concept and practice of Activity Mapping and role and practice. The Committee recommend that
this exercise of Activity Mapping may be done in every State and its implementation may be taken up with clarity about how and why this arrangement would be the most appropriate.

II. Family Welfare

13.36 India has witnessed a decline in the Total Fertility Rate (TFR) from 5.2 in 1971 to 2.5 in 2010. This was one of the socio-demographic goals recommended by the Expert Group on Population Policy under the Chairmanship of Dr. M.S. Swaminathan in 1994. However, there is still a long way to go. Estimates from 2005-06 show that 13 per cent of pregnancies still occur among women aged 18 or below and only 5 per cent of married adolescents under 18 report any use of modern contraceptives. Studies also document that 21 per cent of pregnancies in India are unplanned. Such births negatively affect maternal and child health and survival in many ways.

13.37 Evidences demonstrate that the results of providing women with universal access to voluntary family planning are dramatic and far-reaching. Family planning directly reduces the number of maternal deaths because it lowers the risk of unplanned pregnancy and its associated complications, lowers the risk of having an unsafe abortion, delays first pregnancy in young women who might have premature pelvic development and reduces risks for women whose health may already be compromised. Globally, health benefits would include 215,000 fewer maternal deaths, a two-thirds drop in unplanned pregnancies resulting in 21 million fewer unplanned births and 26 million fewer induced abortions.

13.38 There is a need for repositioning family planning within the women’s empowerment and human rights framework in national development and MCH policies and programmes in India. The ICPD, 1994 emphasized on the role of women’s empowerment in influencing reproductive behavior and impacting fertility. The

520 The Committe acknowledge with thanks the valuable contribution made to this section by Ms.Poonam Muttreja,Executive Director, Population Foundation of India


global and national studies have yielded enough evidences to show the connection between women’s empowerment and fertility. The more empowered a woman is, greater are the chances of her continuing with education, delaying age at marriage, informed contraceptive choice, improved reproductive and child health care, and work participation. A strong family planning programme that is well integrated into a comprehensive reproductive and child health programme will contribute directly to reducing maternal and child mortality and improving maternal health contributing to overall health and well being of women, families and communities.

13.39 While it is theoretically accepted that family planning cannot be treated as a vertical programme, in practice it continues to be so with a focus on sterilization targets and little attention to quality of care. There is a need for convergence of family planning with other programme interventions such as improved literacy, socio-economic status, women’s empowerment, better health care and other human resource indicators. In this context, repositioning family planning at the national level, means that policy-makers, donors, scientists, and business leaders create or support budget line items dedicated to family planning, enact supportive, non-coercive, family planning laws and policies in a gender sensitive and rights-based framework, participate in multi-sectoral partnerships, and publicly demonstrate their support for family planning. At the local level, it means that community leaders educate and mobilize constituents, providers offer RH/FP counseling and quality services with skill, enthusiasm and consistency, and informed clients act effectively on their desire to delay, space or limit child-bearing.

The three drivers of population growth

13.40 India’s growing population continues to be a major cause for concern among policy makers and in civil society. However, there is considerable misunderstanding about the nature of the population ‘problem’ and what needs to be done to achieve rapid population stabilization. It was rightly said that the effort must focus on repositioning the discourse from ‘population control’ to ‘population stabilization’. There is need for a better understanding of the three drivers of population growth: population momentum, wanted fertility and unwanted fertility/unmet need and their impact on population stabilization.

Current programming on family planning

13.41 The major focus in the current government programme of family planning has been on promoting and providing services for permanent methods of family
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planning, especially female sterilization. The method-wise break up of contraceptive use in India in 2005-06, reveals that 44 per cent of women in their reproductive age (15-49 years) are currently not using any contraceptives. Of the 56 per cent of total contraceptive use, two thirds female sterilization (37 per cent). Other current use of contraceptive methods include: male sterilization which is only 1per cent and modern temporary contraceptive methods (OCP – 3 per cent, IUD – 2 per cent, condoms – 5 per cent) that account for 10 per cent of contraceptive use. This is reflective of the emphasis in the government programme on family planning, where-in a major focus has been on promoting and providing services for permanent methods of family planning, especially female sterilization. The National Population Policy 2000 advocates a target-free approach and commitment to voluntary informed choice. High targets set for female sterilization and limited availability of a range of spacing methods, often see such programmes disproportionately impacting women from marginalized communities.

13.42 With a focus on permanent methods, the family planning programme in effect, primarily provides for families who have achieved the desired family size. This is contrary to the need of the hour, which is to cater to the requirements of the large youth population in the country.

Analysis of the reasons for population growth tells us, that the maximum contribution (70 per cent) to population growth comes from population momentum, i.e. the tendency for population growth to continue, adding large numbers even when couples have fewer children, because of a relatively high concentration of people in the child-bearing years. It can be slowed down mainly by delaying age at marriage and child-bearing in women.

13.43 The second major contribution to population growth is from the unmet need for contraception, (20 per cent) which is the disconnect between a woman’s desired fertility and her access to family planning services. An estimated 32 million currently married women (DLHS, 2008) are not able to access the contraceptives they require to better space and limit the number of children they have. Unmet need can be addressed by improving quality and access to family planning services.

13.44 The third factor contributing to growth is wanted fertility (10 per cent contribution). This is caused by several factors, including parents giving birth to more children than they actually want to compensate for high rates of infant mortality; the low status of women, the limited voice that women have in family and fertility decisions as well as a strong preference for sons. All three factors contribute to
population growth, \textit{i.e.} \textit{unmet need, high desired fertility and population momentum} can be addressed by interventions that stimulate a demand for contraception, such as interventions that promote social norms around small families, delayed age at marriage, and delayed child-birth along with provision of quality family planning services.

13.45 While there is a stated shift of focus from permanent methods to temporary methods of contraception by the Ministry of Health and Family Welfare (MoHFW) at the national level, this needs to be translated to appropriate action at the State, district and sub-district levels. This involves:

- Scale up successful programmes to end child marriage and delay the birth of the first child.

- Review on priority basis current practices, especially the quality of care provided in target-oriented sterilization camps and make available a range of safe, effective and quality contraceptive options to men and women.

- Expand the choice of temporary methods of family planning available in the government programme.

- Initiate large scale programmes to improve counseling skills of frontline workers such as the Accredited Social Health Activist (ASHAs) and Auxiliary Nurse Midwives (ANMs) under the Ministry of Health and Family Welfare and Anganwadi Workers (AWWs) under the Ministry of Women and Child Development, for family planning.

- Take all possible steps to provide youth-friendly and comprehensive reproductive and sexual health services and life-skills education to the young so that they can make an informed choice concerning their reproductive and sexual health including contraceptives.

- Review and withdraw all policy provisions and entitlements that are linked with family size.

- Conduct quality assurance review of the family planning programme periodically in all districts and publish the results for the purposes of monitoring and quality improvement.
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- Increase budget for promotion and services of spacing methods of contraception.
- These require District level Planning and implementation of Health as well as Family Welfare Plans under NRHM with leadership of ZP and active involvement of IP and village panchayats.

**Greater involvement of Panchayati Raj Institutions (PRI) on Family Planning**

13.46 Community action is a key strategy of National Rural Health Mission (NRHM). It ensures that people’s health rights are being met through a process of active engagement of the community. The implementation framework states that ‘NRHM would seek to empower the PRIs at each level i.e. Gram Panchayat, Panchayat Samiti (Block) and Zilla Parishad (District) to take leadership to control and manage the public health infrastructure at district and sub-district levels.

13.47 The Village Health, Sanitation and Nutrition Committees (VHSNC) constituted Under the NRHM, at the revenue/gram panchayat level are expected to take collective action on issues related to health and its social determinants. In most States, the Chairperson of the VHSNCs is the village panchayat Sarpanch, along with other PRI representatives, and others as members. Since NRHM was launched in 2005, VHSNCs have been constituted across most States. However, capacity building and functioning of VHSNCs across the states is variable. To address these gaps, the MoHFW must take action to strengthen their capacities to enable them support and monitor health services at the community level, in the next phase of NRHM and include this responsibility clearly in the Implementation Framework. The VNHNSC should be made a sub-committee of the village panchayat which has already been recommended by the NRHM but has not been done so far.

13.48 It has been suggested that specifically, NRHM must

- Accord greater priority to generate public awareness on issues around delaying age at marriage and first pregnancy, along with other health issues and its determinants.
- Monitor health services at the village/community level, including of availability, quality, and access to family planning services.
• Address issues of coercion in provision of family planning services, especially female sterilization.

• Report any mortality or morbidity related to adoption of family planning services to officials at the block and district level.

• Promote appropriate use of Untied Village Health Fund to support activities for promotion of activities on family planning and other health determinants.

• Monitor incentives/ disincentives related to adoption of permanent methods of family planning, especially female sterilization.

13.49 PRI Engagement has to be with leadership in planning and Implementation under NRHM and not only with their association as members of committees outside the PRI structure which has been carefully designed and is statutorily recognized.

• The roles and responsibilities of PRI members at each level (Panchayat, block and district) need to be clearly understood by the Health personnel. These would include leadership of the District Health Mission by ZP articulated in the Implementation Framework. It should not be merely the membership of PRI representatives in NRHM planning and monitoring committees at the village, block and district levels. The PRIs will provide support in preparation of health action plans, including for family planning at all levels, and including utilization of the NRHM untied funds. The frontline functionaries such as the ASHA worker, AWW worker and ANMs should report to the gram panchayat. This will increase their accountability towards the community.

• This has to be followed with a structured capacity building plan for PRI members. NGOs working with PRIs should be mapped in each State who would facilitate the process. The training should focus on-NRHM entitlements, need for family planning and three drivers, their roles and responsibilities and community accountability. These topics could be included in the ongoing training curriculum which, the Committee were informed, is being facilitated by the State Institutes of Rural Development (SIRD) in coordination with Ministry of Rural Development (MoRD).
• The use of information technology platforms such as the SATCOM could be optimized. A number of state governments and universities are using the training and development communication channel (TDCC) system extensively for Distance Education, Rural Development, Women and Child Development, Panchayati Raj, Health, Agriculture, Forestry, etc. The Committee were informed that teaching-ends are now available in Gujarat, Madhya Pradesh, Odisha, Karnataka and Goa. These channels can be easily extended to health education for PRIs and extended to other states.

• The Gram Panchayats can also be engaged in providing support to monitor availability, accessibility and quality of services, especially on family planning under NRHM. This could include ensuring display of citizens charter at all health facilities, monitoring provision of services using simple checklists, sharing the issues and plans in gram sabha meetings, organizing periodic jan samvads and develop local health action plans. These plans must, however, be presented and endorsed by the Gram Sabhas.

• Community Monitoring also has the potential to build the capacities of PRI members and to facilitate their active involvement on health and nutrition issues. An award could be initiated under the NRHM for VHSNC/ Gram Panchayats, similar to the Nirmal Gram Puraskar Yojana.

• Finally, Panchayat members can play a major role in changing social norms especially on the issues of child marriage and preventing sex selection. The committee were informed that strategies such as formation of community support groups with active participation of PRI members has been successfully used in Himachal Pradesh to work on the issue of child sex ratio through monitoring and display of information and organizing Mahila Gram Sabhas. Community groups discussed issues around the value of girl child and preventing sex selection. These issues were also discussed in the Mahila Gram Sabha and a charter (gyapan) for action submitted in the larger gram sabha. As issues such as child marriage and sex selection are a result of social pressure, these can only be tackled through changing social norms, for which the PRI members are in the best position to influence and change.
**III. NUTRITION**

13.50 India and its states have come in for serious criticism about the extent of malnutrition of children. The situation is described as worse than sub Sahara- Africa. A recent World Bank report documented the persistence of extremely high levels of malnutrition in India: among the middle-income group more than half of children were underweight (less than two standard deviations below the norms of weight for age)—which is twice the level in Africa. Infant and child mortality is a key indicator of well-being, and progress on this indicator slowed precipitously in the 1990s.

13.51 The recent HUNGAMA (Hunger and MalNutrition) Report 2011 on hunger and malnutrition in 112 districts across nine States of the country is the latest and it has revealed that 42.3 percent children under the age of five years are underweight, 58.8 percent are stunted and 11.4 per cent are “wasted”.

Of all the children found to be stunted, half were severely so. Half of all children were underweight or stunted by the age of 24 months. Children from low-income families or SC/ST/Muslim households were found to be the worst off, though 92 percent mothers were aware of the concept of malnutrition. The last such data released in 2004 – from a district level health survey – had measured malnutrition only in terms of weight, and had concluded that 53 percent children in these districts were underweight.

Releasing this report prepared by Hyderabad-based Naandi Foundation, Prime Minister Manmohan Singh termed malnutrition a “national shame”.

**Integrated Child Development Services (ICDS)**

13.52 The CSS of ICDS is government’s major response and intervention to address this serious problem. It is a major flagship programme which includes intervention of a package of services at the local level and an effort at convergence in this context.

13.53 ICDS started in 1975 in 33 development blocks of the country and was extended to the entire country in 2005. ICDS used Below Poverty Line (BPL) as the criteria for the delivery of services. Following a 2004 Supreme Court order, ICDS was expanded in 2005 to cover the entire country and the whole population. The programme schemes are delivered through a network of over one million AWCs and reaches more than 70

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million children and 15 million pregnant and lactating mothers. These are supervised by Child Development Project Officers at the block level in the rural areas and at the project level in the urban areas, who in turn report to District Programme Officers at the district level.

13.54 Initially the scheme was 100 percent funded by the Centre except for nutrition supplements, which were funded by states and Union Territories. In response to resource constraints faced by many States, the Central government increased fiscal support to cover half of the supplementary nutrition costs in 2006. From 2009-10, the sharing ratio has been modified to 90:10 and 50:50 for general assistance and supplementary nutrition, respectively, for all states (except the North-eastern ones) and 90:10 for all components for North-Eastern states. The programme adopts a multi-sectoral approach incorporating both health and education interventions. The Ministry of Women and Child Development (MoWCD) is responsible for ICDS and works with State governments to monitor and evaluate the scheme’s performance.

13.55 The ICDS integrates several aspects of early childhood development and provides supplementary nutrition, immunisation, health check-ups, and referral services to children below six years of age as well as expecting and nursing mothers. To promote convergence of health services, three of the eight services under the ICDS scheme – immunisation, health check-up and referral services – are delivered through existing public health infrastructure: health sub-centres, and primary and community health centers operating under the Ministry of Health and Family Welfare. Additionally, it offers non-formal pre-school education to children in the 3-6 age group, and health and nutrition education to women in the 15-45 age group.

13.56 Between 2000 and 2010 approximately ₹35,000 crore has been allocated to ICDS by the central government. ICDS’s status as a flagship programme is reflected in its place in successive union budgets: the programme secured between 75-85 per cent of all funds allocated to MoWCD.

Between 2007-08 and 2011-12 the allocation for ICDS increased from ₹5293 crore to ₹10000 crore and expenditure from ₹5256 crore to ₹13781.80 crore.

ICDS had 7025 projects, 13.31 lakh operational AWCs services to 928 lakh beneficiaries. Its strengthening and restructuring has been approved with an overall budget allocation of ₹1235 crores in XII Plan and it will roll out in all districts in three years. Greater emphasis is given in this restructuring on awareness generation, convergence with MNREGA and MIS based monitoring.
13.57 ICDS has been implemented for more than three decades but its outcome has been deeply disappointing. Its challenges have been highlighted from time to time. Thus, a World Bank assessment of the ICDS, stated that the scheme had compromised quality service delivery for broad coverage. But the programme focused more attention on providing food supplements than on changing family-feeding and child care behaviour. The third round of the National Family Health Survey (NFHS) in 2005-06 found that only 80 percent of children in the 0-6 year age range were in areas covered by an AWC in the year preceding the survey. Additionally, only one in five mothers in areas having an AWC received any services from an AWC during pregnancy or lactation period.

13.58 According to data from the NFHS 3 (2005-06), there has been a marginal decline in stunted and underweight children under 5 years of age of 6 and 3 percentage points, respectively. However, there was a 3 per cent increase in wasted children. During the same period, children affected by severe anaemia increased by 25 per cent. Despite the moderate decline in infant mortality rates over the three national survey periods, the data reveals that more than one in 18 children die within the first year of life and one in 13 children die before they reach the age of 59, with the Scheduled Castes and Scheduled Tribes experiencing greater mortality rates. These figures show that ICDS needs to be implemented with more community ownership and supervision on coverage and quality and on outcomes for their children.

13.59 It is clear that despite the fact that ICDS has been in operation for more than three decades, States have made limited progress in tackling under nutrition. There is a large inter-State variation with the phenomenon being concentrated in a few states; Bihar, Madhya Pradesh, Maharashtra, Odisha, Rajasthan and Uttar Pradesh account for more than 80 per cent of the cases of child malnutrition. In 2005, Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh accounted for 43 per cent of all under-weight children in India. To focus additional resources on these states, the Central government is partnering with the World Bank to increase ICDS programming in 158 high-burden districts from eight States including Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Rajasthan, Bihar, Jharkhand and Maharashtra.

Challenges for ICDS

13.60 ICDS has faced a number of challenges which include:

- Inappropriate targeting
• Assigning too much focus to children aged 4-6 years at the cost of younger children (0-3 years) who are at a more vulnerable stage in their development and where nutrition supplements have the most effect.

• Inadequate emphasis on Nutrition and Health Education (NHE) activities for behaviour change.

• The focus and coverage of children in 0-3 years of age is inadequate. States with the highest incidence of child under-nutrition and malnutrition were the ones that received the least funds and coverage under ICDS.

• Poor physical infrastructure with more than 60 per cent of the angawadi centres (AWCs) having no toilet facilities.

• Lack of space within the premises for conducting outdoor and indoor activities.

• Insufficient material with approximately 44 per cent of the AWCs lacking pre-school education kits and

• About 37 per cent reported non-availability of materials/aids for nutrition and health education has also been faced.

The one challenge which is highlighted the most is of inadequate supplementary nutrition and immunisation. The supply of nutrition supplements has been often irregular, with gaps in delivery ranging from one to seven months.

While some of these challenges relate to programme design and components, the others relate to the delivery mechanisms, supervision and monitoring as also of inadequate local participation and monitoring in which PRIs can make a definite contribution in more efficient delivery of its services.

13.61 ICDS is a long-term development programme and not an emergency relief operation. It should be implemented as a development programme for the community. This focus should not be diluted. Growth Monitoring is an important activity at the AWC. Growth Monitoring has utility in Prevention of PEM and Promotion of Child Health in ICDS Programme.

The representative of WCD when he spoke to the Committee had stated that two years back ICDS had prescribed a five-tier monitoring committee the lowest being
the village or Anganwadi level where the Panchayati Raj member has been made the Chairperson of the committee. 23 States had set it up at all five levels but there is not enough information on the efficacy of their functioning. In ICDS at the lowest level, the committee is supposed to check regularity of Anganwails, ensure the effective coverage of eligible beneficiaries, review of status and supply of beneficiaries for at least 20 days in a month and review the nutritional status of children. In all the functions that the Anganwadi is supposed to discharge they will be actively involved.

13.62 The Committee have noted that unlike NRHM, the nature of the ICDS programme and its challenges made the State governments look for more active community participation and role of PRIs. SOPR 2008-09 also reported that in order to ensure effective coverage and delivery of services, State governments tried out several mechanisms as per local conditions. They were confronted with many challenges including leakage or diversion of food and supplies provided and monitoring the effective programme implementation. Involvement of the PRIs and community was being seen as a solution to address many of its challenges. Some States attempted to devolve few functions and functionaries of ICDS to PRIs; others reversed or modified their involvement especially of the Village Panchayats.

The experience and effort noted showed some involvement of PRIs at the three levels. Thus, Zilla Panchayats, role was according to the programme or its department being placed under the ZP. In others, it was under the Collector. Zilla Panchayats were using some formal mechanism for the purpose. IP level involvement was relatively higher as the projects are at block level. In some States even funds were channelled through them.

13.63 In the case of Village Panchayats some states had tried to increase their role entrusting major responsibilities of overseeing AWC’s working but have later tried to reduce their role. The most common way of involvement has been by putting the Village Panchayat President or member on Committees formed to help AWCs working. In all the States there is trend towards involving community members along with Village Panchayats and their representatives. This could be seen as a step to broad base participation as well as to curtail Village Panchayat and its President’s role. In many States, as a result, the report mentions, the observation of lack of feeling of ownership towards the programme.

13.64 But admittedly as it was brought out in the discussions, during this testimony of the WCD representative, universally there is no effort to institutionalise the functioning of the crèche system and ICDS within the Panchayat. For many States
the Anganwadi is not a priority. When they have Gram Sabhas, they do select the beneficiaries but otherwise nobody is interested in the Anganwadis. Since they are flooded with so many schemes, the Anganwadi becomes a very small thing for the Panchayat. It was also noted as a positive feature that in a study in Madhya Pradesh and North Karnataka, women members actually knew in which household the child was acutely malnourished and needed to be hospitalised. There were enough success stories of Panchayat women on the ground. Where women have undertaken responsibility, the nutritional status has improved. If adequate mechanisms have been given at the ground level, these systems would work better.

ICDS and the XII Plan

13.65 XII Plan document admits that:

- The ICDS is a unique national flagship programme for children. While it has been universalized there is much that needs to be done to improve the quality of delivery for achieving child development and nutrition outcomes.

- The reformed and strengthened ICDS now being started embodies a genuinely integrated life cycle approach to early childhood care and development—transforming AWCs into vibrant, child-friendly ECD centres, to be ultimately owned by women in the community. (para 23.138)

13.66 Ensuring convergence with related sectors such as NRHM, TSC, NRDWP, SSA, MGNREGA through joint planning, inclusion of young child-related concerns in State/District Annual Programme Implementation Plans (APIPs) of relevant sectors, joint monitoring of key results and indicators and defined roles and accountabilities are being planned to.) Institutional mechanisms for convergence will be anchored in Panchayati Raj Institutions such as Village Health, Sanitation and Nutrition Committees at village level.

These will be strengthened and platforms such as Fixed Monthly Village Days at AWCs (for Health, Nutrition and ECCE) will take this forward. (para 23.144)

Other steps include

i. Progressive devolution of powers to Panchayati Raj Institutions and Urban Local Bodies;
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ii. Reinforcing the AWC as a village habitation level institution owned by the community, with the leadership and support of panchayati raj institutions

iii. Training, capacity development of PRIs, especially women members and members of VHSNCs, with need based catalytic support from NGOs at field level. (para 23.145)

iv. Community ownership of ICDS through the common Village Health, Sanitation and Nutrition Committees and the AWC Management Committees; and

v. Involvement of Women SHGs, Mothers’ Committees/women link Volunteers in order to deepen community ownership of ICDS.

Restructured ICDS: ICDS Mission – Broad Framework of Implementation

13.67 The ICDS has been restructured and various norms have been revised. It has now been issued as ICDS Mission. The Mission Document\textsuperscript{526} mentions programmatic Reforms, Repositioning the AWC as a ‘vibrant ECD centre’ to become the first village outpost for health, nutrition and early learning. Focus will be on under 3 years children, care and nutrition counseling service, management of severely and moderately underweight children, village nutrition counseling and child care sessions (Sneh Shivir), strengthening of human resources, separate care of ICDS.

13.68 Management Reforms mentioned are Decentralised Planning, management and flexible architecture, strengthening governance – Involvement of PRIs and ULBs [para 2.2.2.iii (a)]. In fact it gives in Annexure VI-A a statement indicating state-wise information on the extent of involvement of PRIs while stating that “as has always been the endeavour, States are encouraged to involve PRIs and ULBs in the implementation of ICDS”. (page 27).

13.69 Most significant is Institutional Reforms with institutional structures and mechanisms at all levels including ICDS Mission Mode with National Mission, State and District Missions Para 2.2.3 page 29 speaks of greater involvement of PRIs with a statement that the States are urged to provide leadership and steering role to them at grassroots, for implementation, emphasising giving them greater roles and

\textsuperscript{526} ICDS Mission: The Broad Framework for Implementation, Ministry of WCD, GoI, October 2012.
responsibilities with measures for ensuring their involvement, participation and accountability.

Institutional arrangements at District Level include a District ICDS Mission headed by the chairperson of its Zilla Parishad and the District Magistrate / Collector of the concerned district would be the co-chairperson. At the Block / Project level, each Block would have a Block ICDS Mission Committee headed by the SDM or the Chairperson of the concerned Panchayat Samiti. Institutional Arrangements at Village / Ward Level will have Village Health Sanitation and Nutrition Committee (VHSNC) and Anganwadi Centre.

