

**DISTRICT PANCHAYATS IN KERALA:
A STUDY ON THE NEED FOR STRENGTHENING**

THE REPORT

**RAJIV GANDHI INSTITUTE OF DEVELOPMENT STUDIES
THIRUVANANTHAPURAM**

&

**EVALUATION DIVISION
KERALA STATE PLANNING BOARD
THIRUVANANTHAPURAM
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Preface

The Kerala State Planning Board has given a research project entitled „District Panchayats in Kerala- A Study on the Need for Strengthening“ to Rajiv Gandhi Institute of Development Studies (RGIDS). The objective of the research project is to examine the functioning of the District Panchayats in Kerala in the context of the transfer of powers and functions effected as per Kerala Panchayat Raj Act, 1994. The subjects studied are formulation and implementation of development plans, transfer of staff and their capacity building, functioning of District Panchayat Grama Sabhas, E-Governance, auditing of District Panchayat accounts, fund utilization and achievements of special programmes like Women Component Plan, Special Component Plan and Tribal Sub Plan. The study also examined the functioning of District Planning Committees to suggest measures to strengthen them. A sample survey was conducted in seven District Panchayats among elected District Panchayat members, transferred officials and selected beneficiaries of projects. Besides the above, the study has examined the achievements, current problems and the functioning of the transferred institutions. Based on the findings of the study, we have formulated a few recommendations to strengthen the functioning of the District Panchayats. We are thankful to State Planning Board for providing financial support for the research project.

The research project was undertaken by a group consisting of Dr.R.P. Nair, Sri.N. Niyathi, Dr.N. Murukan and Dr.P. Krishnakumar who are Associate Professors in Rajiv Gandhi Institute of Development Studies. Dr. Mohan Gopal, Chairman, Academic Committee, RGIDS and Dr.B.A. Prakash, Professor, RGIDS provided necessary advice and guidance for the study.

We are grateful to Shri.K.M. Chandrasekhar, former Vice Chairman and Shri.C.P. John, former member of State Planning Board for helping us to undertake this research project. We are also grateful to Dr.V.K. Ramachandran, Vice Chairman, Dr.B.Ekbal and Dr.K.N. Harilal members of State Planning Board for giving comments and suggestions on the draft report. We are thankful to Dr.V.Vijayakumar, Chief of Evaluation Division, State Planning Board for the guidance and assistance received from him for conducting the research project. Shri.A.Hidur Muhammed, Director, RGIDS has given overall guidance for the research project. Shri.K. Natarajan, former Joint Director, State Planning Board has helped in the analysis of data. Administrative support for the study was provided by Shri.G. Rajendran Nair, Secretary. Shri. Biju Sundar and Smt.Saisree K.G, Research Associates have provided research assistance. The typing works of the report was done by Smt. Sheeba Jacob.

I take this opportunity to express my gratitude to all of them.

Sd/-

Ramesh Chennithala

FOREWARD

Decentralised planning is a collection of activities from the Centre to the State levels viz. District, Sub-Division, Block and Village levels. It is a kind of planning at the grass-root level or planning from below. The District Panchayat is the main advisory body in the preparation of development plan for the District. The District Panchayats in Kerala functions under the Kerala Panchayat Raj Act 1994. Since the inception of decentralised planning in Kerala there are many technical, administrative and official issues in its functioning. Hence it is relevant to examine these aspects. The current study focused on these aspects. The study “District Panchayats in Kerala: A Study on Need for Strengthening” was aimed to examine the performance of District Panchayats in Kerala - its formulation, implementation, functioning, performance of its components and all other details. The study was carried out in seven districts; Thiruvananthapuram, Alappuzha, Kottayam, Thrissur, Malappuram, Wayanad and Kannur for 2012-15.

I hope that the report submitted by the Director, RGIDS in a collaborative mode with Evaluation Division, Kerala State Planning Board is a valuable document for decision making. I am also thankful to the policy makers for successfully implementing the suggestions in the report. I am happy to appreciate all those who associated with this endeavour.

Sd/-

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Abbreviations

| | |
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| LSG/LSGI | Local Self Government |
| DP | District Panchayat |
| BP | Block Panchayat |
| GP | Grama Panchayat |
| SPB | State Planning Board |
| PRI | Panchayat Raj Institutions |
| TSP | Tribal Sub Plan |
| SCP | Special Component Plan |
| SC | Scheduled Caste |
| ST | Scheduled Tribe |
| KILA | Kerala Institute of Local Administration |
| DPC | District Planning Committee |
| NSC | National Seed Corporation |
| APL | Above Poverty Line |
| BPL | Below Poverty Line |
| C&AG | Comptroller and Auditor General |
| IKM | Information Kerala Mission |
| WCP | Women Component Plan |
| DDC | District Development Council |
| KLGS DP | Kerala Local Government Service Delivery Programme |
| ISRO | India Space Research Organisation |
| KSEB | Kerala State Electricity Board |
| KWA | Kerala Water Authority |
| ICT | Information and Communication Technology |
| BSNL | Bharat Sanchar Nigam Limited |
| AMC | Annual Maintenance Contract |
| UDF | United Democratic Front |
| LDF | Left Democratic Front |
| SFC | State Finance Commission |
| CESS | Centre for Earth Science Studies |
| CDS | Centre for Development Studies |
| CWRDM | Centre for Water Resource Development and Management |
| TAG | Technical Advisory Group |
| LPR | Labour Participation Rate |
| SHG | Self Help Group |
| GPF | General Provident Fund |
| ESI | Employees State Insurance |
| IAY | Indira Awas Yojana |

Executive Summary

- Study examines the different aspects of District Panchayats like plan formulation, fund utilization, SCP/TSP/WCP, functioning of DPC and Audit and E-governance. Both Secondary and primary data were used for the study. Study was confined to seven District Panchayats. Details were collected through interview schedules and discussions with officials. Information thus gathered highlights the present status of the District Panchayat development administration and its strengths and weaknesses.
- District Panchayat must have full control over transferred staff and sufficient training must be given to members and officials for identification of viable projects and their technical appraisal. Survey among officials transferred to DPs emphasizes the need for their training on decentralized Planning process. Many officials from transferred departments are not given training for their functioning for enhancing their skills, efficiency and capacity.
- The role and functions of District Panchayats in co-ordinating and integrating district plan are not effective. State Government has transferred district level officers to District Panchayats through a government order, but majority of the transferred officials have not moved from the district level offices of the departments. Officials transferred to District Panchayat should be placed under the Secretary, who in turn has to achieve horizontal co-ordination with all district heads.
- Survey among District Panchayat members indicate two major reasons for DP's lower level administrative efficiency. They are (i) delay in project formulation and irresponsibility of officials (ii) unviable projects and administrative delay. The capacity and expertise to formulate good and viable projects suitable to generate income and employment have not improved as envisaged in the decentralized planning process at District Panchayat level.
- There are mixed responses from elected members to the dual control of transferred officials, such as lack of adequate training, lack of interest in work and responsibility. These issues need permanent solutions by bringing all transferred staff under the direct control of the District Panchayat.
- Elected members express the view that long term plans are essential to fulfill broad development goals to attain sustainable development. However, lack of interest in

evolving creative ideas, lack of knowledge and training to members and lack of proper guidelines hinder the formulation of an integrated three-tier district plan.

Formulation of plans and utilization of Plan Fund

- The study examined the plan formulation process and fund utilization of District Panchayats in Kerala. Working groups were constituted in each DP based on the norms approved by the Government consisting of official and non-official members with an elected member as the Chairman. Elaborate exercise such as appointment of plan co-ordinator, consultation, discussion of project proposals in grama sabha, development seminar etc are suggested for project formulation. The present study reveals that all the above elaborate exercises do not contribute much to the preparation of technically and financially sound projects. The actual contribution of working groups in the preparation of projects is rather insignificant. Consequently, poor project formulation is now a major problem in all the seven DPs coming under this study.
- According to the study there has been a growth in the spillover projects and poor utilization of plan funds in all DPs. Fund utilization of DPs needs careful monitoring and quick action with the active involvement of finance officers of the DPs. At present DP members wanted a large number of very small projects instead of medium and large projects due to political considerations. This creates serious problems in implementation of projects. It is always desirable to have medium and large projects for attaining better plan targets.
- DP has to submit plan documents and projects for the approval to DPC. DPC is expected to review the projects and suggest modifications. It is found that such a process does not take place. The projects are approved by the DPC on the same day or the next day in most of the cases. Thus the DPC approval of annual plans of DP becomes a mere formality. This needs radical change and DPC should take active role in project finalization.
- Development plan prepared by integrating the plans of three-tier panchayats would ensure overall development of the district. But such an integration is not happening due to the existence of many factors like lack of interest among the participants in the process, lack of coordination between three tiers of panchayats etc. DP and DPC should be empowered to fulfill broad development goals for sustainable development of the district.

- Functioning of District Panchayat Grama Sabhas is another area of concern. Decisions of the grama sabha are often manipulated. The minutes of Grama Sabha meetings are not published in time. Poor participation in grama sabha meetings is another drawback of the system. So measures have to be initiated to make grama sabha more efficient by all concerned.
- Fund utilization by DPs are found to be low due to delays in project formulation, rigid project criteria, poor implementation and inefficiency of officials concerned. Unviability of projects and shortage of implementing officials are also cited as the reasons. The five standing committees in the DP viz. Development, SC/ST Welfare, Finance, Public works and Women Welfare, have to play a key role in the plan formulation and implementation process to make them successful.
- In spite of the twenty years of decentralized planning experience of LSGs, they have not acquired the capacity to spend the entire plan grants allotted to them. Only about 75 percent of the funds are seen utilized by DPs during the 9th, 10th and 11th plan periods. The plan fund utilization of DPs were much below than those of grama and block panchayats during the period.
- Plan funds utilization are in three categories: general, TSP and SCP. Fund utilization under special component plan (SCP) was found to be the lowest followed by Tribal Sub Plan (TSP). DPs allocate their funds to three sectors: production, service and infrastructure. It is found that production sector absorbs relatively low levels of expenditure averaging around to 65 percent. Moreover, plan grant earmarked for production sector is relatively low. So corrective steps are urgently needed in the allocation and spending of plan outlay in the production sector.
- There is a genuine need for effecting structural changes in the functioning and administration of LSGs in Kerala based on two decades of experience in decentralized planning process in Kerala. These changes should begin at the DP level since these institutions are administered by fairly senior politicians and officials.

District Planning Committee

- Article 243-ZD of the Constitution provides that every State shall constitute a District Planning Committee in the district and prepare a draft development plan for the district as a whole taking into consideration the Plans prepared by the Panchayats and Municipalities also. Kerala Municipalities Act 1994 provides for the establishment of

District Planning Committee. Grama Panchayats and Block Panchayats are not given representation in DPC although they share above two-thirds of LSG's total plan outlay. In this context, Grama Panchayats and Block Panchayats shall be given representation in the District Planning Committees in future after making necessary amendments to the Kerala Municipalities Act, 1994.

- Formulation of a District development Plan consolidating the development plans of all the local governments within a district is a major function of the District Planning Committee. Formulation of development vision and forming a long term district development plan are also envisaged in the functions of district Planning Committee. But District Planning Committee at present lack technical expertise and sufficient staff.
- District Planning Committee appraises and approves the Local Government's plan. But there are projects and resources of state departments, MP/MLA Local Area development funds, centrally-sponsored programmes, loan-linked projects and projects of other agencies also. The projects and resources of all these departments/agencies have to be collected and consolidated and a draft district plan has to be formulated by District Planning Committee. Similarly District plan has to be sent to State Planning Board to integrate it with the State Plan.
- State Planning Board must discuss the district plan formulated by each District Planning Committee separately and all the district plans must be integrated with state plan which should be considered for fixing growth targets and priorities of the state.
- The District Collector being Member Secretary to District Planning Committee should give more importance to District Planning Committee and ensure the participation of all district-level officers (Joint Secretaries) in the District Planning Committee meetings as happening in District Development Council meeting where District Collector chairs the meeting.
- District planning remains as a weak and fragmented exercise, and the District Planning Committees have failed to become an effective plan co-ordinating and monitoring agency. District Planning Committee is now more or less a body of people's representatives to give formal approval for the schemes that come from different LSGs without proper examination. This so happens because DPC does not have adequate expertise and office support for its effective functioning.

- There is a provision to appoint a person as „subject expert“ as government nominee in the District Planning Committee. It is found that this so called “expert” often lacks both expertise and even basic educational qualifications. So long as District Planning Committee is degenerated into a mechanical plan approving body, its planning and co-ordinating roles are lost.
- District Planning Committee has to be strengthened. DPC should have more technical persons and it should become a more broad-based institution to undertake the mandatory functions. A planning unit within the District Planning Committee may be set up with multi disciplinary subject personnel.
- District Planning Committee members and Joint Secretaries to District Planning Committee have to be provided adequate training for capacity building to enable them to formulate district plan. Similarly, adequate human resource, infrastructure and funds have to be provided to District Planning Committee to conduct continuous activities like seminars, discussions and related works.
- District Planning Committee may constitute a Sub Committee with resource persons from different departments and disciplines for the district plan formulation. The sub Committee shall consist of officials from State Planning Board and District Planning Office as well. It must be a Technical Support Team with experts like social scientists, economists, environmentalists, management experts and technocrats.

Women Component Plan

- DPs are directed to utilize ten percent of their plan outlay for woman specific programmes ie; WCP. Gender impact statement is also mandatory for WCP.
- We have observed that during the first three years of the 12th five year plan, major portion of WCP programmes were implemented in the service sector followed by production sector. The allocation in infrastructure sector was negligible. Performance of WCP in the selected DPs was not satisfactory. DPs implement WCP not on the basis of gender status report. Gender status report is a pre-requisite for any gender based programmes/planning. Similarly DPs give more importance to individual beneficiary based programmes under WCP. Several programmes (Eg. Houses for houseless families) that can be implemented with the general fund is included in WCP.
- Since adequate training is not given to women in those areas where they have job opportunities, active involvement of women in WCP preparation is poor. Similarly

DPs are not maintaining adequate information regarding the physical targets and achievement. Auditing system is also defective. WCP is implemented by different departments. There is lack of co-ordination among these departments and it is one of the major problems.

Special Component Plan

- Lack of documentation regarding the relevant details of SCP projects fail to measure the outcome of the projects implemented. SCP projects ignore production sector and this approach needs change. Similarly beneficiaries are not adequately benefitted mainly due to misuse of funds owing to the lack of monitoring. Panchayat officials are not giving adequate importance to preparation and implementation of SCP.
- Adequate training is not given to SC people to enable them to take up sustainable jobs. Benefits of the programmes are enjoyed by the upper layer of SC population and the vulnerable SC people are not adequately benefitted. Delay in administrative and technical sanction, lack of long term vision, delay in the release of funds and lack of expertise are other important reasons for low fund utilization in SCP programmes.

Tribal Sub Plan

- TSP should focus on income and employment generation to improve the quality of life of ST people. Similarly documentation of the TSP projects and their monitoring are not satisfactory. A data bank at DP level about TSP should be maintained. Benefits of the TSP projects are enjoyed by unintended beneficiaries also and this practice should be avoided. It could be avoided if the demands of Oorukoottam are given importance. The service of efficient and talented officials may be made available for TSP project formulation and implementation to make the projects viable and useful.

Audit and e-governance

- The details of audit conducted by the three agencies, viz: C&AG, Local Fund Audit Department and the State Performance Audit wing in five district panchayats during the years 2012-13 to 2014-15 showed that in Kottayam district 25% projects were audited every year while in other DPs all the projects are audited. In some DPs all the three agencies are not auditing the accounts. The DPs prepare and submit project wise outlay and expenditure to the audit agency in order to make audit effective. Elected members complained that Auditors lack social commitment. They opinioned that the

auditors remarks have to be more value based and rational when auditing socially relevant schemes.

- DPs did not initiate steps for social auditing and publishing of citizen's charter. The responsible officers are not trying to correct and improve the system. Audit reports of the C&AG indicate that a comprehensive picture of the consolidated accounts of LSGIs are not available. The audit carried out by C&AG as well as the performance audit wing has brought to light a number of serious problems. A number of audit reports of DPs are pending finalization. Stamp duty is not properly collected in the case of lease of properties to private persons. Register of advance has not been maintained properly. Upkeeping of cash books and asset registers are not proper. Deposit works awarded to KSEB and KWA are not monitored properly. Working groups and DP grama sabhas are not functioning properly.
- ICT greatly influences better governance. Government of Kerala started computerization of PRIs in 1999 through information Kerala Mission. It resulted in better utilization of computers in DPs after many initial problems. In Thiruvananthapuram, Kottayam, Alappuzha and Kannur DPs all the computers are in working condition while in Malappuram and Thrissur DPs many computers are not in working condition. Computers have improved efficiency and strengthened the financial management in all DPs. There is a felt need for periodic training to officials in computer use. Each DP needs a trained system manager and some of them have already got it.
- District panchayats under study have computerized all the office activities. But the data on details of plan progress indicate that the available information is inadequate and inconsistent. The reason for this sorry state of affairs is that the data on plan projects are not systematically entered and updated. Our recommendations in this regard are (1) there must have a well conceived project report on computerization; (2) Software in the state should be standardized and (3) all service delivery details must be made available to public through computer network.

Beneficiary Views

- **Paddy Cultivation:** Farmers are of the opinion that poor quality seeds is distributed without soil test. Fertilizers (particularly rock phosphate) and other manures are

distributed untimely. Harvesting machines are always under trouble and the Padasekhara Samithies have to purchase spare parts at their own cost. Similarly, while the machines are under repair, farmers have to pay rent. Production bonus given to farmers should be increased.

- **Housing:** Several problems are involved in housing programme like identifying the beneficiaries, deciding the plinth area and design of the house. Beneficiaries start with more plinth area anticipating loan and own contribution besides government support. But it always doesn't materialize and problems arise and construction will not be completed as per schedule. In this context, Local Self Government housing programme needs a total restructuring and a more realistic housing scheme may be formulated.
- **Banana Cultivation:** In order to sustain the project, assistance in the form of cash incentives and awards have to be provided. The implementing agency has to arrange marketing facilities to ensure reasonable price and profit. District Panchayat can take steps to promote agro-processing enterprises to manufacture value added products from banana and other by-products. There is no proper follow up and monitoring of the project on the part of the implementing agency and hence production and productivity stand at low level.
- **Dairy Farmers:** In the survey we came to the following conclusions: (i) Beneficiaries are selected through Society without specified norms. (ii) Even though revolving fund is given to a group of five women, the project is operated individually (iii) Even though it is a group activity, fund is not linked with bank loan or beneficiary's own contribution. (iv) Revolving fund given to a group of dairy farmers, could have started a dairy farm on commercial basis with Bank support.
- In order to attract new generation farmers to dairying and promote cattle rearing, substantial increase in the rate of revolving fund, supply of cattle feeds at 50% subsidy and timely supply of free medical service and insurance to cattle are recommended.
- **Fisher Women:** The survey reveals that fisher women are unable to generate reasonably good monthly income for the family from the fish trade. For instance, 12 beneficiaries earn only a monthly income below ₹1500, while two women generated

monthly income of ₹3000. But one beneficiary generated monthly income of ₹6000. In future such projects must be modified to earn more income and employment.

- **Goat Gramam:** Study reveals that Goat Gramam is a viable project capable to generate income and employment for women. But beneficiaries must be given supporting facilities like timely free veterinary service, good variety of lambs, better marketing facilities for the sale of goats, and sufficient working capital at subsidized rate. Women shall be promoted to start goat farming units on a commercial basis and on a medium scale after providing them good training on goat rearing.
- **Harvesting Machine:** The machinery purchased using SCP fund must belong to „Scheduled Caste Co-operative Society“. But, the machine is hired by the Karshaka Karma Samithi from the Scheduled Caste Co-operative Society on daily rent agreement. The Samithi operates the machine. The Society gets only Rs.8800 per month ($₹ 400 \times 22 = 8800$) while Karshika Karma Samithi earns a net income of ₹ 22000 per month. If the Scheduled Caste Co-operative Society directly operate and maintain the machine, the Society could earn a net income of ₹ 22000 per month.
- **Handloom Weaving Societies:** Handloom Industrial Weaving Societies (Factory Type) are facing several problems. Lack of working capital, training, marketing, low wages of workers and health problems are major among them. Revolving fund in the form of yarn alone cannot solve problems of workers. They need sufficient working capital, training in weaving, marketing of clothes and above all good management for the overall improvement of the Society
- **Water Supply Projects (SCP):** Survey shows that drinking water projects are good and they supply sufficient water. The study concludes that drinking water projects shall be taken up in areas facing shortage of water supply depending on perennial source of water with good quality. The two drinking water projects examined are completed as envisaged and provide drinking water to the people to a satisfactory level. The two projects also follow the rules regarding the SCP fund utilization. It is suggested that District Panchayats in future shall take up bigger projects covering more than one Grama Panchayat.

- **Training in Agricultural Machineries (SCP):** The project succeeded in giving training to SC youth. The objectives were to give training for sustainable job in operating tractor and other implements and solve the scarcity of labour in paddy cultivation and other agricultural operations. Therefore, SC farmers may be selected for training from GPs where Padasekhara Samithies are functioning and paddy and other cultivation practices are existing.

CHAPTER 1

INTRODUCTION

Decentralised Planning first found expression as early as in the First Five Year Plan (1951-56). It made a suggestion that planning process be undertaken at the state and district levels. Following this, District Development Council (DDC) was constituted in each district to prepare plans based on village level participatory process. The first Administrative Reforms Commission of 1967 stressed the need for meaningful planning at the district level and as a follow-up, the Planning Commission issued its first guidelines for district planning in 1969 which led to formulation of district plans by several states. But these initiatives, in due course, vanished as these local planning exercises were not linked to the annual planning process in most states. Measures for district planning recommended during the sixties ignored the role of local bodies in the planning process.

Table 1.1: The Progress of Decentralisation-Chronology of Events

| Year | Items | Objectives |
|-----------------------|---|--|
| First Plan (1951-56) | Community Development Blocks | To break up the planning exercises into National, State, District and local community levels. |
| Second Plan (1956-61) | District Development Councils | Drawing up of Village Plans and popular participation in Planning through the process of democratic decentralisation. |
| 1957 | Belwant Rai Mehta Committee | Village, Block and District, Panchayat institutions established. |
| 1967 | Administrative Reforms Commission | Resources to be given/local variations accommodated, purposeful Plan of the area. |
| 1969 | Planning Commission | Formulated guidelines, detailed the concept of the District Plan and methodology of drawing up such a Plan in the frame work of annual Plans, medium term Plans and perspective Plans. |
| 1978 | Prof.M.L.Dantwala | Block level Planning to form link between Village and District level Planning. |
| 1983-84 | CSS/ Reserve Bank of India | Strengthen District Plan/District Credit Plan. |
| 1984 | Hanumantha Rao Committee | Decentralisation of functions, powers and finances, setting up of District Planning bodies and District Planning cells. |
| 1985 | GVK Rao Committee | Administrative arrangements for rural development, DP to manage all development programmes. |
| 1992 | 73rd and 74th Constitutional Amendments | Following 73rd and 74th Constitutional amendments PRIs became mandatory and all States passed PRI Act and Nagarapalika Act and elections were held. |

Source: Expert Group Report on Grassroot Level Planning chaired by Sri.V Ramachandran, Chapter 2

Following the recommendations of the Belwant Rai Mehta Committee Report, though panchayats were constituted in several states, they were not considered as a permanent feature of multi-tiered government. Grama Panchayats were not able to

exercise their role as independent planning units enjoying autonomy within their functional sphere owing to lack of resources at their command. From the late 1960's to mid 1980's, the trend was towards greater centralization of administration. Panchayats had, by late 1960's, been superseded in most states owing to lack of political and administrative support. The process of formulation and implementation of centrally-sponsored schemes as well as operationalisation by the line departments has not been decentralised to the local bodies, as envisaged. Though some efforts were made in the light of the recommendations of the Dantwala Committee and GVK Rao Committee, they were all unsuccessful. Table 1.1 presents a chronology of events connected with decentralisation.

The 73rd and 74th amendments to the Constitution making it mandatory the establishment of a three-tier panchayat set-up at the district, block and village levels envisaged a reversal of the hitherto centralized approach to district planning.

1.1 Evolution of Panchayat Raj System in Kerala

History of Panchayat Raj system in Kerala dates back to 1957 when the first ministry of Kerala State had appointed an Administrative Reforms Committee with Chief Minister as Chairperson to suggest measures for the decentralisation of planning at different levels. Following the recommendations of the Reforms Committee, the Kerala Panchayat Bill (1958) and the District Council Bill (1959) were introduced in the State Assembly. But these bills could not be enacted into laws as the ministry was dismissed by the central government and the state assembly was dissolved. The new government which came to power after election in 1960 passed the Kerala Panchayat Act, 1960 incorporating several recommendations of the Balwant Rai Mehta Committee, 1957. The Act came into force from January, 1962. The Act proposed to enlarge the functional domain and financial resource base of the panchayats. Based on the Kerala Panchayat Raj Act 1963, the first panchayat election in Kerala was held by the end of 1963 and new panchayats came into existence on January 1, 1964. There were 922 village panchayats in the state then. In 1964, the government which came to power introduced the Kerala Panchayat Union Councils and Zilla Parishad Bill prepared mainly based on the recommendations of the Belwant Rai Mehta Committee (1957) incorporating an intermediate tier at the block level. This bill could not be passed as this ministry had to resign and the President's rule

followed. Following the general elections held in 1967, a new ministry was formed and a fresh bill called Kerala Panchayat Bill of 1967 was introduced in the state legislature. This bill envisaged a two-tier system at the village and district levels. This bill was referred to a Select Committee which effected some major revisions. This bill also did not become law as the legislative assembly was dissolved in August, 1970. But this bill was revived as Kerala District Administration Bill in 1971 by the ministry which came to power. But again due to various reasons, only the next government could come up with a slightly modified version of this legislation called Kerala District Administration Act in 1979. But this also could not be passed in time owing to a series of legal issues. The ensuing ministry in 1986 attempted to renew this process and appointed a committee under the Chairmanship of late Shri.V.Ramachandran (former Chief Secretary) to study the drawbacks of the existing legislations and make suitable recommendations. This report submitted in 1988 called „Report on the Measures to be taken for democratic decentralisation at the district and lower levels“ recommended some drastic amendments to the existing acts. Elections were held to District Councils during 1990 and the District Councils came into existence in February 1991. But the government that came to power in May 1991 in the state did not effectively pursue the decentralisation initiatives already undertaken, and ultimately the District Councils were dissolved. It was at this point of time that the historic 73rd and 74th constitutional amendments were initiated and a new decentralised regime materialized.

1.2 Special Features of Kerala’s Decentralised Planning

From a relatively poor record of decentralisation before the 73rd constitutional amendment, the state has risen to prominence as the trend-setter in decentralisation. Abandoning the traditional wisdom of slowly building up capacities and making transfers to lower tiers, Kerala adopted a „big-bang“ approach by deciding to devolve powers, funds, functions and functionaries to local governments. The decentralisation process was set in a campaign mode (popularly known as Peoples’ Plan Campaign) to facilitate social mobilisation in a big way. The XIth and XIIth Schedules of the Indian Constitution list out only subjects. These subjects indicate no operational meaning unless divided into activities and sub-activities. Kerala is one of the few States that divided the subjects into activities and sub-activities and allocated them to the different tiers of the rural and urban local governments largely based on the principle of subsidiarity. The most remarkable feature of

Kerala's decentralisation is plan grant which is given in a untied form for the preparation of projects through an elaborate participatory process. To facilitate people's participation, at a greater level, Kerala has been devolving about 70 percent of the rural share of plan grants to Grama Panchayats with only 15 percent each for the other two tiers. The plan grants are allocated on the basis of a transparent formula designed by the State Finance Commission. All the plan grants due to each local government are given in separate heads in a budget document known as „Appendix-IV“ of the State budget. Several new institutions with a view to ensure downward accountability to the people have been created. More importantly, the necessary statutory/procedural conditions to ensure a meaningful participatory democracy were well laid down. The right to information act mandates to publish a citizens' charter by every local government describing the entitlements of a citizen living within its jurisdiction, participatory budgeting, transparency and due processing in the selection of beneficiaries. Arrangements for performance audit and social audit were provided to make Local Governments effective institutions of good governance. The process of plan formulation is initiated through felt needs identification at the meetings of the Grama Sabha. The 50 percent reservation of seats to women in the Local Governments was a land mark measure towards gender equity. Thus, Kerala's decentralisation has several unique features relating mostly to planning, fiscal decentralisation, local governance and women empowerment.

1.3 Kerala Panchayat Raj Act 1994 and Kerala Municipalities Act 1994

Following the 73rd and 74th constitutional amendments in 1992 Government of Kerala passed the Kerala Panchayat Raj Act 1994 and Kerala Municipalities Act 1994. The Panchayat Raj Act covers three-tier panchayats in rural areas, namely Grama Panchayats, Block Panchayats and District Panchayats. The Municipalities Act covers Municipalities and Municipal Corporations.

Kerala Panchayats/Municipalities Acts 1994 envisages election to Local Governments in every five years. The first election to local governments was held in 1995 and since then after every five years, elections were held. Kerala State Election Commission constituted by Kerala Government conducts the election.

1.4 Decentralised Plan and fund flow

In 1996-1997, the Government of Kerala decided to transfer one-third of state plan funds to local governments for formulating and implementing local development plan. The state government also issued guidelines for the formulation of annual as well as Five Year Plans and their implementation.

1.5 Autonomy and freedom of PRIs

Kerala Panchayat Raj Act 1994 envisages transfer of government departments and government staff to Local Governments at various levels. Accordingly, Government of Kerala transferred 13 departments and respective government servants to Grama Panchayats, 9 departments and auxiliary staff to Block Panchayats, 10 departments and related staff to District Panchayats and 9 departments and related government servants to Municipalities and Corporations. Similarly responsibilities/development functions have also been transferred to the respective local governments.

The PRIs raise own resources confining within the powers conferred under the Act. They are given autonomy to set their own vision and strategy for development, formulation of five year and annual plans, their implementation, monitoring and evaluation.

1.6 Planning, budgeting, project implementation and fund release

The preparation of plans for economic development and social justice and their implementation are the responsibilities of PRIs as envisaged in the Constitution. The Kerala Acts originally envisage this process. The planning process envisages situation analysis, formation of Working Groups, development seminar, project formulation, plan appraisal, plan finalisation and implementation.

1.7 District Planning Committee

Article 243-ZD of the Constitution provides that each State shall constitute District Planning Committee (DPC) to consolidate the plans prepared by PRIs and Municipalities. Kerala Municipalities Act 1994 provides for the establishment of DPCs in Kerala. Accordingly, the Kerala State Government constituted DPCs in all 14 Districts to guide PRIs, and municipalities and city corporations for the formulation of five year and annual plans and their approval.

1.8 Grama Sabha and Peoples Participation

Article 243A provides that Grama Sabhas shall function at the village/ward level to discuss the local developmental issues.

1.9 Training and Capacity Building of Local governments

Inadequate capacity is one of the most important challenges facing Local Governments. Hence, training for capacity building is given to elected members and staff of the local governments through government institutions regularly and continuously.

1.10 Strengthening Finances of Local Government

Local governments have (1) own sources of fund (2) Plan Fund from State Government as plan grant for decentralised planning (3) State Plan Fund for implementing State Plan schemes (4) Plan fund for centrally-sponsored schemes and (5) non-plan grant from the State Government. Plan grant and State-sponsored schemes together form nearly 30 to 35 percent of State Plan. Non-Plan grant includes statutory and non-statutory grants.

1.11 Role of Local Governments in local economic development and poverty alleviation

Role of Local governments in addressing developmental and poverty eradication issues are important. Similarly, the local governments' role in entrepreneurship development has to be properly defined and strengthened.

1.12 Fiscal Decentralisation and Fiscal Management

Local governments in Kerala are three-tier panchayats namely, Grama Panchayats, Block Panchayats and District Panchayats, and urban local bodies namely, Municipalities and Corporations. Only Grama Panchayats, Municipalities and Corporations have taxing powers to levy and collect tax and non tax items whereas Block Panchayats and District Panchayats have only transferred resources. Own resources, that the local governments can generate and the size of untied funds from State Government determines their financial resource. Kerala State stands above other states in regard to devolution of fund to local bodies. Kerala Government since 1996-1997 have been devolving 25 to 30 percent of State Plan outlay to local governments based on defined criteria as suggested

by State Finance Commission. As a result, the financial base of local governments and expenditure responsibilities increased many fold since 1996-1997.

1.13 Tax Effort and Financial Management

The viability and fiscal autonomy of local government depends basically on the own-source revenue comprising of tax and non tax levies. Tax and non-tax revenue efforts of grama panchayats, municipalities and corporations depend on tax, potential rate of tax and tax collection efforts. Revenue base differs from one GP to another and also from one urban local body to another. Non-tax revenue base and revenue collection efforts also differ.

1.14 Decentralisation and Marginalised Community

Decentralisation give stress for the social, economical and political uplift of the weaker sections like Scheduled Castes and Scheduled Tribes, fisher folk, physically-challenged, aged population and children. Special Component Plan (SCP) and Tribal Sub Plan (TSP) are the two programmes that address the problems of Scheduled Communities. Plan grants are devolved based on norms fixed by State Government under three categories namely: General, SCP and TSP.

1.15 Women Component Plan

The role of local governments in empowering women is an important component of democratic decentralisation in Kerala. Fifty percent of the elected members and 50 percent of chairpersonships are assigned to women in LSGIs. Kerala ensures better participation of women in the various stages of decentralised planning insisting on a minimum of 10 percent of plan fund to Women Component Plan (WCP). Each local government is expected to prepare a women's status report. Women Component Plan is the flagship programme of the decentralised planning as far as gender main-streaming is concerned.

1.16 Jagratha Samithi

Towards meaningful gender main-streaming, decentralised planning introduced Jagratha Samithi or Vigilance Committee on the basic principles of gender equity and gender justice at the panchayat/ward level.

1.17 Kudumbasree

Kudumbasree is functioning as a sub system of local governments. Started in 1998, Kudumbasree is the largest network of women's organisations in Kerala for poverty eradication, self-employment and micro-financial services. It has gone much towards empowering women, both poor and non-poor and made some progress in gender mainstreaming.

1.18 Accounting and Audit

The fund utilisation by local governments is audited mainly by the Local Fund Audit and State Performance Audit department. Besides these a small number of cases are audited by C&AG, Finance Department and Store Purchase Wing of the state government.

1.19 Kerala State Finance Commission

The State Government has to appoint a State Finance Commission once in five years to review the finances of LG and suggest measures to improve the finances and devolve a share of states' taxes to LG. The local governments get state funds mainly based on the recommendations of State Finance Commission.

1.20 Ombudsman

Kerala PRI Act 1994 envisages the constitution of a separate judicial body, the Ombudsman, to detect and trial corruption in the local governments.

1.21 Number of LSGIs

Kerala had 1209 LSGIs during 2014-2015 comprising 978 grama panchayats, 152 block panchayats, 14 district panchayats, 60 municipalities and 5 municipal corporations. The ward wise distribution of each category of local governments is given in Table 1.2.

In Kerala the average number of wards in a Grama Panchayat is 17. Average number of wards in a Block Panchayat come to 14 while in District Panchayat, it is 24. Under urban local governments, average number of wards in a Municipality is 37 and in a Corporation this number is 72.

Table 1.2: LSGIs and Wards in Kerala (2014-2015)

| Sl.No | Category | Total No. of LSGIs | Number of wards with male and female members | | |
|-------|--------------------|--------------------|--|-------|--------|
| | | | Total | Male | Female |
| 1 | Grama Panchayats | 978 | 16680 | 8049 | 8631 |
| 2 | Block Panchayats | 152 | 2095 | 988 | 1107 |
| 3 | District Panchayat | 14 | 332 | 163 | 169 |
| 4 | Municipalities | 60 | 2216 | 1095 | 1121 |
| 5 | Corporations | 5 | 359 | 181 | 178 |
| Total | | 1209 | 21682 | 10476 | 11206 |

Source: Appendix IV of State Budgets 2015-16

1.22 LSGIs and Presidents/Chairpersons

In Kerala, 50 percent wards under LSGIs are reserved for women elected members of Local Governments. Similarly in 50 percent LSGIs, women are Presidents or Chairpersons. Accordingly, out of 1209 LSGIs in 2014-2015 in Kerala, 605 (50 percent) have women Presidents/Chairpersons and 604 have men. Table 1.3 shows the number of local governments in Kerala and men, women and SC/ST Presidents/Chairpersons.

Table 1.3: LSGs in Kerala and Women/Men (Presidents/Chairpersons)

| Sl.No | Category of LSGs | LSGs (No) | Presidents/Chairpersons | | |
|-------|------------------|-----------|-------------------------|------|-----|
| | | | Female | Male | SC |
| 1 | Grama Panchayats | 978 | 489 | 489 | 150 |
| 2 | Block Panchayats | 152 | 76 | 76 | 16 |
| 3 | DPs | 14 | 7 | 7 | 1 |
| 4 | Municipalities | 60 | 30 | 30 | 4 |
| 5 | Corporations | 5 | 3 | 2 | - |
| Total | | 1209 | 605 | 604 | 171 |

Source: Appendix IV of State Budgets

1.23 Plan Fund Allocation for Local Development (Development Fund)

Distribution of funds to the LSGIs for development purposes is based on a set of criteria developed by the State Finance Commission. Funds to LSGIs from 2010-2011 to 2015-2016 is on the basis of the IVth Finance Commission. As per the criteria, the norms given below are as follows:

- The total fund under General Sector is inclusive of the devolution from 13th Finance Commission, the amount flowing to local governments from the World Bank supported projects namely Kerala Local Government Service Delivery Project (KLGSDP) and special grant.

b) The total fund under General Sector is divided between rural and urban LSGIs in the ratio of 80:20 which reflects the ratio of the non-SC/ST population (as per 2001 census) living in rural and urban areas. The provision allocated to rural LSGIs is further apportioned in the ratio of 70:15:15 among Grama, Block and District Panchayats.

c) Funds under Special Component Plan (SCP) are distributed between rural and urban LSGIs as per the ratio of Scheduled Caste population (86:14) in rural and urban areas. The total share thus obtained for the rural LSGIs is again apportioned in the ratio 60:20:20 among Grama, Block and District Panchayats.

d) TSP fund is distributed between rural and urban LSGIs as per the ratio of ST population (98.61:1.39) in rural and urban areas. The total share thus obtained for the rural LSGIs is again apportioned in the ratio 60:20:20 among Grama, Block and District Panchayats.

e) The formula for distribution of non SCP/TSP portion of development fund is given in Table 1.4

Table 1.4: Formula for the Distribution of Development Fund

| Sl.No | Criteria | Weightage in % by type of local governments | | | |
|-------|------------------------------|---|-----------------|--------------------|---------------------------|
| | | Grama Panchayat | Block Panchayat | District Panchayat | Municipality/ Corporation |
| 1 | Population (excluding SC/ST) | 50 | 50 | 50 | 50 |
| 2 | Deprivation Index | 30 | 30 | 30 | 30 |
| 3 | Tax Effort | 10 | - | - | 10 |
| 4 | Area | 10 | 20 | 20 | 10 |
| Total | | 100 | 100 | 100 | 100 |

Source: Fourth State Finance Commission Report

Kerala State has almost completed 20 years of decentralised plan by local governments and its achievements are commendable. In this study we have analysed the salient features of local governments with special reference to the functions and the responsibilities of District Panchayats.