13.70 In October 2010 WCD had already issued guidelines for monitoring of supervision visits of AWCs and involvement of PRIs in monitoring of AWC activities. Para 7 relates to the PRIs involvement. After giving 7 points of day-to-day activities of AWC in which PRIs may be involved (see Annexure), it says that states may devise appropriate reporting mechanism in consultation with the State PRI Department to review the feedback received from the PRI members and to take necessary corrective action and the above guidelines may be appropriately embedded into the existing monitoring and supervision mechanism in ICDS programme implementation as being followed by the States/UTs.

These have now been attached as Annexure of the ICDS Mission Document.527

13.71 VHSNC’s expanded name and role has been explained in NRHM’s order of 25th July 2011 as in awareness generation, surveys identification of local nutritious food stuff and inclusion of nutrition needs in the village plan besides VHN day monitoring and supervision and facilitate early detection of malnourished children and be a grievance redressal forum. It is also suggested that it may preferably act as a sub-committee of the Village Panchayat.528

13.72 The new document follows the approach in the earlier mission documents of other CSS, in Mission mode particularly the NRHM. To that extent the comments given there apply here also. However, The Committee also notice that this document has even less clear mandate for the authority and role of PRIs particularly at the village level. All expectations are concentrated on the VHSNC, there is more exhortation

527 Guidelines for Monitoring and Supervision Visits to ICDS Blocks and Anganwadi Centres (AWCs) by Officials of the State and Central governments and Involvement of PRIs in Monitoring of AWC Activities, October 2010 – ICDS Monitoring and Evaluation Unit, Ministry of Women and Child Development, Government of India.

528 Order of Ministry of Health and Family Welfare, NRHM, GoI.
to the States and choices are left to them. The ministry may see the model activity mapping attached and provide for direct clear responsibility. The nature of goods and services involved make it even more needed for getting improved outputs from this universalised programme.

Activity Mapping

13.7 An important activity, in fact an essential activity for initiating effective devolution of a programme is of Activity mapping in the area of Functions and Functionaries. Moving forward with a well-designed decentralisation requires aligning the “three Fs”: funds, functions, and functionaries in ways that make it possible to have technically effective services with both “accounting” (the capability to provide reliable budget control and reporting) and “accountability” (the ability of citizens and communities from the bottom-up to hold elected officials and providers responsible for outputs and outcomes). This “activity mapping” of the three Fs cannot be done by slogans or ideology, as a functional activity mapping will vary from sector to sector, vary within sectors (e.g. hospitals versus anganwadi), and even vary by function (e.g. asset creation versus operation), but can be informed by general principles.529

13.74 Activity Mapping for ICDS identifies activities to be taken up for (i) Setting Standards, (ii) Planning, (iii) Asset Creation, (iv) Operation and Management, (v) Monitoring and Evaluation. While there can be variation in specific items, general trend can be seen here. Thus setting standards including norms for construction of AWC, for recruitment and training, nutrition and feeding norms, health guidelines are to be handled by GoI and State level authorities. Planning will be in the domain of DPC and intermediate and village Panchayats. It is in the area of Asset Creation, Operation and Management, Monitoring, IEC and MIS that the role of PRIs at different levels is appropriate. An indicative, model Activity Map prepared by the Expert Committee is attached. The incorporation of a model activity map in NRHM guidelines would ensure while States are free to modify the Activity Map to suit local conditions and state-specific Activity Map would be the indispensable pre-requisite to receiving and disbursing NRHM funds.

An exercise on these lines in the States will bring clarity in the role, authority and accountability for outcome, Committee recommend adoption of this approach.

13.75 As a World Bank Report(India Inclusive Growth and Service Delivery 2006) has described, at present, PRIs serve not as truly autonomous levels of government

529 World Bank India: Inclusive Growth and Service Delivery 2006 oper cite.
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independently responsible to voters for functions over which they have control but, at best, as implementers of activities, plans, and schemes made elsewhere. They are delegated functions but only concurrently with other tiers of government that control funds and functionaries. In essence, the weak alignment of funds, functions, and functionaries has not created conditions for accountable governance. (Ch.4, p.69 ibid)

This applies to the role so far given to them in ICDS implementation

13.76 The Committee agree with the suggestion given in a World Bank Report (Inclusive Growth 2006 *op cit*) that given the role that PRIs can play in ensuring sustainability and in reducing weaknesses associated with user groups, and the concomitant role that user groups can play in instituting checks and balances on PRIs and enhancing project effectiveness, social inclusion, and community ownership, convergence between these two arrangements could be a powerful instrument to enhance developmental effectiveness. This suggests that effective service delivery requires different kinds of local organizations to operate in tandem. One way to achieve this convergence is through the mechanism of sub-committees at the GP level. Other means of encouraging convergence could include transferring financial resources to user groups through GPs and introducing information-sharing and feedback mechanisms at Gram Sabhas. (Ch.4, p.82 ibid)

**Recommendations**

The implementation of ICDS has seen more effort in at least some States to involve PRIs as it was rightly seen by them as its need for improving ICDS services. However, even these have not always been accompanied by efforts at strengthening the PRIs to carry out this role. The Committee recommend that

i. The programme and its Mission should be located within PRI structure and not outside

ii. The alternatives of the head being ZP president or collector and PS president or SDM should be changed to only the ZP/IP chairpersons

iii. Funds to Mission and ICDS Society should be rooted to PRI institutions that should be fully accountable and responsible for Mission goals and objectives and performance. The concerned officers / experts may be co-opted where necessary.
iv. (iv) The ICDS Mission should take it as its responsibility to undertake capacity / competence building of PTI functionaries relevant for ICDS in terms of its concept, approach, role and outcomes.

v. PRIs be made leaders in community participation and association of civil society groups and user groups wherever necessary.

vi. Leading role be given to PRIs at their level to have data on children vulnerable to malnutrition/ and those who are to be targeted for special nutrition interventions.

vii. The ZP and IP to have responsibility for convergence for ICDS particularly in relation to departments/ institutions concerned with social determinants of health and affecting nutrition status of children

**FOOD SECURITY**

In the following parts three programmes/schemes/ initiatives concerning Food Security are discussed in which the involvement and leadership of the village panchayats, intermediate panchayats as well as of district panchayats will be extremely valuable for efficient and equitable delivery of these public goods.

**IV. VILLAGE GRAIN BANKS SCHEME FOR CHRONICALLY FOOD SCARCE AREAS**

13.77 Village Grain Banks Scheme is a relatively small CSS but is of critical help in the most deprived tribal areas and populations. It is primarily based on approach of contribution, mutual assistance at the local level and eminently suitable for implementation by the village Panchayat preferably under the leadership of its women members. TPDS is an important instrument of the policy aimed at reducing poverty through the mechanisms of delivery of minimum requirements of good grains at highly subsidised prices to BPL population. A PEO evaluation in 2005 found that about 58 per cent of subsidised foodgrains issued from Central pool do not reach the BPL families due to identification errors, non-transparent operation and unethical practices in the implementation of TPDS. A Centrally Sponsored Scheme of Grain Banks in tribal villages was launched during 1996-97 by the Ministry of Tribal Affairs in 13 States and was implemented through Tribal Cooperation Marketing Federation of India Ltd. an Autonomous Body under the Ministry of Tribal Affairs.
13.78 The Committee were informed that the Standing Committee of Union Ministers and State Chief Ministers on Food Management and Agriculture Experts, in its meeting held on 31st October, 2001, decided to expand the then existing Grain Bank Scheme and to extend it to all the endemic, drought and migration prone areas with concentration of tribal population and also in other non-tribal areas. Accordingly, it was proposed to include all eligible families living Below Poverty Line in the grain bank scheme, for which the Planning Commission agreed to provide ₹ 250 crores during the 10th Plan period. The scheme was transferred in November 2004 to Ministry of Consumer Affairs, Food and Public Distribution for revision and implementation, as nodal Ministry. The scheme was revised in February 2006.

The revised scheme envisages coverage of willing Below Poverty Line and Antyodaya Anna Yojana Families, in the villages identified by the State governments as chronically food deficit areas for setting up the grain banks. The main objective of the scheme is to provide safeguard against starvation during the period of natural calamity or during the lean season when the marginalized food insecure households do not have sufficient resources to purchase the rations. Such people in need of food-grains will be able to borrow food-grains from the Village Grain Banks set up within their villages.

13.79 Broadly the objectives of the scheme are, to set up Grain Banks managed by the stakeholders themselves to ensure sustainable household food security, to mitigate drought induced migration and food shortages by making food-grains available within the village, to involve Non governmental organizations of repute to train the stakeholders in participation of management of the scheme and to facilitate women’s equal access to resources with a view to empowering them. The expectation is that in the long term, such empowerment of the people will enable them to participate in the implementation of all development schemes meant for them, particularly the Targeted Public Distribution System wherein they may wish to act as a Fair Price Shop for distribution of foodgrains to their members.

13.80 The grain banks are to be set up in food-scarce areas like the drought-prone areas, the hot and cold desert areas, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like floods, etc. These villages are to be notified by the concerned State government/Union Territory. About 30-40 Below Poverty Line / Antyodaya Anna Yojana families may form a grain bank. If required one village may have more than one grain bank. One quintal of foodgrains is provided per family as one-time grant by Government of India. This is likely to meet about three
months’ requirement of grains for an average family of five persons. Existing groups of villagers engaged in social and cultural activities may be associated for implementing the scheme. Each group will establish an Executive Committee of 3-5 persons for effective participation and management. Involvement of at least one woman in the committee would be essential.

13.81 The scheme at present involves non-governmental organisations of repute or conversant government functionaries to provide training to the executive members of the grain bank at the nearest available location by the State governments. The non-governmental organizations are to be associated with the groups set up by them, for at least one year for handholding and paid @ ₹ 1400/- per bank as one time grant for training and supervision.

13.82 Storage of foodgrains is expected to be done in Bins or rural godowns. The Gram Panchayat will assist the Executive Committee of the Grain Bank to get storage structure built under the food for work programme. The Executive Committee will ensure proper storage of food-grains and wherever possible traditional structure can be created by the villages for the purposes of scientific storage. The food-grains preferably will be stored in community places. A one-time grant of ₹ 6,000/- for storage, purchase of weights and scales, etc. has been earmarked for each grain bank for 2007-08 and 2008-09.

13.83 Village Panchayat/Gram Sabha, Women’s Self-Help Group or non governmental organization with proven track record can set up a Grain Bank in natural calamity prone, food scarce village or hamlet as identified by the State/UT Governments. The monitoring and administrative cost @ ₹ 3000/- per Grain Bank will be provided to the State government which is further to be granted by the State government to the Executive Committee of the grain bank.

13.84 The implementation of the Scheme will be the joint responsibility of the Central and State governments. The Department of Food and Public Distribution will make allocation of food-grains on the basis of number of grain banks sanctioned for each State. The food-grains will be supplied by the Food Corporation of India up to the Principal Distribution Centre of the Food Corporation of India. Thereafter it will be the responsibility of the State/UT governments to transport the foodgrains to the grain banks, either through door delivery or by authorizing the Groups to transport the grain themselves. The cost of transportation shall be equally shared by the Central and State governments. The average transportation cost at the rate of ₹ 90 per Quintal would amount to approximately ₹ 3,600 per bank.
13.85 Zilla Panchayat/Deputy Commissioner/Collector will consolidate the proposals received from these organizations and inform the State government, which in turn will consolidate the proposal for the State and do the needful for establishing the grain banks in the target villages by allocating food-grains and sanctioning financial component out of the food-grains and financial allocations made by Department of Food and Public Distribution for the respective State/UT.

13.86 The scheme has two components, viz, food component and cash component. Under the food component, each grain bank will store one quintal of food-grains (Rice, Wheat or Coarse grain of local preference) per family for an average 40 Below Poverty Line/ Antyodaya Anna Yojana families which will be released as one time grant by the Central government.

13.87 The Committee have studied the scheme and are of the view that this scheme is eminently suitable to be fully handed over to Zilla Panchayats and for implementation by the Village Panchayats who can be responsible for helping the Executive Committee for each local group.

V: CENTRALLY SPONSORED SCHEME ON PUBLIC DISTRIBUTION SYSTEM

13.88 Under the existing instructions issued to States/UTs from time to time by the Ministry including the Public Distribution System (Control) Order, 2001 notified on 31.8.2001, various roles/responsibilities have been assigned for the Panchayat Raj Institutions (PRIs) in implementation of Targeted Public Distribution System (TPDS) in States/UTs. Some of the key roles and responsibilities prescribed by the Ministry for involving PRIs are as follows:

- Identification of beneficiaries belonging to BPL and AAY categories. Detection of bogus ration cards, etc.

- Monitoring the functioning of the FPSs. FPS Committees formed by Gram Panchayats to keep a watch on the functioning of the FPS. Social audit of the functioning of the FPS would be ensured by giving these FPS committee a right to inspect the records of the FPSs.
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- Effective redressal mechanism for resolving shortcomings pointed out by citizens and for ensuring public participation the PRIs to be made part of Vigilance Committees to be constituted by States/UTs.

- Monthly Certification by PRIs etc. of delivery of allocated commodities under TPDS and FPSs and their distribution to entitled/eligible ration card holders during the allocation month.

The Committee are of the view that while the instructions issued so far mention the role that the PRIs can play, there has not been sufficient effort to see that these are followed. The guidelines must make this role mandatory to follow the intent of the 73rd Amendment and to ensure that the intended beneficiaries can have effective access to the TPDS commodities in terms of timeliness, quantities and quality. This issue has acquired urgency with the National Food Security Bill to provide food security to the targeted population.

13.89 The National Food Security Bill (NFSB), which is under consideration of Parliament has provision for involvement of PRIs in the implementation of TPDS. It provides for role of local authorities (Panchayats, municipalities etc.) in proper implementation of the Act in their respective areas. The State governments can also assign additional responsibilities to local authorities in implementation of TPDS or other schemes of Central and State governments. The definition of local authorities has been kept wide to include Panchayat, municipality, district board, cantonment board, town planning authority and in the State of Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura where Panchayats do not exist, the village council or committee or any other body, by whatever name called, which is authorised under the Constitution or a law, for self-governance or any other authority or body vested with the control and management of civic services, within a specified local area.

13.90 The draft Bill provides for the local authorities which includes Panchayat to be responsible for the proper implementation of the Act in their respective areas. Section 33(2) further provides that State governments may assign additional responsibilities for implementation of TPDS to local authorities.

Under section 37 (1) of NPSB, Vigilance Committees are to be constituted by State government at State, district, block FPS levels. Representation of local authorities in grassroots level bodies such as Vigilance Committees, for ensuring transparency and
proper implementation of TPDS and ensuring accountability. It also provides for due representation to local authorities in Vigilance Committee.

The Bill provides for preference to public institutions or public bodies such as Panchayats, self-help groups, cooperatives in licensing of fair price shops and management of the fair price shops by women collectives.

The Committee deliberated on this critical issue and feel that the PRI representatives are not only to be involved in the implementation of the new law when enacted, but these institutions will have to play the principal role for realizing the goal of “advancing food and nutritional security” and this has to be clearly stated in the Act itself. The elected panchayats have important role for the last mile delivery of foodgrains and other essential commodities. This can be ensured if the Food Security Act is made consistent with the provisions of Part IX ans IXA of the Constitution as well as PESA.

The PRIs, responsibility and powers will be particularly significant in the PESA areas where the vulnerabilities are high and the delivery of crucial public goods and services face weak infrastructure and leakages. The PRIs as the local elected bodies and embedded in the local context will be in the best position to set things right and to respond to the local needs, problems and grievances.

The Committee therefore, would like to strongly recommend that the panchayats at the district, intermediate and village levels should be given the total responsibility for implementation of the food security for the last mile delivery at the district, sub district and village level after the commodities are arranged and made available by government agencies concerned. They may be kept informed about the arrangements planned and finalized. The agencies working for food security at district and sub-district levels must be brought under the disciplinary and regulatory authority of the appropriate tier of panchayat system.

The panchayats role in identification of entitled households which has always been accepted should not be weakened on any pretext. The PRIS should be the licensing authority for Fair Price Shops in the rural areas and not be mentioned only as receiving preference as is often seen recently.

The Grievance Redressal Mechanisms must involve the elected women and men of the panchayats. This mechanism should be under the district panchayat at the district level with the concerned bureaucracy serving under this body. At higher levels, adequate representation of DPC established under article 243ZD and the panchayats
especially district panchayats would be crucial to ensure a people-run and people oriented Grievance Redressal Mechanism. The PRI committee overseeing the food security system need to be headed by senior most women PRI representative.

Finally, in the Transparency and Accountability mechanisms, these local self-governing institutions and especially the Gram Sabha should be made the fulcrum of Transparency and Accountability.
A. Minor Forest Produce (Entry 7)

14.1 Minor forest produce includes all non-timber forest produce of plant origin. Collecting minor forest produce for direct consumption as well as for various economic and social purposes has been a way of life for the tribals and other forest dwellers in the country and the same contributes substantially to the tribal economy. Their right to collect and appropriate minor forest produce were taken away during the British period which had serious consequences on their livelihood and way of life. The “right of ownership, access to collect, use, and dispose of minor forest produce which has been traditionally collected within or outside the village boundaries” was restored by enactment of the Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights Act) 2006 or as commonly called the Forest Rights Act, through Section 3 (1) (c) of the Act. The strategy for development of the Scheduled Tribes in the 12th Plan also endorses that ‘Tribal community to have full right to minor forest
produce. However, actually enjoying these rights continues to be a major struggle for the tribal people because of continuing bureaucratic apathy and the general mind set of the bureaucracy of controlling the collection and use of forest produce with total disregard to the Act and in spite of the fact that the forest is best preserved by the people who live and depend on it. Small tribal hamlets are no match to the mighty bureaucracy in getting their rights restored as per the Act and therefore, barring the exceptions in a handful of places the forest dwellers hardly enjoy the right to collect and appropriate minor forest produce.

14.2 The Eleventh Schedule Entry 7 relating to ‘minor forest produce’ is highly relevant in this context because it is only PRIs, being institutions of self- government at the grass root level, who can mediate with the higher bureaucracy to restore the said right. However, that will require strengthening the Gram Sabha, on which the authority to determine the nature and extent of the rights under the Act has been vested. However, the Gram Sabha merely initiates the process but it is the bureaucracy that takes other measures in pursuance of Gram Sabha resolutions. Therefore, strengthening the three tiers of Panchayats is critical to securing the new rights through making all the elected members aware of the change in legal position and building institutional capacities for mediating with the bureaucracy about how the rights are to be restored. Given the track record that only a handful of villages have actually started enjoying their rights to minor forest produce, the Central and the State government should have monitoring arrangements in association with the PRIs along with close follow up so that there is both mobilisation of the forest dwellers in asking for their rights as well as ensuring that all the procedural matters are completed on a fast track with the PRIs coordinating and mediating both the processes.

14.3 Therefore, the Committee commend the inclusion among “the key points” in the Twelfth Plan strategy for Scheduled Tribes of the goal:

“Tribal communities to have full right to minor forest produce”

arising out of the recognition that:

“forest resources and minor forest produce contribute substantially to the tribal economy”

It is, therefore, a matter of profound concern to the Committee that the Joint


531 Twelfth Five-Year Plan, Vol.III, Social Sectors, para 24.94, p.239
Towards Holistic Panchayat Raj

Forest Management Committee created by the Forest Department “are not empowered and have been working in isolation”. The Committee recommend that JFMCs be embedded in the Panchayat system so that there is institutional accountability to tribal communities, particularly in PESA areas where Gram Sabhas are to be, in effect, Habitat Sabhas. This would also be in consonance with FRA that has vested powers relating to FRA rights in the Gram Sabha. In this manner, Forest Departments would learn to work with Gram Sabhas and the Panchayat system as a facilitator responding to calls for necessary support instead of functioning as the controller of forests dictating terms to the local tribal community.

14.4 Moreover, by embedding JFMCs in the Panchayat system, or at least establishing an organic link between JFMCs and PRIs/GS, the role of forest conservation envisaged for JFMCs would be synergised with the rights regime envisaged under FRA, instead of pitting the JFMC as a proxy of the Forest Department against the Gram Sabha as the rights protector as is happening regretfully often now.

B. Social Welfare, including Welfare of the Handicapped and Mentally Retarded (Entry 26)

General Social Welfare Schemes

14.5 The National Social Assistance Programme currently has five components:

i. Indira Gandhi National Old Age Pensions Scheme

ii. Indira Gandhi National Widow Pensions Scheme

iii. Indira Gandhi National Disability Pension Scheme

iv. National Family Benefit Scheme (for families who lose their sole earning member)

v. Annapurna (food security for senior citizens, eligible for but not covered by, Old Age Pensions)

Although initially devised by the Centre, NSAP schemes have now been transferred to State Governments for which funding is provided to State Governments under Additional Central Assistance (ACA). State governments are expected to augment

532 Testimony of Additional Secretary, Ministry of Tribal Affairs on 6 February 2013
funding through their own resources.

14.6 The NSAP Guidelines tangentially mention Gram Panchayats for beneficiary selection and Gram Sabhas as an option for public disbursement of benefits, but PRI involvement in these schemes is generally left to State governments to decide.

14.7 Given the virtual non-involvement of PRIs and Gram Sabhas in such schemes, for which none are better placed than PRIs/Gram Sabhas to ensure full and just coverage, the Committee are not surprised that inefficiencies, wastage and leakage have characterized these top-down schemes, symbolized by resort to National Level Monitors but envisaging no monitoring role for 2.5 lakh Panchayats or 32 lakh Panchayat representatives or half a billion adult members of Gram Sabhas who actually live in India’s villages and instantly know who needs what!

14.8 The Committee are, therefore, relieved to learn that the Direct Benefits Transfer programme, being run by the Unique Identification Authority of India, has prioritised NSAP. However, this does not exhaust a possible role for PRIs/GS in NSAP programmes. For “human intervention” that is critical to overseeing realities and finding real-time solutions by drawing the attention of UIDAI to these realities, the active involvement of the local community would be the indispensable complement to electronic delivery of benefits. They accordingly urge the Ministry of Panchayati Raj to work in close association with UIDAI to jointly prepare an Activity Map that would make PRIs and GS partners with UIDAI in this exciting new venture. In his interaction with the Committee on 22 January 2013, Chairman UIDAI indicated that he was open to such a partnership.

Schemes for Persons with Disabilities (PwD)

1. The principal schemes in favour of PwD include:

   i. ADP (Assistance to Disabled Persons) for Purchasing/Fitting of Aids and Appliances;

   ii. Revised DDRS Schemes (Deendayal Disabled Rehabilitation Scheme);

   iii. Scheme of National Awards for Empowerment of Persons with Disabilities.

   iv. Scheme of National Scholarships for PwD.
v. Schemes related to the Implementation of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act 1995 include:

- Incentives to private sector employers for providing regular employment.
- Models to promote awareness of accessibility features in public buildings.
- Composite Regional Centres for PwD (CRCs).
- District Disability Rehabilitation Centres (DDRCs).
- Awareness General Programme.
- Technological Development Projects in Mission Mode.

2. Of these, the role of the Panchayats is most indicated in DDRCs. The Expert Committee are of the view that for ensuring the efficient delivery of services at DDRCs, PRIs at all levels may be involved through Activity Mapping, thereby enabling PwDs to approach their respective Village Panchayats for assistance, and for Village Panchayats to refer PwDs in need to DDRCs, CRCs, etc.

B. CENTRALLY SPONSORED SCHEMES AND SPECIAL CENTRAL ASSISTANCE FOR SCHEDULED TRIBES AND SCHEDULED CASTES (ENTRY 26)

3. Prime Minister Dr. Manmohan Singh in his address to the 51st meeting of the National Development Council in 2005 stated:

“If the benefits of growth have to reach all sections of our diverse society, there is a need to equip them with the necessary skills and resources to become active participants in the growth society. This is the only way of achieving our dream of an inclusive, prosperous society”

4. The Prime Minister continued:

“In the mid-1970s, the Special Component Plan and the Tribal Sub Plan were initiated. Tribal Sub Plans and Special Component Plans should be an integral part of Annual Plans as well as Five Year Plans, making provisions therein non-divertible and non-lapsable with a clear objective of bridging the gap in socio-economic development of the SCs and STs within a period of ten years”

5. As shown in Chapter VIII, eight years after the Prime Minister addressed the National Development Council, we are nowhere near “bridging the gap in socio-economic development of the SCs and STs,” with only two years to go for the completion of the 10-year period envisaged back in 2005. However, various attempts have been made to modify and improve the schemes in favour of SC/ST. These schemes fall into three categories:

i. Schemes/Plans specifically for SC/ST;

ii. General schemes for all including SC/ST where SC/ST beneficiaries can be clearly identified and specific targets easily fixed;

iii. General schemes which include SC/ST but where SC/ST may not be easily identifiable in specific proportions.