CHAPTER 2

Methodology and Objectives of the Study

The study is based on the primary and secondary data collected from District Panchayats and also from the transferred institutions. Primary data were collected through structured interview schedules covering all aspects of the functions of the decentralised planning process of District Panchayats like plan formulation, implementation, monitoring and audit. The study also examined the effectiveness of service delivery system of selected institutions transferred to District Panchayats. As part of the study, detailed discussions were held with selected functionaries and also institutions at different levels and officials working in important institutions including transferred departments. A stratified sample group of beneficiaries from selected programmes covering important sectors was identified with the help of District Panchayat officials and their views were obtained to assess the benefits accrued to them through implementation of various projects.

2.1 Objectives

1. Formulation and implementation of annual plans are the two vital functions of District Panchayats. The study examined people's participation, project identification, fixing priority, earmarking plan fund and time-bound execution of annual plans.
2. The study examined the causes of the poor fund utilization of annual plans and offers some suggestions for better utilization of funds.
3. The District Panchayats need some minimum requirements for their efficient functioning which include optimum staff strength, capacity building, provision to raise additional resources within their conferred powers and autonomy to decide the development vision and strategy. The study examined these aspects and suggested measures for their improvements.
4. PRA Act 1994 sets out powers for the Grama Sabha and its accountability in the formulation and implementation of development programmes and assisting the PRIs in preparing and implementing them to the full satisfaction of beneficiaries. The study examined the functioning of District Panchayat Sabhas also.
5. E-Governance and effective use of computer network can certainly enhance better governance, transparency and accountability of funds used, quality of services

- provided and planning, monitoring and evaluation and financial management. The study examined these aspects and suggested measures to strengthen them.
6. District Panchayats are audited by five agencies and they record their observations regarding irregularities with respect to financial management and achievement of financial and physical targets. The study examined these audit observations and suggested a way forward.
 7. The study examined the targets and achievements of special programme like WCP, SCP and TSP implemented by District Panchayats.
 8. The study also examined the present status and role of District Planning Committees in the preparation of District Development Plan and suggested measures to strengthen them.

2.2 Method of the Study

The study is based on both primary and secondary data. Secondary data related to decentralised planning and PRIs were collected from sources such as Directorate of Panchayats, IKM, State Planning Board, Department of Economics and Statistics, Department of Rural Development and other official sources. Information was also collected from reports of various committees appointed by Government of India and Government of Kerala, journals and books. Primary data were collected from the seven District Panchayats in Kerala. The selection of seven District Panchayats was done after discussions with the State Planning Board. District Panchayats selected are Thiruvananthapuram, Alappuzha, Kottayam, Thrissur, Malappuram, Wayanad and Kannur. A sample survey was conducted among District Panchayat members and transferred government officers to study the functioning of the District Panchayats. To know the views of the beneficiaries of the projects, a sample survey of beneficiaries was conducted in Thiruvananthapuram District Panchayat.

Primary data were collected through structured interview schedules. The aspects covered in the schedules are planning process, plan formulation, implementation, monitoring and audit of accounts. As part of the study detailed discussions were held with subject experts, selected government officers and elected members of LSGs.

2.3 Selection of Respondents

A multi-stage purposive-cum-stratified random sampling is used for the selection of sample respondents. Elected members in the sample were selected by using random sampling technique. The samples selected comprise 65 elected members, 75 officials and 75 beneficiaries of different projects as shown below in Tables 2.1, 2.2 and 2.3.

Table 2.1: Sample of Elected District Panchayat Members

| Sl.No | District Panchayats | Total Elected Members | Samples selected | Total Implementing Officials | Samples selected |
|-------|---------------------|-----------------------|------------------|------------------------------|------------------|
| 1 | Thiruvananthapuram | 26 | 10 | 47 | 14 |
| 2 | Kottayam | 23 | 5 | 32 | 6 |
| 3 | Alappuzha | 23 | 4 | 38 | 8 |
| 4 | Thrissur | 29 | 10 | 37 | 16 |
| 5 | Malappuram | 32 | 7 | - | 12 |
| 6 | Wayanad | 16 | 8 | - | 10 |
| 7 | Kannur | 26 | 21 | - | 9 |
| Total | | 175 | 65 | 154 | 75 |

Note: We could not get list of implementing officials from 3 DPs. But on an average there are 38 implementing officials.

Table 2.2: Category-wise total samples selected

| Sl.No | Respondents | Number |
|-------|---|--------|
| 1 | Elected members of 7 DPs | 65 |
| 2 | Transferred officials to DPs | 75 |
| 3 | Beneficiaries of 11 projects implemented in Thiruvananthapuram DP | 75 |
| Total | | 215 |

Table 2.3: Sample Projects and Beneficiaries

| Projects | APL | BPL | Sample** | Total |
|--|-----|-----|----------|-------|
| Revolving fund to Women Fisheries Workers Societies (WCP) | 10 | 5 | 15 | 80 |
| Integrated Paddy Cultivation (General)* | NA | NA | 5 | 50 |
| Revolving fund to women dairy farmers through dairy co-operative societies (WCP) | 4 | 1 | 5 | 50 |
| Factory type Handloom Units (General) | 5 | 7 | 12 | 67 |
| Goat Village (Aadu Gramam) (WCP) | 2 | 4 | 6 | 25 |
| Integrated Banana Cultivation (Kudumbasree) (WCP) | 0 | 6 | 6 | 15 |
| IAY Housing Scheme (General & TSP) | 3 | 3 | 6 | - |
| Training to SC Farmers in Agriculture Machinery (SCP) | - | 5 | 5 | 25 |
| Purchase of Harvesting Machine Karavaram Panchayat (SCP) | NA | NA | 5 | - |
| Mavila Colony Drinking water supply scheme Kanjiramkulam Panchayat (SCP) | 4 | 1 | 5 | 25 |
| Kuttathatti Drinking Water Supply Scheme in Vembayam Panchayat (SCP) | - | 5 | 5 | 23 |
| Total | 28 | 37 | 75 | 360 |

*Source: Survey Data *Selection based on land area **Sample beneficiaries*

2.4 Pilot Study

Separate structured interview schedules were prepared to collect information from the elected members of District Panchayat, officials (staff) and beneficiaries of selected projects. Before finalizing these schedules, pre-testing was conducted. Necessary modifications were made on the basis of pilot survey. This pilot study enabled us to familiarize with the field realities.

2.5 Beneficiaries Survey

Primary data were collected from District Panchayat members, Government officials transferred to District Panchayats of seven District Panchayats and direct beneficiaries of 11 different categories of projects implemented in Thiruvananthapuram district. We surveyed 65 elected members out of a total of 175 members from the 7 District Panchayats selected for the study. Out of them, 50 percent are male and 50 percent female.

Primary data were also collected from 75 government officials transferred to 7 District Panchayats. The selected officials were those officials who were directly involved in Plan formulation and project execution. Interviews and group/personal discussions, both formal and informal, were conducted with transferred officials. Officials were very co-operative in sharing problems related to decentralised planning and in suggesting solutions.

As part of the study, we conducted a survey among beneficiaries of 11 selected projects from one of the sample District Panchayat, Thiruvananthapuram to understand their opinions regarding the benefits they received on employment and income. Here, we followed stratified random sampling in the selection of projects from four sectors viz; General, SCP, TSP and WCP.

In the general sector, we selected two projects, one from agriculture and one from industry. From agriculture, we selected a project on Integrated Paddy Cultivation, a three-tier joint project of District Panchayat, Block Panchayat and Grama Panchayat with a total investment of ₹ 162 lakh. Five farmers were covered in the survey. From industry we selected, 4 Factory Type Handloom Units Societies (project) and surveyed 12 members.

Under WCP, we selected four projects from production sector comprising two agriculture, one fisheries and one animal husbandry. These projects were selected because they aim at sustainable employment and income generation for women. We selected 32 beneficiaries from Self Help Groups of these four projects.

Under SCP, four projects were selected for the survey. One relates to purchase of harvesting machine, another to training for SC agricultural farmers and the remaining two were on drinking water supply. From these four projects, 20 beneficiaries, five each, were surveyed. Two projects covered intended for employment and income generation and two for supply of drinking water.

2.6 Reference Period

Sanction was given for the research project by the State Planning Board on 4th February 2015 with the reference period 2012-15. Work relating to the collection of data from the district panchayats started from June 2015. Sample survey among elected members and transferred officers was started during July, 2015 and completed by September 2015. The sample survey among beneficiaries was completed in December 2015. The first draft report of the project was submitted to State Planning Board on March 2016. The content of the report was presented before Hon.Vice Chairman, members and other officials of State Planning Board on 9th March 2017. Based on the comments and suggestions from Hon.Vice Chairman and members of State Planning Board the report was revised and finalized.

CHAPTER 3

Functions and Responsibilities of District Panchayats

In this chapter, we are presenting the transferred functions and responsibilities as per Kerala Panchayat Raj Act 1994 and the transfer of institutions and posts/staff to District Panchayats. The 73rd and 74th amendments to the Constitution of India led to the setting up of decentralised democratic local governments in all Indian States. It became mandatory for the State governments to enact a three-tier Panchayat Raj System. Kerala enacted Kerala Panchayat Raj Act transferring powers and functions of various departments of the State Government to local governments such as District, Block and Grama Panchayats. During the period between 1995-2001, State Government transferred some institutions and posts to three-tier panchayats, municipalities and municipal corporations.

3.1 Functions and Responsibilities of District Panchayats

Involvement of people in their welfare and local needs in a democratic state is the idea behind decentralisation of power and functions. The extent and form of democratic decentralisation in India after independence in 1947 varied from state to state. Government of India and State Governments appointed Expert Committees assessed the rural development programmes and their successes and failures over the last five decades. India's First Five Year Plan document referred to the need of establishing panchayats or villages or group of villages and visualized civic and economic functions for a village community over a period of years. Community development programme started in 1952 under India's First Five Year Plan (1951-1956) pointed out the necessity to build an administrative system to tackle the problems of development at local level.

State of Kerala has decentralised powers, resources, planning process and development activities to local governments and democratic polity in Kerala has become secured and strengthened at lower levels. The LSGs have created more opportunities to the local people to participate in the affairs of local governance. Regular elections, after every 5 years, since 1995, need to be translated into political power and financial powers leading to social esteem and economic development. Similarly, involvement of local people in the democratic development and management would shape their life and future. Elected people at lower levels have to induce social change. The growth and complexity of rural

development programmes call for rural co-ordination and the co-ordination becomes effective only when elected representatives supervise the official machinery. Elected LSG leaders can exert horizontal pressures on line hierarchy administration. Elected PRI leaders must also encourage people to involve them in the process of growth and change.

3.2 Autonomy in Planning, Budgeting, project formulation and implementation

The key responsibilities of PRIs, as envisaged in the Constitution, are formulation of plans for economic development and social justice and their implementation. The Kerala Legislation originally envisages under section 175 that „every Village Panchayat would prepare an Annual Development Plan and submit it to the Block Panchayat. The Block Panchayat in turn would prepare Block Panchayat Development Plan based on the plans of the Village Panchayats in the Block Panchayat area and submit it to the District Panchayat. The District Panchayat, in turn, would prepare a district Plan based on the plans of Village and Block Panchayat Plans and submit it to the District Planning Committee. This provision, as mentioned in Section 175, has not been followed in Kerala. Instead, the procedure of plan formulation was changed, the autonomy of the PRIs as well as the role of Block Panchayats and District Panchayats were reduced and Government exercised powers over the planning process through guidelines which go against the basic objective of decentralised planning. Statutory role of Block Panchayats to consolidate the plan of Grama Panchayats and the role of District Panchayats to consolidate the plan of BPs were not followed. Instead, planning process centres around the guidelines of the Government and the role of District Planning Committees (DPCs) is limited to examining whether LSGIs follow the government guidelines in the formulation of annual plans.

3.3 Strength and Administrative Efficiency of District Panchayats

The Kerala Panchayat Raj Act 1994 provides for the control of officers of the panchayat under Section 180. It also provides that the Government shall lend the services of Government officers and employees to the panchayats as may be necessary for the implementation of any scheme, project or plan assigned or delegated to the District Panchayats. Here, it has to be noted that the provisions in the Act are sensible and appropriate, but the manner in which functionaries are transferred to District Panchayats has created several anomalies. Anomalies and deficiencies in the District Panchayat administrative structure critically block their functional performance.

In the dual system, the District Panchayats feel that they do not have sufficient control over the transferred staff. As for the transferred staff, they feel a lack of belonging either to their parent department or to the District Panchayat. The parent department feels that District Panchayats are made responsible for the transferred staff. But they have no adequate authority. Another defect is that the responsibility of elected officials and staff are not well defined. With a number of committees, Working Groups and involvement of activists and experts in the decentralised planning process in the initial years, it was very difficult to fix the responsibility for poor performance or non-performance. After the implementation of decentralisation, 25 to 30 percent of state plan outlays has been transferred to local governments and there has been significant increase in administrative responsibilities without corresponding increase in staff strength. Therefore, strengthening of District Panchayat with the inclusion of adequate administrative, finance and engineering staff is a solution in the long run. Moreover the existing staff have inadequate skill, knowledge and administrative abilities. Under such a situation, even functions like accounting are not properly done. District Panchayats also fail to monitor, evaluate and improve the execution of projects and their timely completion to avoid cost overruns. Each District Panchayat therefore needs better and efficient administration with staff having adequate skills and knowledge. Administrative reforms are needed to exercise full powers to enforce discipline and control over the transferred staff. In most cases, this may be the single vital factor in improving the functional efficiency of District Panchayats.

3.4 Integrated Long Term Plan

Role of District Panchayats in the initial years of decentralised planning was limited to promotion and implementation. However, over the two decades of decentralised planning experience, the District Panchayats could have developed themselves to a stage in which they can formulate integrated long-term development plans with the support of District Planning Committees. Unfortunately, this did not happen and the transferred institutions and staff at District Panchayats level still lack the skill and knowledge in formulating suitable projects, prioritising them and in suggesting potential areas of development as per local requirements. Instead, District Panchayats hold special meetings or seminars based on Government guidelines and formulate projects and fix plan outlay. If District Panchayats could take steps to assess the local needs and update them

continuously with the help of transferred institutions and functionaries, they could improve their efficiency.

An integrated Plan is not merely an exercise to formulate a participant Plan. Instead, it has to be a continuous exercise to formulate sound projects and micro-unit plans. While budgetary outlay from State Government may be small or inadequate, resource available from other sources could be mobilized additionally. Inflow of sizeable resources from other public and private sector sources can create great impact in rural areas and can play a great role in the progress and implementation of projects. There is always need for responsiveness, co-ordination and feed-back in the implementation of projects in vital areas like education, health care, safe drinking water supply, electrification of houses and streets, constructing houses for houseless and developing other infrastructure. These are areas where local participation and local governance become necessary. District Panchayats shall not merely be a forum for obtaining the views of influential people and bodies but shall be capable of planning suitable projects useful for local people. The District Panchayats have to build up capacity to formulate their plans with the available outlay and raise resource by them if necessary.

District Panchayats have to ensure that various „delivery systems“ transferred to them function efficiently and they were enlarged and improved regularly and constantly to meet the increasing demands. Here, the District Panchayats can keep a watchful eye on marginalised and weaker sections of the society to ensure that they get their due share from the gains of development to improve their quality of life and working conditions.

Plan of District Panchayat shall not merely be an exercise to produce a participatory Plan. Instead, it has to be an exercise of continuous formulation of several projects and micro unit plans. Budgetary allocation to District Panchayats will stand low and so the District Panchayats have to put in efforts to mobilize additional resources from sources like bank credit, public contribution, beneficiary contribution etc. Resource inflow from private and public sources will create an impact if it is sizeable and if it plays a crucial role in generating additional income and employment. If the Grama Panchayat builds up greater capacity to mobilize more resources and utilize it productively, the capacity of people will increase in the task of plan formulation which at present is insufficient.

3.5 Emerging perspective of Development and District Panchayats

Grass-root level mobilization and higher level co-ordination and supervision are the vital elements in the decentralised plan. In this context, it may be mentioned that agriculture and allied sector would continue to mould the local economy and rural society for decades to come. Some crops, edible as well as commercial, registered impressive growth in area and productivity, while a few crops registered decrease in area and productivity. In the farm sector, a number of administrative, technological, social and structural changes and innovations have penetrated rural Kerala and made significant changes in the traditional farming culture and these change-agents in the decentralised scenario would continue to operate and bring continuous changes. However, today agriculture is not merely farming and production of food crops, non-food crops, horticultural products and gardening, but also non-farming activities like animal husbandry, social forestry, inland fisheries, piggery, poultry and sericulture. Enlargement of agriculture to embrace emerging allied activities, mentioned as above, open up several opportunities for weaker sections and agricultural labourers in the form of wage and employment. It will also promote changes in the consumption pattern of rural people. In the new context, demand for protective foods like milk, egg, fish, fruits and vegetables would increase at higher rates in Kerala. Its production and marketing would promote income growth and social recognition of those associated with low income and low social esteem. Here, the management of rural development must become the prime responsibility of the District Panchayats by building up its capacity and capability to absorb the new farm technology and deliver them to the farmers through GPs and BPs ensuring easy accessibility.

3.6 District Planning and District Panchayat

The District Panchayat could have emerge as the strategic agency for economic Planning over the last 15 years because of two reasons (i) District Panchayat President is often a senior level politician and also Chairman of the District Planning Committee, and therefore he/she can co-ordinate and guide the development activities of Grama/Block Panchayats within a district (2) A professionally qualified team of senior district-level officials and technically and professionally equipped District Planning officers are available and functioning at district level. The composition and co-ordination of these two

systems can provide much needed support for formulating techno-economic plans like resource estimate, credit flow analysis and production and employment oriented programmes. Similarly, while formulating the District Plan, the expertise of the district officers can mobilize the public opinion relevant to district level projects. Here the State Planning Board could provide all necessary support and assistance to district plan formulation process like ensuring financial and physical support, providing technical expertise, helping in fixing priorities, resource allocation, and integration of PRI projects and fixation of long term growth strategy.

Grama Panchayats and Block Panchayats have a key role in supplying necessary information of projects they formulate and suggest potential areas of development to the District Panchayat. Similarly, District-level Planning unit can take note of the strategy and projects of Grama/Block Panchayats on a continuing basis instead of holding a meeting or a seminar. Resource needs of PRIs shall steadily increase since public growth demand increases steadily and therefore they can mobilize institutional finance instead of depending solely on State budget resource. If PRIs ensure active participation of beneficiaries through Grama Sabhas and participation of them in project formulation and implementation, credit flow from financial institutions could be increased. PRIs are not lower-level administrative units. If District Panchayats analyse the local level projects and implementation components in advance, it can play an effective role in administration, co-ordination and institutional supervision. However, in Kerala, two decades of PRI's plan at local level shows that the role and function of District Panchayats in coordinating and integrating district plan as envisaged is not effective.

3.7 District Panchayat Administration

Administration of District Panchayat has not been remoulded as envisaged under democratic decentralisation. The State Government has transferred district level officers to District Panchayats through Government Order, but majority of transferred officials have not yet moved out of the district level offices of line departments. Therefore, development administration on a decentralised basis could not be developed.

All the officials transferred to District Panchayats should be placed under the Secretary, District Panchayat and he has to achieve co-ordination with all district heads. Under such a situation, the staff relating to decentralised district plan shall work for the

District Panchayat. Similarly, a separate development administration on a decentralised functioning can be developed in the District Panchayat. The staff transferred at present are government servants with salary scales and service rules of the State Government. The new administrative structure must adapt to Panchayat Raj system protecting the promotion, pay scales and service conditions and also encouraging the flow of talented staff to District Panchayats. Here, the State Government should maintain uniformity in service conditions and qualifications of staff to work all over the State. However, for maintaining uniformity and standard, the control of State over District Panchayat staff must be minimized. All the development officers thus transferred to District Panchayat shall be under the administrative control of the Secretary of District Panchayat ensuring control and command to achieve the work target. However, while the responsibility of Secretary, District Panchayat is executive in nature, the over-all policy formulation and necessary directions have to be exercised by the President, District Panchayat who is the head of the elected body. Unless such an administrative procedure is clearly defined and acted upon, the decentralised Plan formulation and implementation will get paralysed.

Duties and responsibilities of District Panchayat Secretary has increased. In order to discharge the duties effectively the Secretary must have adequate knowledge and competence in staff management and development administration. Increase in development functions of District Panchayats over the years have created serious problems with administration due to absence of competent administrative system in plan formulation and execution. Administrative decentralisation has two aspects: firstly, integrated development at district-level requires integrated staff structure; secondly, the staff should be under the direct control of the District Panchayats. When Secretary acts on behalf of the elected District Panchayat with an overview of all matters the end result will be integrated administration. But the Secretary of District Panchayat, however, in the present context fails to bring together all the development functionaries even though powers have already been decentralised. Therefore the transferred staff have to be brought under the direct and continuous supervision of the District Panchayat administration.

In the decentralised Plan, a new system of political will and administrative will must be developed at the District Panchayat level. Till 1994, there was only line hierarchy which never included horizontal co-ordination with the State level department head. But, in the decentralised plan set-up, the departments and District Panchayat must mutually

establish greater co-ordination. Administrative reforms are also needed to assist and facilitate the development works of PRIs. As the decentralised activities has been increasing, the structure and functions of administration also need regular study for correction. Similarly, State's broad-level targets and strategies will have to be linked with district plan. In this context, development departments have a major role in the successful working of the District Plan. Here, the State Planning Board have to play a key role in assisting the District Panchayat for the formulation of District Panchayat plan and in integrating district plans with state plan. The state should frame rules not only to facilitate the transfer of powers and responsibilities to District Panchayats but also to observe, practice and rectify the operational defects and to suggest modifications on a regular basis.

Technical assistance and higher level administrative support for decentralised plan were already there at district level. Similarly, administrative decentralisation presently available at district level is capable to effectively implement, co-ordinate and supervise democratic management of development. In agriculture, industry, irrigation, fisheries etc, district heads have sufficient competence and they are subject specialists. District Planning officers are working in all districts with technical expertise for evolving over-all development strategies, resource allocation and credit plan. Establishment of District Panchayat and formation of District Planning Committee with District Panchayat President as Chairman and District Collector as Member Secretary appears to respond to organizational needs at district level and works as the link with the state level planning.

Table 3.1: Institutions and Posts transferred to District Panchayats

| Sl.No | Departments | Officials and posts transferred |
|-------|--------------------------------|--|
| 1 | Agriculture Department | Two posts of Deputy Director and auxiliary posts. The post of District Soil Conservation Officer and auxiliary posts. One Assistant Executive Engineer and connected posts Soil Testing Laboratory Mobile Soil Testing Laboratory District Agriculture Farm/Coconut Nursery |
| 2 | Animal Husbandry Department | Veterinary Polyclinic, ICDP Area Mobile Veterinary area Dispensary, Farm Unit, Clinical Laboratories not attached to District Veterinary Centres. |
| 3 | Fisheries Department | The Fisheries Schools of respective places |
| 4 | Industries Department | From the District Industries Centre, one post of Manager and connected staff |
| 5 | Rural Development Department | One post of Assistant Development Commissioner and the District Women's Welfare Officer and auxiliary staff. |
| 6 | General Education Department | The Upper Primary Schools and High Schools of the respective places. One section from the Deputy Director's Office |
| 7 | Technical Education Department | Tailoring and Garment making Training Centre of the respective places Tailoring Trade Centres of the respective places |
| 8 | Co-operative Department | One post of Assistant Registrar and one post of Clerk |
| 9 | Public Works Department | One division consisting of Executive Engineer and auxiliary staff. |

Source: Evaluation Report on Decentralised Experience in Kerala: Programme Evaluation Organisation (2006)

As shown in Table 3.1, two posts of Deputy Directors, one post of District Soil Conservation Officer, one Assistant Executive Engineer, Soil Testing laboratory and District Agriculture Farm/Coconut Nursery are transferred to District Panchayats along with auxiliary posts from Agriculture Department. From Animal Husbandry Department, the major institutions along with officials transferred to District Panchayat are veterinary polyclinics, farm units and clinical laboratories. Similarly, from departments like Fisheries, Minor Irrigation, Industries and Rural Development officials have been transferred to the District Panchayat.

Table 3.2: Functions and Responsibilities Transferred to District Panchayats

| Departments | Functions/Responsibilities Transferred to DPs |
|------------------------------|--|
| Agriculture | Running of agricultural farms other than regional farms and research centres and establishment of new farms. Integrated watershed management in watersheds covering more than one Block Panchayat areas. Provision of agricultural inputs. Soil testing. Pest control. Marketing of agricultural products. Cultivation of ornamental Plants. Promotion of agricultural co-operatives. Promotion of commercial crops. Biotechnology applications. Field trials and pilot projects to popularize innovation. Locally appropriate research and development. |
| Animal Husbandry | Management of District-level veterinary hospitals and laboratories. Management of dairy extension service units. Promotion of milk co-operatives. Management of farms other than regional farms, breeding farms and research centres. District-level training. Implementation of disease prevention programmes. Field trials and pilot projects on innovative practices. Locally relevant research and development. |
| Minor Irrigation | Development of ground water resources. Construction and maintenance of minor irrigation schemes covering more than one Block Panchayat Command Area Development. |
| Fisheries | Arrangements for marketing of fish. Management of Fish Farm Development Agency. Management of District-level hatcheries, net-making units, fish markets, feed mills, ice plants and storages. Management of fisheries schools. Introduction of new technologies. Provide inputs required for fishermen. Promotion of fishermen's co-operatives. |
| Small Scale Industries | Management of District Industries Centre. Promotion of small scale industries. Setting up of industrial estates. Arranging exhibitions for sale of products. Entrepreneur development programmes. Marketing of products. Training, Input services and common facility centres. Industrial development credit planning. |
| Housing | Housing Complex and infrastructure development, mobilizing housing financing |
| Water Supply | Running of water supply schemes covering more than one Village Panchayat. Taking up of water supply schemes covering more than one Village Panchayat |
| Electricity & Energy | Taking up of micro-hydel projects. Determining priority areas for extension of electricity. |
| Education | Management of Government High Schools (including LP Section and UP Section attached to High Schools). Management of Government Higher Secondary Schools. Management of Government Technical Schools. Management of Vocational Higher Secondary Schools. Management of District Institute for Education and Training. Co-ordinate Centrally and State-sponsored programmes relating to education. |
| Public Works | Construction and maintenance of all District roads other than State Highways, National Highways and major District roads transferred. |
| Public Health and Sanitation | Management of District hospital in all systems of medicine. Setting up of centres for care of special categories of disabled and mentally ill people. Co-ordination of Centrally and State-sponsored programmes at the District level. |
| Social Welfare | Payment of grants to orphanages. Starting of Welfare institutions for the disabled, destitutes etc. |
| Poverty Allevation | Providing infrastructure for self-employment programmes |
| SC/ST Development | Management of post-metric hostels. Management of vocational training centres for Scheduled Castes and Schedule Tribes. |
| Sports and Cultural affairs | Construction of Stadium |
| Co-operatives | Organization of Co-operatives within the jurisdiction of DPs. Payment of Government grants and subsidies to co-operatives within the jurisdiction. |

Source: Evaluation Report on Decentralised Experience in Kerala: Programme Evaluation Organisation (2006)

Table 3.2 shows the functions and responsibilities transferred to District Panchayats. Functions of 16 State Government Departments have been transferred to District Panchayats. Among the Government Departments, functions transferred to District Panchayats are more from major Departments like Agriculture, Animal Husbandry, Fisheries, Education, Small Scale Industries and Public Health and Sanitation.

Chapter 4

Formulation of Plan and Utilisation of Plan Funds

This chapter explains the plan formulation process and fund utilisation of the DPs in Kerala with special emphasis to 7 DPs selected for the study. Government of Kerala enacted Kerala Panchayat Raj Act 1994 and Kerala Municipalities Act 1994, both of which came into effect on 3rd November, 1994. These two acts enumerated the subjects that would be transferred to the LSGIs. The first election to the three-tier PRIs and Urban Local Governments were held under the above Acts in September, 1995 and the elected bodies came to power on 2nd October, 1995. The Kerala Panchayat Raj Act states that the general functions of DPs are mobilization of the technical expertise available with the Government institutions and the non-governmental agencies, providing technical assistance to block panchayats, village panchayats and municipalities and preparing projects after taking into account the schemes of village panchayats and block panchayats in order to avoid duplication and provide backward-forward linkages. The state Government in its budget for the financial year 1996-1997 introduced a separate document viz., Appendix IV for providing grants-in-aid to LSGs. In the same budget the State Government allocated ₹ 212 crore to LSGs as untied grant to initiate the preparation and implementation of local level need-based plan programmes for development. The new Government that assumed office subsequently in May, 1996 decided to devolve 35% to 40% of the plan funds to LSGIs.

4.1 Plan Formulation

Plan formulation works start with the constitution of working groups. Working groups consisting of officials and non-officials are constituted based on the norms approved by the government. An elected member of the local government is the chairman and an official from the DP is the convener. Members include retired officials and engineers capable of contributing to the project formulation. Working groups review the plan projects implemented during the previous years, assess the financial and physical achievements, beneficiaries of the projects and assets created by these projects. They also assess the development potential of the district and formulate projects accordingly. They collect necessary information from official records, field visits and discussions with

beneficiaries. They also conduct frequent interactions with the concerned officials and beneficiary committees which implement the projects. All the 7 DPs under study constituted working groups consisting of 15 members each during 2014-2015.

Convening district grama sabha is another step in the formulation of annual plan. Presidents of Grama Panchayats, Presidents of Block Panchayats, Chairpersons of Standing Committees and members of District Panchayat are the members of the grama sabha. DPs also formulate separate development report and vision document.

After formulating draft development strategy and priority of plan and allocation of resources to various sectors, a development seminar is convened. Development seminars are held with experts and professionals to comment on the draft plan and offer suggestions. In a few DPs, DP Council meets the members of the working group and examine the suggestions emerged in the development seminar and make suitable changes in annual plan.

The working groups then prepare detailed projects under their subjects in the prescribed format, after considering the cost and environmental issues. Instead of optimising the number of projects, the general tendency is to prepare large number of projects. The detailed plans and projects are then sent to DPC for approval. DPC examine DP's plans to ensure whether the guidelines of the government are followed. DPC also examines whether DPs plans match with the priorities outlined in their vision document. Once the DPC approves the plan, DP takes actions for implementing the projects.

All the seven DPs follow the plan formulation process as envisaged in the Government guidelines. For instance, DP constitutes working groups, convenes meeting of grama sabha, conduct development seminar, finalises projects and submit plan document to DPC for approval. However, DPs are aware that all these elaborate exercises do not contribute much to the preparation of financially and technically sound projects. Though much importance is given to the working groups in the plan preparation, their actual contribution is now insignificant. The exercises of these working groups have reduced to a mere formality required in the plan formulation process.

4.2 Working Groups and project formulation

Working group consists of experts in various fields as members along with a Chairman and an official transferred to DP as Convener. These expert members in the working group are professionals, social activists or academically qualified persons. The working group analyses projects of previous years, beneficiaries, assets created, project implementation and financial aspects. Such exercises by working group is intended to provide an eye-view to formulate a draft annual plan. But the actual allocation of resources to different sectors and projects are done by the DP.

Despite the procedures analysed above, poor project formulation remains as the major problem. According to the officials in the DP, elected members involved in the projects start their execution before completing all procedures. Consequently there has been a growth in spill over projects and poor utilisation of plan funds. According to a Finance Officer (F.O) in one DP the method of bi-monthly fund release is good and then DP faces no fund scarcity. The FO also mentioned that large amounts is remaining unutilised in various projects (2014-2015). Fund utilisation of DP therefore need careful monitoring and quick action. In all DPs there are Finance Officers with sufficient professional knowledge and experience; with the capability to monitor the project implementation and fund use. But their services are not properly utilized because their functions are not yet clearly defined.

The success of plan formulation of DP depend on the expertise and efficiency of working groups. Nearly, 72 percent of the elected DP members opinioned that working groups are functioning satisfactorily. But 28 percent are not satisfied with the functioning of working groups. However, they are not prepared to explain the reasons. Elected members also mentioned that identification of projects emerge from grama sabhas. Presidents/members of DP and members/experts associated with the working groups also associate with plan formulation.

Chairman of the working group is an elected member of DP. An official transferred to DP is the convener. Officials transferred to DP play key roles in the functioning of working groups and formulation of projects. Officials pointed out that success of project formulation and implementation depends on the co-ordinated efforts of working groups and implementing officials. Information was collected through survey

among officials to understand the functioning of the working groups. Eighty eight percent of officials (out of 75 interviewed) responded that working groups function effectively. But 12 percent responded that working groups are not functioning effectively. Even the opinion of this minority needs appropriate attention in order to strengthen the working groups.

Working group formulate plan projects for DP but their views and suggestions are not seriously considered by the Standing Committee of the DP. Similarly projects are formulated without a clear vision of the physical targets. Technical aspects of the projects are not viewed seriously and expert suggestions are ignored. Unless we correct these issues in plan formulation, present system will continue with poor formulation of projects thereby making implementation less effective.

4.3 Opinion of elected members

Out of 65 elected members interviewed, 47 stated that working groups work satisfactorily and effectively (C.8.1.2). Eighteen members are not satisfied with the functioning of working groups. They responded that suggestions on projects for annual plan come from grama sabhas, block panchayats, DP members, DP President, experts and working groups. Similarly projects are prioritized on the basis of norms like plan grant and local needs, suggestion from elected members and DPs' grama sabha. Among the factors influencing the selection of projects, the most important one is demands of the elected members.

4.4 Plan formulation process

DPs start plan formulation process with the constitution of working groups. All the DPs have constituted 15 working groups each as instructed in the government guidelines. Similarly in grama sabha meeting, DP members, Presidents of block panchayats, Chairpersons of the Standing Committees of BPs and Presidents of grama panchayats attend. Working Groups prepare detailed note on projects implemented during previous years and its achievements, and then suggest projects in different sectors for coming years. Based on working group report DP organizes development seminar and seek suggestions from block panchayats/grama panchayats and subject experts. In the formulation of 2014-2015 annual plan, Thiruvananthapuram and Thrissur DPs conducted grama sabha meeting

during January, 2015 and the number of participants were 211 and 136 respectively. The DP of Thiruvananthapuram conducted a development seminar on 29th January 2015 and participants were 256. In Thrissur DP the number of people participated was 164.

The second stage in plan formulation process is project preparation. Members of DP wanted to have large number of small projects instead of bigger projects. DPs therefore take a large number of projects ranging from 522 in Alappuzha to 1200 in Malappuram (2014-2015) as shown in Table 4.1. Due to this the average cost per project is small. Average cost per project was ₹3.50 lakh in Kannur and ₹7.55 lakh in Alappuzha (Table 4.2). This approach of DPs has two drawbacks. They are (i) when DPs prepare a large number of projects, mostly in the nature of engineering type, there is delay in project formulation, technical sanction and execution, (ii) the approach defeat the macro perspective of a development plan for the district. DPs have more resources and technical expertise and hence can prepare and execute medium sized and large projects considering the overall development requirement of the rural district with long term vision. Despite these favourable conditions, DPs formulate and implement a large number of small projects, to satisfy the political interest of elected members of DP.

Table 4.1: District Panchayat-wise projects (2012-2015)

| Sl.No | DPs | Projects (Number) | | |
|-------|--------------------|-------------------|-----------|-----------|
| | | 2012-2013 | 2013-2014 | 2014-2015 |
| 1 | Thiruvananthapuram | - | - | 1223 |
| 2 | Kottayam | - | - | 979 |
| 3 | Alappuzha | 423 | 450 | 522 |
| 4 | Thrissur | 1269 | 1527 | 913 |
| 5 | Malappuram | 556 | 670 | 1200 |
| 6 | Kannur | 567 | 929 | 1056 |
| 7 | Wayanad | - | - | 489 |

Source: IKM

Table 4.2: District Panchayat-wise plan grant and number of projects and average outlay per project (2014-2015)

| Sl.No | DPs | 2014-2015 | | |
|-------|--------------------|---------------------|---------------|-------------------------------------|
| | | Plan Grant (₹.Lakh) | Project (No.) | Average Outlay per Project (₹.lakh) |
| 1 | Thiruvananthapuram | 5527 | 1223 | 4.50 |
| 2 | Alappuzha | 3950 | 522 | 7.55 |
| 3 | Kottayam | 3688 | 979 | 3.77 |
| 4 | Thrissur | 5388 | 913 | 5.90 |
| 5 | Wayanad | 2922 | 489 | 5.99 |
| 6 | Malappuram | 6275 | 1200 | 4.50 |
| 7 | Kannur | 3711 | 1056 | 3.50 |

Source: IKM

4.5 Approval of Plan and projects by DPC

Approval of projects and issue of technical sanction in DPs also need some restructuring. Dates of annual plan approval of DPC are shown in Table 4.3. In case, DP make changes in projects, they are again send to DPC for approval. For instance, annual Plan 2014-2015 of DPs was first approved during 30th August 2014. But the revised projects got approval from DPC during the last quarter of the financial year ie, 19th January 2015.

DPs submit plan documents and projects to DPC for approval. Table 4.3 shows the date of submission of plan document and projects by DPs to DPC and the date of approval. Four DPs submitted 2014-2015 plan documents to DPC for approval during August 2014. It indicates that nearly 5 months have been taken for the plan formulation process. DPC is not only approving the plan and projects but appraise technical and financial aspects of the projects as well. Here two DPs got approval on the same day of submission. Only Alappuzha submitted plan documents eight days before the DPC approval. In three districts, 2014-2015 plan document submitted to DPC are approved on the same day or the next day. DPCs normally may not appraise the plan documents and projects submitted by the DPs. DPs on an average have 800-1200 projects every year.

Table 4.3: Date of Submission of Plan and Projects to DPC

| Sl. No | DPs | 2012-2013 | | 2013-2014 | | 2014-2015 | |
|--------|-----------|------------|-----------|------------|----------|------------|----------|
| | | Submission | Approval | Submission | Approval | Submission | Approval |
| 1 | Kannur | 10.12.'12 | 10.12.'12 | 08.7.'13 | 09.7.'13 | 24.8.'14 | 25.8.'14 |
| 2 | Thrissur | 01.11.'12 | 01.11.'12 | 24.9.'13 | 24.9.'13 | 30.8.'14 | 30.8.'14 |
| 3 | Kottayam | NA | NA | 12.8.'13 | 13.8.'13 | 17.8.'14 | 18.8.'14 |
| 4 | Alappuzha | NA | NA | 29.8.'13 | 29.8.'13 | 10.8.'14 | 18.8.'14 |

Source: Survey Data

When DPC approves projects on the same day of submission of projects, the evaluation get reduced to a simple official formality. In such situations technical and financial aspects of projects are not properly appraised and hence project implementation may become difficult and may slip to spill over projects with low fund utilisation. Considering the issues involved in project appraisal by DPC, sufficient time should be allowed to DPC for appraisal of projects of the plan. DP shall therefore be asked to submit the plan document for appraisal minimum one week before the DPC meeting. It will give sufficient time to DPC for examination of projects.

Kannur and Thrissur submitted their plan documents in the 9th month of the financial year for approval to DPC during the year 2012-2013. Date of starting the execution of each project is not uniform. The percentage of projects completed in two DPs namely; Thiruvananthapuram and Thrissur give a dismal picture. Table 4.4 shows number of projects implemented and percentages of projects completed in Thrissur and Thiruvananthapuram DPs during 2012-2013 to 2014-2015. Thiruvananthapuram DP executed 49.6 percent of projects in 2012-2013 and 78.8 percent in 2014-2015.