6. To review these schemes and propose modifications, the NarendraJadav Task Force was established. It recommended that, with respect to the first two categories, funds be earmarked in proportion to the population ratio recommended by the Committee. In the case of the third category, the Committee recommended that specific schemes should be so developed as to address the problems of these weaker sections and benefit them directly in a manner which is measurable and identifiable. Recommendations were also made about outlays being proportionate to the population ratio.

7. The Jadav Committee highlighted the “dual” nature of the problems faced by SC/ST, in that there were some schemes in which the problems faced by SC/ST are the same as those faced by other sections of society. Examples given included low enrolment at the higher secondary level, low academic attainment and inability to bear the cost, all of which are problems that all the students faced. However, the “dual” character of the problems for
SC/ST is that there are other problems which are specific to these weaker sections such as poor knowledge of the English language and some other subjects, lack of facilities for study at home, lack of guidance from the family as the family's education level is low, and the problem of discrimination in educational institutions. Therefore, the Jadav Committee recommended that while developing schemes under the Scheduled Castes Sub Plan (SCSP) or the Tribal Sub Plan (TSP), the specific problems of these communities should be kept in mind and that separate Committees formulate and monitor SCSP and TSP respectively.

8. The concept of TSP goes back to the 5th Five Year Plan where the twin objectives of promoting the socio-economic development of the tribals and protecting them from various forms of exploitation were articulated. Fund sourcing for TSP included State allocations to TSP; Special Central assistance and grants under Article 275(1) as additives to State TSPs; Centrally Sponsored Schemes; and institutional finance.

9. Over the years, a series of Integrated Tribal Development Projects (ITDP) have evolved, some of these being administered by Integrated Tribal Development Agencies (ITDA) and others without ITDAs. There is also recognition of the special needs of what used to be called Primitive Tribal Groups but are now identified as 75 Particularly Vulnerable Tribal Groups (PVTG) for whom a separate scheme has been advanced since 1998-99 which takes into account “their fragile living conditions and declining trend of their population.” Accordingly, the scheme is more flexible with regard conditionalities and for each PVTG a conservation-cum-development plan is prepared to deal with issues such as “housing, land distribution, land development, agricultural development, cattle rearing, poultry, link roads, social security through insurance policies and so-on.” (Para 24.6.7, page 234, 12th Five Year Plan).

10. Since 2003, the Special Central Assistance (SCA) granted under Article 275(1) has been modified to make clear that SCA to TSP is aimed at “providing a boost to family-based, employment-cum-income generation activities and Self-Help Groups”, with a further proviso that not more than 30 per cent of the fund should be utilized for infrastructure development, the focus of the programme being on uplifting tribal families from below the poverty line; development of forest villages; and the empowerment of women. Guidelines also provide that planning and implementation of TSP, including
SCA to TSP, must be in conformity with PESA. Funding for the Tribal Sub Plan comes through the budgets of Union Ministries and Departments, totaling to over ₹ 18,700 crore in 2012-13 (Revised) and to over ₹ 24,500 crore in the budget proposals for 2013-14 (Table 14.1) gives a schematic view of budget outlays under Tribal Sub Plan Schemes.

### Table 14.1: Schemes under Tribal Sub-Plans

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### Table 14.1: Schemes under Tribal Sub-Plans

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Source: Expenditure Budget, 2013-14, Vol.I, Statement 21A
14.9 Upon interacting with experts and Administration officials, it appeared to the Committee that TSP falls far short of its objectives, principally because of bureaucratic control of tribal affairs through ITDPs/ITDAs instead of involving elected ST representatives and the Gram Sabha (in conformity with PESA provisions in Fifth Schedule areas). Moreover, since SCA is channeled directly to ITDPs/ITDAs, virtually all planning and implementation remains in the hands of implementing line departments, with very little involvement of local communities even in Fifth Schedule areas notwithstanding PESA having been on the statues for nearly two decades. Much the same situation prevails with respect to SCA to TSP.

14.10 Therefore, the Committee urge that TSP guidelines include a Model Activity Map which may be modified by States to meet with differential local conditions but with State-specific Activity Maps being the indispensable prerequisite for the receipt and disbursement of TSP schemes, including schemes funded with SCA moneys. Accordingly, the Committee have attempted a Model Activity Map on SCA to TSP that is included in the Activity Maps placed together in Vol.IIof this Report. The Committee recommend that the Ministry of Tribal Affairs study and build upon the proposed Model Activity Map in full conjunction with PESA provisions with a view to advising all Union Ministries/Departments through whom TSP funds are channeled to ensure that each of them incorporate in their the Model Activity Map (modified, if required, to meet the imperatives of different Ministries and with flexibility for further modification at the State levels). All TSP funds, including SCA funds channeled through individual Ministries/Departments, must only be released after States have confirmed the preparation of State-specific and Department-specific Activity Maps which conform to PESA, on the one hand, and, on the other, provide the basis for monitoring by the Union Ministries/Departments.

14.11 The pattern for undertaking Devolution of Functions and Functionaries for TSPs is set out in Box 14.1 and Box 14.2 respectively. Devolution of Finances is most essential but would have to be determined scheme-wise.
Box 14A

DEVOLUTION OF FUNCTIONS

District Level

Since their set up, ITDPs have been planning schemes and networking with the line departments for their implementation. Even after the implementation of PESA in nine States, ITDPs continue to overshadow PRIs, completely bypassing accountability or sharing responsibilities. Based on objective principles of public finance and public accountability, certain activities common to TSP have been evolved which could be appropriately taken up by the District Panchayat. These include networking with agro-based organizations for developing sustainable agricultural practices on tribal land; identifying non-conventional energy resources with assistance from agro-based institutes/ITDA; selection and motivation of micro-entrepreneurs; establishing market linkages for inputs and outputs.

Keeping the guidelines for SCA to TSP in mind, activities such extension of commercial crops for tribal cultivators, providing assistance to dairy and poultry cooperatives in large tribal pockets as well as for Minor Forest Produce processing units taken up through cooperatives and other infrastructural needs of micro-enterprises, funds for capital and interest subsidy on bank loans could be taken up at the District Panchayat level. Training and operation research programmes for management and production and for alternate income generating activities, supplemented through SCA to TSP would also be appropriate at this level.

Intermediate Panchayat

The Intermediate Panchayat could jointly identify ecological issues in the scheduled area with representatives from an area’s Village Panchayat and to a smaller extent be a part of the team to identify BPL households/beneficiaries at the village level. It could also be part of the evaluation and impact assessment team of the various development initiatives for the BPL tribal families. Regarding land reform based schemes, Intermediate Panchayats would be in an ideal position to prepare a database of land records for tribes as well as on land alienation. It could play a more active role in selecting and motivating micro-entrepreneurs, forming groups to identify Minor Forest Produce/Non-Timber Forestry Products in the area and provide grants to MFP cooperatives and marketing societies for MFP collection, storage, processing, etc.
Procurement and supply of income boosting activities such as HYV seeds/fertilizers, mini-kits for farming, fruit seeds as part of soil conservation measures under various schemes, milk cattle, poultry units etc. and their feed/fodder seeds as part of self-employment schemes could be best done at this level. Conducting training workshops for SHGs, MFP cooperatives and imparting business/technical skills in collaboration with the private sector and regular follow up on demonstration activities would be essential.

**Village Panchayat**

The Village Panchayat should ideally play a much more hands on role in the development of tribals since they are most aware of the local conditions. In this context, Village Panchayats should take the initiative of identifying BPL households or beneficiaries, micro-entrepreneurs, motivate formation of SHGs, conduct joint need assessments with ITDP officials for various programmes under TSP and undertake their evaluation as well. They could send proposals for creation of small nurseries/seed farms incidental to agricultural programmes to the District Panchayat and help in the construction and management of them.

To meet local power needs, it could help set up and manage street lights as part of rural electrification schemes, install water pumps and set up community based bio gas plants even as they identify alternate sources of power in collaboration with local research institutes. Procurement and supply of MFP seeds, farming equipments and their upgrade, networking with markets and the forest department could also be taken up.

Construction and repair of work sheds/cattle sheds, processing units of MFPs and Eklavya Residential Model Schools using Grants under Article 275 (1) would be appropriate at this level. Incidentally, repair/renovation/completion of roads, checkdams and other fixed assets under various schemes could be taken up using the Grant funds. Naturally then review of the Grants fund expenditure should also take place which could be a shared responsibility of Intermediate and Village Panchayat. Proper compilation and scrutiny of utilization bills and formulation/review of monthly expenditure statements regarding SCA to TSP is also vital.

Complementary to these ‘physical’ tasks, the Village Panchayat could also play an active agency role – spreading awareness regarding consumption of clear water, best practices of environment conservation, promoting utilization of local resources
for developing businesses and networking with appropriate line departments. Apart from these activities Village Panchayats are also in the best position to monitor and evaluate the functioning of SHGs, NGOs working in collaboration in the area, monitor the ITDA’s assistance provided to tribals for the cultivation of lands restored to them according to the respective State’s Land Reform Act.

Box 14B
DEVOLUTION OF ITDP FUNCTIONARIES

In the present scenario, due to local disconnection and weak PRI initiative, functionaries of respective ITDPs most often happen to be State employees on deputation. This need not be the case since the job profiles of functionaries, beginning from Project Officer down to support staff, is such that recruitment can take place at the district level itself. A detailed breakup of TSP functionaries and their management can be found in the Model Activity Map attached.

It must be noted that devolution of these functions and the functionaries at the ITDP level would not reduce the role of States regarding TSP formulation. The entire process would in fact become more streamlined as States consolidate District Plans which are consolidated by respective District Planning Committees to formulate the State’s Annual TSP Action Plan which could then be sent to the Centre for consideration and approval.

Undertaking these activities on a timely and regular basis will only be possible if a seamless system of communication is established between the PRIs. By following the PESA 1996 provisions and the guidelines laid by the Ministry of Tribal Affairs in true letter and spirit, tribal development efforts consequent to the tribal sub-plan strategy could still be salvaged. ITDPs need to play a complementary role, have more interface sessions with PRI members on development issues, effectively channelize resources coverage with other schemes in PESA regions. Achieving this would require a firm political will and genuine efforts need to be made involve all the groups in the entire developmental efforts made in these regions.
Towards Holistic Panchayat Raj

Backward Classes

14.12 The principal mechanism designed to address the economic problems of the Backward Classes is the National Backward Classes Financing Development Corporation (NBCFDC), which provides financial assistance to OBCs through State Channelizing Agencies for such self-employment ventures as agriculture and allied activities; small business/artisans and traditional occupations; the transport and service sectors; as well as technical and professional trade courses.

14.13 The Committee are of the view that since OBCs are substantially represented at each level of the Panchayat Raj system, more less in proportion to their population at each level of the three-tiers, devolution to the PRIs system of responsibility for planning and implementation, along with the devolution of functions, finances and functionaries to effectively do so, will enable a much clearer picture to emerge of the ground-level requirements of the OBCs, as well as the differential micro-requirements at each village, bloc or district level, thus facilitating the conceptualization and operationalization of schemes funded by NBCFDC. Without the deep and effective involvement of PRIs, NBCFDC-financed schemes, both in planning and implementation, will remain bureaucratic mechanisms, far removed from the realities on the ground.

Minorities

Development Initiatives for Muslims

14.14 The Central and State Governments have undertaken different projects and programmes for the welfare of the minorities, including the Muslims. The Prime Minister's new 15-point programme for the welfare of the Minorities include:

i. Equitable availability of ICDS Services
ii. Improving access to School Education
iii. Greater resources for teaching Urdu
iv. Modernizing Madarsa Education
v. Scholarships for meritorious students from minority communities
Towards Holistic Panchayat Raj

vi. Improving educational infrastructure through the Maulana Azad Education Foundation

vii. Self-Employment and Wage Employment for the poor

viii. Upgradation of skill through technical training

ix. Enhanced credit support for economic activities

x. Recruitment of State and Central Services

xi. Equitable share in rural housing scheme

xii. Improvement in condition of slums inhabited by minority communities

xiii. Prevention of communal incidents

xiv. Prosecution for communal offences

xv. Rehabilitation of victims of communal riots.

14.15 These points of emphasis are quite encouraging for the development of Muslims at local levels provided the different initiatives converge to impact significantly on the socio-economic conditions of the Muslims. Different departments and Ministries working with their jealously guarded turf cannot deliver the intended results unless and until all these schemes and initiatives converge at the Gram Panchayat level. Theoretically, one can say, Panchayats have ‘in-built’ roles in all of the above 15 programmes. But the fact of the matter is that unless Activity Mapping unambiguously spells out their duties and genuinely supports them, Panchayats would not be able to play any role. The Committee recommend that MoPR, in consultation with other associated Ministries, should come up with detailed Activity Mapping for Panchayats in such schemes and programmes.

14.16 Besides the Prime Minister’s 15 point programme, the Ministry of Minority Affairs undertakes leadership development programmes for Muslim women. These schemes should also focus on strengthening Muslim women’s leadership in Panchayats. Panchayats are the greatest opportunities to ensure political participation and overall development of Muslims. All efforts, therefore, should be directed through the Panchayats.
Towards Holistic Panchayat Raj

Backward Regions

The Backward Regions Grant Fund (BRGF) is a vital source of gap funding. In the 2013-14 budget, Rs 7,000 crores have been allocated. The present criteria for determining backwardness are based on terrain, density of population and length of international borders. It may be more relevant to use a measure like the distance of the State from the national average under criteria such as per capita income, literacy and other human development indicators. There is a proposal to evolve new criteria and reflect them in future planning and devolution of funds. BRGF is designed to integrate multiple programmes through a combination of resources. Programme identification for implementation is done through the Gram/Ward Sabhas in rural areas, and in urban areas by Area Sabhas and ward committees. The criteria adopted for the allocation of funds under the Backward Regions Grant Fund (BRGF) Programme are as under:

i. Every district receives a fixed minimum amount of ₹ 10 crore per annum.

ii. 50 per cent of the balance allocation under the Scheme is allocated on the basis of the share of the population of the district in the total population of all backward districts.

iii. The remaining 50 per cent is distributed on the basis of the share of the area of the district in the total area of all backward districts.

Table 14.2: Allocation of development grants for brgf districts in 2012-13

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the State</th>
<th>No. of Districts</th>
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Table 14.2: Allocation of development grants for brgf districts in 2012-13 Contd

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14.18 An independent review of the scheme was undertaken by the World Bank in eight States viz., Andhra Pradesh, Assam, Bihar, Chhattisgarh, Madhya Pradesh, Orissa, Rajasthan and West Bengal.\(^{534}\) The conclusion was that while the scheme has indeed stimulated a process of PRI/ULB strengthening, particularly in poor States and districts, it also suffers from many serious limitations, including:

- Development grant is a sub-component of the BRGF but owing to cumbersome administrative controls in approving PRI/ULB plans and releasing funds the autonomy of PRIs/ULBs in deciding investment priorities is severely curtailed.
- There are long delays between the completion of local plans and approval by the State.
- The role of both the Distinct Planning Committee (DPC) and the High Power Committee (HPC) needs to change from approval of PRI plans to guidance, coordination and support to the local planning process, as well as strengthening horizontal coordination between PRIs and line departments.
- Improving the technical competencies of DPCs.
- The system of financial management accountability relies on cumbersome *ex ante conditions* for fund releases, instead of strong *ex post* audit and financial discipline due to which there is an inordinate delay of upto one year in the release of funds from GoI to the States.
- PRIs/ULBs have meagre resources and, hence, line departments do not disclose information about their local activities. This renders horizontal coordination virtually impossible.
- The programme allocation was only 0.4 per cent of the GoI budget and spread thinly across a large number of PRIs and ULBs. Per capita allocation of BRGF was meagre, and the national average is Rs 103, with 75 per cent of BRGF districts receiving less than Rs 176 per capita. Most GPs get no more than ₹ 2–6 lakh per annum.
- Capacity building programmes do not have a systematic feedback loop for managers to assess the quality of capacity building support and its

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\(^{534}\) BRGF-Synthesis Report of the World Bank, 2009
impact.

14.19 Subsequently, in 2009, MoPR set up a National Advisory –cum – Review Committee on BRGF. The Committee examined in depth the scope and focus of BRGF; capabilities development of functionaries and institutions at all levels; and the status as well as improvements needed in the system of integrated participatory district and sub-district plans. The Committee also studied the opportunities and mechanisms for securing convergence and horizontal coordination of social/economic sector schemes through effective decentralisation. They concluded that:

- on account of incentivisation through BRGF, the establishment and functioning of District Planning Committees, as envisaged in Article 243ZD of the Constitution, has begun emerging as a reality.

- BRGF has provided the model for several new initiatives at the Central and State levels in providing flexibilities, local prioritisation, greater participation and integration of projects/schemes into the plans by PRIs; for example, RKVY, NHRM, etc. have been influenced by the BRGF example.

- The scheme enables horizontal convergence and vertical integration in the management of district development programmes and activities.

- The guidelines for planning and implementation of CSSs are at present narrowly confined to the departmental purposes. MoPR and the Planning Commission should take the initiative to ensure that CSS guidelines are in conformity with the requirements and the purpose of the District Level Plans. It should be ensured that the scheme-based guidelines and plans are, as a first step, integrated with the sectoral sub-plans and thereafter fully coalesced with the District Plan.

14.20 While welcoming these suggestions and endorsing them, the Committee would wish to emphasise the irony of progress in Panchayat Raj taking place, to some extent, through BRGF in the most backward parts of the country while the more advanced parts lag far behind. Also, it is time the experience and best practices of BRGF were replicated in the generality of social sector and poverty alleviation schemes for all those subjects illustratively identified in the Eleventh Schedule. Regrettably, the backward districts component is increasingly being reduced in BRGF owing to
other schemes like KBK and IAP being tagged on to BRGF. This not only impinges on the unique features of BRGF but also diminishes the impact of BRGF by being less stringent with respect to district planning. At least hitherto, IAP has been transgressing the core PRI dimension of BRGF. The Committee are relieved to be informed that IAP guidelines are being modified to bring them out of the bureaucratic framework in which they have been conceived with a view to progressively devolving IAP to PRIs. 

With all the emphasis at its command, the Committee reiterate their view that full-fledged Panchayat Raj in peripheral and partially affected LWE districts with signal villagers in hard-core LWE districts that there is a real alternative to acquiescing, actively or passively, in a Maoist/Naxalite take-over of their lives. Vibrant, well-funded Panchayat Raj, conceived and implemented in conformity with the letter and spirit of PESA, in peripheral and less-affected or partially affected LWE districts will do more to persuade tribals in LWE districts to return to the nation’s political mainstream. If, on the other hand, the alternative to Naxalbrutality is a continuation of the inequities of bureaucratic rule to which the Bandyopadhyay Committee 2008 drew attention, it becomes a Hobson’s choice for most tribals, making the task of defeating Maoist violence that much more difficult.535

535 Testimony of Dr. Binayak Sen on 6 February 2013.
CHAPTER XV

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

15.1 The ‘Terms of Reference’ of the Committee have been mentioned to be;

I. To review the existing policy and guidelines of relevant Central Sector/ Centrally Sponsored Schemes dealing with social sector / antipoverty programmes and to give specific recommendations
   a. for an appropriate role and responsibility of Panchayats at different levels based on the principle of subsidiarity,
   b. for strengthening their capacity to deliver services, and
   c. for making them accountable to respective Gram Sabhas.

II. To flag the constraints that may come up in operationalizing the delivery system through the PRIs and suggest ways and means of dealing with the same.

III. To suggest ways to incentivize States to devolve three Fs i.e. Funds, Functions and Functionaries to Panchayats.

15.2 All the three components of the ‘Terms of Reference’ are very intimately related to each other which make it difficult to present the recommendations separately for each of these terms. All the observations and recommendations which follow are, therefore, made in an integrated manner. Also, the background and the socio-economic context in which the PRIs have functioned so far and are going to function in future are of much importance. The initial observations are related to such background and the context and subsequent observations and recommendations are related to the themes of the Chapters as explained in the Chapter I.
CHAPTER I

INTRODUCTION

15.2A National Common Minimum Programme stated as follows:-

“The UPA government will ensure that all funds given to states for implementation of poverty alleviation and rural development schemes by Panchayats are neither delayed nor diverted... In addition, after consultations with states, the UPA will consider crediting elected Panchayats with such funds directly. Devolution of funds will be accompanied by similar devolution of functions and functionaries as well... The UPA government will ensure that the Gram Sabha is empowered to emerge as the foundation of Panchayati Raj.” (para 1.27)

15.2B It may be noted that the “village panchayats”, referred to in Article 40, and the “local authorities” referred to in List II, are described as “units” of “self-government” not “self-governance”. These constitute the origins of Article 243G of Part IX of the Constitution which refers to the three-tier Panchayat Raj system as “institutions of self-government”, not self-governance. (para 1.1)

15.2C One of the innovative ideas contained in the Report was for an amendment to the Constitution. This suggestion was picked up about a decade later by Prime Minister Rajiv Gandhi to accord Constitutional status, sanction and sanctity to Panchayat Raj as the one sure way of ensuring grassroots development through democratically elected institutions of local-self government. In short, projecting Panchayat Raj as a demonstration of faith in the people to manage their own affairs by securing to the people “Maximum Democracy and Maximum Devolution”, to quote Prime Minister Rajiv Gandhi in his peroration to the Lok Sabha, with a view to ensuring “Power to the People.(para 1.6 and 1.7)

15.2D The starting point of the Committee’s examination of these issues has been the establishment of the Ministry of Panchayati Raj on 27 May 2004. A month later, the Prime Minister, Dr. Manmohan Singh, convened on 29 June 2004 a Conference of Chief Ministers on “Poverty Alleviation and Rural Prosperity through Panchayati Raj”. During his Inaugural Address, he made a number of key points that are of the essence in “leveraging Panchayat Raj Institutions for the more effective delivery of public goods and services” — the mandate of this Committee. The Committee have been guided in their deliberations by these penetrating insights. (para 1.13)
15.2E The Prime Minister said:-

- institutionalise this system
- integrate economic reforms with institutional reforms in the countryside
- the fault may be in the very design of the programmes imposed from above
- we have an opportunity to make a radical departure from the current way of doing things.
- “a radical departure“ might best be done by shifting from delivery by line departments and parallel bodies to delivery through PRIs responsible to Gram Sabhas in a domain to be defined by Activity Mapping. (para 1.14, 1.16, 1.17)

15.2F The Prime Minister continued:

- respond differentially and purposefully to development situations in different States and different regions....
- to make rural India our big opportunity we need to implement the provisions of Panchayati Raj.
- to give “control to local levels to plan for themselves”.
- this can only happen if planning from below becomes truly a reality based on their own assessment of locally available resource endowment, resource potential and the felt needs of the people.
- funds need not be tied to specific schemes
- District level planning becomes a reality.
- Block grants
- Capacity building of elected Panchayat leadership, especially women and scheduled castes and tribes” is the “major issue”.
- the nature of capacity building must be sensitive to ensure that Panchayats are not seen as the lowest unit of government functioning but an autonomous domain of self-government.
- Capacity building has to focus on strengthening the Gram Sabha to function as a watchdog of representative democracy.
- Combine political empowerment with social empowerment.
- Unleash the productive potential of our agriculture and allied activities.
- Technological possibilities to break new grounds in increasing productive capacity of small farms and small businesses. (para 1.18-1.24)
CHAPTER II

THE STATE OF THE PANCHAYATS TWENTY YEARS ON

15.3 The context has been best explained by the Prime Minister in his path-breaking Address of 29 June 2004 on yoking “economic reforms” with “institutional reforms” to compensate for growing inequality by enabling larger outlays on social sector and poverty alleviation programmes and ensuring the efficient delivery through PRIs of the goods and services financed by these larger outlays. While very much larger outlays have been achieved, outcomes have nowhere near matched outlays. In the Committee’s view, this is principally because “institutional reforms”, launched in the same year (1992) as economic reforms, have lagged far behind economic reforms. In consequence, income inequality has worsened while Human Development Indices have not improved commensurate with increased outlays. (para 2.24)

15.4 This Report adds substance to the Planning Commission’s perceptions of revitalizing the “radical departure” urged by the Prime Minister in his address of 29 June 2004 to valorize the proposition that “inclusive growth” is not possible without “inclusive governance”, that is, effective Panchayat Raj. (para 2.23)

15.5 The Committee believe that a much higher score on HDI values would be possible if service delivery were to be significantly improved. For this to happen, PRIs have to be given a central role in CSS and State programmes, as a ‘radical departure’ from the existing design of the programmes and not by token presence of the PRIs. In the Committee’s view, the single most important instrument available to promote equity in our system without detracting from high growth would be to use CSS to empower PRIs and Gram Sabhas to promote inclusive growth. (para 2.27)

15.6 The Committee conclude that devolution is an essential condition for human development, but must be supported by factors such as a more accountable service delivery structure, clear delineation of roles and responsibilities of key departments and functionaries, stringent monitoring mechanisms, increasing public awareness and capacity building of public functionaries at all levels. Further, the Committee is of the view that all other things being equal, the greater the measure of devolution, the more significant the outcomes. Therefore, further strengthening of institutions of local governance is imperative in order to effectively channelize the devolution process towards better service delivery and improved human development attainments (Para 2.30)
Towards Holistic Panchayat Raj

15.7 The Committee observe that conceptual confusion continues to dog the trail of Panchayat Raj. While the Economic Survey 2012-13 recommends that PRI-centric schemes are essential to effectively articulate the felt needs and priorities of ‘the local people, especially the most vulnerable’ the Central schemes are not at all PRI-centric. (para 2.31)

15.8 The fact that Panchayat Raj is treated in an off-hand manner is reflected in the Economic Survey, which mentions of Panchayats as a throw-away line at the fag end of the Survey, instead of permeating the Economic Survey’s review of all social sector and anti-poverty programmes mentioned in the Eleventh Schedule, points to the need to have an entire chapter devoted to Panchayat Raj in all future annual Economic Surveys. The Committee strongly urge that this practice be adopted as a follow-up to this Report. (para 2.32)

15.9 The alleviation of poverty and growing inequalities remain largely unaffected by the mere existence of these hundreds of thousands of elected local government. This is principally because the establishment of these institutions of local self-government has not been followed by a structured, scientific, consistent, and sustained process of devolution. All devolution of powers and authority has been *ad hoc*, fitful and sometimes reversed. (para 2.34)

15.10 The Committee observe that in the absence of effective empowerment, the political system sees little electoral advantage to pursuing Panchayat Raj beyond the imperatives of Constitutional compliance. Indeed, the paucity of outcomes has also resulted in very little demand for Panchayat Raj at the grassroots. In the absence of effective devolution there is inadequate scope for all members of the Panchayat at any level to be fully involved in the work of the Panchayat and many Panchayat Raj representatives are disillusioned with their not having any clearly defined role to play. (para 2.38)

15.11 The Committee believe that it is not an absence of political will that is making Panchayat Raj stumble so much as the unevenness of Panchayat Raj outcomes that is stalling the evolution of the required political will. (para 2.39)

15.12 The deficiencies in capacity-building contribute to the poor outcomes. Even when some training is imparted, much of this training bears little resemblance to the tasks that Panchayat representatives are permitted to undertake in the absence of effective devolution. Also, there is little integration between the line departments and the Panchayats and line department officials are rarely trained to work in concert with Panchayat Raj Institutions. On the contrary, the atmosphere in most line departments
discourages the evolution of a working relationship with elected representatives. (para 2.40)

15.13 The worst consequence of the said failures is distortion of Panchayat Raj in many parts of the country into ‘Sarpanch Raj’, that is, the reduction of Panchayat Raj Institutions to a nefarious nexus between the President of the Panchayat at the village/intermediate and district levels, on the one hand, and elements of the bureaucracy, on the other, that have made Panchayat Raj synonymous with the decentralization of corruption in some areas. (para 2.41)

15.14 Moreover, in the absence of real devolved powers, there can be no effective collegiate functioning of the PRIs nor any responsibility of the elected Panchayat Raj representatives towards the Gram Sabhas. Hence, attendance at Gram Sabha and even ward sabha meetings in many, perhaps most, States is so poor that that the President of the village Panchayat and his bureaucratic/NGO cohort are able to get away with token, or even bogus, meetings of the Gram Sabha. More often than not, Gram Sabha members find that their elected representatives cannot answer their questions or act on their suggestions because power continues to be vested in the bureaucracy and parallel bodies that fall outside the ambit of the PRIs. (para 2.42)

15.15 The Committee strongly recommend that the Central Government set the example by incorporating relevant directions in the advisories in CSS guidelines for accountability towards Gram Sabha. The Committee note that recently, the Ministry of Panchayati Raj has sought to curb the practice of bogus Gram Sabha meetings by seeking to videograph the proceedings – a daunting prospect as there are more than half a million ward and Gram Sabhas that are required to meet at least four times a year. (para 2.42)

15.16 The Committee recommend that in addition to setting the example by incorporating in CSS Guidelines the specific points on which elected representatives and officials of PRIs would be answerable to Gram Sabhas and the statutory rights of the Gram Sabhas to information and grievance redressal, the Centre draft a model Gram Sabha law, based on its own advisories, and circulate the draft to State governments urging that appropriate Sate legislation be undertaken in this regard. (para 2.43)

15.17 Existing deficiencies in effective Panchayat Raj are compounded by the rotation of reserved seats at every successive election. This not only robs Panchayat Raj of experienced elected representatives, it also leaves little or no incentive for elected representatives to do a good job because they will not, in all likelihood, be able to stand again at the next round of elections. The Committee is of the view that PRI
reservations for all categories (women, ST, SC, OBC) be frozen for a minimum of at least two, and preferably three terms, so that the reserved PRI categories get the same opportunity as their Parliament/MLA peers to augment their experience and knowledge (para 2.44)

15.18 The Committee note that more effective the processes of devolution, the more meaningful is Panchayat Raj, the more involved are the members, the more lively is the Gram Sabha and the less nefarious the nexus between the lower bureaucracy and the Panchayat members. The demand for Panchayat Raj at the grassroots rises as the effectiveness of Panchayat Raj increases, and, conversely, the less the significance of Panchayat Raj in the daily lives of the people the less do they demand Panchayat Raj (para 2.45)

15.19 The Committee observes that since all States show some progress in Panchayat Raj over time, notwithstanding occasional reverses, it would also seem that if the accent were to change from didactically seeking better Panchayat Raj to incentivizing Panchayat Raj, both the political will to promote Panchayat Raj might grow stronger and the electoral rewards of grassroots empowerment would become more obvious. (2.46)

15.20 In order to incentivise the Panchayats the Committee recommend that the 14th Finance Commission change their pattern of untied grants from “basic and performance” grants to grants for incentivizing States to devolve and grants for PRIs to be rendered transparent and accountable in their transactions. Each of these grants may, if the 14th Finance Commission so desires, be divided into a basic grant and a performance grant, but it would be more realistic to expect genuine, meaningful incentivization from the Finance Commission than to rely on substantial grants from the budget. (para 2.46)

15.21 The Committee are, thus, of the view that effective devolution is the key to securing better outcomes and thus engendering the political will to find systemic answers to the systemic issues that are now well-identified after 20 years Constitutionally mandated of Panchayat Raj. (para 2.47)
CHAPTER III
DEVOLUTION TO PRIS BY THE CENTRAL GOVERNMENT AND COLLATERAL MEASURES

15.22 The Economic Survey (2012-13) indicates the exponential increase in expenditure on social sector and poverty alleviation schemes undertaken by the Central Government over the last two decades of economic reform. Outcomes, however, have been completely out of sync with outlays. (para 3.1)

15.23 In the Committee’s view, the principal cause of this disjuncture is that “institutional reforms” have not been yoked to “economic reforms” as desired by the Prime Minister in his Inaugural Address of 29 June 2004 and as reiterated in the Cabinet Secretary’s circular to Secretaries of all Ministries/Departments concerned of 8 November 2004. (paras 3.2)

15.24 The various Ministries of the Union Government, which provide under CSS the larger part of the funding for programmes and projects undertaken in the illustrative domain of the Eleventh Schedule, have shown scant understanding of the methodology for involving PRIs in the planning and implementation of their respective CSS/ACA. (para 3.4)

15.25 The Committee also note with regret that the Planning Commission too have not insisted on compliance with their own directive of 25 August 2006. Insidiously, the thought seems to have gained ground that as Panchayat Raj is a State responsibility under the Seventh Schedule of the Constitution, the role of the PRIs in planning and implementation falls on the margins of the Planning Commission’s own responsibilities and so the involvement of PRIs is not obligatory but optional (para 3.6)

15.26 These effectively abnegate the Central Government and the Planning Commission of responsibility for rectifying this situation. The burden is passed substantially to the State governments even though the “massive” transfusion of funds is largely being funneled through CSS. It is, therefore, necessary to recall past action on linking CSS to PRIs through Activity Mapping with a view to ensuring that
“institutional reforms” in CSS involving PRIs are not abandoned and the thread is picked up again. (para 3.7)

15.27 The committee constituted for giving effect to the Cabinet Secretariat’s circular of 8 November 2004 in its report titled “Modifying the Guidelines of Centrally Sponsored Schemes for Identifying a Domain for Panchayati Raj Institutions”, concluded that: “any manner of parallel structure set up under CSS does not have any measure of accountability”. The said committee also observed that ‘any direct and upfront involvement of PRIs in the planning, implementation and oversight of CSSs…does impact output and outcomes in a positive manner’ and further “If the CSSs continue to ignore this aspect of institutional functioning then despite availability of funds, the CSSs will never bridge the gaps and infirmities in implementation in any sustainable manner”. The Committee can only endorse and reiterate this finding. (paras 3.8 to 3.14)

15.28 The said committee, also known as Viswanathan-Datta Ghosh committee reached consensus among the senior representatives of all the Central ministries on 23 action points with regard to the role of the Panchayats in implementing CSS. However, the Committee observe that implementation of the agreed steps has remained a standstill. (para 3.15 to 3.18)

15.29 The Committee are concerned at the absence of any recognition of the need for “strategizing” or concerting with the PRIs by the Planning Commission also by being rather indifferent to enforcing its circulars of the 25th August 2006 and the 1st April 2009. Also, though the number of CSS is coming down but CSS parallel bodies continue to proliferate. Moreover, the district planning exercise initiated in BRGF districts is neither extended to cover the gamut of development requirements in these districts nor replicated in non-BRGF districts. (para 3.18 to 3.20)

15.30 The Expert Committee is convinced that effective Panchayat Raj through CSS remains feasible and desirable provided the Central Government gives the lead by operationalising the grassroots governance order envisaged in Part IX of the Constitution, by deliberately building on the work already done and the consensus already reached. (3.21)

15.31 The Committee believe that each CSS needs to include detailed model Activity Mapping of Functions, Finances and Functionaries to promote structured, scientific, internally consistent and practical methodologies for proceeding with effective and meaningful devolution. The ‘model’ Activity Maps should provide for
State governments to modify the same to suit local requirements and the perceptions of State governments, but emphasize the importance and ineluctability of Activity Mapping for meaningful devolution. (para 3.22)

15.32 In Committee’s view nothing would more incentivize full-scope Activity Mapping by the States as Activity Mapping through CSS. For once CSS Guidelines are brought in line with the Constitutional imperative; it would automatically create the framework within which States would find it practical and feasible to devolve State schemes to PRIs on the same or similar pattern as CSS-related Activity Mapping. (3.24)

15.33 The Committee stress with all the force at their command the vital necessity of building upon the Viswanathan-Datta Ghosh report to ensure Activity Mapping in CSS (para 3.26)

15.34 To demonstrate how Activity Maps are to be prepared the Committee has prepared eight Model Activity Maps, attached to the discussions on sectoral schemes, with the recommendation that there should be differential Activity Mapping at the State level by allowing for the State governments to adapt CSS Model Activity Maps to their respective realities, perceptions and compulsions, hopefully in consultation with the PRIs themselves. (para 3.27)

15.35 The Committee urge that under the supervision and guidance of the Cabinet Secretary, the Prime Minister’s directions of 8 November 2004 be revived for each of the Ministries concerned to prepare Model Activity Maps, broadly patterned on those prepared by the Committee illustratively for eight schemes, with a view to making Activity Mapping an obligatory and ineluctable requirement for approval of, receiving funding for, and implementing CSS/ACA. (para 3.29)

15.36 The Committee also observe that the MoPR constituted the V. Ramachandran committee and, on the basis of that Committee’s Report, the Planning Commission issued its Guidelines of 25 August 2006. The key perceptions of the Guidelines are to be made an integral part of CSS Guidelines. The Committee recommend that every CSS must incorporate relevant provisions from the Planning Commission guidelines so that Activity Maps are given real substance and the present disjuncture between Planning Commission Guidelines and CSS Guidelines is removed in the interest of effective devolution. (para 3.32)

15.37 The Committee are strongly of the view that Activity Mapping alone does not constitute the answer to the Committee’s mandate. For PRIs to be leveraged for the
“more efficient delivery of public goods and services”, the Committee wish to stress a number of “collateral measures” that must necessarily be taken. (para 15.33)

15.38 The Committee recommend taking several collateral measures simultaneously for securing holistic Panchayat Raj, to avoid that slipping into ‘Sarpanch Raj’ (para 3.34)

15.39 Accordingly, the Committee recommend that the State governments consider appointing by law Ombudsmen to whom complaints can be referred, with sufficient powers given to the Ombudsman to effect grievance redressal, where justified, within a reasonable period of time, and to require the authorities concerned to carry out the Ombudsman’s directions, also within a reasonable period of time. (para 3.35)

15.40 The Committee is of the view that there must be provision of clear rules and regulations for Panchayat Raj Institutions to function as collegiate bodies. Thus Panchayat Raj does not concentrate power or decision-making in the hands of a very few but actively involve the whole of the community by giving them a palpable stake in the planning and implementation of resources that they all know clearly belongs to the community as a whole. (para 3.36)

15.41 Genuine Panchayat Raj should be based on participative democracy by not concentrating power on a few representatives and putting in place the ultimate accountability to the people through the Gram Sabha. Accordingly, a fundamental principle of grassroots governance must be that for all schemes falling within the domain of the Eleventh Schedule, any Committee (by whatever name called) must be either embedded in the PRI system or established with an organic link to PRIs, particularly the Village Panchayat. The Committee recommend that PRIs, particularly Village Panchayats, be empowered through CSS guidelines to network SHGs, and other Community-Based Organizations (CBOs) to whom they might farm out the responsibilities they are entrusted with by CSSs in such a manner that the network is responsible to the PRIs, in turn and the PRIs are accountable to the Gram Sabhas. (para 3.37)

15.42 Instead of CSS funds being provided through mutually insulated bureaucratic silos, they be converged into as few schemes as possible, with the funds devolved in an untied manner but subject to the funds being utilized on the basis of community selection of schemes prioritized by the Panchayats/Gram Sabhas out of a menu of options covering all the CSSs. GoI may arrange for and issues set of guidelines for electronically tagged and tracked channelling of CSS funds to the PRIs through States, if desired and Utilization Certificates, authorized by Gram Sabhas, being sent...
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electronically by individual PRIs direct to the Central Ministries concerned under simultaneous electronic intimation to State governments. (para 3.39)

15.43 To ensure proper financial management by the PRIs the Director, Local Fund Audit (DLFA) will be the Primary External Auditor and it would be desirable for DLFAs to prepare their audit plans in conformity with the audit guidelines / standards set by the Accountant General (AG) so that the AG is enabled to ensure proper certification of accounts. Moreover, if Social Audit summary findings were sent to the CAG, it would facilitate the exchange of information and techniques between the AG and the Directorate of Social Audit at the State level. Proper accounting and effective audit, as outlined above, would foster confidence in the responsible “ownership of funds” by PRIs. Such “ownership” would constitute the single most important factor in ensuring both empowerment and accountability (paras 3.41 and 3.42))

15.44 The Committee believe that to the extent a PRI raises its own resources, its independence of action, transparency of transactions and accountability to the community are increased. It is only the devolution of functionaries concerned with taxation power that will strengthen the ability and, therefore, the political will of PRIs to increase the share of their own resources in the total availability of PRI finances. Most importantly, PRIs must have the full right to appropriate the revenues they raise to their own use so as to incentivize them to undertake taxation. It is only to the extent that PRIs are able to explain to their respective communities that taxes are being raised to meet specific felt needs of the community that PRIs will acquire the political strength and political will to act as fiscal authorities for both raising and spending community revenue. Meanwhile, untied and tied grants will continue to hold sway in PRI finances. It is only progressively that one can hope to see PRIs taking up larger responsibilities for generating their Own Sources of revenue (para 3.45 to 3.47)

For considerations of the 14th Finance Commission

15.45 The Committee hope that the Fourteenth Finance Commission, which begins its labours even as this Committee finish their Report, will ensure that availability of untied finances to PRIs doubles in real terms to at least Rs.1, 20,000 crore over the five-year period which would translate into an average availability of about Rs.4 crore, or about Rs. 80 lakh per year, to each of the approximately 2,50,000 institutions of local self-government (of which about 2,38,000 are PRIs). (3.51)
15.46 But if the 14th FC were to take the share of local institutions of self-government from the present share of 2.5 per cent of the Central Divisible pool to 5-7 per cent of the Central Divisible pool, then there could be genuine incentivisation of both the States and the PRIs. (3.52)

15.47 The Committee recommend that the 14th FC consider the possibility of converting this into two separate incentivisation grants:

- A grant to incentivize States to devolve more powers and authority to PRIs
- A grant to incentivize PRIs to be more transparent and accountable in their transactions. (para 3.53)

**Backward Regions Grants Fund**

15.48 Learning from the experience of using BRGF in the most backward areas for economic development and social justice in terms of priorities determined by the community as a whole and subject to scrutiny and supervision by the Gram Sabha, the Committee believe that there is no reason why similar procedures should not be prescribed in CSS guidelines for the vast sums of money that are being sent from the Centre for rural development and poverty alleviation. Central Ministries should, therefore, follow the precedent in compliance with the Prime Minister’s directive conveyed by the Cabinet Secretary on 8 November 2004. Ensuring compliance to that should be entrusted to the Performance Management Unit established within the Cabinet Secretariat, a process with which the Ministry of Panchayat Raj could be usefully associated. (para 3.54)

**Market borrowing by PRIs**

15.49 The State governments might consider floating special purpose financial instruments exclusively for the mobilization of funds for the PRIs. However, such borrowing must be linked to the own resources of the PRIs and meet the objective criteria for financial sustainability that the SPV might wish to put in place before embarking on any such ambitious but risky venture. (para 3.56)
UIDA, Aadhar and DBT

15.50 While extending a cautious welcome to the application of the scheme to programmes where all that is required is the provision of cash to beneficiaries, such as pensions and scholarships, the Committee would wish to emphasize that the scheme for direct transfer of cash to beneficiaries cannot substitute Panchayat Raj in most other matters covered by Article 243G and the Eleventh Schedule. It is also suggested for further consideration that Village Panchayats be appointed as business correspondents for banks (in addition to individuals) and provided with mini-ATMs for the dispersal of cash benefits, especially where PRIs are not located conveniently near a bank branch. (para 3.57)

Capacities of the PRIs

15.51 Questions of training, competencies building and capacity development invariably tend to dominate the sceptical view of Panchayat Raj as an effective instrument of planning and implementation of programmes of economic development and social justice. Interestingly, this was the same point made by the colonial government to postpone self-government for India. Independent India needs to get out of this colonial mindset in regard to PRIs and trust its electoral representatives to learn on the job even as they have learned on the job at higher echelons of government. (para 3.58)

15.52 Capacity building through training of the PRI representatives is too inadequate. Much of the training bear little resemblance to the functions actually devolved, the ground experience of the PRI representatives, or their daily concerns, and with little follow-up or continuous involvement of line department officials, worsened by CSS/SSS being entrusted to line departments and parallel bodies rather than PRIs themselves. In addition to that whatever experience is gained by the PRI representatives leave little chance for its use due to policy of rotation of reservations followed by the States. (para 3.60)

15.53 The critical requirement, is less “training and capacity-building” for PRI representatives than placing third tier bureaucracies and technocracies under the political authority and discipline of PRIs through the processes of Activity Mapping. It is the training of this level of the bureaucracy and technocracy to re-orient their attitude to third tier of political governance that is more the need of the hour. (3.62)
15.54 The Expert Committee hold that while training and capacity-building programmes for PRI representatives need to be continued and strengthened, officials working with Panchayats must be oriented to make them conscious that they are servants, not masters, of the elected grassroots institutions. Higher level officers at the district level also need to have their attitude impregnated with the larger vision of Panchayat Raj reflected in the Constitution so that they ensure that officialdom and elected representatives work in tandem and not at cross-purposes. Above all, it should be made obligatory for line department officials to hold frequent, regular interactive sessions with elected PRI representatives at each level of the Panchayat Raj system to intensively brief them about line department work. This would be the most practical and sustained way of capacity-building for PRIs and training for PRI representatives. (para 3.63)

15.55 The Expert Committee would wish to emphasize that the Constitution does not require rotation of reserved seats to take place at every successive round of elections. Longer tenures for women, especially SC and ST women, and SC/ST in general will ensure both efficient performance and effective empowerment of those sections of our society who are at an initial disadvantage (para 3.65)

15.56 The Committee cannot but emphasise the need for taking all possible measures for conducting free and fair elections both directly to the Panchayats or the post of chairpersons or indirect elections to chairpersons etc. There should be also clearly laid rules and procedures for disqualification and removal of Panchayat members and chairpersons etc and proper mechanism for appeal etc (para 67 to 71).