Table 4.4: Number of projects implemented and percentage of projects completed

| DPs | Projects implemented (Nos) | | | Projects completed (%) | | |
|--------------------|-------------------------------|---------|---------|---------------------------|---------|---------|
| | 2012-13 | 2013-14 | 2014-15 | 2012-13 | 2013-14 | 2014-15 |
| Thiruvananthapuram | 407 | 770 | 1019 | 49.6 | 26.6 | 78.8 |
| Thrissur | 477 | 562 | 637 | 68.5 | 86.3 | 30.00 |

Source: Survey Data

But in Thrissur, projects completed decreased from 68.5 percent in 2012-2013 to 30 percent in 2014-2015. Usually more than a month is required to complete the formalities connected with tender process after DPC approval which indicate that major share of the work of projects is executed during the end of the financial year. Based on the data we can conclude that DPs are unable to achieve a satisfactory level of execution of annual plan projects. As the number of projects is large, majority of them becomes spill over and is forced to carry forward to subsequent years for completion. This practice of spill over creates serious strain for the DPs in the subsequent years.

4.6 Integrated District Panchayat Plan with GPs and DPs

Kerala Panchayat Raj Act 1994 envisages integration of the plans of the three-tier panchayats. As part of integration, Grama Panchayats send big projects to DPs for consideration. DPs also consider projects suggested by Block Panchayats. Details of projects sent to DPs by Grama Panchayats and Block Panchayats during 2012-2015 are shown in Tables 4.5 to 4.9.

4.7 Three tier integrated Plan

Development plan prepared by integrating the plans of three-tier panchayats would promote overall development. Elected members have highlighted a few difficulties in the formulation of three-tier integrated plan. They include lack of interest in building creative ideas, lack of suggestions from Standing Committee Chairmen, lack of a Master Plan or

integrated plan, lack of coordination among three-tier panchayats and lack of initiatives from DPC. Unless we overcome these difficulties it would become difficult to formulate integrated three-tier plans.

Thrissur DP: In Thrissur district projects submitted from grama panchayats to DP are more in number. But there has been a decline since 2012-2013. For instance, grama panchayats sent 533 projects with an estimated cost at ₹ 186.3 lakh in 2012-2013. But the number of the projects declined from 467 to 164 in the subsequent years. But projects sent to DPs by block panchayats were 6 in 2012-2013, 10 in 2013-2014 and 2 in 2014-2015 (Table 4.5).

Table 4.5: Projects submitted to Thrissur DP

| Year | BPs | | GPs | |
|---------|----------------|----------------|-----------------|---------------|
| | Projects (Nos) | Cost (₹. lakh) | Projects (Nos.) | Cost (₹ lakh) |
| 2012-13 | 6 | 9.00 | 533 | 186.33 |
| 2013-14 | 10 | 33.50 | 467 | 143.35 |
| 2014-15 | 2 | 7.00 | 164 | 10.73 |

Source: Survey Data

Similarly, Thrissur DP undertook integrated three tier projects with Block Panchayats and Grama Panchayats during three years 2012-2015 as shown in Table 4.6.

Table 4.6: Three tier collaborative projects undertaken by Thrissur DP

| Year | Projects (Nos) | Total Project cost (₹ lakh) | Share of GP (₹ lakh) | Share of BP (₹ lakh) |
|---------|----------------|-----------------------------|----------------------|----------------------|
| 2012-13 | 6 | 70.54 | 61.54 | 9.00 |
| 2013-14 | 9 | 72.92 | 43.42 | 29.50 |
| 2014-15 | 2 | 10.57 | 3.57 | 7.00 |

Source: Survey Data

Kottayam DP: Kottayam DP formulated collaborative projects with Block Panchayats and Grama panchayats during 2012-2013. DPs took up 18 such projects with BPs at an estimated cost of ₹ 242.58 lakh. Collaborative projects with grama panchayats in 2012-2013 were 23 at an estimated cost of ₹ 307.77 lakh. Similarly Kottayam formulated 9 three-tier collaborative projects at an estimated cost of ₹ 142.72 lakh. However during 2013-2014 and 2014-2015 there were no collaborative projects in Kottayam.

Table 4.7: Collaborative Projects by Kottayam (2012-2013)

| Sl.No | Items | Projects | |
|-------|--|----------|-----------------|
| | | Nos | Outlay(₹. lakh) |
| 1 | Collaborative projects with Block Panchayats | 18 | 242.58 |
| 2 | Collaborative projects with Grama Panchayats | 23 | 307.77 |
| 3 | Three Tier Collaborative projects | 9 | 142.72 |

Source : Survey Data

Thiruvananthapuram DP: Collaborative projects by Thiruvananthapuram is relatively few in number. For instance, DP formulated two collaborative projects each with BP during 2012-2013, 2013-2014 and 2014-2015. Similarly Thiruvananthapuram formulated three tier collaborative projects one each during the financial years 2012-2013, 2013-2014 and 2014-2015.

Malappuram DP: Malappuram undertook 32 projects costing ₹ 815.8 lakh from grama panchayats in 2012-2013 and increased to 59 projects costing ₹ 913.20 lakh in 2013-2014. But in 2014-2015 number of projects decreased to 2 and cost of projects came down to ₹ 8.0 lakh.

Table 4.8: Collaborative projects with Block Panchayats in Malappuram

| Year | Project (Nos) | Estimated Cost (₹ Lakh) |
|---------|---------------|-------------------------|
| 2012-13 | 4 | 679.14 |
| 2013-14 | 8 | 2532.27 |
| 2014-15 | 8 | 2383.91 |

Source: Survey Data

Table 4.9: Collaborative Projects with Grama Panchayats in Malappuram

| Year | Project (Nos) | Estimated Cost (₹ Lakh) |
|---------|---------------|-------------------------|
| 2012-13 | 32 | 815.80 |
| 2013-14 | 59 | 913.20 |
| 2014-15 | 2 | 8.00 |

Source: Survey Data

Integrating the annual plans of three-tier panchayats will promote overall development. But we understand that several difficulties exist in the formulation of three-tier integrated plan. Lack of interest in building creative ideas, lack of suggestions from Chairman/Committee member and lack of co-ordination between departments/three tiers of panchayat are major issues in the formulation of integrated plan.

Kerala State completes 20 years of decentralised planning. Still DPs are unable to formulate a long term integrated development plan to fulfill certain broad development goals for sustainable development. In this context, physical and financial targets have vital

significance. In the study, 52 elected members agree that lack of knowledge and training are major problems in the long term plan formulation. It is a serious problem which needs urgent attention.

4.8 Grama Sabha

We collected information from DPs regarding the functioning of DP grama sabhas. The Secretaries of DPs informed that each GP intimates the convening of its grama sabha meeting in all DP divisions. Grama panchayats send their major projects after discussion in the grama sabha to DPs for consideration. Similarly block panchayats also send projects to DP for inclusion in the annual plan of DP.

Survey among elected members give an indication of the functioning of DP grama sabhas and related issues. Decisions of the grama sabha are manipulated and minutes of the meetings are not published in time. Auditors have also remarked on grama sabha meetings and non-publication of minutes. According to the C&AG, minutes of grama sabha meetings held once in a year are not completed and published. Hence changes could be made for accommodating vested interest. A few members remarked that grama sabha decisions cannot be implemented properly. Poor participation in the grama sabha is also a major drawback of the system. If grama sabha is convened regularly and properly, people's representatives can participate and discuss matters related to identification of projects, earmarking of funds, issues related with the implementation and people's participation. Effective functioning of grama sabha can also help to monitor the accountability of officials in the decentralised planning process. Therefore measures have to be initiated to monitor the functioning of the grama sabha to make it more efficient and effective in the preparation of decentralised plan.

DP grama sabha has a significant role in the plan formulation process of DPs with respect to project identification, project wise allocation of funds and fixing of priorities. It could be possible only if grama sabha is convened regularly, properly and effectively. Here elected members are of the view that grama sabha decisions are not implemented properly. Similarly lack of participation in grama sabha is also noted as a drawback. DP, therefore has to monitor the grama sabha and make it effective and efficient in DPs' decentralised plan. In our survey 31 members out of 65 didn't respond on DP grama sabha. Only a few members are satisfied with the grama sabha functioning. Respondents

however raised relevant issues in its functioning like manipulation of decision, not publishing minutes and non implementation of grama sabha decisions. The issues that emerge in grama sabha would affect the plan formulation process and fund utilisation.

In this study we stressed on low fund utilisation and its reasons. Sixty elected members out of sixty five, interviewed indicated reasons for low fund utilisation. Thirty eight members stated that delay in projects formulation, rigid project criteria and irresponsibility of officials are major factors which contribute to low fund utilisation. One fourth of respondents pointed out that unviable projects, shortage of implementing officials and problems relating to rules are the reasons for poor fund utilisation. According to 9 percent of the respondents, lack of co-ordination and unity among members contribute to low fund use.

4.9 Standing Committee

DP has five Standing Committees, namely; Development, SC/ST Welfare, Finance, Public Works and Women Welfare. The Committees discuss and approve subjects coming under their jurisdiction and hence they play a key role in the plan formulation process. The Chairmen of these Committees are elected members of DP.

The success of the plan project formulation and implementation depend on how effectively and efficiently the committee and officials work jointly. Information was collected from transferred officials through an interview schedule. Here 88 percent officials responded that Standing Committees are functioning effectively and efficiently. However 12 percent officials are of the view that they are not effective.

4.10 Monitoring and Project Completion

Effective monitoring and follow up would help timely completion of projects. Poor monitoring and follow-up will result in delayed project implementation, spill-over of projects and cost overruns. In the survey among 75 transferred officials to DPs, 88 percent responded that monitoring is effective and 12 percent responded that it was ineffective. Survey among elected members indicates that transferred officials lack expertise in monitoring. In this context, DPs have to make an assessment on the present monitoring and evaluation system and initiate necessary steps for improving it.

4.11 Local Self Governments: Plan Outlay and Expenditure

Kerala State has completed 20 years of decentralised planning after 73rd /74th Constitutional Amendment and enactment of Kerala Panchayat Raj Act/ Municipality Act 1994. Local Self Governments have formulated and implemented three Five Years Plans (9th, 10th and 11th) and are now going through the fourth year of the 12th Five Year Plan. Under the three Five Year Plans, the State Government allotted ₹ 21,295 crore to LSGs which formed 24.8 percent of the state plan outlay. A steady decline in the share of state plan outlay given to local governments is observed. For instance, the 9th plan devolved 29.3 percent of State Plan outlay to LSGs. It came down to 26.8 percent during the 10th plan and again declined to 22.3 percent during the 11th plan.

In spite of the twenty years of decentralised planning experience of local governments, they have not acquired the capacity to spend the entire plan grants allotted to them. For instance, during the 9th plan local governments could spend only 75 percent of the plan outlay. Expenditure remained at 75 percent during 10th plan and decreased to 73 percent during the 11th plan (Table 4.10). An analysis of expenditure among three-tier Panchayats and urban local governments showed that during the 9th and 10th Plan the urban local governments stood above the three-tier panchayats in fund utilisation. But the position reversed during the 11th plan.

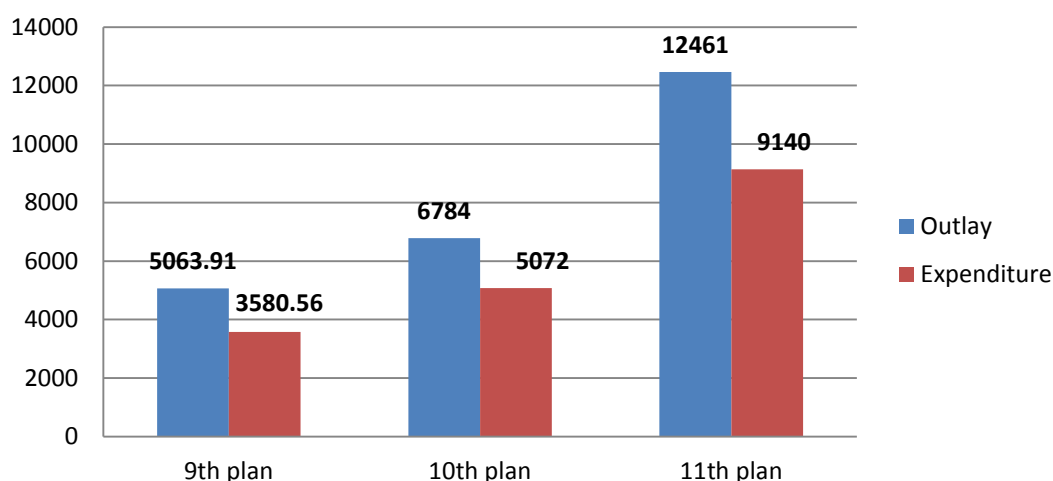
Table 4.10: Plan Outlay and Expenditure by LSGs under Five Year Plans (₹ crore)

| Sl. No | LSGIs | 9th Plan | | 10th Plan | | 11th Plan | |
|--------|---------------------|----------------|--------------------------|---------------|--------------------------|----------------|--------------------------|
| | | Outlay | Expenditure | Outlay | Expenditure | Outlay | Expenditure |
| 1 | Grama Panchayats | 2779.94 | 2052.74 (73.84%) | 3827.0 | 2593.0 (71%) | 6725.0 | 5041.0 (75%) |
| 2 | Block Panchayats | 831.1 | 505.72 (60.85%) | 937.0 | 715.0 (76%) | 1760.0 | 1372.00 (78%) |
| 3 | District Panchayats | 778.64 | 500.98 (64.34%) | 961.0 | 662.0 (69%) | 2029 | 1365.00 (67%) |
| | Sub Total | 4389.68 | 3059.44 (70%) | 5725.0 | 4330.00 (76%) | 10514 | 7778.00 (74%) |
| 4 | Municipalities | 392.63 | 312.89 (79.69%) | 590.0 | 438.0 (74%) | 1060.0 | 793.0 (75%) |
| 5 | Corporations | 281.6 | 208.23 (74%) | 470.0 | 304.0 (65%) | 887.00 | 569.0 (64%) |
| | Sub Total | 674.23 | 521.12 (77%) | 1060.0 | 742.0 (70%) | 1947.00 | 1362.0 (70%) |
| | Grand Total | 5063.91 | 3580.56 (75%) | 6784.0 | 5072.0 (75%) | 12461.0 | 9140.00 (74%) |

Source: Various issues of Economic Review, Kerala State Planning Board

An analysis of the fund utilisation of three-tier panchayats showed that expenditure of DPs were below grama panchayats and block panchayats during 10th and 11th plan. During the three Five Year Plans (9th, 10th and 11th), plan fund utilised by DPs was below that by grama panchayats (Table 4.10).

Figure 4.1: Plan Outlay and Expenditure (₹ crore)



Source: Data presented in table 4.10

4.12 Plan Outlay and Utilisation by District Panchayats

We shall now analyse the outlay and fund use of DPs in Kerala under 9th, 10th and 11th Five Year Plans. In the 9th plan, DPs in Kerala utilised only 64 percent of the outlay. But during the 10th plan fund utilisation marginally increased to 69 percent. But it declined again to 67 percent during the 11th plan (see Table 4.10). Analysis of fund utilisation under three categories separately shows that utilisation under Special Component Plan (SCP) is below the general and TSP sectors. Expenditure during the 9th plan under SCP was 62 percent and it increased to 65 percent during the 10th plan and again increased marginally to 66 percent during the 11th plan.

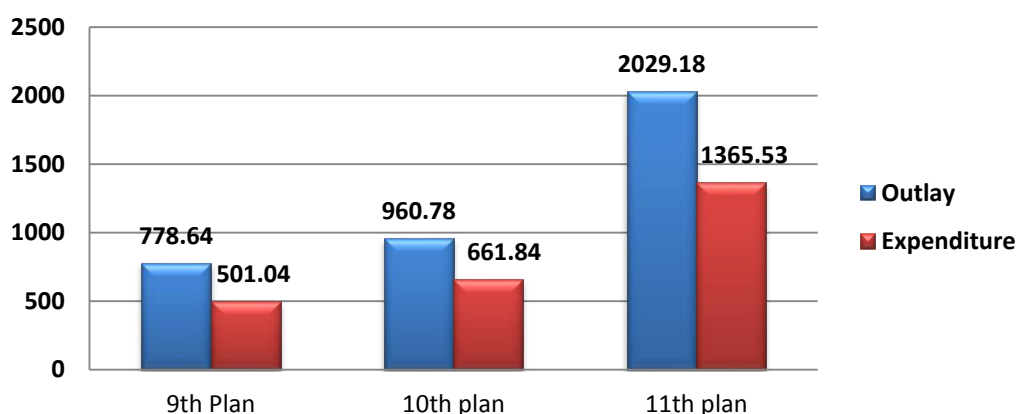
Table 4.11: Plan Outlay and Expenditure of DP under Five Year Plans (₹ Crores)

| Sl.No | | 9th Five Year Plan (1997-2002) | | 10th Five Year Plan (2002-2007) | | 11th Five Year Plan (2007-2009) | |
|-------|----------|-----------------------------------|------|------------------------------------|------|------------------------------------|------|
| | Category | Outlay | | Outlay | | Outlay | |
| 1 | General | 491.72 | | 626.07 | | 1171.12 | |
| 2 | SCP | 206.66 | | 274.38 | | 698.01 | |
| 3 | TSP | 80.36 | | 60.33 | | 160.05 | |
| | Total | 778.64 | | 960.78 | | 2029.18 | |
| | | Expenditure % | | Expenditure % | | Expenditure % | |
| 1 | General | 317.42 | 64.6 | 443.70 | 70.9 | 793.44 | 67.7 |
| 2 | SCP | 128.26 | 62.1 | 179.34 | 65.4 | 460.99 | 66.0 |
| 3 | TSP | 55.36 | 68.9 | 38.80 | 64.3 | 111.10 | 69.4 |
| | Total | 501.04 | 64.3 | 661.84 | 68.9 | 1365.53 | 67.3 |

Source: Various issues of Economic Review, Kerala State Planning Board

Fund utilised under Tribal Sub Plan (TSP) also remain at low levels. For example, the fund utilised under TSP was 69 percent during the 9th plan. It decreased to 64 percent during the 10th plan and again increased to 69 percent during the 11th plan. Table 4.11 shows the plan outlay and utilisation under General, SCP and TSP sectors by the DPs in Kerala (Fig.4.2).

Figure 4.2: Plan Outlay and expenditure of DPs (₹Crore)



Source: Data presented in Table 4.11

4.13 LSG-wise Fund Utilisation

Seven DPs were selected for the study and the study period was the first three years of the 12th plan. Here, we have analysed the plan grant received by seven DPs and utilised under the three subsectors, viz. general, SCP and TSP. In general category we found that in all the three sectors the fund utilisation was low in DPs compared to Grama panchayats and block panchayats.