Institutional Recommendations

15.57 The Expert Committee strongly recommend the constitution of a single Ministry of Panchayats and Nagarpalikas, howsoever named, to jointly promote the elaboration and implementation of the 73\textsuperscript{rd} and 74\textsuperscript{th} amendments together. However, in view of the practical difficulty of amending Parts IX and IXA without unraveling everything that has been achieved so far, the Committee recommend that, at a minimum, effective coordination at the district level for “planning and implementing” programmes of “economic development and social justice” be promoted by having a single Ministry for local self-government at the Centre, which would encourage the establishment of similar Departments in the States (para 3.75 and 3.76)
15.58 The Committee propose the establishment of a statutory National Commission on Panchayat Raj (with State level Commissions wherever State governments agree to setting up such Commissions). This would also propel such significant leveraging of PRIs as to ensure exponential improvement in efficiency in the delivery of public goods and services. (para 3.77 and para 3.78)

15.59 The Expert Committee would like to underline its view that bad Panchayat Raj is often worse than no Panchayat Raj. At the same time, effective, holistic Panchayat Raj is a Constitutional duty and obligation, binding the Central government as much as it does the States. The Committee is of the view that if the totality of measures recommended in this Report are acted upon, the benefits in terms of inclusive growth would far outweigh the inconveniences involved in making the “radical departure” urged by the Prime Minister in his Inaugural Address to the Conference of the Chief Ministers on Rural Prosperity and Poverty Alleviation of 29 June 2004. Indeed, the Committee express their hope that Government will find it possible to place this Report before a follow-up Conference of Chief Ministers. (para 3.79)

15.60 The Committee also urge that the five-year old Report of the Empowered Sub-Committee of the National Development Council on Financial and Administrative Empowerment of the Panchayats be submitted to the National Development Council at its next meeting. (3.81)

15.61 Further, the Committee recommend that as NDC is the most important forum that brings the Prime Minister and Chief Ministers together on a common platform, the Planning Commission be required to inscribe Panchayat Raj as a permanent item on the NDC agenda so that progress is kept under continuous review for the national priority of “Inclusive Growth” to be promoted through “Inclusive Governance”. (para 3.82)
Devolution of functions by the State governments

15.62 Activity Mapping should be done by all States, as a prior exercise for devolution for the major areas of service delivery, such as health, education, nutrition, water supply, sanitation, various other civic services, employment generation, poverty alleviation and local economic development, livelihoods, agriculture & allied sector, social security and disaster management etc. Activity mapping should also clearly state out where the function is a devolved core function, where the Panchayats function as agencies and where they have a mediating role. The MoPR should come out with incentives for the States to take up the process and facilitate the same by organizing professional support. (para 4.13)

15.63 Activity Mapping should be linked to budget envelopes with a separate statement of funds allocated to PRIs in an annexe to the budget. (para 4.13)

15.64 There is a need to educate all stakeholders on the importance and implications of an Activity Mapping exercise. In particular, there is a need to dispel misgivings of departments that Activity Mapping in some way disempowers them. (para 4.13)

15.65 Activity Mapping has to conform to certain objective principles. First, subjects cannot be devolved wholesale – they need to be unbundled into activities and assigned appropriately to different levels of government. Second, Activity Mapping need not be patterned on the way budget items or schemes are arranged, but should be on the basis of the range of functions in a sector. Third, certain activities, such as beneficiary selection, can span different schemes and different yardsticks cannot be applied to the assignment of the same activity on a scheme-wise basis. Fourth, the State Governments have to remain responsible for setting standards of services to be delivered by the Panchayats and monitoring whether the same is being met. (para 4.13)

15.66 While drafting laws and delegated legislation on activity mapping, a clear distinction needs to be made between the agency functions entrusted to Panchayats and their core functions. In respect of agency functions, higher level governments,
parastatals or others entrusting any function on Panchayats must enter into enforceable contracts that lay out the roles and responsibilities of both the Panchayats as an agency as well as the department/others concerned as the one entrusting such agency function. Such contracts should also provide for meeting. (para 4.13)

**Agency and mediating functions of the PRIs**

15.67 In cases where the Panchayats perform an agency function of the State the accountability of the State in providing adequate funds and functionaries to the PRIs should be clearly laid and wherever possible there should be enforceable contract between the State government and the Panchayats on their respective deliverables. (para 4.14)

15.68 In respect of certain services, to be decided by the States, the PRIs, particularly the Gram Panchayat may help the service delivery by providing the front end of the State government/public utilities, where people may come and submit service requests. The documents/services will be delivered to the person concerned from there on a pre-determined date. In such cases the deliverables by both the State government and the Panchayat must be clearly laid, and there should be enforceable contract between the State government and the Panchayats on their respective deliverables. (para 4.14)

15.69 In respect of some other services, which will neither be devolved on the Panchayat nor the Panchayat can function as the front end of services delivered by the State, the Panchayats may mediate delivery of services by the State authorities/public utilities for which the State has to make enabling arrangements including building adequate capacities in the Panchayats. (para 3.14)

**Devolution of funds from the Consolidated funds of the State**

15.70 The State Finance Commission should be constituted in time and its report should be considered for submission of an ‘Action Taken Report’ before the State Legislative Assembly within reasonable time and the State must release funds and take other measures in pursuance of the ‘Action Taken Report’. (para 4.23)

15.71 Funds to be transferred on recommendation of the State Finance Commission without any conditionality. There should be no subsequent order asking the Panchayats
to make payment for any purpose other than what they decide of their own. The funds to be devolved should flow in a predictable manner and in at least quarterly instalments. (para 4.23)

15.72 There should be a permanent Local Government Fiscal Cell in the Finance Department to ensure timely transfer of funds to be devolved to the Panchayats as well as to maintain all database related to local government finances for use by the State Finance Commissions. The Cell will be responsible for preparing an ‘Annual Statement on Fiscal Devolution’ to local government which the government should place before the State Legislative Assembly and the same should be made available to the public through website. (para 4.23)

15.73 Funds should be channelized electronically to each Panchayat separately and not in an aggregated manner for the district as whole and eligibility for receiving next instalment as grants from the SFC should be judged for each Panchayat separately. (para 4.23)

15.74 The State and the Central government may consider sharing a small share of the proposed GST to the Panchayats. (para 4.23)

Assignment of tax and non-tax revenue powers to Panchayats:

15.75 State Governments need to assist the State Finance Commissions to explore the appropriate tax and non-tax revenue assignments to the Panchayats as well as ways and means of administering and enforcing them to achieve a greater linkage between revenue raising and spending decisions at the local level. (para 4.24 A)

15.76 An examination of the various taxes levied by Panchayats across States reveals that there are as many as 66 different types of taxes, user fees and charges. Rates and system of collection of those taxes need to be rationalised to improve efficient administration. Each level of Panchayat could be given a basket of at least one or two important tax handles while assigning tax revenues. (para 4.24 A)

15.77 State governments may consider assigning to District and Intermediate Panchayats powers to set rates in respect of selected handles within a band or to share revenues from selected taxes. (para 4.24 A)
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Promoting Tax and Non-tax Collection by Panchayats within Existing Provisions:

15.78 Pending reform in the tax assignment system, significant gains can be made by concentrating on persuading PRIs, particularly village Panchayats, to undertake systematic and timely assessments, to survey fully the tax base and to enforce tax collection. States may undertake a campaign mode approach on improving tax collection based on the existing legal regimes and overcome the large slack in revenue collection. (para 4.24 B)

15.79 In this direction, States could re-examine the current rates of taxation previously fixed and consider an upward revision, keeping in mind current circumstances. In this respect, States may remove maximum limits fixed on tax and all conditionalities that hamper or restrict the powers of Panchayats to tax. (para 4.24 B)

15.80 There is an imperative to strengthen the capacity of village Panchayats to levy and administer property tax. Experience has shown that area based property taxation would be appropriate, varying with the location of the property, floor area and the type of construction. State governments may work towards implementing a guided value system on a block-wise basis, making it easy for local governments to apply these guidelines in a simple and transparent manner. (para 4.24 B)

Capacity Building of Panchayats in Tax Administration

15.81 States may take steps to strengthen the administrative and enforcement capacity of Panchayats to collect revenues through training of tax collectors in Panchayats to determine and collect tax demands in accordance with rules and regulations. (para 4.24 C)

15.82 State Governments need to ensure that their training programmes for Panchayat elected representatives and officials contain well-structured modules on administration and collection of taxes and non-tax revenues by Panchayats. (para 4.24 C)

Incentives for collection of Tax and non-Tax revenues

15.83 State should consider incentivising tax effort by reworking the formulae for distribution of revenue from the State after adjusting for the revenue capacity of the PRI, estimated on the basis of simple indicator(s). (para 4.24 D)
15.84 States may also promote Panchayats to collect revenues, by providing bonus payments at specified pre-announced rates to Panchayats that have demonstrated exemplary collection performance. Such incentive may include making part of the remuneration of the elected functionaries linked to efficiency of collection of own source revenue. (4.24 D)

15.85 The incentive package may also contain a set of measures for tax avoidance, such as mandating that Panchayats publishing lists of defaulters and ensuring that all elected members to Panchayats set an example by paying their taxes promptly. (4.24 D)

**Data Collection and Analysis in Respect of Own Revenues**

15.86 The State should put in place a system of collection of data on internal revenue mobilisation by each Panchayat and carry out regular analysis for identifying lapses and taking follow up measures for augmenting own revenue. Information technology is to be used for maintaining data on demand, collection and outstanding dues for each level of Panchayat. (para 4.24E)

15.87 States may prepare a compendium of the legal provisions and executive orders issued by the State Government in respect of the administration of taxes and mobilization of non-tax revenues by Panchayats. This compendium should be made available to all Panchayats. (para 4.24E)

15.88 Good practices on own revenue mobilization should be shared among all Panchayats. It is important to understand these practices to evolve incentive structures aimed at promoting tax collection. Champion Panchayats, who have demonstrated good performance, could be used as roving consultants to help design Panchayat specific solutions and promote the idea of tax collection by Panchayats. (para 4.24E)

**Steps to be taken by the MoPR for augmenting own revenue of PRIs**

15.89 MoPR may conduct an expert study on defining the possible own fiscal domain for PRIs in the light of national and international experience in fiscal federalism. (para 3.25)

15.90 The MoPR may assist States to design local solutions, which could encompass suggesting legislative changes, draft model executive orders, design training programmes and develop local software solutions for tax management. (para 3.25)
15.91 The MoPR may undertake analysis of State specific trends to identify initiatives and drives in respect of enhancing revenue collection by Panchayats. This would also include a compendium of good practices on local taxation which would be widely disseminated to all States. The good practices should be shared among PRI representatives through workshops. (para 3.25)

15.92 The MoPR may support policy studies on PRI revenue, particularly in two dimensions, first, to ascertain taxation capacity and scope to augment non-tax revenue; and second, to design incentive packages. (para 3.25)

Improving financial management (3.31)

15.93 A fiscal responsibility regime should be established through appropriate legislation to ensure stability and predictability to Government-PRI fiscal transfers. Such a framework would lay down principles for financial management at the Panchayat level, mandate transparency in fiscal management at the local level, which would include prescribing the timing and periodicity of fiscal transfers and the pre-conditions for release of funds. It could lay down principles that govern the sanction of works by Panchayats to prevent things like over-spending, taking up more projects than possible, violating due process in sanctioning and incurring of wasteful expenditure. These provisions would specifically provide for a transparent process of budget preparation and adequate provision being made for spill over works. (para 4.31)

15.94 A timely record of allocations to, releases made and expenditures of PRIs must be maintained and made available in the public domain. (para 4.31)

15.95 There must be an in-principle acceptance by States that across the board cut at source on funds devolved to Panchayats will not be undertaken. (para 4.31)

Strengthening of Accounting and Auditing of PRIs

15.96 The CAG recommended accounting classification may be adopted forthwith by all States. A separate classification in the budget books of both the State and the Central government will need to be adopted for devolved funds. Such heads-of-account may be described as “devolved” Heads of Account and further classified into “revenue” or “capital” heads. The revenue head would have a separate sub-head to deal with transfer of funds to meet the salary requirement of deputed staff. The department concerned in the State level could move the Assembly for passing the
budget but will not be responsible for any failure to spend or in following rules, for which a separate mechanism has been suggested. (para 4.32)

15.97 To strengthen financial accountability of Panchayats several steps such as upgrading skills of auditors, systematisation of accounting formats, introducing a concurrent audit system and online monitoring of GP accounts should be undertaken and there should be progressive adoption of double entry and accrual based accounting system in accordance with the recommendations of the CAG. (para 4.32)

15.98 Panchayat accounts are to be computerised as part of the e-Panchayat programme. Rules need to be in place, enabling the maintenance of electronic cash books, so that audit may be conducted on such cash book. While other software solutions could also be developed by States to cater to this need, they must be interoperable with Priasoft, so as to enable seamless integration of data (para 4.32)

15.99 Existing Accounts rules need to be amended to provide for clear procedures for procurement, audit, and preparation of an Annual Financial Statement for each Panchayat in prescribed format and for laying the compiled report before the State Assembly within a given time frame. Similarly, each State should prescribe formats for placing the accounts of each tier of Panchayat in their Standing Committee and General Body meetings;

15.100 On the issue of TGS, the training material prepared by the Institute of Public Auditors of India, a Society of retired and experienced officers of the CAG’s office may be used for training of grassroots level accountants. Such accountants could prepare accounts of Panchayats at the village level, where there are no regular employees entrusted with the task of preparing accounts; and

15.101 A repository of best practices on social audit policies available in different States could be prepared by the Government of India. CAG may be requested to take up a pilot exercise in linking social audit with formal audit in States which are willing to support such an exercise. (para 4.32)

Devolution of Functionaries

15.102 Panchayats should have effective control on employees deputed to them by the State government. Salaries to employees deputed to work under any Panchayat should be paid by the Panchayat concerned. (para 4.38)
15.103 Each State may consider creating adequate posts in the Panchayats. The minimum requirement for the Village Panchayats will be full time staffs consisting of a Secretary and an Accountant. In very small Village Panchayats the same staff may be shared among nearby Panchayats but there should be fixed schedule of availability of each staff. (para 4.38)

15.104 Own staffs of the Panchayats within the district may be made a part of the Panchayat cadre of employees for meeting the personnel need of the PRIs at all the three tiers. There should be emphasis on recruitment of due share of women employees in Panchayats. (para 4.38)

15.105 A Panchayat Service Commission may be established in each State for recruitment of various cadres of Panchayat employees, unless the State Public Service Commission is entrusted with that responsibility. (para 4.38)

15.106 There should be organic linkage between State cadre and Panchayat cadre of employees so that on reaching a certain level of seniority the employees of Panchayat cadre can be inducted in to the State cadre on merit with due recommendation of the State Public Service Commission. (para 4.38)

15.107 Panchayats must be allowed to secure the services of qualified technical personnel to undertake their works. The State government may facilitate the process by accrediting selected firms/consultants or setting pre-qualification standards for such consultants as well as fees to be paid to avoid separate approval. (para 4.38)

15.108 GoI has to share the responsibility of adequate staffing of all Panchayats for implementation of CSS. For at least the flagship CSS, which constitutes bulk of the expenditure on CSS, GoI should come out with a required employee structure and give assurance for providing Central support so that posts are created with pay scale at par with the pay structure of the permanent employees of the Panchayats. (para 4.38)

15.109 The phenomenon of Panchayat representatives performing quasi executive tasks on behalf of the Panchayat and recoupment of their expenses through local adjustments needs to be recognised and addressed in a systemic fashion. One way is to enhance the honoraria paid to members, particularly Standing Committee chairpersons and others. For this purpose, studies need to be conducted in each State and by the Central government, to ascertain what the true costs of administering service delivery are, following which various options could be explored on how they could be compensated. (para 4.38)
15.110 All the Panchayats should have minimum physical infrastructure for its effective functioning. (para 4.38)

**Recommendations related to elections etc. (4.46)**

15.111 The MoPR needs to institutionalise a system of vigilance to ensure the regular conduct of elections and that the Supreme Court judgments in this regard are strictly followed. (4.46)

15.112 There is an urgent need to work towards commonality, if not uniformity, in election procedures and provisions across States and in particular, the vesting of all responsibilities for the election process in the SECs. (4.46)

15.113 There is also a need to prepare a model code relating to the supervision, direction and conduct of elections to the Panchayati Raj Institutions (PRIs). The Ministry of Panchayati Raj could take up this issue in consultation with the Standing Committee of State Election Commissioners. (4.46)

15.114 There should be adequate autonomy and availability of funds and personnel for the SEC to function effectively in ensuring free and fair elections to Panchayats. Each State may review the current arrangement and take steps for ensuring autonomous functioning of the SECs as an arm of the State but not unnecessarily dependent on the government. There should be a model staffing pattern for State Election Commission offices. The MoPR could develop this in consultation with the Standing Committee of SECs. (4.46)

15.115 Government of India should authorise the SECs to requisition the services of GOI officials and bank officials for the conduct of Panchayat elections. Para military forces should also be made available on requisition of the SECs for conducting Panchayat election in a free and fair manner. (4.46)

15.116 The Government of India may examine the possibility of bearing 50 percent of the cost of conducting Panchayat elections. (4.46)

15.117 Frequent rotation of reservations has in practice led to two adverse effects. First, persons elected to reserved seats rarely get elected to the same seat when it gets de-reserved in the next cycle of elections. Therefore, there is a high attrition of experienced elected representatives at each election. Second, rotation of reservations has turned out to be a fractious and complex exercise, often leading to long drawn out litigation. The Committee recommend a period of at least 10 years for rotation of reserved seats. (4.46)
15.118 Indirect election to the post of chairpersons should be conducted in strict observance of clearly laid rules and any form of manipulation or coercion leading to losing the post should be avoided through effective watch by the government officials. (4.46)

15.119 Power to disqualify any elected representative should not remain with anyone who is a part of the State government and the same should rest with the SEC. (4.46)

15.120 The Committee recommend that the boundaries of Village Panchayats ought not to be changed, except in exceptional circumstances since Village Panchayat is the basic unit of government and not merely electoral constituencies. Constituency delimitation within the Panchayat could be changed at regular intervals, such as once in ten years. (4.46)

Empowering the Gram Sabhas

15.121 The States with Village Panchayats consisting of several villages may consider establishing Ward Sabhas at the level of each Ward, through appropriate legislative changes, for better participation of the people. (para 4.51)

15.122 Gram Sabhas must be empowered to ensure accountability of the Village Panchayat through regular meetings in which open discussions are held on structured agenda matters. (para 4.51)

15.123 The States may consider video recording of Gram Sabha proceedings for monitoring the nature of participation in the meetings of Gram Sabha. (para 4.51)

15.124 There must be a specific duty cast upon the Chairperson of the GP to convene Gram Sabha meetings as provided in State legislation without fail, with punitive measures of being disqualified in case of non-compliance. Similarly, relevant officers must be directed to attend Gram Sabha meetings without fail through administrative instructions prescribing stringent measures in case these are not complied with. (para 4.51)

15.125 To ensure more effective social audit, State governments will need to bring out policies and rules for the conduct of social audit. Voluntary council of experts and eminent citizens can be constituted ideally by the Gram Sabhas themselves, or even at higher levels to encourage this practice initially, to evaluate the work carried out by Panchayats. (para 4.51)
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15.126 The practice of various community based organisations working at the village level placing their reports before Gram Sabhas should be promoted. (para 4.51)

15.127 In order to strengthen Gram Sabhas for better identification and selection of beneficiaries, Gram Panchayats require specific data with names and faces. Therefore BPL surveys ought to be re-conceptualized as a Gram Panchayat level multipurpose household survey. Such surveys should be supervised and managed by Gram Panchayat Members. (para 4.51)

Collegiate functioning of the Panchayats

15.128 The Standing Committees at all the tiers should be enabled to function properly and they should have clearly delineated responsibilities. (para 4.53)

15.129 Power of the Standing Committee to take any decision, particularly in terms of ceiling of fund they can sanction should be spelt clearly. The Standing Committee should function like a Ministry of a State government in respect of subjects assigned to the Standing Committee concerned by the Panchayat. (para 4.53)

15.130 All decisions related to plan expenditure belonging to the district sector of the State budget (and not devolved) must be discussed in the Standing Committee for views of the District Panchayats. (para 4.53)

15.131 There must be representation of members from the Opposition (if the members are elected through political identity at that tier) who will be aware of all decisions and will be in a position to submit their views. (para 4.53)

15.132 Officers belonging to the line department dealing with subjects related to any Standing Committee should be required to attend meetings of the Standing Committee concerned, which should be a part of their duties for which appropriate GOs should be issued. (para 4.53)

15.133 Every Standing Committee should have an earmarked budget, within which they will be allowed to plan and get the draft plan submitted to the General Body for approval. (para 4.53)

15.134 Approved budget and approved Plan of any Panchayat should show Standing Committee wise disaggregation of activities to indicate clearly, which Standing Committee will remain responsible for what. (para 4.53)
15.135 Members of Standing Committees should be provided with specialized training to acquire domain knowledge about the subject being dealt by the committee along with national and State priorities and goals and possible local actions in pursuing those goals. (para 4.53)

**Panchayats and CBOs**

15.136 Mandating the creation of such parallel structures through executive directions and their funding through Centrally Sponsored Schemes will need to be strictly eschewed. (para 4.60)

15.137 States must not continue to perform local government functions through CBOs. Line agencies must not by-pass elected PRIs and directly deal with CBOs for performing functions in the legitimate sphere of PRIs or utilising public funds or natural resources of the locality. The CBOs, where necessary to be promoted should rather have organic linkage with the Village Panchayats so as to have their accountability to the people at large. (Para 4.60)

**OTHER COLLABORAL MEASURES**

The appellate system against orders of the Panchayats needs to be modified:

15.138 States could examine the appellate systems against the orders of the Panchayats and establish appellate tribunals to hear such appeals. It would be desirable to remove such powers from the District Collectors, as that would amount to the concentration of too much implementation and regulation power in one authority. (para 4.66)

*The institution of Ombudsman for Panchayats needs to be created in all States.*

15.139 The Committee suggest creation of the institution of Ombudsman by law for Panchayats in all States. The composition of the Ombudsman and the number of Ombudsmen to be provided for can be decided by the States. The body could be headed by a judicial officer of the rank of a High Court Judge and other ombudsmen
could be selected from a panel of judicial officers of the rank of District Judges and Administrative officers of the rank of Secretary to the State Government. (para 4.66)

**Accountability Mechanism at the higher level of Panchayats to be established**

15.140 The States may consider establishing a forum (may be called the Zilla Sansad) comprising all elected members of the District Panchayats, elected office bearers of Intermediate Panchayats and the Pradhans for accountability of the District Panchayat to a larger body. A similar forum may also be created at the level of the Intermediate Panchayat (may be called the Block Sansad) comprising all elected members of Intermediate Panchayats, members of District Panchayat from that area, Pradhans and chairpersons of Standing Committees of Gram Panchayats within the area of the Intermediate Panchayat. This forum will help better inter-tier coordination and accountability to each other. (para 4.66)

**Examination of Accounts related to devolved fund to be arranged at the district level**

15.141 Accountability of proper utilization of devolved funds should be shifted from the departments concerned to the respective Panchayats. The Panchayats should provide a simple UC that fund has been received and utilized following all norms for information of the department. Details examination of quality of expenditure and deviation from rules may be left to a suitable forum, which may be called the District Public Accounts Committee (DPAC) to be constituted at each District Panchayat. The DPAC may be constituted under the Chairmanship of the Leader of the Opposition of the District Panchayat with proportionate representation from all political parties represented in the District Panchayat. The Committee may be given the authority for checking compliance to rules in respect of all expenditure from devolved fund and internal revenue generated by any Panchayat. The Committee may be provided with technical staff for such examination and all reports of the Committee related to any Panchayat must be placed in the General Body of the Panchayat concerned for their views and submitting an Action Taken Report, if any. The ATR along with the original complaint has to be placed before the Zilla Sansad/Block Sansad or the Gram Sabha as the case may be for wider dissemination of the same. (para 4.66)
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Providing forum for discussion of issues on devolution

15.142 There is need to establish a common forum in which the State government and the Panchayats can participate, which would cover important matters such as the inter-governmental fiscal and administrative architecture and a mechanism to resolve disputes that may arise between levels of government. (para 4.66)

Strengthening oversight function of the State Government

15.143 The Panchayat Directorate and the Panchayat cells to look after institutional aspects of Panchayats at district and the intermediate level are to be strengthened appropriately for maintaining an efficient oversight on functioning of the Panchayats as well as in providing necessary support to the Panchayats on their functioning as an institution of local government as and when needed. (para 4.67)

15.144 The State Government should prepare a format for self-assessment by Panchayats which would be submitted within a given time after the end of every year. The reports are to be analysed by experts at the State level to find out the strength and weaknesses of individual Panchayat on each dimension of functioning as a local government. The analysis will help the State to improve oversight function as well as bridging Panchayat specific capacity gaps. (para 4.67)

15.145 The States should review the present system of monitoring the institutional aspects functioning of the Panchayats as the local government, which are not related to implementation of any particular programme/scheme and take all steps to strengthening the areas with weak performances. (para 4.67)

15.146 The States may consider establishing a legal cell at the District Panchayat office for assisting all Panchayats on legal matters. (para 4.67)

15.147 The State government may consider assisting the recognised political parties having majority in at least 10 per cent of the total share of Panchayat representatives, where election is held on political line, for establishing/strengthening a cell. The cell may be provided support for engaging one/two research scholars (to be identified by an independent expert group) for compiling all data related to functioning of Panchayats run by their party and reviewing internally with more probity for taking corrective measures. (para 4.67)
Amendment of the Constitution for strengthening devolution

15.148 The Committee endorses the recommendation of the 13th Finance Commission for amendment of the Article 243 I. (4.70)

15.149 Amendment of the Constitution for creating a District Council instead of a District Panchayat to be the unified local government at the district level should be explored. The District Council will have representation from both rural and urban constituencies. (para 4.71)
CHAPTER V

DECENTRALISED PLANNING THROUGH PRI S AND DISTRICT PLANNING COMMITTEES

Preparation of Local and District Plans

15.150 The Committee recommend that instead of universal procedures for all States, there must be a menu of planning choices for both (i) preparation of local plans and (ii) consolidation of local plans into district plans. (para 5.45)

15.151 Three types of district plans are recommended:

- Kollam model – district plan consists of (a) district vision with due consideration to spatial planning and participation of LSGIs and (b) an integrated plan for the district by consolidating the local plans and district state and central schemes. The report would be used the document based on which DPC would offer suggestions or guidelines for improvement of the local plans within the overall frame work of the district plan.

- District plan prepared as per the Planning Commission Guidelines of 2006. (para 25 – 31)

- Madhya Pradesh model where Gram Sabhas and Local Governments are consulted in identifying the needs and then prioritised and integrated in the district plan by a team of experts. (para 5.46)

15.152 The local government plans also may be of three models –

- The integrated plan as in Kerala where needs are identified at Gram Sabhas, envisioning and stock taking are done at the level of GP, detailed project proposals are prepared according to priorities and presented in a plan document.