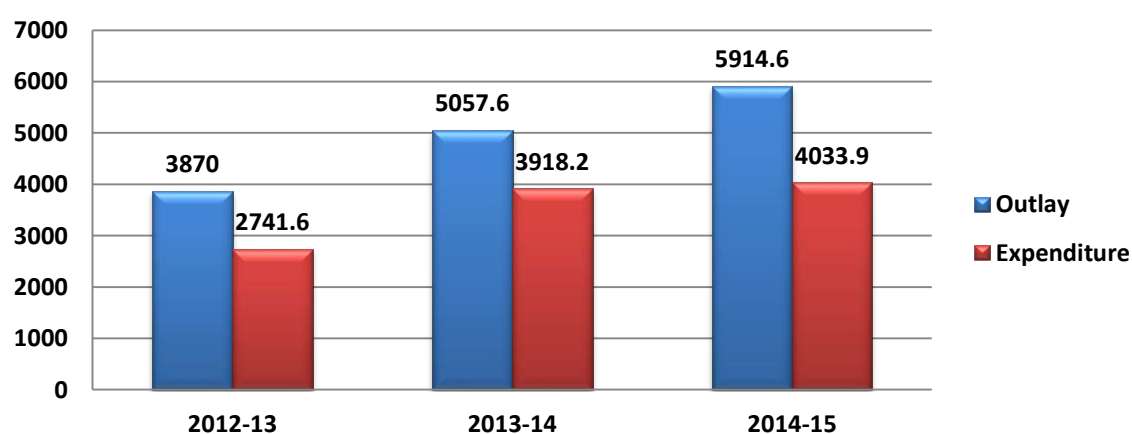
The fund provided from the State Plan to local governments is in the form of untied plan grant for implementing projects for local development. Local governments have the freedom to implement projects according to priority. The allocation of development fund to LSG is done under three categories; General sector, Special Component Plan and Tribal Sub Plan. The allocation and expenditure of local governments under the above three categories for the first 3 years of the 12th plan are furnished in Table 4.12

Table 4.12: Plan Outlay and Expenditure 2012-2015: LSG category wise (₹ Crores)

| LSG | 2012-13 | | | | | | | | | | | |
|------------------|------------|--------------|-------|------------|--------------|------|------------|--------------|------|------------|--------------|------|
| | General | | | SCP | | | TSP | | | Total | | |
| | Allot-ment | Expen-diture | % | Allot-ment | Expen-diture | % | Allot-ment | Expen-diture | % | Allot-ment | Expen-diture | % |
| Grama Panchayats | 1524.24 | 1188.13 | 77.95 | 556.67 | 343.58 | 61.7 | 95.85 | 59.40 | 62.0 | 2176.5 | 1591.2 | 73 |
| Block Panchayats | 279.2 | 236.7 | 84.8 | 158.9 | 134.1 | 84.4 | 28.1 | 22.3 | 79.1 | 466.2 | 393.1 | 84 |
| DPs | 276.8 | 187.6 | 67.7 | 180.4 | 110.7 | 61.2 | 35.8 | 19.15 | 53.3 | 493.0 | 317.4 | 64 |
| Municipality | 317.8 | 208.9 | 65.7 | 91.5 | 44.9 | 49.0 | 2.3 | 1.2 | 53.0 | 411.7 | 255.1 | 61 |
| Corporation | 243.5 | 152.3 | 62.5 | 79.0 | 32.5 | 41.1 | 0.01 | Nil | - | 322.6 | 184.8 | 57 |
| Total | 2641.5 | 1973.6 | 74.7 | 1066.5 | 665.7 | 62.4 | 162.1 | 102.0 | 62.9 | 3870.0 | 2741.6 | 70 |
| 2013 - 2014 | | | | | | | | | | | | |
| Grama Panchayats | 2022.9 | 1684.0 | 83.2 | 632.9 | 483.4 | 76.4 | 109.4 | 79.1 | 72.3 | 2765.4 | 2246.5 | 81 |
| Block Panchayats | 409.5 | 371.2 | 90.6 | 168.6 | 152.3 | 90.3 | 29.5 | 27.8 | 93.3 | 607.9 | 551.3 | 90 |
| DPs | 453.2 | 308.6 | 68.0 | 210.2 | 128.7 | 61.2 | 41.0 | 28.2 | 68.6 | 704.5 | 465.5 | 66 |
| Municipality | 432.1 | 328.9 | 76.1 | 106.5 | 65.2 | 61.3 | 2.7 | 1.7 | 62.4 | 541.3 | 395.9 | 73 |
| Corporation | 347.6 | 206.0 | 59.2 | 90.7 | 52.7 | 58.1 | 0.0 | 0.0 | Nil | 438.3 | 258.8 | 59 |
| Total | 3665.4 | 2898.8 | 79.0 | 1209.0 | 882.5 | 72.9 | 183.1 | 136.8 | 74.7 | 5057.6 | 3918.2 | 77 |
| 2014 - 2015 | | | | | | | | | | | | |
| Grama Panchayats | 2443.0 | 1706.3 | 89.8 | 628.1 | 409.4 | 65.2 | 112.8 | 69.2 | 61.4 | 3183.8 | 2185.0 | 68 |
| Block Panchayats | 472.3 | 396.9 | 84.0 | 175.7 | 144.4 | 82.2 | 29.4 | 25.7 | 87.2 | 677.5 | 567.0 | 83 |
| DPs | 575.0 | 398.0 | 69.2 | 240.9 | 151.1 | 62.6 | 40.3 | 25.0 | 62.0 | 856.3 | 574.1 | 67 |
| Municipality | 517.8 | 343.2 | 66.2 | 112.6 | 61.2 | 54.3 | 2.97 | 1.74 | 58.6 | 633.4 | 406.1 | 64.1 |
| Corporation | 457.1 | 256.2 | 54.8 | 96.4 | 45.3 | 47.0 | Nil | Nil | - | 563.5 | 301.5 | 53.5 |
| Total | 4475.4 | 3100.7 | 69.3 | 1253.9 | 811.5 | 64.7 | 185.4 | 121.6 | 65.6 | 5914.6 | 4033.9 | 68.2 |

Source: Various issues of Economic Review, Kerala State Planning Board

4.3 Total LSG Plan Outlay and Expenditure during 2012-2015 (₹ Crore)



Source: Data presented in Table 4.12

It can be seen from the table that among LSGs, the DPs are the lowest fund utilising category except Municipal Corporations. DPs utilised only 64 percent of outlay during 2012-2013 and it increased to 66 percent in 2013-2014 and again to 67 percent in 2014-2015. It shows that DPs utilised only about two third of plan grant during the first three annual plans of the 12th Five Year Plan. The unutilised amount from the allocation under plan funds by the DPs in the state for the first three years of 12th plan (2012-2015) amounted to ₹ 696.8 crore (33.9 percent). The unutilised amount for the years 2012-2013, 2013-2014 and 2014-2015 increased and was in the order of ₹ 175.6 crore, ₹ 239 crore and ₹ 282.2 crore respectively. We have also analysed the fund utilisation by the seven DPs selected both category-wise and sector-wise. Table 4.13 to 4.19 presents category-wise fund utilisation of the seven DPS selected for the study.

Table 4.13 : Category-wise fund utilisation of DPs in the first three years of the 12th Plan (2012-15)

Thiruvananthapuram DP (₹ in crores)

| Category | 2012-13 | | | 2013-14 | | | 2014-15 | | |
|----------|---------|-------|----|---------|-------|----|---------|-------|----|
| | Outlay | Expen | % | Outlay | Expen | % | Outlay | Expen | % |
| General | 15.65 | 12.77 | 82 | 35.64 | 25.48 | 71 | 48.85 | 37.10 | 76 |
| SCP | 15.60 | 12.30 | 79 | 17.07 | 11.60 | 68 | 20.53 | 12.72 | 62 |
| TSP | 1.83 | 0.72 | 39 | 2.40 | 1.80 | 75 | 2.11 | 1.37 | 65 |
| Total | 33.08 | 25.79 | 78 | 55.11 | 38.88 | 70 | 71.49 | 51.19 | 72 |

Source: IKM

Table 4.14 : Category-wise fund utilisation in the first three years of the 12th Plan (2012-15)

Alappuzha DP (₹ in crores)

| Category | 2012-13 | | | 2013-14 | | | 2014-15 | | |
|----------|---------|-------|----|---------|-------|-----|---------|-------|-----|
| | Outlay | Expen | % | Outlay | Expen | % | Outlay | Expen | % |
| General | 13.59 | 9.51 | 70 | 29.34 | 24.47 | 83 | 23.11 | 23.11 | 100 |
| SCP | 8.76 | 5.37 | 61 | 13.16 | 7.49 | 57 | 7.29 | 1.77 | 24 |
| TSP | 0.15 | 0.09 | 60 | 0.23 | 0.23 | 100 | 0.17 | 0.10 | 59 |
| Total | 22.50 | 14.97 | 66 | 42.73 | 32.19 | 75 | 30.57 | 24.98 | 82 |

Source: IKM

Table 4.15: Category-wise fund utilisation in the first three years of the 12th Plan (2012-15)

Kottayam DP (₹ in crores)

| Category | 2012-13 | | | 2013-14 | | | 2014-15 | | |
|----------|---------|-------|----|---------|-------|----|---------|-------|----|
| | Outlay | Expen | % | Outlay | Expen | % | Outlay | Expen | % |
| General | 11.19 | 8.81 | 78 | 25.92 | 19.23 | 74 | 31.87 | 23.79 | 74 |
| SCP | 11.36 | 5.49 | 48 | 12.82 | 6.10 | 47 | 14.77 | 8.12 | 55 |
| TSP | 1.96 | 1.46 | 74 | 2.13 | 1.70 | 80 | 1.96 | 1.45 | 74 |
| Total | 24.51 | 15.76 | 64 | 40.87 | 27.03 | 66 | 48.60 | 33.36 | 69 |

Source: IKM

Table 4.16 : Category-wise fund utilisation in the first three years of the 12th Plan (2012-15)

Thrissur DP (₹ in crores)

| Category | 2012-13 | | | 2013-14 | | | 2014-15- | | |
|----------|---------|-------|----|---------|-------|----|----------|-------|----|
| | Outlay | Expen | % | Outlay | Expen | % | Outlay | Expen | % |
| General | 16.22 | 14.46 | 89 | 30.98 | 25.67 | 83 | 40.42 | 25.09 | 62 |
| SCP | 22.18 | 17.82 | 80 | 20.32 | 18.67 | 92 | 24.10 | 12.82 | 53 |
| TSP | 0.34 | 0.26 | 76 | 0.41 | 0.25 | 61 | 0.52 | 0.24 | 46 |
| Total | 38.74 | 32.54 | 84 | 51.71 | 44.59 | 86 | 65.04 | 38.15 | 58 |

Source: IKM

Table 4.17 : Category-wise fund utilisation in the first three years of the 12th Plan (2012-15)

Malappuram DP (₹ in crores)

| Category | 2012-13 | | | 2013-14 | | | 2014-15 | | |
|----------|---------|-------|----|---------|-------|----|---------|-------|----|
| | Outlay | Expen | % | Outlay | Expen | % | Outlay | Expen | % |
| General | 28.22 | 20.56 | 73 | 49.90 | 37.13 | 74 | 46.24 | 45.37 | 98 |
| SCP | 15.00 | 9.32 | 62 | 16.87 | 13.23 | 78 | 15.64 | 14.58 | 93 |
| TSP | 0.94 | 0.74 | 78 | 0.93 | 0.89 | 95 | 0.92 | 0.68 | 74 |
| Total | 44.16 | 30.62 | 69 | 67.70 | 51.25 | 75 | 62.80 | 60.63 | 96 |

Source: IKM

Table 4.18 : Category-wise fund utilisation in the first three years of the 12th Plan (2012-15)

Wayanad DP (₹ in crores)

| Category | 2012-13 | | | 2013-14 | | | 2014-15 | | |
|----------|---------|-------|----|---------|-------|----|---------|-------|----|
| | Outlay | Expen | % | Outlay | Expen | % | Outlay | Expen | % |
| General | 6.82 | 5.80 | 85 | 2.19 | 1.66 | 76 | NA | NA | NA |
| SCP | 2.65 | 1.11 | 42 | 3.20 | 1.79 | 56 | | | |
| TSP | 15.46 | 6.84 | 44 | 17.54 | 12.28 | 70 | | | |
| Total | 24.93 | 13.75 | 55 | 22.93 | 15.73 | 69 | | | |

Source: IKM

Table 4.19 : Category-wise fund utilisation in the first three years of the 12th Plan (2012-15)

Kannur DP (₹ in crores)

| Category | 2012-13 | | | 2013-14 | | | 2014-15 | | |
|----------|---------|-------|-----|---------|-------|-----|---------|-------|----|
| | Outlay | Expen | % | Outlay | Expen | % | Outlay | Expen | % |
| General | 23.94 | 15.44 | 64 | 35.65 | 23.94 | 67 | 41.52 | 27.83 | 67 |
| SCP | 4.36 | 2.68 | 61 | 5.51 | 3.49 | 63 | 6.98 | 4.09 | 58 |
| TSP | 0.02 | 0.02 | 100 | 2.94 | 2.94 | 100 | 1.60 | 0.92 | 57 |
| Total | 28.32 | 18.14 | 64 | 44.10 | 30.37 | 69 | 50.10 | 32.84 | 65 |

Source: IKM

Note: Expen-Expenditure

4.14 Category-wise Performance

Tables 4.13 to 4.19 highlights category-wise allocation and expenditure in the seven selected DPs for the first three years of the 12th plan. The allocation for each category is fixed on the basis of the recommendations of the State Finance Commission. An analysis of category-wise utilisation by the selected DPs during the 3rd year,

2014-2015, showed that increase in fund utilisation was recorded in the case of Alappuzha, Kottayam, Malappuram and Kannur and the average utilisation increased from 68 percent in 2012-2013 to 77 percent in 2014-2015. The fund utilisation (average of all categories) recorded a nominal fall in Thiruvananthapuram during the three year period under study. But the fall in utilisation of funds was pronounced in Thrissur and the percentage decline in utilisation was from 84 percent to 58 percent. But a category-wise analysis of fund utilisation in different DPs exhibited a mixed trend in the three year period. Utilisation of funds under general sector exhibited a fall in Thiruvananthapuram, Kottayam and Wayanad. But an increase in fund utilisation in this sector was seen in the case of Alappuzha, Malappuram and Kannur. The fund utilisation under SCP schemes was generally low and saw a falling trend in Thiruvananthapuram, Alappuzha, Thrissur and Kannur. The average utilisation under SCP schemes in the DPs during 2014-2015 was around 57 percent only. However, comparatively a high percentage utilisation of SCP schemes was recorded by Malappuram which ranged between 62 to 93 percent. The utilisation of funds under TSP was comparatively low in Thiruvananthapuram, Alappuzha, Thrissur and Wayanad. Wayanad has the maximum allocation under TSP, but the average utilisation was found to be below 58 percent.

4.15 Sector-wise Performance

The local governments allocate their funds mainly in three sectors: production, service and infrastructure. The total fund available for these sectors during 2014-2015 for LSGs was ₹5914.80 crore. Out of this, the allocation for production, service and infrastructure sectors was of the order of 9 percent, 53 percent and 38 percent respectively. The sector-wise allocation and expenditure details of the selected DPs for the first three years of the 12th plan are presented in Table 4.20

Table 4.20 reveals that production sector absorbs relatively low level of expenditure compared to service and infrastructure sectors during all the three years, though there is slight exception in certain areas. Thiruvananthapuram, Thrissur and Kannur utilised the allocation in production sectors comparatively better and the percentage utilisation of funds was well above 70 percent in most of the years under study. The utilisation was relatively poor under production sector in Alappuzha, Kottayam and Wayanad. Under service sector, the DPs gave more attention to enhance the quality of

basic services provided to the public through welfare-oriented programmes with special emphasis on education, health, housing, drinking water, nutrition and social welfare. It can be seen from the data provided in Table 4.20 that the utilisation of funds in service sector was better when compared to production and infrastructure sectors. It is also evident that utilisation of funds provided under this sector averaged more than 75 percent in the case of majority of DPs studied. The utilisation of funds under infrastructure sector averaged around 60 to 65 percent in most of the DPs selected for the study. Fund utilisation under this sector was mainly for construction of roads and construction of houses for the poor.

As stated earlier DPs distribute plan grant in three sectors, production, service and infrastructure. Here all selected DPs have set apart more funds to service and infrastructure sectors. But plan grant earmarked for production sector is relatively low. For instance, in 2012-2013 Thiruvananthapuram earmarked ₹19.90 crore for service sector and ₹10.54 crore for infrastructure while only ₹2.65 crore was earmarked for production sector. Similarly, Thrissur, Malappuram and Kannur set apart more plan grant for service and infrastructure sectors. In Wayanad, only a negligible amount is earmarked for production sector. In the service sector, the DPs give priority to drinking water, health, education and nutrition. It is not a healthy practice to give very low priority for production sector in the plans of DPs. There is considerable scope for plan spending in agriculture and allied activities, which can generate rural production, employment and income. Corrective steps are needed in the allocation and spending of plan outlay in production sector.

Analysis of sector-wise fund utilisation also needs regular evaluation. In the absence of such evaluation, it is difficult to understand the role of DP in solving the problems in primary sector. Similarly DP can give technical and input support to Grama/Block Panchyats to promote investments in productive sectors which generates rural income and employment.

Table 4.20: Sector wise fund utilisation by selected DPs in the first 3 years of the 12th Plan (₹ crore)

| Sector/ Year | Thiruvananthapuram | | | Alappuzha | | | Kottayam | | | Thrissur | | | Malappuram | | | Wayanad | | | Kannur | | |
|---|--------------------|-------|----|-----------------|-------|----|-----------------|-------|----|-----------------|-------|----|-----------------|-------|----|-----------------|-------|----|-----------------|-------|----|
| | Allo- cation | Exp: | % | Allo- cation | Exp: | % | Allo- cation | Exp: | % | Allo- cation | Exp: | % | Allo- cation | Exp: | % | Allo- cation | Exp: | % | Allo- cation | Exp: | % |
| Production | | | | | | | | | | | | | | | | | | | | | |
| 2012-13 | 2.65 | 1.61 | 61 | 3.43 | 1.76 | | 1.70 | 0.76 | 45 | 3.56 | 3.27 | 92 | 5.13 | 2.86 | 56 | 2.90 | 0.94 | 32 | 3.92 | 2.59 | 66 |
| 2013-14 | 4.32 | 3.02 | 70 | 3.12 | 1.20 | 51 | 1.14 | 0.75 | 43 | 7.06 | 5.79 | 82 | 4.36 | 2.94 | 67 | 2.70 | 1.39 | 51 | 5.93 | 4.24 | 72 |
| 2014-15 | 5.61 | 3.99 | 71 | N.A | N.A | 38 | N.A | N.A | | 5.50 | 3.53 | 64 | N.A | N.A | | N.A | N.A | | 5.30 | 2.83 | 53 |
| Services | | | | | | | | | | | | | | | | | | | | | |
| 2012-13 | 19.90 | 16.24 | 82 | 11.57 | 9.64 | 83 | 16.08 | 11.98 | 74 | 25.10 | 21.14 | 84 | 19.44 | 13.95 | 72 | 16.61 | 10.97 | 66 | 18.79 | 12.99 | 69 |
| 2013-14 | 28.53 | 22.33 | 78 | 28.17 | 25.26 | 89 | 23.22 | 18.04 | 77 | 32.10 | 24.55 | 76 | 36.42 | 28.32 | 78 | 22.72 | 16.54 | 73 | 23.68 | 18.74 | 79 |
| 2014-15 | 40.52 | 31.70 | 78 | N.A | N.A | | N.A | N.A | | 37.10 | 23.14 | 62 | N.A | N.A | | N.A | N.A | | 28.27 | 21.46 | 76 |
| Infrastructure | | | | | | | | | | | | | | | | | | | | | |
| 2012-13 | 10.54 | 7.94 | 75 | 4.61 | 3.57 | 77 | 6.74 | 3.06 | 45 | 10.00 | 8.14 | 81 | 19.59 | 13.81 | 70 | 5.43 | 1.83 | 34 | 8.08 | 4.23 | 52 |
| 2013-14 | 22.25 | 13.52 | 61 | 11.45 | 5.71 | 49 | 16.48 | 8.19 | 50 | 12.53 | 9.25 | 74 | 26.91 | 20.00 | 74 | 7.52 | 5.40 | 72 | 14.46 | 7.36 | 51 |
| 2014-15 | 25.36 | 15.50 | 61 | N.A | N.A | | N.A | N.A | | 22.43 | 11.47 | 51 | N.A | N.A | | N.A | N.A | | 16.51 | 8.55 | 52 |
| Total (All sectors) | | | | | | | | | | | | | | | | | | | | | |
| 2012-13 | 33.09 | 25.79 | 78 | 19.61 | 14.97 | 76 | 24.52 | 15.76 | 64 | 38.66 | 32.55 | 84 | 44.16 | 30.62 | 69 | 24.93 | 13.74 | 55 | 30.79 | 19.81 | 64 |
| 2013-14 | 55.10 | 8.87 | 70 | 42.74 | 32.17 | 75 | 40.86 | 26.98 | 66 | 51.69 | 39.59 | 76 | 67.69 | 51.26 | 76 | - | - | - | 44.07 | 30.36 | 69 |
| 2014-15 | 71.49 | 51.19 | 71 | 30.57 | 24.98 | 82 | 48.60 | 33.34 | 68 | 65.03 | 38.14 | 59 | 62.80 | 60.63 | 96 | 32.94 | 23.33 | 71 | 50.08 | 32.84 | 65 |
| Unutilised amount for 3 years (₹. Crore) | 43.83 | | | 20.80 | | | 37.90 | | | 45.10 | | | 32.14 | | | 20.81 | | | 41.93 | | |

Source: Data obtained from DP Offices

The DPs have utilised above 70 percent of funds allotted in the service sector. It is surprising to note that Thiruvananthapuram, Thrissur, Malappuram and Kannur have utilised more than 70 percent of outlay in service sector. With regard to infrastructure sector, fund utilisation was poor in Kottayam, and Kannur where fund utilised was below 52 percent. When we analyse the overall fund utilisation in the three sectors together Kottayam and Kannur stood below 68 percent, Malappuram registered the highest in overall fund utilisation followed by Alappuzha.

Amount of unutilised funds during the three years 2012-2015, ie the first three years of the 12th plan, is the highest in Thrissur with ₹45 crore followed by Thiruvananthapuram, ₹43.8 crore and Kannur ₹42 crore. It is striking to note that the 7 DPs together have an unutilised amount of ₹242.5 crore for three years (2012-2015). Out of it, Thrissur stood high with Rs.45.10 crore (18.6 percent) followed by Thiruvananthapuram with ₹43.83 crore (18 percent) and Kannur with ₹41.93 crore (17.3 percent). It shows that these three DPs together share 54 percent of the total unutilised fund.

DPs have two advantages in the three-tier panchayat system. They are (i) President and elected members of DP are usually senior political workers and (ii) District officials transferred to DPs are senior officials with technical and administrative experience. Fund utilisation trend in the selected 7 DPs indicate that these two positive factors are not properly utilised. Survey among DP members was analysed in Chapter 8(See 8.1) which reveals two major reasons for low fund utilisation. They are (i) delay in project formulation and inefficiency of officials and (ii) non-viable projects and administrative delays. Similarly survey conducted among 75 officials transferred to DPs revealed two major reasons for low fund utilisation. They are (i) delay in finalizing projects (30 percent) and (ii) delay in issue of administrative and technical sanctions (22 percent). The survey results from DP members and transferred officials indicated the above reasons as the causes for the low level fund utilisation. Other problems observed from the field study were inefficient administration, lack of understanding in decentralised planning process, untimely release of funds, political interest in project selection and inefficient monitoring mechanism. State has effected some changes in the planning process of LSGs over the last two decades to increase the strength of administrative staff. However, no structural changes have been effected to improve

administrative capacity of the LSG system. Similarly the DPs do not have the capacity and expertise to formulate sound and viable projects suitable to generate income and employment.

4.16 Delay in Plan Fund Utilisation

The plan fund utilisation of DPs are much lower than those of GP and BP since the beginning of the decentralised plan in 1996-1997. Survey among transferred officials indicated four major reasons for low plan fund utilisation. They are (i) delay in finalizing projects (ii) delay in issue of administrative sanction (iii) insufficient outlay of funds and (iv) untimely release of funds. According to officials two third of time is spent for project formulation and approval and only one third of time is available for implementation.

Implementing officers do not have a clear idea about the outlay earmarked for each project within a sub-sector. Outlay is tentatively fixed and final outlay for each project is intimated later. This results in delay in starting implementation. Nearly 16 percent of the officials cited insufficient outlay as one of the reasons for poor implementation. Untimely release of funds (12 officials) is another major reason for delay in project implementation.

The DPs take large number of projects ranging from 489 in Wayanad to 1223 in Thiruvananthapuram (2014-2015). Due to the demand of the members of the DPs, total outlay is being divided ward-wise. The members also want to have a large number of small projects for satisfying the demands of people in their wards. When DPs take up large number of projects, outlay per project comes low and project become uneconomic. In our study average cost per project vary from a low of ₹3.50 lakh in Wayanad to a high of ₹ 7.55 lakh in Alappuzha. This approach defeats the macro perspective of a development plan of the district. Similarly, as the DPs have to prepare a large number of projects, mostly in the nature of engineering type, there is much delay in project formulation. The rational thing is to prepare more medium sized and large projects.

District Planning Committee approves the DP plan in two weeks from the date of submission. It shows that there is no delay in DPC. Usually more than a month is required to complete the formalities connected with the tender process. This indicates that major share of the work of the project are executed during the fag end of the year. Therefore DP

may have to expedite planning process more effectively to find more time for execution of the projects.

In this context there is a need to effect structural changes in the LSG functions and administration based on two decades of experience in decentralised planning process in Kerala. The change has to begin at DP level since these institutions are administered by fairly senior politicians and senior officials.

4.17 Major Reasons for Delay in Plan Fund utilisation

Response of Officials: Delays in the preparation of projects is the major reason for delay in fund utilisation. Funds are not earmarked and intimated to officials and even in cases where fund is earmarked more time is taken for processes like project discussion, placing it in the working group, approval of District Planning Committee and issue of administrative sanction. Generally all these processes consume more time and get final approval by December/January. If there is revision of projects again delay occurs. In effect two-third of time is spent for plan project formulation and approval and only one third time is available for implementation.

In the survey among officials, 16 percent responded about delays in the issue of administrative sanction. Here reason for delay in the issue of administrative sanction is attributed to delay in the finalization of projects by the DP administration.

Outlay is tentatively fixed for projects and final outlay is intimated only later. This procedure causes delay in project finalization and implementation. Twelve percent of the officials cited insufficient outlay as a reason for low fund utilisation. There are also cases of earmarking outlay on piece meal basis and later outlay is adjusted from the savings of the other projects.

Delay in allocation of funds and release of it and lack of alternative projects also results in delayed plan fund utilisation. Sixteen percent officials remarked untimely release of fund as a reason for low plan fund utilisation.

Survey among elected members and implementing officials highlights the delay in administrative and technical sanction as the main cause for poor utilisation of plan funds.

Response of Elected Members: The data on survey conducted among elected members also indicate the reasons for low fund utilisation. Sixty elected members out of 65 interviewed highlighted reasons for low fund utilisation.

- According to 38 percent of elected members, delay in project formulation and irresponsibility of officials are the causes for the low fund utilisation.
- Twenty six percent responded selection of unviable projects, delay in administrative approval and shortage of implementing officials as reasons for low fund utilisation.
- 9 percent members responded lack of co-ordination and unity among elected members as reasons for low fund utilisation.
- 80 percent responded that delay in issue of technical and administrative sanctions and incapacity of officials are causes for low fund utilisation.

CHAPTER 5

District Planning Committees

Article 243-ZD of the Constitution provides that District Planning Committees (DPC) should be constituted in every state to consider the plans prepared by the panchayats and municipalities in the district and to prepare a draft development plan for the district as a whole. The Article 243-ZD permits the states to frame legislation regarding the composition of the DPCs.

5.1 Composition of the District Planning Committee

The Kerala Municipality Act 1994, Section 51, provides for the establishment of District Planning Committees in Kerala. It provides for the inclusion of 12 elected members and one government nominee as members and the District Collector as Member Secretary. District level officers of the government departments in the district are Joint Secretaries of the Committee and MPs and MLAs of the district are permanent invitees. District Planning Officer acts as the Joint Secretary, Co-ordination.

President of DP is the Chairman. Members are elected from the DP and Urban Local Governments such as municipalities and municipal corporations based on the rural-urban population ratio. In Kerala, all districts have constituted District Planning Committees, after election to LSGs in every five years. In the present study on DPs in Kerala, functioning of DPC was one of the objectives. As part of the study we examined the composition of the District Planning Committees. We have contacted the Joint Secretaries (Co-ordination) of the DPCs for the details of the composition of the present committees. Only 11 District Planning Officers responded and furnished the details. These 11 DPCs have 138 elected members. Among these 138 elected members, 116 (84 percent) are from DPs and the remaining 22 (16 percent) are from Municipalities and Municipal Corporations. Among the 138 elected members, 72 (52 percent) are male and 66 (48 percent) are females. Ten elected members are from SC (7 percent) and 5 members (3.6 percent) are from ST.

The District Collector is the Member Secretary to DPC and one member in each DPC is nominated by government as subject expert. Now, Thiruvananthapuram and Kannur DPCs alone have nominated members. In Thiruvananthapuram, one representative each

from grama panchayat association and block panchayat association are nominated to DPC. Similarly in Kannur, the District Secretary and the District President of the Kerala Panchayat Association are nominated as members of DPC. Table 5.1 shows the composition and strength of 11 DPCs in Kerala.

Table 5.1: District Planning Committees Composition and strength

| Sl.No | Districts | Members | | | Others | Total |
|-------|--------------------|---------|------------|-------|--------|-------|
| | | DP | Mun. Corpn | Total | | |
| 1 | Thiruvananthapuram | 9 | 4 | 13 | 4 | 17 |
| 2 | Malappuram | 11 | 1 | 12 | 2 | 14 |
| 3 | Palakkad | 12 | 1 | 13 | 2 | 15 |
| 4 | Pathanamthitta | 12 | 1 | 13 | 2 | 15 |
| 5 | Kollam | 11 | 2 | 13 | 2 | 15 |
| 6 | Wayanad | 11 | 1 | 12 | 2 | 14 |
| 7 | Kozhikode | 10 | 3 | 13 | 2 | 15 |
| 8 | Kannur | 11 | 2 | 13 | 4 | 17 |
| 9 | Thrissur | 9 | 3 | 12 | 2 | 14 |
| 10 | Alappuzha | 10 | 2 | 12 | 2 | 14 |
| 11 | Kasaragod | 10 | 2 | 12 | 2 | 15 |
| | Total | 116 | 22 | 138 | 26 | 164 |

*Note: In Thiruvananthapuram and Kannur DPCs two representatives from Kerala Panchayat Association were nominated. M-Male, F-Female
Source: District Planning Offices*

District Planning Committee is a constitutional body as mentioned in Article 243ZD. In Kerala Municipalities Act 1994 which provides for the establishment of District Planning Committee, no representation is given to Grama Panchayats and Block Panchayats. In Kerala there are 978 GPs and 152 BPs and they share above two-thirds of LSG's total plan outlay (See Table 5.2). But they have no representation in DPCs to express their problems and needs relating to plan formulation and implementation. In this context, grama panchayats and block panchayats should be given representation in the DPC in future after making necessary amendment to Kerala Municipalities Act, 1994.

Table 5.2: LSG-wise Plan Outlay: Detailed Break-up (in ₹crore)

| Sl. No | Local Governments | Outlay 9th Plan | % | Outlay 10th Plan (%) | Outlay 11th Plan(%) | Outlay 12th Plan (%) |
|--------|-------------------|-----------------|--------|----------------------|---------------------|----------------------|
| 1 | Grama Panchayats | 2780 | 54.90 | 3827 56.4% | 6725 54.0% | 7527 55.3% |
| 2 | Block Panchayats | 831 | 16.41 | 937 13.8% | 1760 14.1% | 1696 12.5% |
| | Sub Total | 3611 | 71.31 | 4764 70.2% | 8485 68.1 % | 9223 67.8% |
| 3 | DPs | 778 | 15.36 | 961 14.2% | 2029 16.3% | 1815 13.3% |
| 4 | Municipalities | 392 | 7.74 | 590 8.7 % | 1060 8.5% | 1433 10.5% |
| 5 | Corporations | 281 | 5.55 | 470 6.9 % | 887 7.1% | 1136 8.3% |
| | Sub Total | 1453 | 28.64 | 2021 29.8% | 3976 31.9% | 4384 32.2% |
| | Grand Total | 5064 | 100.00 | 6785 100% | 12461 100% | 13607 100 % |

Source: Various issues of Economic Review, Kerala State Planning Board

5.2 Functions of District Planning Committee

Functions of DPCs are neither accurately nor specifically defined. However, formulation of a district development plan by consolidating the development plans of all the local governments within a district is proposed as a major function of DPC. The role of DPC as a facilitator or supporter in formulating district plan needs clarity and specific guidelines. DPC at present faces lack of technical expertise and sufficient staff. Participatory development plan of LSGs and their integration into district plan with focused district growth target as envisaged are still dreams.

DPC is envisaged to formulate a draft district development plan by incorporating the development plans of all LSGs within the district. Integration of rural development plan with urban development plan in effect doesn't happen. Review and monitoring of plan implementation of LSGs is a regulatory function. Formulation of development vision and framing a long-term district development plan are also envisaged as the functions of DPC.

Government directs DPC to manage and supervise the process of formulation of development plan of LSGs and also to provide technical assistance. As part of it, prior to formulation of five year/annual plans of LSGs, DPC prepare district development vision and ask LSGs to formulate their development plan based on DPC's vision and suggestion. DPC should call a meeting of Presidents and Secretaries of LSGs and discuss development issues, growth potential and seek their suggestion. In this meeting the possibilities to mobilise resources, development policies of LSGs etc can be discussed.

Block panchayat level meetings have to be arranged. Grama panchayat Presidents and Secretaries and neighbouring municipality members and officials should participate in these meetings. The development seminar has to be arranged by DPC. LSG's plan based on this seminar/discussion has to be formulated and submitted to DPC for approval. After examining the plan submitted by LSG, DPC approves it. DPC has to draw up a consolidated report and it has to be sent to State Planning Board for discussion.

Once the DPC approves the LSG plan, technical sanction for construction works and their execution have to be evaluated and monitored effectively and efficiently. DPC is allowed to form such groups comprising of eligible persons to entrust the work with them. DPCs are also permitted to avail and make available services of officials/scientists from Engineering Colleges, Centre for Earth Science Studies (CESS), Centre for Development Studies (CDS), Centre for Water Resources Development and Management (CWRDM), Public Sector Undertakings and Kerala Institute of Local Administration (KILA). Similarly, E-Governance works of LSGs should be monitored through Information Kerala Mission (IKM). Works relating to plan formulation, execution and monitoring need the effective service of officials. District Collector as Member Secretary to DPC has to arrange the services of officials towards this end.

Each district will have general development vision with a long term plan or perspective plan. This long term plan could be formulated considering the projects included in the development plan of the LSGs.

DPC appraises and approves the LSGs' plan, but there are projects and resources of state departments, MP/MLA local area development funds, Centrally-sponsored programmes, loan-linked projects and projects of other agencies. The projects and resources of all these departments/agencies have to be collected and consolidated and a draft district plan has to be formulated by DPC and it has to be sent to State Planning Board to integrate it with the state plan. Guidelines for preparing district plan has to be formulated and published by State Planning Board.

State Planning Board must discuss the district plan formulated by each DPC separately and all the district plans must be integrated with state plan which should be

considered for fixing state growth target. Similarly, each district plan prepared by DPC must contain total, sectoral and sub-sectoral growth targets. However, even after 20 years of decentralised planning the state could not formulate such a district plan and integrate it with the state plan.

5.3 The Major Roles of DPC

- Approve plans and projects prepared by LSGs
- Keep track of the implementation of the various programmes in the district.
- Monitor and evaluate the development projects of all departments and agencies at the district level
- Integrate and consolidate local level plans of the LSGs of the district and prepare and submit to the Government an Integrated District Development Plan
- Organize expert consultations with academic and research institutions like Centre for Earth Science Studies, Centre for Development Studies etc. to improve quality of planning.

The reports received from the district planning offices of selected districts and the discussions we had with the officials, elected representatives and experts clearly indicate that the District Planning Committees are not performing the mandatory functions assigned to them properly and that they have to go a long way in fulfilling this task.

5.4 DPC Meeting

DPC is a constitutional body with elected people as members and with specifically assigned functions. But DPCs are not functioning effectively. The role of the DPC is limited to giving approval to LSGs annual plan within 15 days after submission. Details of DPC meetings held in 11 districts during the last three years are shown in Table 5.3. In 2012-2013, DPC, Kollam held 16 meeting, followed by 13 in Thrissur and 12 each in Kasaragod and Wayanad. Alappuzha and Palakkad held lowest number of meetings eight each. In 2013-2014, while Thiruvananthapuram held 21 meetings, Thrissur held 20 but Alappuzha held only 7 meetings. During 2014-2015, the number of DPC meetings in all districts increased. The highest number was in Thiruvananthapuram at 27 followed by 21 meetings each in Kannur and Thrissur.

Table 5.3: District Planning Committee Meetings

| Sl.No | District | Meetings (Nos.) | | | Participation of J.S. in DPC |
|-------|--------------------|-----------------|---------|---------|------------------------------|
| | | 2012-13 | 2013-14 | 2014-15 | |
| 1 | Thiruvananthapuram | 10 | 21 | 27 | No |
| 2 | Palakkad | 8 | 14 | 15 | Yes |
| 3 | Malappuram | 9 | 13 | 17 | No |
| 4 | Pathanamthitta | 9 | 12 | 12 | Yes |
| 5 | Kollam | 16 | 14 | 20 | Yes |
| 6 | Wayanad | 12 | 19 | 14 | Yes |
| 7 | Kozhikode | 9 | 18 | 17 | No |
| 8 | Kannur | 11 | 19 | 21 | Yes |
| 9 | Thrissur | 13 | 20 | 21 | Yes |
| 10 | Alappuzha | 8 | 7 | 14 | No |
| 11 | Kasaragod | 12 | 17 | 18 | Yes |

Note: J.S. - Joint Secretaries

Source: Data obtained from DP offices

We examined the participation of district level officers (Joint Secretaries to DPC) in the DPC meetings. In four districts, district-level officers were not attending the meetings regularly. It indicates the lack of seriousness of the officers in the development activities of LSGs. In one district, subordinate officers were deputed to participate in the DPC meeting. In this circumstance the District Collector being Member Secretary to the Committee should be directed to give more importance to DPC meetings and to ensure the participation of all district-level officers (Joint Secretaries) in the meeting.

5.5 Present Status of DPC

As part of the evaluation study, we had a detailed interaction with District Planning Officers working in different districts and collected their views and opinion on various aspects relating to the functioning of the DPC and decentralised planning process. They have expressed different views regarding the discharge of functions (See Table 5.4). We selected 11 Districts to judge the functional efficiency of decentralised planning. It is surprising to note the divergent responses of the district planning officers as listed in table 5.4

Table 5.4: Opinion of the District Planning Officers about District Planning Committee

| Sl.No | Indicators of Functioning | Opinion | |
|-------|--|---------|-----|
| | | Yes | No |
| 1 | Does the DPC function as envisaged in the guidelines? | 8 | 3 |
| 2 | Does DPC have a subject expert as Govt. nominee? | 2 | 9 |
| 3 | Did you formulate an Integrated District Plan? | 3 | 8 |
| 4 | Do you hold discussions with LSGs for preparing District Plan? | 4 | 7 |
| 5 | Does DPC have a development vision for overall growth of the District? | 10 | 1 |
| 6 | Do you fix physical target for each sub sector at District level? | 1 | 10 |
| 7 | Do you integrate centrally sponsored programmes with District Plan? | 1 | 10 |
| 8 | Are you getting training necessary for formulating District Plan? | 1 | 10 |
| 9 | Do you formulate District Employment Plan and anti-poverty programme for regional development? | 2 | 9 |
| 10 | Does DPC monitor and evaluate Development Programmes of LSGs? | 11 | Nil |
| 11 | Do all the District Officers participate in the DPC meeting regularly? | 7 | 4 |
| 12 | Does DPC conduct direct discussions with SPB for preparing District Plan? | 2 | 9 |
| 13 | Do you believe that DPC can formulate a long-term Development Plan for the District? | 8 | 3 |

Source: Data obtained from DP offices

The composition of and the functions performed by the DPC should be uniform for all districts. But the opinions regarding the functions of DPC is different among the District Planning Officers interviewed. Unanimity of opinion is expressed with respect to one item only ie, DPC monitors and evaluates development programmes of LSGIs. It is observed that only two district planning offices have intimated the qualifications of the Government nominee. It is surprising to know that the persons who have been appointed to hold this important position have only qualifications equivalent to SSLC/7th standard with practically no experience for the required job. It is presumed that because of this irregularity, the district planning officers hesitate to inform the qualification and experience of government nominees in the DPC. Answering another indicator of functioning viz, preparation of an integrated district plan, opinions expressed by district planning officers differ significantly. Eight district planning officers viewed that they have not prepared an integrated plan for

their districts. The remaining 3 officers viewed that they have done this exercise. But it is reliably learnt that no single district could prepare a draft integrated plan as envisaged in the act. The answer given by all the district planning officers to another important indicator “Does DPC monitor and evaluate the development programmes of LSGs” is “Yes”. But from the discussions we had with the concerned authorities, we got the impression that this function is not performed effectively by any DPC as mandated in the act. The low level of plan expenditure even at the end of every financial year in all districts is itself a sufficient proof in this regard. Opinion also differs among district planning officers regarding the issue whether they hold discussions with State Planning Board regarding preparation of integrated district plan. This evidently proves that there is no uniformity of opinion among district planning officers regarding the functions of the decentralised planning machinery. The divergent views of district planning officers regarding other indicators of functioning of decentralised planning machinery can be seen from the details provided in Table 5.4. The response of the district planning officers presented above is a clear indication that there is neither any co-ordination nor supervision from a higher agency for the functioning of decentralised planning in different districts.