- Integrated comprehensive poverty sub-plan basically drawing upon the Centrally Sponsored Schemes and the untied funds made available to the local Governments.
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- A minimal poverty sub-plan consisting of NREGA sub-plan supplemented with untied funds and other schemes feasible. (para 5.47)

15.153 There may be different combinations of local and district level planning. District level plan is not an operational plan. It is an iterative process through which the local plans can be improved over time and integrated into a district development perspective. (para 5.48)

15.154 Scheduled Caste Sub-Plan (SCSP) and Tribal Sub-Plan (TSP) should be prepared by the Panchayats to the extent possible. This is to ensure that the social justice function endowed by the Constitution is realized in practice. In order to protect the interests of the Scheduled Castes and Scheduled Tribes, it is necessary to get the Panchayats prepare social maps and conduct participatory assessment of priority with these socially disadvantaged groups. Diversion of funds from SCSP/TSP should not be permitted and should be treated as violation of their civil rights. (para 5.49)

15.155 Panchayats perform relatively well in responding to the needs of women and disadvantaged groups including minorities and people with disabilities. Using the SHG network coming up under National Rural Livelihood Mission, Panchayats must be asked to prepare simple gender status studies and Women Component Plans. (para 5.50)

Decentralised Database for Local Planning

15.156 All programmes related to rural areas, whether run by State or Central government, must have their MIS redesigned so that along with aggregated reports, which are needed by supervisory level officers at district, State or Central levels wherever possible there is also automatic generation of Panchayat specific program outputs and outcomes Those should be displayed in web - enabled GIS showing Panchayat boundaries wherever possible. (para 5.56)

15.157 The State Planning Board/Commission should publish all relevant data Intermediate/Village Panchayat-wise, at least in respect of those subjects mentioned at Schedule 11 and duly disaggregated up to Village Panchayat level (wherever possible or at least up to Intermediate Panchayat level). The data should be published in the form of a statistical handbook and the same may be made available in website and updated regularly. (para 5.56)

15.158 The State may develop methodologies for preparing service delivery reports relating to schools, hospitals and anganwadis. The methodologies developed by Public
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Affairs Centre, Bangalore and by PRATHAM which prepares Annual Status of Education Reports (ASER) may be adopted. Most of the States have data on infrastructure like water supply, irrigation facilities, schools, hospitals, banks and so on. These may be provided to the Panchayats concerned preferably on a GIS platform. (para 5.56)

15.159 While taking up a large scale sample survey related to any aspect of socio-economic development of the rural people, it should be so designed that at least district - wise macro picture is available. All districts may be encouraged to prepare district HDRs and technical support may be arranged through academic or research institutions. The Human Development Index (HDI) of all the districts in a standard format will help the DPCs to take stock of the progress of the district in different sectors and may initiate appropriate actions. (para 5.56)

15.160 As recommended by the Expert Group on Grassroots - Level Planning, participatory surveys may be widely encouraged. A system of collection of household, natural resources and infrastructure related data may be taken up by each Village Panchayat in a participatory mode. This should be appropriately designed so that it meets (i) the need for planning at that level; (ii) no department is required to carry out any separate survey; and (iii) the scope of capability of the GP. (para 5.56)

15.161 Census of India which collects the most detailed set of data relevant to local planning has revenue village as basic unit. This needs to be changed to in the Village Panchayat wise data. Now, a similar exercise has been done as part of the Socio-Economic Caste Census where the Enumeration Blocks of 2011 Census are being rationalized with Village Panchayat boundaries as SECC is for Village Panchayats. This opportunity could be utilized to bring about a permanent shift. (para 5.56)

15.162 The jurisdiction of any GP should not be changed so that time series data for various socio-economic developments can be maintained and analyzed over a long period. All the S States should review jurisdiction of the GPs before the next Panchayat election to ensure that every revenue village is entirely accommodated within a GP. There could be very large revenue village which cannot be accommodated within one GP in which case the same may be split by the Land Revenue department following usual procedures. In respect of other revenue villages extending over more than one GP, either the jurisdiction of the GP has to be changed to include any revenue village entirely, or if it is not possible to change the jurisdiction for social or political reasons the revenue village has to be split appropriately. (para 5.56)

15.163 While measures are being adopted for the creation of a comprehensive local- level databases it would be advisable to undertake local - level collation of the
secondary data available at the local offices of government departments. Most of the macro data published by different authorities are collated from data generated by the local offices. This disaggregated data have so far been neglected because the decision making process is at the top. A participatory secondary data collection program can be organized to collate this information. The data collection process would also, in a sense, be a validation program. Government should instruct all local offices of line departments to make available the data on a specified format. (para 5.56)

**Preparation of Panchayat Maps for Local Planning**

15.164 Each State should take steps for preparing maps of all Panchayats showing revenue village boundaries within the Village Panchayat boundaries: Village Panchayat boundaries within each Intermediate Panchayat and the Intermediate Panchayat boundaries within each District Panchayat map may also be shown. The maps should be geo-referenced, wherever possible. (para 5.57)

15.165 Panchayats may be encouraged to develop participatory resource maps. These maps could complement the GIS maps. (para 5.57)

**District Planning Committee**

15.166 The Committee recommend that the State governments frame rules under the appropriate Act in terms of which DPCs should be presided over by the President of the District Panchayat. The District Collector could be the Member - Secretary and the other nominated members should be professionals with certain minimum qualification to meet the requirement. In order to send a signal that DPC is a collective body for all the development departments in the district, it is necessary to make the district heads of different departments as *ex-officio* Joint Secretaries with an obligation to attend every meeting of the DPC and also to provide necessary information and other forms of support. (para 5.60)

15.167 The existing offices at the district level and below related to Planning, Statistics and Town and Country Planning should be placed under the control of the DPC to function as a technical secretariat. In order to provide IT support, the services of the district units of NIC may be made available to the DPC. Further, the recommendation of the Committee on restructuring of DRDA on the new institutional arrangement for decentralized planning is fully endorsed by the Committee. The existing DRDA should be restructured into the District Plan Support Units. (para 5.61)
CHAPTER VI

TRAINING, COMPETENCY BUILDING AND CAPACITY DEVELOPMENT

Overarching Recommendations on Training

15.168 Training itself cannot be considered as a single onetime intervention, but as a continuous on-going process for empowering local government functionaries to perform their functions for which the NCBF should be updated. (para 5.8.1)

15.169 Each State needs to evolve a Training Policy in conformity with the standards laid down in the NCBF. Each State must be given the freedom to evolve own policy and strategies to achieve the objectives of NCBF. (para 5.8.2)

15.170 While states do have the flexibility for modifying the duration of training programmes and sessions, clubbing of programmes should be discouraged. Similarly, it is necessary that training classes are not crowded. The Committee believe that independent evaluation of State implementation of their perspective plan on training will be necessary to ensure that standards committed to are not diluted later on. (para 5.8.2)

15.171 Training of Elected representatives and Panchayat functionaries may be conducted in three phases. Phase one could cover foundation course on local governance, the roles and responsibilities of various functionaries, and, if necessary functional literacy course. The second phase could cover participatory planning, CSS, SSS and other development schemes, local development and service delivery. The third phase could focus on improving skills in management, leadership and computer that would enable them to perform their functions effectively to bring about good governance and improve service delivery. (para 5.8.2)

15.172 The Committee believe that training of Resource Persons have been neglected in the implementation of the NCBF. The rigorous orientation programme for resource persons prescribed under NCBF should be achieved lest the quality of the training programmes would be detrimentally affected due to lack of committed resource persons. (para 5.8.2)
Training Need Assessment (TNA)

15.173 TNA has to be done every five years to update information and modify training to suit the changed needs, and there should be required budget provision for conducting TNA. (para 5.8.3)

15.174 The MOPR may provide assistance for the TNA, and also can assume the responsibility of developing a toolkit for training need assessment. National training institutes like NIRD and IRMA may constitute a pool of accredited TNA experts whose services can be lent to the States on demand. (para 5.8.3)

15.175 While assessing training needs the diverse capability of functionaries in terms of their educational background and experience in serving local government or public institutions should be taken care of. (para 5.8.3)

15.176 A large number of women, Schedule Caste and Schedule Tribe elected representatives may require special training or hand holding. This aspect has to be given special attention while preparing the TNA. (para 5.8.3)

15.177 Middle and higher level officers of departments that deal with key devolved subjects should be trained to change their mind-set and cultivate a Panchayat friendly attitude. In this respect, training of IAS officers must devote sufficient time to building a deep and unbiased knowledge about the concept of decentralisation and local democracy. (para 5.8.3)

Training Design

15.178 Each module design must state out the training methodology and the results expected following the training in terms of what precisely will be the capability gained by the trainee. Such pre-designed training modules are to be provided to the Resource Persons, so that there is a uniform adherence to quality. (para 5.8.3)

15.179 Each module will need to be prepared in a standard format showing the content, duration, methodology, the equipment required and the learning outcome expected. (para 5.8.3)

15.180 The Handbook on Design of Training published by the Department of Personnel and Training, GoI, may be used as a guide to design training. (para 5.8.3)
15.181 States that have already designed training for induction of elected representatives and officials may be encouraged to design advanced trainings in good governance, leadership skills, management skills etc. (para 5.8.3)

15.182 Quality training designs and modules developed by national and State institutions may be translated into to other languages for the benefit of the whole country. (para 5.8.3)

15.183 The State training policy should have a mandatory provision for imparting training on social audit. (para 5.8.3)

15.184 Institutional issues related to functioning of local government, rule of law, objectivity in governance and accountability of functionaries towards providing services to citizens are other important areas to be covered in training. (para 5.8.3)

15.185 Modules must include on gender, child development, development of Scheduled Caste and Scheduled Tribe, the disabled, the aged, and on themes like sustainable development, good governance environment, waste management and development planning. (para 5.8.3)

**Training Methodology**

15.186 Apart from lectures, other training methods such as group discussions, role-play, brain-storming, experience sharing, case study, games and film/video clip- based discussions, could be adopted to make training more interesting and participatory. (para 5.8.3)

15.187 GoI should provide assistance for developing case studies that may be used as training material across the country. (para 5.8.3)

15.188 Distance learning combined with face to face approaches is the only way in which- a widespread learning experience can be created for the large numbers of elected representatives and officials. There are several examples of distance learning methodologies adopted in States which can be of help in designing similar approaches in other States that have not adopted this mode of learning. (para 5.8.3)

**Resource Persons (RPs)**

15.189 The template provided in the NCBF needs to be adopted to estimate and deploy resource persons can be adopted in different States. It is necessary that adequate
individuals are held in reserve to ensure that resource persons are fresh and not under stress while engaging with learners. The NCBF calculation methodology provides this latitude and needs to be followed. (para 5.8.3)

15.190 Following the three-step screening process suggested in the NCBF for the selection of RPs, there is a need for certification of the selected trainers. Reputed learning and development institutions may be assigned the task of selecting and certifying the trainers. (para 5.8.3)

15.191 A system may be devised for exchange of faculty among training institutes across the country so that good practices in training may have greater reach. (para 5.8.3)

15.192 The Faculty of SIRD, ETCs and State PR Training Institutes needs strengthening. While appointing new faculty at least it may be ensured that 50 per cent of them must be experts in different aspects of local governance. At least five additional posts of faculty may be created in the State level training institutes. SIRDs should be converted into prestigious institutes and department officials may be incentivized to join them. (para 5.8.3)

15.193 Guest faculty from other institutions who can introduce best training practices of the academic and corporate world may also be inducted in the training system. (para 5.8.3)

Participatory training method is more conducive to adult learning as it takes into account the realistic situation in a class room where the trainer only facilitates the learning process in which the trainee also participates. Therefore, the two training terms, trainer and trainee should be substituted by ‘facilitator’ and ‘participant’ respectively. (para 5.8.3)

**Training Implementation**

15.194 A two-pronged approach is necessary to meet the challenge of increasing the number of training programmes and the size of target groups, to strengthen the existing training institutes and to establish permanent decentralized training centres. Until such permanent centres are established training centres may be set up on an **adhoc** basis utilizing the infrastructure facilities and management support of public or private institutions and organizations at regional, district or LG level. Kerala, West Bengal, Rajasthan and a few other states have created models of decentralized training system which can be adapted by others. (para 5.8.3)
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Training Impact Assessment (TIA)

15.195 Training institutions have to be encouraged to conduct impact assessment as a mandatory component of training programmes. (para 5.8.3)

15.196 The MoPR may prepare a Toolkit of TIA to assist training institutions to take up the responsibility. The Karnataka example of a Learning Perception Report is a pointer in this regard. (para 5.8.3)

Training Repository

15.197 The MOPR has launched a web portal namely “Training Repository for Panchayati Raj”. This repository can be made more useful by including translations in English and Hindi of the training manuals, handbooks, modules and other materials developed by pioneering national and state training institutions. (para 5.8.3)

Crafting a Truly Demand-driven Paradigm for Learning:

15.198 There is a need to transform the competency development building process into a demand-driven knowledge support system which is sensitive and responsive to the learner’s needs. This will require transforming the content also to a demand driven mode. A multi-pronged approach to designing demand-driven content for Panchayat representatives would include:

a. Giving advice to elected representatives to better understand how funds that are to meant for come to them are delayed, and diverted and to negotiate with those who often keep them in the dark about guidelines, and rulings that are in their favour;
b. Providing topical advice on issues such as how does one plan, use the Right to Information Law, become more accountable and transparent, control corruption and bring errant officials to heel;
c. Link PRIs with people with skills who are willing to help in participative planning, technical design, etc., by setting up a market place for skills and information exchange; and
d. Promoting self-learning through the developing of appropriate modules. (para 5.8.4)

**Other Interventions to be Dovetailed into the Demand-Driven Approach**

15.199 Newsletters, Frequently Asked Questions, and other publications not only help create awareness in the public but also help the trained LG functionaries to consolidate and sustain the knowledge and skill acquired through training. (para 5.8.5)

15.200 Helplines have become operational in many States. Training motivates functionaries to perform well, but without proper handholding they may flounder. Help lines can continuously guide them in their work. RPs should be given special training to man the Helpline Centers. The MoPR may extend financial and technical support to States to set-up Help lines at district or sub district levels (para 5.8.5)

15.201 Some Panchayats have created replicable models of outstanding performance in local development and service delivery. The best practices of such beacon LGs may be documented for dissemination all over the country. Piloting the HLP approach could be supported under the RGPSA. (para 5.8.5)

15.202 Motivating Panchayat functionaries may be effectively done by exposing them to the best practices inside and outside their States. When the functionaries of non-performing Panchayats get occasion to see the good work done by others, they believe it. It generates enthusiasm and may motivate them to act on similar lines. (para 5.8.5)

15.203 The Committee believes that a demand-driven system of knowledge support cannot be designed and deployed effectively by traditional training institutions which are steeped in the practice of delivering cascading training. The only way to do this is to nurture networks of Panchayat representatives. The overarching vision is to host a huge body of user generated content and put champions of PRIs across the country in touch with each other.

15.204 Initially support of suitable NGOs may be taken for demand-driven training and capacity building and slowly the Association of Panchayats will start playing a major role in this respect. (para 5.8.4)

15.205 Organizing demand-driven training by Panchayat Association can first be piloted. In the first instance, Panchayat representatives need to be represented on the Governing Boards of SIRDs, so that they have a greater say in the design and deployment of training programmes. (para 5.8.4)
15.206 In this direction, the Committee recommend that at least 1 per cent of the funds under all development schemes implemented by panchayats be ear-marked for use for CB&T initiatives, to be taken by the panchayats themselves, (para 5.8.4)

**Increasing Awareness of Panchayat Raj amongst a Larger Universe of Stakeholders:**

**Handholding and Support — Gram Sabha Campaign**

15.207 Every State will need to evolve strategies for campaigns to make Gram Sabhas vibrant. It is necessary to enable interested members of the Gram Sabha to gain greater knowledge on Panchayati raj. The focus of such awareness building efforts would be on the powers, functions and responsibilities of Gram Sabha. Such programmes could be beamed towards micro-level organizations like Institution Management Committees, Working Groups and CBOs who have a critical role in the formulation and implementation of a local development plan. (para 5.8.6)

15.208 Youth and children need to be sensitized on the importance of decentralized governance and the role of citizens. Including the third tier of government in the curriculum and special sensitization programmes for youth and students could be devised to address the issue. (para 5.8.6)

15.209 Good governance for effective service delivery is possible only through watchful and constructive engagement of citizens. A Citizen Education Programme is essential to enable the citizens to play their role in local governance. (para 5.8.6)

15.210 Media persons, political party leaders, MLAs and State judiciary have a key role in promoting decentralized governance. Therefore, suitable capacity building interventions have to be devised for them. (para 5.8.6)

**Media Support**

15.211 Conferences, workshops and training programmes may be conducted from time to time to enlist the support of the media to decentralized governance and enable them to report LG-related news with greater insight and clarity. (para 5.8.6)

15.212 Broadcasting programmes on T.V. channels and radio would widen the outreach of LG programmes and create awareness about the role of public in participatory governance. (para 5.8.6)
Community radio remains an unexplored possibility in promoting Panchayati Raj. Some institutes and organizations have made fruitful experiments in this area. They may be replicated by others. (para 5.8.6)

**Supporting Research in Panchayati Raj**

Support needs to be provided to universities to encourage more PhD scholars to work on issues of Panchayati Raj. The MoPR could support at least 25 Ph.D. scholars every year, through a special dispensation under the RGPSA. (para 5.8.7)

It is suggested that 3 national fellowships be provided by the NIRD to strengthen its capability to undertake Panchayat related studies. (para 5.8.7)

Research on decentralisation by NGOs and independent think-tanks could be supported, subject to the laying down of strict, objective criteria for assessing the effective research capacity of the NGO/think-tanks concerned, through regular, independent assessment of the utility of the research undertaken. (para 5.8.7)

Financial support may be provided to link researchers with Panchayati Raj representatives to write up their experiences as scholastic studies. (para 5.8.7)

MoPR should encourage these interventions by providing financial and technical support. A Research Guidance Unit may be set up at national level to promote and guide the research initiatives both by organizations and individuals. (para 5.8.7)

**Building Organisational Strengths of Panchayats:**

Efforts towards capability building of Village Panchayats need to focus on the Village Panchayats organisation as a whole, and not on stand-alone components. Successful change occurs when all components of an organisation are aligned, i.e. the vision, skills, incentives, resources, action plan and results. Ignoring any single element will adversely affect the organisation strengthening process. (para 5.8.8)

Panchayats need appropriate organisational structure and role clarity among the ERs, government officials and Village Panchayats staff, to enable it to acquire the required skills to deliver its mandate and vision. (para 5.8.8)

Distributed leadership through strengthening the Standing Committees and collegiate functioning should be grounded to bring in more elected representatives formally into the roles of decision making authorities. (para 5.8.8)
15.222 Elected representatives should be considered the preferred resource for enhancing the capability of the Panchayat, for the unique value additions they bring. (para 5.8.8)

15.223 Multiple oversight mechanisms- for measuring service delivery should be used by the Village Panchayats and the line department concerned to enhance service delivery. In this regard, Standing Committees of the Panchayats should be strengthened. (para 5.8.8)

15.224 There is a need to create incentives for ERs to assume more responsibilities. Most members incur expenses on a day to day basis on telephone, hosting meetings, travel, etc. They are also often forced to spend money from their pockets to address citizen complaints. If members have to deliver their responsibilities effectively, they need to spend between 5-10 days a month on Village Panchayats works. While well to-do members may be able to afford this investment of time, effort and opportunity cost, the poorer members will refrain from engaging themselves in Village Panchayats activities due to lack of monetary compensation. In a worse scenario, members could resort to corrupt practices to make up for time and money spent. There is a need to recommend compensation to members commensurate to work done. The means and source of funds need to be explored further. (para 5.8.8)

15.225 There is a need to formalise the expectations between line departments and Village Panchayats through tools such as service contracts, to ensure better implementation of entrusted schemes. A mechanism needs to be in place that enables Panchayats and line departments to clearly state mutual expectations as well as the people and financial resources each agency is to bring. This could be done in the form of a Service MoU, which states the service delivery goal at the Village Panchayats, as well as performance metrics to track status at periodic intervals. To achieve this goal, roles and responsibilities of Village Panchayats and line department needs to be clearly stated, along with financial contribution and people resources expected from each of the two agencies. (para 5.8.8)

15.226 Village Panchayats need funds to create and maintain assets, compensate staff for overhead expenses such as travel, etc. if it is to be engaged in delivery of programs. We recommend ‘service fee’ or ‘implementation fee’ which can be linked to services to be delivered by the Village Panchayats. One option which can be explored is service or implementation fee is to fix it as a percentage of program funds for this purpose. Such a fee can be linked to the Service MoU, to address issues of misuse of funds related to providing untied funds to the Panchayats. (para 5.8.8)
CHAPTER VII

WOMEN IN PANCHAYAT RAJ INSTITUTIONS

15.227 Functioning of EWRs are affected by the asymmetrical gender relations within the PRIs as well as in public interactions. No specific policy can be effective for the entire country to overcome this constraint. The States need to plan and work carefully, based on their own contexts, for mainstreaming gender in rural local governance, and to address the continuing patriarchal resistance by eradicating discriminations, neglect and apathy affecting even equitable utilization of resources, e.g., in CSSs. (para 7.46 & 7.47)

15.228 The linkage of women in Panchayats and women in their SHGs and other groups can be a powerful instrument and need to be supported as a policy. States may work out appropriate policy so that the PRIs can use the women collectives like Federation of SHGs in improving delivery of services to the women, and the SHGs can mediate their needs as well as channelize their grievances to the Panchayats and other delivery institutions. At the same time independence of the SHG Federation to plan and implement their own development programmes should be acknowledged by the PRIs and refrain from interfering in the internal functioning of the SHG/Federations. (para 7.49)

15.229 The Standing Committees of Panchayats dealing with the programmes like SSA, ICDS, Health, Food Security, Water and Sanitation, which require women’s understanding and approach about the needs of the target groups should not only have women members but they should be the leaders of these Committees. Other institutional mechanisms should be in place to look after the interests of women Schemes in these sectors need to be re-visited to make them more gender sensitive and element of women’s component plan of quantified flow of funds for target groups need to be included in the planning at State and district levels. This stipulation need to be built in the relevant CSS guidelines. (Para 7.50)

15.230 States should take appropriate measures for adequate participation of women in Gram Sabha. Women need to meet separately to deliberate on problems they are facing to place them before the Gram Sabha for addressing their issues. In order that such Mahila Sabhas are organized before the meeting of the Gram Sabha, there should be appropriate provision in all State Panchayat laws for holding such Mahila Sabhas. (Paras7.51 & 7.52)
15.231 There must be special training for women Panchayat office bearers and ordinary members. Apart from training at SIRDs or other institutions, as much training as possible should be provided to EWRs relating to in their work. (Para 7.53)

15.232 Annual Plan to be prepared by each Panchayat should have a women component of the plan to address the issues faced by women. This should be worked out by the Standing Committee of women in the Panchayat concerned and there should be an earmarked percentage of the budget for that purpose. (Para 7.54)

15.233 There is need to organize regular surveys of the status of EWRs and their performance and contribution. The MOPR needs to start an annual publication on women’s status in Panchayats. The RGPSA Scheme must support initiatives which innovate on effective capacity enhancement of women in Panchayat. (Para 7.55)
CHAPTER VIII

PANCHAYAT RAJ INSTITUTIONS, WEAKER SECTIONS AND BACKWARD REGIONS

15.234 The Committee strongly recommend that in view of the Twelfth Plan assessment that “PESA has been very poorly implemented across the nine States”\(^{536}\), the Union Government take recourse to the Fifth Schedule to ensure the implementation of PESA “in letter and in spirit”, as the Prime Minister has desired, by either invoking paragraph 3 of the Fifth Schedule or having the necessary directions issued under paragraph 5 by the Governor. (Para 8.15)

15.235 The Committee urge that Gram Sabha be fully empowered as per PESA to have control on land alienation, community resources, mines and minerals, intoxicants and non-timber forest produces, etc. (para 8.18)

15.236 It is necessary that the identification of the ‘village’ and delineation of its geographical limits in conformity with PESA is done to enable it to function as envisaged under law. The neglect of this effectively precludes the functioning of a ‘face to face’ community as envisaged in PESA, and eliminates the likelihood of a functioning Gram Sabha, which could shoulder the responsibilities of a unit of self-governance. (para 8.23)

15.237 Gram Sabha in PESA areas should be immediately reconstituted on a habitation basis and appropriate powers must be devolved on these Gram Sabhas so that they have the final say in decisions related to Jal-Jangal-Jameen (Water, Forest and Land) in their geographical jurisdictions. Recommendations of the National Advisory Council may be followed in this respect. (Para 8.24)

15.238 Responsibility and accountability must be fixed at all levels of the administration for effective functioning of the Gram Sabha. A five per cent administrative fund from the developmental budget may be earmarked for the Gram Sabha as an untied fund in PESA areas to be used for local development as they deem fit. (7.26)

15.239 A compulsory social audit should be held to assess the implementation of schemes, as well as compliance to provisions of exercising authority by the Gram Sabha as per PESA. The Gram Sabha’s Utilisation Certificate may be made contingent upon the report of the social audit. (para 8.27)

\(^{536}\) Twelfth Five Year Plan, para 24.70, p 235
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15.240 Adequate checks and balances must be instituted within the PRI structure and bureaucracy to ensure that no manipulation of Gram Sabhas meetings takes place. As an additional safeguard, proceedings of the Gram Sabhas should be videographed in consultation and in agreement with the Gram Panchayat members concerned. (para 8.28)

15.241 Any attempt to dictate the agenda of Gram Sabha, deployment of police without formal requisition of the Gram Sabha, backed by its resolution and any wilful neglect in respect of the proceedings of Gram Sabha, especially on mandatory consultation, should be duly viewed treated with seriously. Serious acts of transgression of the rights of the Gram Sabha may be referred to State or National Commission for Scheduled Tribes. (para 8.29)

15.242 A special mention should be made in the Annual Confidential Reports (ACRs) of all government employees working in the Scheduled Areas about commendable measures and also serious lapses, if any, with regard to Gram Sabhas in PESA, and implementation of the Forest Rights Act (FRA). (para 8.29)

15.243 The State laws vis-à-vis PESA and subject-matter laws by both the Central and concerned State governments in compliance with PESA need to be expeditiously carried out in a time-bound manner. In case of defaulting States, the Government of India would need to issue specific directions under paragraph 3 of Part A of the Fifth Schedule, to establish a forum at the Central level to look at violations and enforce correctives. The importance of the Annual Reports of the Governors under the Fifth Schedule of the Constitution needs reiteration in this respect – to use its powers to ask the State government to issue rules, where none exist, or to point out where laws are not in conformity with PESA provisions. The Committee express their concern that of the nine PESA States, only three (Andhra Pradesh, Himachal Pradesh and Rajasthan) have notified PESA rules. (para 8.31)

15.244 The Ministry of Tribal Affairs along with the Ministry of Panchayat Raj may jointly constitute a Special Task Force to study the functioning of the Panchayats in Vth Schedule areas and recommend appropriate administrative arrangements for Vth Schedule Areas for leveraging Panchayats and Gram Sabha in better delivery of services. (para 8.32)

15.245 The government should select such police, revenue and forest officials who have the training and zeal to work in tribal areas, and understand as well as empathise with the population they serve. A National Plan of Action for comprehensive development to serve as a Roadmap for the Welfare of the Tribals should be prepared and implemented. A comprehensive methodology for inclusion and exclusion of tribes in the list of Scheduled Tribes should be adopted. (para 8.36)
15.246 The Union government should use its powers to direct State governments in Fifth Schedule areas to implement or monitor provisions on PESA currently being honoured only in their breach. (para 8.37)

15.247 The Committee observe that all States have not reconstituted their Gram Sabhas in accordance with the provisions of FRA thereby making the FRA dysfunctional and ineffective. Gram Sabhas have often been bypassed by the officials of the Forest and Revenue Departments by creating departmental bodies like the Joint Forest Management Committees in violation of the law. States which are yet to reconstitute their Gram Sabhas in accordance with the provisions of the Forest Rights Act must do so immediately. All community rights under the Act such as ownership and management of their minor forest produce should be handed over to the Gram Sabha. (para 8.40)

15.248 Section 13 of the FRA gives powers to the Gram Sabha as per provisions of the PESA. Decisions of such Gram Sabhas must be made binding on one and all. PESA and the FRA have already acknowledged this on paper, but are not being implemented. Government and departments concerned must be, immediately, made accountable to ensure restructuring of Gram Sabhas, holding genuine meetings of the Gram Sabhas without external interference and undertaking implementation of Gram Sabha decisions as stipulated in PESA and FRA. (para 8.41)

15.249 The Committee are firmly of the view that while security measures might be paramount in the areas most affected with left-wing extremism, in the less extremist-affected and least extremist-affected tribal areas, development and welfare spending grounded in the Part IX/PESA model of participative development would deliver desired results both for the well-being of the areas as well as constitute a powerful demonstration effect for the most affected areas. In peripheries of the areas most severely affected with left wing extremism, development and welfare spending grounded in the Part IX/PESA model of participative development should be attempted with all seriousness through strengthening the Panchayats in those areas. (para 8.46)

15.250 The Committee are concerned that there appears to be an unfolding move to reduce and perhaps even eliminate the involvement and clearance of the Gram Sabha in the decision-making process relating to development projects on forest land. The Committee further believe that the guidelines laid down by the MoEF in August 2009 for Gram Sabha involvement and clearance to projects on forest land should be reinstated and rigorously upheld by all project proponents wanting to divert forest land for other purposes. (paras 8.50 and 8.53)
15.251 This Committee strongly recommend that the development and governance deficit that currently exists in LWE districts should be bridged through programmes that foster the inclusion and participation of the Panchayat bodies, and not through top-down planning as in the current IAP design, and other executive circulars that impinge on Gram Sabha powers. (para 8.52)

15.252 As recommended by the National Advisory Council, the government might consider constituting a special task force to review the functioning of local governance and the administrative machinery in Schedule VI areas. Related recommendations of the Administrative Reform Commission Report (February 2008) could also be helpful in such review. While there is a view that it should be explored whether the provisions of the 73rd Amendment Act and/or PESA could be adapted and implemented in Schedule VI areas, the Committee would recommend extreme caution bearing in mind local sensitivities in these areas. (para 8.54)

15.253 The National Advisory Council recommendation is that States with tribal populations should list out all villages whose Scheduled Tribe population is over 50 per cent as per the 2011 Census and prepare proposals for their inclusion in Scheduled Areas to the President. A Special Task Force may be constituted by the Government of India to facilitate and expedite the process of notification by the President of all proposals received from States for inclusion in Scheduled Areas. (para 8.56)

15.254 The Union government should come up with an Act to introduce PESA type provisions for Urban Local Bodies in Scheduled Areas to avoid any tendency to bypass implementation of PESA by converting rural areas into urban areas. (para 83.7)

15.255 Appropriate amendments must be made in the mandate of the National and State Commissions of Scheduled Tribes to evolve their complementary partnerships with Panchayats. These Commissions could play catalytic roles in promoting fruitful engagements of Panchayats with the State to ensure safeguarding the rights of the tribals. Panchayats, on the other hand, could provide local institutional support to these Commissions by providing them with ground-level updates on the state of tribal affairs and also helping them reach out to the remotest tribal families and individuals, and convey their concerns to State and Central-level agencies. (para 8.60)

15.256 The system of Governor’s annual reports to the President may be considered for review for enabling the Governors to submit reports considering independent feedback received by the Governors on conditions of the tribals in the State. (para 8.62)
15.257  The Committee are of the view that there is little accountability against violation of PESA which is rampant. There is need to set up a mechanism on the lines of a redressal commission to do a National Inquest of all the past and ongoing violations of PESA. Once this begins to take effect, PESA provisions, especially those relating to the competence and centrality of Gram Sabhas, should get implemented so as to make the changes irreversible in the greater interest of democracy and justice. (para 8.63)

15.258  The Committee recommend that Section IV of the Right to Information Act mandating *suo moto* disclosures should be strictly implemented in Schedule V villages, with Information Commissioners being asked to monitor any violation of this. Social audit rules should be issued for all government programmes in Schedule V areas, along the lines of the NREGA social audit rules in Andhra Pradesh. (para 8.64)

15.259  The Ministry of Panchayati Raj should constitute a National Citizen’s Panel for PESA. Eminent citizens should be empanelled for each of the PESA districts, and quarterly meetings held for updates chronicling the status of the law’s implementation or violations on the ground. Government action on the panel’s recommendations should be made time-bound. In addition, Citizens Charters, with regard to the rights guaranteed to communities and their PRIs under PESA and FRA, should be prepared and widely disseminated in these areas. (para 8.65)

15.260  To enable SC members to perform their role in an effective manner, regulations might be issued against discriminatory behaviour towards SC members of Panchayats; special guidelines might be drafted on the provision of full and equal support to SC members; and necessary legal safeguards instituted against discrimination. (para 8.74)

15.261  The Committee recommend that in order to prepare a well-drafted advisory with real teeth, legal as much as administrative to prevent discrimination against the SC PRI members, the Ministry of Panchayati Raj might undertake for SC Panchayat Raj representatives an exercise similar to the 2007-08 all-India survey of Elected Women Representatives commissioned by the Ministry so that a clear picture emerges of the profile of SC representatives in PRIs and the problems faced by them, so that, in a comprehensive and effective manner, a campaign is mounted and sustained of equal treatment to SCs in PRIs and Gram Sabhas to give real substance to the shell of assured SC representation. (para 8.75)

15.262  Union and State governments should initiate time-bound capacity development programmes (training, exposure visits, Audio-Visual aids, Manuals, Guidelines etc.) as well as financial remuneration (honorarium, part of budget under
Panchayat ) and administrative support (as required by the SJC from time to time) for strengthening capacities and competencies of members of the SJC. (para 7.67)

15.263 The Committee are strongly of the view that without the active involvement of the elected Dalit leadership at the local community level in PRIs and Gram/Ward sabhas, the stated Twelfth Plan strategy of “empowerment of the Scheduled Castes” will remain a pipe dream. (para 8.79)

15.264 The Committee are of the view that the statutory provision with respect to SJCs must be activated in all States and that the Union government has a particular Constitutional responsibility to ensure that SJCs become effective in the PRI system without which there is the constant danger of repressive social practices entering the PRI system without effective countervailing power from the dalit community in Gram Sabhas. (para 8.84)

15.265 Union and State governments should initiate time-bound capacity development programmes (training, exposure visits, Audio-Visual aids, Manuals, Guidelines etc.) as well as financial remuneration (honorarium, part of budget under Panchayat ) and administrative support (as required by the SJC from time to time) for strengthening capacities and competencies of members of the SJC. (para 8.85)

15.266 Panchayats could become beneficiaries as well as partners of the SC Commissions. The SC Commissions could be the natural institutional support mechanism for building SC leadership in Panchayats by being watchful against any type of discrimination against them.

15.267 On the other hand, Panchayats could be the extended arm of SC Commissions in reaching out to SCs and providing the necessary safeguards, as mentioned in the terms of reference of these Commissions. (para 8.95)

15.268 The fundamental rights of equality and equal opportunity have not been realized in the context of the minorities in India where various exclusionary forces are entrenched deep in the systems and mechanisms that have kept minorities, particularly Muslims, on the fringes of the development process of this country. To address this, the Committee believe, the Panchayati Raj holds the key by, first and foremost, giving minority communities the means of ensuring that they are protected and that they have, through controlling such institutions wherever they constitute a majority, access to strong legal tools and redress mechanisms already extant in the system, to address specific forms of exclusion and protection of their human rights. (para 8.125)
CHAPTER IX

PRIS IN POVERTY ALLEVIATION AND LIVELIHOOD PROGRAMMES

Poverty cannot be merely considered as a stock below some arbitrary consumption level but as a process in which those who move above the poverty line remains vulnerable to downward shift in adverse conditions. (para 9.8)

The only elected government at the village, block and district levels are the PRIs. These are also the only institutions statutorily obliged to be accountable to the community at large through Gram/Ward Sabha which comprises all the poor and vulnerable. Therefore, PRIs and Gram/Ward Sabhas must be given centrality in the planning and implementation of all NRLM programmes. (para 9.11)

NRLM has been conceived and is being implemented through a large number of community-based organization (CBOs). While CBOs are, indeed community-based, they are neither elected nor accountable to the community as a whole. They certainly have their uses but their effectiveness would be substantially enhanced if they were to be benefit into an organic relationship with the Panchayat Raj system. At present, CBOs tend to be pitted against PRIs leading to needless tension and conflict situation. The Committee recommend that by linking CBOs with PRIs as has been done under the Kudumbasree programme in Kerala, there will be dramatic improvement of outcomes. (para 9.12)

The Committee notes with concern the tendency for different Centrally/State-sponsored programs to create their own parallel SHG networks. It leads to multiple membership and related problems. The Committee recommend that as far as possible the different SHSs be integrated into a single network which include different programmes, micro-credit and also certainly (para 9.26)

In order to bring about effective working relations between the PRIs and SHGs, the Committee suggest the following:

i. The SHG Federations should be co-terminous with different tiers of Panchayats.

ii. Gram Sabhas and Villages Panchayats should be involved in the participatory identification of poor and in group formation. The
identification of the poor and the formation of beneficiary groups of NRLM programs should take place only in gram/ward sabhas in consultation with the village panchayats.

iii. Panchayats should interact with the SHG Federations in a formal manner once in three months exchanging information and ideas.

iv. There should be a reporting system whereby SHG system sends regular formal reports to the Panchayats concerned once in a quarter.

v. The community plans of SHG Federations should be submitted to the Panchayat at the appropriate level at the draft stage for suggestions.

vi. Panchayats should be mandated to top-up the resources of SHG Federations with scheme and non-scheme resources at their command.

vii. Panchayats should involve the SHG Federations while preparing their plans related to livelihoods. Ideally the Panchayats should prepare anti-poverty sub plans by involving the SHGs and their federations for need assessment and priority-setting in response to the multi-resource envelope which is at the command of the Panchayats.

viii. Panchayats should use the SHG Federations as organisations for conduct of participatory resource mapping for outreach, for service delivery and execution of works through community controlling, for community based operation and maintenance of utilities and assets assessment and service.

ix. Community - based monitoring should be put in place using the SHG federations.

x. The SHG federations should be conceptualised on the sub-systems of the Gram Sabha so that the participation in Gram Sabha is not only enhanced but also become more informed and effective.

xi. SHG federations could conduct a kind of community audit of the expenditure and performance of the Panchayats. (para 9.27)

15.269 The Committee is of the view that although the NREG Act is the first developmental legislation which assigns a central role to PRIs, they need to play a much greater role for which the followings are recommended:
i. Stronger PRIs are imperative for effective implementation of the NREGA, which calls for *interalia*, availability of adequate trained manpower and institutional capacities at the Village Panchayat level;

ii. Easy and effective flow of funds direct to the Village Panchayats as soon as they meet the criteria to receive funds irrespective of whether the district as a whole becomes eligible to receive further funds or not;

iii. The District Planning Committees may be given a formal role in planning for MGNREGS especially in bringing about convergence with other schemes; and

iv. Works may be taken up by various government departments only after District Planning Committee approves the same. The Panchayats should be kept informed of the schemes approved in their areas and should also be apprised of the works actually taken up in their areas for social audit. (para 9.39)
CHAPTER X

PRIs and Productive Sectors of the Rural Economy

15.270 States should carry out Activity Mappings of functions, funds and functionaries of all the CSSs as well as their own schemes in these sectors for devolving all the three ‘F’s appropriately on different tiers of PRIs. The model Activity Maps for RKVY, AIBP and CADWM may be taken as illustration of how to take up Activity Mapping and the States may adapt the same to their own ground realities.

15.271 Guidelines of all these CSSs should be appropriately revised to have conformity with the devolutions that may be made by the State governments.

15.272 The role of the Gram Sabha should be clearly prescribed in all the programmes, wherever the same is relevant.

15.273 Various Missions/Societies created at district and sub-district levels should be embedded in the respective Panchayats, who will have general supervision with adequate autonomy of those bodies on their day to day functioning.

15.274 All user associations at the village level, where need to be formed, should be Sabha through the Village Panchayats.

15.275 Each CSS should have a component for capacity building of the functionaries of the Panchayats, particularly the chairpersons of the Panchayat and the Chairperson of the Standing Committees concerned. The subject- matter specialists working at district and sub-district levels should be associated with the Standing Committee concerned and all of them including the State level experts should be orientated to understand the Panchayati Raj institutions properly, and to develop attitude to work with them for providing professional support.

15.276 Each programme should be monitored Panchayat-wise. The District Panchayat should be involved in regular monitoring of implementation of the CSS by the State - level officials. The Management Information System (MIS) of all the CSS should be so designed that important outputs and outcomes are worked out for as much disaggregated level (district, intermediate and village) as possible.

15.277 Planning guidelines under all the CSSs are to be modified to be in line with the Constitutional provisions related to functioning of the DPC for formulation of the
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draft District Plan. Allocation under each CSS should be communicated to each tier of Panchayat well in advance as well as to be made available in the web for avoiding any communication gap, for preparation of their draft plans.

Funds for CSS should be placed with respective tier of Panchayat directly from the State within a week (five working days) of receiving such funds. In case there is conditionality of spending a threshold level of expenditure for being eligible to receive the next installment, the same condition should be applied to each Panchayat and not in aggregated manner for the entire district.

15.278 Panchayat establishments need to be strengthened for implementing these CSSs. The States should be incentivized to create permanent posts within the Panchayats or depute employees for whom the salary should be disbursed by the Panchayat, and the amount of administrative charges may be hiked to 10 per cent.

15.279 In view of the potential of using funds under MGNREGS for taking up activities related to land development, social forestry and farm forestry, there should be dedicated workers with Village Panchayats or a cluster of such Panchayats in areas where substantial part of MGNREGS is spent on these activities. Establishment cost of such personnel should be borne out of MGNREGS.

15.280 Given the current status of extension services in the farm sector, there has to be extension workers at the lowest tier of the Panchayat where engagement of such a worker is economic. Depending on the size of the GP, one such worker needs to be engaged either by the GP or by the Intermediate Panchayat.

15.281 The respective departments of the GoI should prepare Model Activity Maps of all the CSSs related to productive sectors of the rural economy and should accordingly also modify the scheme guidelines. The Model Activity Maps for RKVY, AIBP and CADWM Enclosed with this Report may be taken as illustration of how to take up Activity Mapping. (Para 10.57 and 10.59)

15.282 The States should adapt the Model Activity Maps of all the CSSs to suit their own contexts. The States should also conduct Activity Maps of their own schemes in these sectors for devolving all the three Fs appropriately on different tiers of PRIs.
CHAPTER XI

PRI\(^1\)S AND RURAL INFRASTRUCTURE

Rural Housing

15.283 The Village Panchayats should take up habitat development with due
provision of sanitation, drainage, water supply, electric connection, and access to road
for each house. (para 11.39)

15.284 The State may work out a disaggregated status of housing stock in each
Village Panchayat from 2011 Census data and make it available to the GPs for preparing
a perspective plan for taking up housing development of which improvement of
habitat will be a part. (para 11.39)

15.285 All activities related to rural housing, including IAY, should be unbundled
through an Activity Mapping for assigning responsibilities for both IAY and other
aspects of rural housing to respective tiers of PRIs. (para 11.39)

15.286 Capacity of the Village Panchayats and higher tiers of PRIs should be
increased for being able to take up the activities mentioned above. MoRD may consider
earmarking a component of IAY for this purpose. (para 11.39)

15.287 PRIs should also play an important mediating and facilitating role for
improving flow of institutional finance for construction of houses by APL families.
They need to be trained for that purpose also. (para 11.39)

15.288 There should be dedicated manpower for rural housing at Village Panchayat/
Cluster of Village Panchayat - level for taking up the activities mentioned earlier. There
should also be dedicated manpower at District Panchayat/Intermediate Panchayat level
for supervision and necessary handholding of the Village Panchayats. (para 11.39)

Water Supply and Sanitation

15.289 Activities related to water and sanitation, including those under NRDWP
and NBA, should be devolved on different tiers of PRIs after conducting an Activity
Mapping of all the three Fs. (para 11.39)
15.290 If for some reason the State government runs the water supply scheme, water may be supplied in bulk to the Village Panchayat for distribution to households through a mutually agreed arrangement. (para 11.39)

15.291 Missions created at district and sub-district levels should be merged with the District Panchayat and Intermediate Panchayats. In case, for operational reasons, such Missions are necessary, they should function under the Panchayat concerned. (para 11.39)

15.292 PRIs should take full responsibility of planning, implementing and maintenance of water supply schemes and there should be a contractual arrangement with the State government and different tiers of PRIs so that any Panchayat may outsource any activity within its domain Outsourcing from private organizations may also be allowed for which norms should be clearly spelt out. (para 11.39)

15.293 Schemes which are located within a Village Panchayat (Single Village Schemes) should be the responsibility of the Village Panchayat concerned with respect to planning, implementation and monitoring. Multi-village schemes covering jurisdiction of more than one Village Panchayat may be taken up by the Intermediate Panchayat or the District Panchayat, which may be decided based on the principle of subsidiarity. (para 11.39)

15.294 Normally, schemes which fall under the domain of PRIs should not be constructed by the State government for subsequent transfer to PRIs for O & M of the facility. However, existing schemes may be transferred after bringing the facilities to proper status of functioning and after arranging for transfer of required funds and functionaries. There should be arrangement for regular transfer of funds for O & M purpose. (para 11.39)

15.295 Instead of waiting for capacity-building to transfer the existing schemes the reverse should be followed by transferring the schemes first, and helping the PRIs to acquire capacity in management of those schemes with full support of functionaries and funds to be transferred to the PRIs. (para 11.39)

• For the purpose mentioned above, the existing government structure implementing RWS and sanitation should be restructured for transferring officials there should be dedicated functionaries for water and sanitation at Village Panchayat/cluster of Village Panchayat level, who should be well-trained. (para 11.39)
15.296 Decentralisation for RWS and NBA should not stop at the Gram Panchayat level but should go further down up to the household level. The VWSC should also be involved in all planning, implementation and monitoring-related activities, based on the principle of subsidiarity. (para 11.39)

15.297 Incentive for decentralisation under NRDWP should be enhanced from the existing 10 per cent to 50 per cent in the short run and ultimately to 80 per cent in phases. (para 11.39)

15.298 PRIs should recover possible cost of O & M for RWS and community sanitation facilities and the State should assess the gap between funds required which can be bridged through user charges so that the gap which is to be met through revenue transfer, can be clearly worked out for each Panchayat on a normative basis. (para 11.39)

15.299 Village Panchayat-wise survey of sanitation status should be surveyed in a participatory mode after each Panchayat election in line with the recent survey held under NBA for guiding each Village Panchayat on improving actual use of toilets and improving sanitary practices and solid and liquid waste management system within each Village Panchayat. (para 11.39)

15.300 The State should arrange for strong advocacy, with support of NGOs/SHGs, for improving awareness on sanitation, and deliberations in the Gram Sabha meetings in order to improve demand for sanitary facilities. The Village Panchayat members should be especially trained on various aspects of sanitation. (para 11.39)

15.301 The State should also independently monitor quality of implementation, meeting standards of services actually delivered by the PRIs as per specification of respective services and watching on measures for source sustainability and tackling water contamination in case of RWS. In respect of sanitation, the State should independently monitor progress of improvement in sanitary practices. (para 11.39)

15.302 All data related to water and sanitation available with the State, Census or other sources should be disaggregated for each Panchayat and the same should be made available in the website for public viewing. The disaggregated data should be used to work out the investment required to maintain existing facilities and creation of new facilities for knowledge of Finance Commissions at the State and the Centre. (para 11.39)
Rural Roads

15.303 The District Panchayats should play a more central role in implementation of the PMGSY. The District Panchayats should directly implement schemes and the PIU (para 11.39)

15.304 The States should take up Activity Mapping of functions, funds and functionaries related to road sector and devolve the three F’s appropriately on different tiers of PRIs. This should also include construction and maintenance of roads using MGNREGS or other funds. (para 11.39)

15.305 District Panchayats should be the implementing agencies for the PMGSY programme. (para 11.39)

15.306 Adequate engineering staff should be placed under the District Panchayats for the purpose mentioned above. Capacity of District Panchayat for being able to construct and maintain the roads constructed under PMGSY should be developed. Awareness of the Panchayat members at the lower tier should also be built so that they can play their roles related to planning for rural connectivity, availability of land, construction of road and its maintenance properly. (para 11.39)

15.307 State government’s should come out with a clear policy of which tier of PRIs will construct and maintain which types of roads. They will also identify each road existing or to be constructed with unique identity and will also classify those in categories to be owned and maintained by different tiers of Panchayats for establishing a clear accountability norms. If possible, all those roads should be shown in web enabled GIS (Geographic Information System) showing the roads, their unique identity numbers and boundaries of the Village Panchayat and other tiers of Panchayats. All habitations may also be shown on the map to judge access to road connectivity from every habitation. (para 11.39)

15.308 All the roads identified above should appear in the Asset Register of the PRIs concerned. This will help the State government and the Finance Commissions to assess the requirement of fund by the District Panchayats for maintenance of roads. (para 11.39)

15.309 PRIs should be encouraged to collect tolls from users of important roads under their control for meeting part of their maintenance costs. Requirement of funds, beyond what is likely to be available from toll collection, should be made available to the District Panchayats or other tiers of Panchayats by the State/Central Government through formula based transfer. (para 11.39)
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### Rural Electrification

15.310 The PRIs should play an important mediating role for providing new connections and redressal of grievances of the consumers in case of failure of services. (para 11.39)

15.311 PRIs may also be given an appropriate role in reducing wastage of electricity, drawing less power by the consumers during peak load demand. PRIs may be incentivised for playing these roles properly. (para 11.39)

### Non-conventional Sources of Energy

15.312 PRIs should play an important role in generation of electricity from non-conventional sources, if necessary, in partnership with private firms. This may be particularly useful for areas where it is difficult to reach grid power. (para 11.39)

15.313 PRIs may also be involved in higher use of non-conventional energy for meeting part of energy requirements of individual households through establishment of bio-gas plant, solar heating system, etc. (para 11.39)

### Markets

15.314 A list of existing markets owned by the State government/PRIs which need to be developed further and those that need to be newly developed to have a well integrated network of markets within every district should be prepared by the State government. Depending on the location and size of the market, responsibility of developing and maintaining the same should be entrusted to the Panchayat concerned. (para 11.39)

### Community Assets

15.315 The Village Panchayat wise list of community assets should be prepared for entry in to Asset Registers of the Gram Panchayats, and an assessment may be made at regular intervals to know the required cost of maintenance of those assets. Potential for collection of user charge from remunerative assets may be deducted to work out the amount of funds which should be transferred to the Village Panchayat concerned every year. The Finance Commissions should be furnished with such information for their consideration of necessary requirement of fund on a normative basis for proper upkeep of all community assets. (para 11.39)
CHAPTER XII

PRIs and Education, Skill Development, Culture and Sports

Elementary Education

15.316 The Committee stress that the Panchayat Raj system, including the Gram/Ward Sabha, is indispensable to effective performance on elementary education. The SSA should adopt a strategy for embedding elementary education in the PRIs (para 12.4)

15.317 The Expert Committee welcome the approach of the 12th Plan that recognizes that effective elementary and secondary education requires “linkages with Panchayats and Municipalities” and that “the most important” step in this regard would be to empower local communities so that they have better oversight over schools and teachers, but the Committee note that there appears to be a lack of clarity regarding how exactly “community needs and circumstances” and “linkages” to elected local bodies are to be institutionalized into the process of operating the system, and also by a lack of clarity in respect of the proposed process of “decentralized decision-making” for meeting the “diversified needs of children”. The Report spells out how the role of community in school education can be built into the SSA delivery system for the attainment of better learning outcomes at lower per child cost. (paras 12.6 and 12.7)

15.318 The Committee also suggest that a similar strategy should be undertaken, with suitable adaptation, for secondary schooling through the Rashtriya Madhyamik Shiksha Abhiyan. (para 12.7)

15.319 PRIs have to be recognized as one of the three level governments (Union, State, local) in the allocation of tasks under RTE/SSA. (para 12.11)

15.320 There should be effective decentralisation of elementary education which must aim at making SMCs responsible to Village Panchayats, and through Village Panchayats to Gram Sabhas, so that both parents and the community at large secure an effective voice at the interface between the school and the parents, as well as the school and the community. This should lead through clearer accountabilities to higher efficiency and better learning outcomes by community/parental supervision and monitoring of both student attendance and teacher attendance. (para 12.14)
15.321 The key problem in school education is that within the current institutional structures for Government production of schooling, there are too few accountabilities for \textit{learning performance} - oriented management”. This is because, under SSA there is no connection between school budgets and performance, and parents have little or no ability to enforce discipline on teachers or reward government teachers resulting in bringing down teaching activity to a minimum. There is also worsening of teaching practices with longer tenure of the teachers associated with higher salary. (para 12.15)

15.322 The prerequisite of bringing PRIs/Gram Sabhas into elementary education is to carefully and in detail define the elements of “decentralization” in elementary education so as to demarcate the respective jurisdictions of the Central, State and local governments. Then, within that framework, to ensure that, in regard to last mile service delivery, the functions that are devolved to the institutions of local self-government are matched by a corresponding devolution of funds and functionaries. (para 12.18)

15.323 The Committee emphasize that there can be no accountability to the community for the operation and management of the primary school system unless that accountability is to the local community. Only the Village Panchayat has such accountability as it is accountable to the Gram Sabha. It is in the Gram Sabha that “community needs and circumstances” come to light. Therefore, the non-involvement of the Gram Sabha and the token representation of the PRIs in the SSA system combine to ensure that notwithstanding efforts at higher level to secure improved pedagogical standards, accountability for school performance and learning outcomes continue to fall far short of outlays. This is principally because PRIs have not been entrusted with local accountability for “discretionary, transaction-intensive and locally-observable” elementary education-related activities. (para 12.19)

15.324 The Committee are, therefore, deeply concerned that the “Strategies” outlined in the chapter on Education in the Twelfth Plan document make no mention of PRIs in regard to “Access”, “Equity” or “Quality”. Indeed, even in the Section on “Governance” relating to educational “Strategies”, the Twelfth Plan talks of “improving educational leadership” without making any mention of the elected leadership of the local community; of improving “management at the district, block and school levels” without envisaging any role for the PRIs at each of these levels; and of “making better use of data” without recognizing that the only level at which reliable, locally-useable data, can be generated quickly and frequently updated is at the local community level through the Panchayat Raj system. (para 12.22)
The SSA is to be oriented so that the teacher is principally accountable to the school and the school, in turn, to the local community. This has to be done through Activity Mapping of SSA in line with the Model Activity Map of function, funds and functionaries prepared by the Committee, with suitable adaptation in respective States for which scopes should be made by revising SSA guidelines. Functions, Funds and Functionaries would have to be devolved on the PRIs as per SSA Guidelines and State-specific Activity Map which would be a necessary conditionality for the receipt and disbursement of SSA funds. (para 12.32)

Steps mentioned above should ensure that operational matters are devolved on the school/VP/GS level while District and Intermediate Panchayats provide institutional back-up on professionalism, supply teaching aids and equipment and furnish technical assistance, and the State/Centre governments design policy, set standards, determine curricula, update pedagogical techniques, and undertake high-level monitoring. It is hoped that such well-designed Activity Mapping will lead to improving schooling outcomes by increasing real-time accountability through the acceleration of “client power”. (para 12.34)

Activity Mapping will have to be undertaken for other key CSS to facilitate the convergence at the local community level of SSA with several other CSS like the ICDS and NREGA that are crucial to SSA outcomes. The Twelfth Plan talks of convergence for construction activities between NREGA and SSA, but the gamut of convergence is considerably wider than the Plan documents indicate. The only point at which such convergence can be secured is the Panchayats at the three levels, with Village Panchayat accountability to the Gram Sabha being the last and most decisive point of convergence and real-time accountability. (para 12.35)

The Committee bring to Government’s attention a proposal for a District Professional Teachers’ Cadre that might be incorporated into SSA without unduly disturbing the status quo in terms of vested political, administrative and regular teachers’ interests. The experience thus far has been that while “primary and secondary education”, in terms of the Eleventh Schedule, have been incorporated in State legislation as a subject for devolution to PRIs, in actual practice such devolution as has been undertaken is ‘unbalanced’, in the sense that the domain of the three tiers has not been carefully demarcated leading to overlapping and confusion in the role that each tier is expected to play and with either none or inadequate matching devolution of funds and almost no control over the principal functionary – the teacher. SSA guidelines have to be revised to change the present marginalised role of the
PRIs, limiting them to token representation in SSA parallel bodies to a central role in universalisation of elementary education. (para 12.37)

15.329 It is the expectation of the Committee that structured and scientific devolution to PRIs through Model Activity Mapping in the elementary education sector the country will find a cost-effective method of improving learning achievements; that one can and should align increased autonomy for the PRIs, in which the SMCs will be embedded, with greater accountability; that while standards setting for learning achievement, monitoring performance and disseminating information, as well as for curricular and pedagogical training, will be at higher levels. (para 12.40)

Secondary education

15.330 The Committee urge that the RMSA parallel bodies at the district and sub-district levels be embedded in the PRI system, with particular importance being given to the Intermediate Panchayat that caters to the Village Panchayat clusters served by RMSA. The Village Panchayats comprised in the Intermediate Panchayat area would be responsible to, and responsive to, Gram Sabha recommendations regarding school-specific or community-specific needs and perceptions regarding secondary education. In particular, motivation for increasing enrolment in vocational training courses at the ‘plus 2 ‘stage from the current desperately low rate of under 5 per cent to the target of 25 per cent could best be achieved by intensive extension exercises undertaken by RMSA authorities at the Gram Sabha level through Intermediate Panchayat and Village Panchayat. (para 12.47)

Technical Training and Vocational Education

15.331 The Committee feel that there seems to be every opportunity for involving Intermediate Panchayats at the cluster level, under overall District Panchayat supervision and the involvement and participation of Gram Panchayats/Gram Sabhas within the cluster area, to give the Skill Development programme that salience, momentum, and participatory strength without which the programme will remain a bureaucratic construct. This is especially necessary for ‘spreading skill development activities throughout the country, particularly the backward areas and the areas affected by extremism and reach weaker sections of the society’, as the Twelfth Plan aims to do. (para 12.51)
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15.332 The Committee are of the view that embedding the Skill Development Centres in the Panchayat Raj system would be the best – and perhaps only – way of making skill development a ‘people’s movement’. Spreading information about the Skill Development programme, the opportunities being opened up, and the advantages to be secured, would be most effective if undertaken through special Gram/Ward Sabha meetings. This is particularly important as low motivation and inadequate mobilization at the community level through Gram Sabhas has resulted in its having taken all of a generation, 25 years, from the launch of the vocationalisation programme in secondary education in 1988 to the present to attain a mere 4.8 per cent enrolment in the vocational stream as against the target of 25 per cent. Only by involving PRIs, and through them the Gram Sabhas, in the school vocationalisation programme can consciousness and awareness among parents and students be raised to take advantage of the revised vocationalisation programme on offer. (para 12.52)

15.333 The Committee recommend that a detailed Activity Mapping exercise for the devolution to PRIs of Functions, Finances and Functionaries involved in Skill Development be undertaken (perhaps on the template provided in the Activity Map for SSA attached to this Report) so that the MSME sector, which already provides employment to some 6 crore persons and contributes 45 per cent to manufacturing output, 40 per cent to exports and 8 per cent to GDP, grows into a surcharged engine of growth with equity. (para 12.54)

**Adult Education and Non-formal education**

15.334 The Committee recommend embedding of Lok Shiksha Samitis in the Village Panchayats, as proposed for SMCs under SSA, rather than their being constituted, as at present, as parallel bodies delinked from the PRI system. The Lok Shishka Samitis are to be made responsible to the community in the Gram Sabha and the Lok Shiksha Samiti is to be made an arm of, and not differentiated from, the PRI system. It may also be noted that while ICT, awareness, and mobilization are of the essence in promoting literacy, adult education and non-formal education as tools for ‘life-long education’, Lok Shiksha Samitis tend not even to spend their allocations for these purposes because of the structural disconnect between the Lok Shiksha Samitis and the Gram Sabha, a disconnect that can only be removed by embedding Lok Shiksha Samitis in PRIs. (para 12.57)
Libraries and Cultural Activities (including sports)

15.335  The Committee believe that libraries are to be established in every Panchayat area, indeed in as many of the habitations comprising a Panchayat area as possible. Several State schemes for the development of Panchayats, such as Tamil Nadu’s Village Renaissance Scheme, named after former Chief Minister C.N. Annadurai (and its successor scheme) have included the establishment and running of libraries as a primary PRI responsibility. In West Bengal, every PRI was authorized to collaborate with the public library in that area to preserve all their records which were open to access by the general public. The innovation of using public libraries as archival repository of the PRIs is commended by the Committee for replication in other States. In other States, like, Kerala, Andhra Pradesh and Tamil Nadu, building taxes levied and collected by the Panchayats, there is a surcharge called the Library cess, which is available to recognized public libraries. This is a ‘best practice’ that the Committee would recommend to be pursued in other States. (para 12.59)

15.336  The Committee would urge that the Twelfth Plan goal of life-long education requires, at a minimum, the provision of resources to Panchayats at all three levels to establish reading rooms and libraries for the use of the local community. The Rajiv Gandhi Panchayat Sashaktikaran Abhiyan might be the appropriate scheme to leverage to this end. (para 12.60)

15.337  The Committee believe that the proposed New Sports Policy, as well as the proposed revamp of the Nehru Yuva Kendra Sangathan and its village branches, needs to be availed of to promote a joint venture between Panchayats and Nehru Yuva Kendras (NYK) to promote opportunity for sports grounds and sports facilities in every Panchayat area. The Panchayat Yuva Krida aur Khel Abhiyan (PYKKA) was launched in 2008 with precisely this goal in mind but has not made adequate progress in the last five years and the Panchayat element has been underplayed. The Union Ministry of Youth Affairs and Sports should provide the three-tier PRI system, through appropriate Activity Mapping in PYKKA, with sufficient financial and human resources to dynamize the programme. Such resources could also be made available in convergence with other schemes. It might also prove possible to incentivize Members of Parliament and Members of Legislative Assembly to invest in such projects under MPLADS and MLA LADS. It would thus be entirely feasible, as was envisaged at the launch of PYKKA, to enable Panchayats to create the minimum required sports infrastructure in every Panchayat area to cover the whole country over a ten-year period. (para 12.64)
15.338 Apart from dovetailing Central and State schemes for rural infrastructure with the resources made available for this specific purpose by Union and State governments, Panchayats should be charged with the responsibility of identifying an active local institution, such as a Nehru Yuva Kendra or other local youth club, to be responsible for organizing and managing sports and games in the village. To accomplish this objective, the Government should ensure that there is a sports complex in each Panchayat which should also hold sports competitions and championships periodically. Panchayats can also play a significant role in taking up the responsibility of scouting talent at an early age and select them on a scientific basis. (para 12.65)

The Committee urge that PYKKA be rapidly expanded and fully funded to more effectively leverage PRIs for the promotion of sports and other physical training facilities. (para 12.66)
CHAPTER XIII

PRIs and Health and Family Welfare, Nutrition and Food Security

15.339 The Committee observe that the NRHM guidelines and consequently intention to really decentralise and make PRIs responsible for the programmes is not unequivocal despite the language of the document. Apparently there is no conviction about the capacity of these institutions, as is also mentioned in the Economic Survey 2012-13. (para 13.32)

15.340 The Committee is of the view that the formation of Standing Committees for a CSS outside the formal statutory institutional structure of the PRIs cannot be very effective. The PRIs despite being the local government and the frontline actors are not in command in NRHM implementation. This is the principle reason for IMR/MMR ‘targets’ being nowhere near achievement at the end of seven years of operation of promulgation of framework NRHM 2007-2012. (13.33)

15.341 There is lack of clarity as to the expectations by associating PRI members in the committees formed under the NRHM and how is the ownership of the local community including local women and responsibility of the PRIs are to be operationalised. The District Health Mission is still not embedded in the District Panchayat and the District Health Plan is prepared by the Health Department officers, the technical staff and consultants in the DPMU set up to assist in this work. (13.34)

15.342 No involvement and control of PRIs can be effected without undertaking Activity Mapping which would clearly indicate where the role of Central/State Government and role of PRIs is the most appropriate. Considering the type of responsibility and functions involved Model Activity Mapping of all the three Fs have been prepared by the Committees, which is attached in the Report, to illustrate the process. The Committee recommend that this exercise of Activity Mapping of all the three Fs may be done in every State based on their context. The NRHM guidelines are to be redesigned by the Ministry of Health and Family Welfare of the GoI to accommodate State specific devolution of functions, funds and functionaries as per their Activity Maps for implementation of the NRHM. (13.35)
15.343 The guidelines should also have the following issues addressed:-

i. The District Health Mission must be universally placed under the District Panchayat.

ii. It should be a regular item of agenda for review in the District Panchayat meeting or of its Standing Committee at least quarterly.

iii. The District Health Plan must invariably be prepared with participatory planning with village, block level committees and discussed in the Gram Sabha.

iv. The strategy should categorically move from associating PRIs or their members to making the PRIs responsible and accountable for Mission’s success through it committees.

v. ASHA and VHNS Committee are to be accountable to the PRIs. While the report of ASHA may go to the department, her accountability should be only to the PRI and through the Village Panchayat to the Gram Sabha.

vi. Lastly, the Mission should include capacity and competence building of PRIs focused on the requirements of the public health issues and health issues of women and children and marginalised groups in particular.

(13.35)

PRIs and Family Planning

15.344 The VHNSC should be made a sub-committee of the Village Panchayat which has already been recommended by the NRHM but has not been done so far. To enable the VHNSC to function effectively in supporting and monitoring health services at the community level the MoHFW must take action to strengthen their capacities in the next phase of NRHM. (13.47)

The PRIs should be put in the leadership role in respect of family planning services. The framework of implementation should ensure that the PRIs at all levels prepare health action plans, including for family planning. The frontline functionaries such as the ASHA worker, AWW worker and ANMs should report to the Village Panchayat for ensuring their accountability towards the community. (para 13.49)
Devolving responsibilities on the PRIs has to be followed with a structured capacity building plan for PRI members. NGOs PRIs working with PRIs should be mapped in each state and their services may be utilized for this purpose. The training should focus on NRHM entitlements, need for family planning and three drivers, their roles and responsibilities and community accountability. These topics could be included in the ongoing training curriculum of PRI functionaries. Use of ICT and satellite based distance training may be encouraged for that purpose. (para 13.49)

15.345 The Village Panchayats should be engaged in providing support to monitor availability, accessibility and quality of family welfare services. This could include ensuring display of citizen’s charter at all health facilities, monitoring provision of services using simple checklists, sharing the issues and plans in Gram Sabha meetings, organizing periodic *jan samvads* and developing local health action plans. These plans must, however, be presented and endorsed by the Gram Sabhas (13.49)

15.346 Community Monitoring also has the potential to build the capacities of PRI members and to facilitate their active involvement on health and nutrition issues. An award could be initiated under the NRHM for VHSNC/ Gram Panchayats, similar to the Nirmal Gram Puraskar Yojana. (13.49)

15.347 Issues such as child marriage and sex selection are a result of social pressure and these can only be tackled through changing social norms, for which the PRIs can play a major role. The committee was informed that strategies such as formation of community support groups with active participation of PRI members has been successfully used in Himachal Pradesh to work on the issue of child sex ratio through monitoring and display of information and organizing Mahila Gram Sabhas. The Committee recommend similar involvement of the PRIs in changing social norms related to family welfare. (13.54)

**ICDS**

15.348 The Committee is of the view that broadly the PRIs can play very important role in the area of Asset Creation, Operation and Management, Monitoring, IEC and MIS related to the ICDS. Activity Mapping is the only way to precisely know what should be devolved on which tier of government. The Committee has prepared Model Activity Maps of ICDS, which are attached in this Report, to illustrate the process. States may suitably adapt the Model to prepare Activity Maps based on respective contexts. However, setting standards including norms for construction of AWC, for recruitment and training, nutrition
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and feeding norms, health guidelines are to be handled by GOI and States. ICDS guidelines should be revised to allow appropriate devolutions on the PRIs. (13.74)

15.349 The Committee further recommend the following for leveraging PRIs in improving ICDS:

i. The programme should be embedded within the PRIs and its Mission should be located within the District Panchayat.

ii. The alternatives of the head of the programme at district/intermediate level as being either respective Panchayat president or the Collector/SDM should be changed to only the presidents of the Panchayats.

iii. Funds to Mission and ICDS Society should be rooted to PRI institutions which should be fully accountable and responsible for Mission goals and objectives and performance. The concerned officers/experts may be co-opted where necessary.

iv. The ICDS Mission should take it as its responsibility to undertake capacity / competence building of PRI functionaries relevant for ICDS in terms of its concept, approach, role and outcomes.

v. PRIs be made leaders in community participation and association of civil society groups and user groups wherever necessary

vi. Leading role be given to PRIs at their level to have data on children vulnerable to malnutrition/ and those who are to be targeted for special nutrition interventions

vii. The Panchayats will have responsibility for convergence for ICDS particularly in relation to departments/ institutions concerned with social determinants of Health and Nutrition status of children. (13.76)

Village Grain Banks Scheme for Chronically Food Scarce Areas

15.350 The Committee have studied the scheme and are of the view that this scheme is eminently suitable to be fully handed over to Zila Panchayats and for implementation by the Village Panchayats who can be responsible for helping the
Executive Committee for each local group. (13.87)

**Public Distribution System**

15.351 The Committee would like to strongly recommend that the Panchayats at the district, intermediate and village levels should be given the total responsibility for implementation of the food security for the last mile delivery after the commodities are arranged and made available by govt agencies concerned. The PRIs may be kept informed about the arrangements planned and finalized. The agencies working for food security at district and sub-district levels must be brought under the disciplinary and regulatory control of the appropriate tier of Panchayat Raj system. Also, the PRIs should be the licensing authority for Fair Price Shops in the rural areas. Finally, these local self governing institutions and especially the Gram Sabha should be made the fulcrum of Transparency and Accountability for efficient delivery of the PDS. (para 13.90)
CHAPTER XIV

CENTRALLY SPONSORED SCHEMES AND SPECIAL CENTRAL ASSISTANCE FOR SCHEDULED TRIBES AND SCHEDULED CASTES

15.352 The TSP guidelines should be amended to allow variations of involvement of the PRIs across States as per their Activity Maps, which will be indispensable prerequisite for the receipt and disbursement of TSP schemes, including schemes funded with SCA funds. (14.10)

15.353 The Committee recommends that the Ministry of Tribal Affairs study and build upon the proposed Model Activity Map in full conjunction with PESA provisions with a view to advising all Union Ministries/Departments through whom TSP funds are channelled, to ensure that each of them incorporate the Model Activity Map (modified, if required, to meet the imperatives of different Ministries and with flexibility for further modification at the State levels). All TSP models, including SCA funds channelled through individual Ministries/Departments, must only be released after States have confirmed the preparation of State-specific and Department-specific Activity Maps which conform to PESA, on the one hand, and provide the basis for monitoring by the Union Ministries/Departments, on the other. (14.10)

15.354 The Committee are of the view that since backward classes are substantially represented more or less in proportion to their population at each level of the three-tiers of Panchayats, devolution of responsibility for planning and implementation on the PRIs, along with the devolution of Functions, Finances and Functionaries to effectively do so, will enable a much clearer picture to emerge of the ground-level requirements of the backward classes, as well as the differential micro-requirements at each village, intermediate or district level, thus facilitating the conceptualization and operationalization of schemes funded by NBCFDC. Without the deep and effective involvement of PRIs, NBCFDC-financed schemes, both in planning and implementation, will remain bureaucratic mechanisms, far removed from the realities on the ground. (14.13)

Minorities: Development Initiatives for Muslims

15.355 The Committee recommend that MoPR, in consultation with other associated Ministries, should come up with detailed Activity Mapping for all the schemes related
to the 15 point programme for the Minorities including the Muslims to appropriately
devolve functions, fund and functionaries on Panchayats for their involvement in
planning and implementation of such schemes. (14.15)

15.356 Besides the Prime Minister’s 15 point programme, the Ministry of Minority
Affairs undertakes leadership development programmes for Muslim women. These
schemes should also focus on strengthening Muslim women’s leadership in Panchayats.
Panchayats provide the greatest opportunities to ensure political participation and
overall development of Muslims. All efforts, therefore, should be directed through the
Panchayats. (14.16)

**Persons with Disabilities (PwD)**

15.357 The Expert Committee is of the view that for ensuring the efficient delivery
of services at District Disability Rehabilitation Centres, PRIs at all levels may be involved
through Activity Mapping, thereby enabling PwDs to approach their respective Village
Panchayats for assistance, and for Village Panchayats to refer PwDs in need to District
Disability Rehabilitation Centres. (14.18)

**Backward Regions**

15.358 The Committee welcome the observations of the National Advisory–cum
–Review Committee on BRGF that the scheme has made the DPCs to function and
the scheme-based plans are, are being integrated with the sectoral sub-plans and
thereafter are being fully coalesced with the District Plan. However, the Committee
observe that such type of planning is not happening in more advanced district not
covered under BRGF. The Committee recommend that the experience and best practices
of BRGF should be replicated in the generality of social sector and poverty alleviation
schemes for all those subjects illustratively identified in the Eleventh Schedule. (14.22)