5.6 Drawbacks in the functioning of DPC

One of the glaring weaknesses of the decentralised planning process is its poor technical support base. Technical Advisory Groups have already been abolished and working groups seldom provide sufficient technical support to decentralised planning, especially to DPC. Apart from building technical base, there are several problems in the local planning that needs to be addressed. District planning remains as a weak and fragmented exercise, and the DPC has failed to become an effective plan co-ordination and monitoring agency which systematically keeps a record of the progress of development in the district.

Co-ordination is the vital element in multi-level planning. This is virtually absent at all levels in the district. There is lack of co-ordination between the three tiers of the panchayat system. The major problem, highlighted by many panchayat functionaries, is that there is very little integration among the three tiers in the case of planning, implementation and monitoring. Also, there is lot of communication gap among the three tiers. The schemes

prepared by the higher tiers were not communicated to the lower tiers, with the result that the grama panchayat seldom comes to know of the projects of the BP and DP. This has led to duplication of projects. Such duplication has not only resulted in wastage of resources and increase in the work load, but also stood in the way of achieving the expected results. Grama panchayat Presidents were of the opinion that they were not given due consideration in block panchayat samithi meetings. This might be the reason for their irregular attendance in the meetings. Also, the projects submitted by grama panchayat seldom finds place in the block and district level plans. Panchayat functionaries very often do not receive information (viz. orders and guidelines issued by the higher levels) in time. This has resulted in delay in the implementation of projects.

Another equally important aspect is plan implementation and monitoring. There is no project management system in the districts owing to lack of trained and qualified personnel. Under decentralisation, the work load of the staff has increased owing to developmental and planning functions devolved to LSGs. The work load of the urban local bodies has also increased without corresponding increase in staff strength and staff capability. There is a misconception that plan implementation implies incurring expenditure only. Monitoring and evaluation must focus on outcomes. In this respect, the Development Standing Committees in the LSGs have an important role. There is no monitoring of plan schemes implemented by LSGs. This is reflected in the time and cost over-runs with respect to majority of schemes implemented at the district level. Though, the DPC is supposed to examine the implementation of various schemes at district level, this is rarely done due to lack of qualified and experienced personnel in the district planning office. Nearly half of the plan allotments remain unutilized even at the end of the financial year, thereby adversely affecting the physical achievements of plan programmes. The C&AG in his annual audit reports strongly criticised this practice of LSGs but only very little improvement could be noticed till now.

The main drawback of the DPC is its Constitution itself. It is now more or less a body of elected people's representatives to give approval for the schemes that come before it from different LSGs without proper examination. It failed in its mandatory responsibility of preparing an integrated district plan. The DPC at present is over-crowded with members of

the DP which reduces the professional character of the body. It does not have adequate expertise and office support for its effective functioning. In the context of preparation of district plans, one should admit that multi-level planning is a serious and scientific job for which some minimum expertise is essential. No effort in the preparation of district plans within the frame work of multi-level planning has been made so far in any of the districts.

5.7 Suggestions and Way forward

Government in its order issued in 2013 (G.OMS 362/LSGD dated 16/11/2013) had stated that separate orders will be issued for the preparation of integrated district plan. But this has not been materialized. Instead, schemes were prepared independent of each other and finally put together in a „bound volume“ to call it an integrated plan. Though the preparation of an integrated district plan is the mandatory responsibility of DPCs, no effort has been made so far to prepare district plans within the framework of multi-level planning. The second Administrative Reforms Commission in its 6th Report on „Local Governance“ has stated that “the real essence of district plan has to be in ensuring integrated planning for rural and urban areas in the district”. This concept of integrated planning is perhaps more relevant in Kerala, since the settlement pattern here is such that we do not have clear physical demarcation between rural and urban areas. A single local government alone cannot be able to address these problems meaningfully. A macro level perspective plan can comprehend such a wide regional vision of development and this task can be performed only by the DPCs.

So long as DPC is degenerated into a mechanical plan approving body, it cannot perform planning and co-ordination properly. To strengthen the DPC and raise it to the status of a full fledged constitutional body, there should have more technical persons in it and it should, also become a more broad-based institution to include representatives of grama panchayats and block panchayats. This is especially relevant when they obtain and utilize 70 percent of the devolved plan funds. The present over-representation by DP members in the DPC should be reduced, representation should be given to grama panchayats as per the ratio of population in these bodies.

To enable DPC to undertake the mandatory functions, a planning unit within the DPC may be set up with experts as mentioned below:

- (i) One Regional Planner with necessary orientation and training in district planning. He should act as the main professional in the planning team. The question of integrating state, town and country planning department with district planning machinery may be seriously examined.
- (ii) The District planning officer (iii) One economist with experience in macro/micro level economic planning and statistical analysis.
- (iv) One agricultural expert with experience in agricultural planning.

The staff in the planning unit of the DPC shall be given regular training in various aspects of planning and in development administration. As envisaged in the acts, district plans should be prepared under the leadership of DPC. A district level co-ordination committee for preparation of district plan may be constituted with the Chairman of the DPC as Chairman, Mayor, Municipal Corporation (if available in the District) as Co-Chairman, District Collector as Vice-Chairman, President of grama panchayats, municipalities and the district town planning officer as members. District Planning Officer shall be the Convener.

The preparation of an integrated district plan may be attempted by the planning unit of the DPC, under the guidance of district level co-ordination committee. The successive steps in the preparation of integrated district plan are outlined below:

First: DPC, should conduct preliminary discussions with the representatives of the block/grama panchayats, municipal corporations and DPs to draw up a broad and tentative development perspective for district for the preparation of plans at various levels within the district taking into consideration the district's specific problems, prospects and constraints.

Second: The LSGs should prepare development perspective for their respective areas, keeping in view the district perspective already arrived at.

Third: The Block Panchayat should take a consolidated and co-ordinated view of the development perspectives of the grama panchayats within their jurisdiction and suggest necessary changes after mutual consultations.

Fourth: The LSGs at all three levels should draw up detailed plans for their respective areas, discuss them and finalise the plans at different levels without duplication, inconsistency, waste of resources etc.

Fifth: All these plans of grama panchayats and block panchayats should be passed on to the DP to finalise its plan. The representatives of LSGs at lower levels should be consulted while preparing the DP plan. In the meantime, the municipalities and corporations in the district should be able to prepare their respective plans.

Sixth: The DPC should scrutinize in detail all the plans of LSGs in the district with a view to examine their consistency, comprehensiveness, fund-use efficiency etc. and prepare a district development plan in conformity with the objectives of the state plan and the development perspective of the district. The DPC, after integrating municipality/corporation plans with the DP Plan, should draw up an integrated district development plan.

5.8 Suggestions for Improving DPC

1. DPC members and Joint Secretaries to District Planning Committee should be given adequate training for capacity building to enable them to formulate a district plan.
2. DPC must constitute a Sub Committee with resource persons from different departments and disciplines exclusively for the district plan formulation. Officials from State Planning Board and district planning office must be made members of the committee. A Technical Support Team with experts like social scientists, economists, environmentalists, management experts and technocrats should be formed.
3. State Planning Board has to give detailed guidelines for preparing the district plan.

4. Co-ordinate the activities of departments like Town Planning, Economics and Statistics and equip them with technical methods in the preparation and integration of district plan.
5. Give District Planning Committee adequate financial support and more powers in the planning process.
6. Ensure the participation and involvement of all LSGs in the district in the district plan formulation exercise.
7. District Planning Committee shall be a check point for final approval of plan and identification of critical gap, formulation of target and strategy and should have a permanent setup for monitoring of the plan. Time-bound action plan for formulating district plan must be ensured.
8. Improve the data base of each LSG for giving priority to sustainable development. Data-base on decentralised plan is at present inadequate and it is a major block to decentralised planning. This severely affects the accounting system, execution of development projects, fixation of physical target and monitoring and evaluation of development programmes.
9. Enhance the functions of DPC and give more control over local governments: DPC may be given more powers in every aspect of planning, execution, monitoring and evaluation.
10. Annual Plan formulated should be based on local needs and priorities and should be integrated with the state plan.
11. LSG must be encouraged to take up innovative projects with the support of DPC and constant monitoring of such projects must be made.
12. While preparing district plan, give more importance to physical quality and output than financial achievement.

CHAPTER 6

Women Component Plan, Special Component Plan and Tribal Sub Plan

Women Component Plan (WCP), Special Component Plan (SCP) and Tribal Sub Plan (TSP) are three major programmes of LSGs under decentralised planning. Under WCP, local governments earmark ten percent of plan outlay for women specific projects for the empowerment of women through generation of employment and income. SCP/TSP funds are earmarked to local governments as per norms fixed by the government. Under SCP and TSP, projects are formulated for the upliftment of SCs and STs and for their welfare and better living.

6.1 Women Component Plan

As per 2011 Census, Kerala's population is 334 lakh out of which 160 lakh (48 percent) are male and 174 lakh (52 percent) are female. The overall sex ratio of Kerala is 1084 females per 1000 males. Female literacy rate is 92 percent. Girl students comprise 49.7 percent of total students enrolled in schools. But, girls outnumbered boys in higher secondary education at 52.7 percent. In degree courses, girls constitute 68.7 percent. Similarly, the health status of women in Kerala is also favourable to them. However, if we take the labour participation rate of economically active persons as an indicator of development, it is not favourable to women. For instance, female Labour Participation Rate (LPR) in Kerala is only 35.4 whereas that of men is 82.4.0

Policies and programmes have different impacts on women and men. A gender responsive budget was introduced in Kerala during the 9th Five Year Plan with the inclusion of Women Component (WCP) in LSG's annual plan and it was made mandatory. WCP introduced during the 9th plan had set apart 10 percent of LSG's plan outlay for women specific projects.

WCP is considered as the flagship programme of decentralised planning. The strategy is to earmark 10 percent of the plan outlay exclusively for women specific projects. In the cost benefit assessment of projects, gender impact statement is made mandatory. With the inclusion of Women Component Plan in local government's annual plan and by making

it mandatory, a gender responsive budget was introduced in the state at the time of 9th plan itself. With the devolution of 30-35 percent of funds from the state plan outlay to the LSGIs, the first form of gender budgeting appeared in 1996 where each LSG was directed to prepare a chapter on the status of women in their development plan document.

6.1.1 Women Component Plan and DPs

The allocation of 10 percent of plan funds for women was done with the intention of taking up projects and programmes which cannot be taken up from the general funds used for programmes which come under production, service and infrastructure sectors. WCP is specifically intended to address specific gender issues identified by conducting studies on the status of women. Gender planning as an approach and ideology was not very clear to the members of LSGs, although the State Planning Board tried to give guidelines and gender based studies was part of the induction training of the elected representatives. Participation of women in the actual WCP preparation was low because of lack of confidence, knowledge and expertise in project formulation, lack of proper understanding of WCP and lack of required skills to transform gender needs into projects. It may be emphasized in this context that the procedure of earmarking 10 percent of plan funds for WCP is over and above the allocation for women from the general category projects. It is clearly mentioned in all Government Orders that this allocation is for meeting strategic gender needs. But this aspect seems to have been forgotten by the local bodies. The consequence is that whatever has to be spent for women and children is usually met from the WCP funds. An overview of the WCP programmes for the first three years of the 12th plan in the selected DPs is presented in Table 6.1.

Table 6.1: The Allotment and Expenditure under WCP in the first three years of the 12th Plan (₹ Crore)

| DPs | 2012-2013 | | 2012-2014 | | 2014-2015 | |
|--------------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|
| | Allotment | Expenditure (%) | Allotment | Expenditure (%) | Allotment | Expenditure (%) |
| Thiruvananthapuram | 3.49 | 2.07 59% | 4.78 | 3.59 (75%) | 5.52 | 3.32 (60%) |
| Alappuzha | NA | N.A | N.A | N.A | N.A | N.A |
| Kottayam | 4.50 | N.A | 2.69 | N.A | 3.91 | N.A |
| Thrissur | 2.75 | 2.07 (75%) | 2.84 | 1.68 (59%) | 9.58 | 6.83 (71%) |
| Malappuram | 3.64 | 2.58 (70%) | 4.66 | 3.24 (69%) | 4.70 | 0.49(10%) |
| Wayanad | N.A | N.A | N.A | N.A | N.A | N.A |
| Kannur | 2.78 | 1.90 (68%) | 3.32 | 2.46 (74%) | 3.86 | 2.44 (63%) |

Source: Data obtained from DP offices

During 2012-2013, as per the data available, the total outlay of WCP projects was ₹3.49 crore in Thiruvananthapuram DP. But, of this only ₹ 2.07 crore (59%) was utilized. During 2013-2014, 34 projects were approved for implementation with an outlay of ₹4.78 crore, but utilization was only ₹3.59 crore (75%). In 2014-2015, the total approved projects were 33 with a total outlay of ₹5.52 crore. The utilization during this year was only ₹ 3.32 crore (60%). Thus the total unutilized amount for the first 3 years of the 12th Plan under WCP in Thiruvananthapuram amounted to ₹4.80 crore. Though there were 93 projects under WCP approved for implementation in Thiruvananthapuram District for the period from 2012-2013 to 2014-2015, no data were made available by DP to judge the completion of these projects. Alappuzha did not furnish any information regarding the implementation of WCP projects and hence we could not assess the progress of implementation of WCP in this district. Similarly, Kottayam also did not furnish any useful data except the number of projects approved for implementation and the approved outlay for the same for 3 years, which is also highly insufficient to arrive at any useful conclusion. In Thrissur, more than 70% of the allotment set apart for WCP could be utilized during 2012-2013 and 2014-2015, though there is a drop in expenditure in the 2nd year, ie. 2013-2014. The completion of projects was of the order of 27 out of 43 in the first year, 10 out of 29 in the second year and 11 out of 30 in the third year. In the Malappuram DP, the utilization of funds for WCP was fairly satisfactory for the first two years (2012-2013 & 2013-2014) at 70 percent while the expenditure for this programme dropped to 10 percent during 2014-2015. Regarding the completion of approved projects, the performance was of the order of 85 percent in the first year 2012-2013, 50 percent in 2013-2014 and below 10% during 2014-2015. In the case of Wayanad, no WCP project was taken up during 2012-2013, but in the subsequent two years, only one project each was taken up and completed. The fund utilization was also 100 percent during the last two years as per the data reported by them. In Kannur, the utilization of funds for WCP was of the order of 68 percent in 2012-2013, 74 percent in 2013-2014 and 63 percent in 2014-2015. No data regarding completion of WCP projects were furnished by this DP and hence their performance could not be assessed.

WCP is considered as the flagship programme of decentralised planning. The procedure is to earmark 10 percent of the plan outlay exclusively for women's specific projects. Also, gender impact statement was made mandatory. Sectoral allocation of WCP

projects in the selected DPs described below for 3 years of the 12th plan reveal that the service sector accounts for a major portion of the total allocation followed by production sector in majority of the DPs. Infrastructure sector absorbs only a negligible portion of the total allocation. Allocation and expenditure under WCP in the three selected DPs are furnished in Table 6.1. Other DPs did not furnish this detailed break-up. A comprehensive assessment of WCP in selected DPs could not be done owing to data gap in the performance indicators of this programme. In spite of our vigorous follow up, no information could be gathered on vital indicators like employment creation and income generation of these programmes. On the whole, we are forced to conclude that the performance of this programme is highly unsatisfactory in all the selected DPs.

6.1.2 Opinion Survey

WCP is a salient feature of Kerala's decentralised development plan. LSGs have to set apart 10 percent of plan grant exclusively for WCP with a view to empower women and to ensure their socio-economic development. This is possible when women get sustainable income and employment. Therefore WCP stresses on employment and income generating projects. As part of our study, we conducted a survey among elected DP members to examine their opinion about WCP formulation and fund utilization. We surveyed 65 elected members and among them 19 members hesitated to express opinion about WCP. In the survey, 10 members responded that adequate importance is given to WCP. Six members remarked that importance is not given to SHGs. Another nine members remarked that WCP projects are not started in backward regions. Inadequate fund, defective auditing system and improper fund utilisation are other defects noted by the members. While DPs formulate WCP projects in future, the views expressed by these members will be useful for more effective implementation.

As part of the study we conducted a survey among the beneficiaries of four WCP projects in Thiruvananthapuram. All these belong to production sector. They are (i) Revolving fund to women fish workers societies (ii) Revolving fund to women dairy farmers (iii) Goat Village (Aadugramam) and (iv) Integrated Banana cultivation.

Plan assistance of ₹30,000/- was given to each group for fish trade as revolving fund to Women Fish Workers' Society. The survey aimed to assess the socio-economic status of the beneficiaries and the monthly income they generate. The survey reveals that fisher women are unable to generate reasonably good monthly income from fish trade. For instance, 12 beneficiaries could generate only monthly income below ₹1500. Two beneficiaries stated that they have generated ₹3000 per month. Assistance of ₹30,000 sanctioned to a group is inadequate for viable employment in fish trade. Therefore, while formulating projects for generating income and employment under WCP, assistance given should be increased.

Under revolving fund to Women Dairy Farmers, assistance of ₹1.25 lakh is given to a group of five vanitha farmers at the rate of ₹25000 to each farmer. They utilized this amount to buy cows. They sell the milk to the milk societies and repay the assistance through society at the rate of ₹2000 per month. The survey reveals that beneficiaries are selected without norms. Revolving fund given to a „group of five women“ is operated individually. Assistance is not linked with bank loan or beneficiary contribution. Beneficiary doesn't get adequate income for family expenses. In order to attract more women to dairy farming, revolving fund must be enhanced and it must be linked with bank loan.

Goat gramam project supplies 25 goats to a group of five members (five goat per member). The project cost of each group is ₹ 2 lakh. It is a joint project of DP with Grama Panchayat and linked with bank loan, subsidy and beneficiary contribution. The project generates subsidiary occupation. We surveyed 5 beneficiaries. They generated monthly income of ₹4000 to ₹6000 and stated that the project is sustainable.

Under integrated Banana cultivation, project assistance of ₹1 lakh is given to a beneficiary group of four or more members through Agro Industries Corporation. The project is implemented by Joint Liability Group of Grama Panchayat under the supervision of CDS. Monthly income generated from banana cultivation is below ₹2000 per month per beneficiary. The beneficiaries belong to poor socio-economic background and they are unable to generate sustainable income from banana cultivation.

The amount unutilized by selected DPs, especially DP of Thiruvananthapuram, Thrissur, Malappuram and Kannur (no data could be gathered from other DPs) for the first three years of the 12th Plan were of the order of ₹4.81 crore, ₹4.59 crore, ₹6.69 crore and ₹3.16 crore respectively. This is a serious drawback which needs detailed enquiry to find out the real reasons and to take urgent remedial measures.

6.1.3 Findings and suggestions for future Planning

1. WCP in the DPs studied were not based on any gender status report of the LSG concerned. Gender status report is a pre-requisite for any gender-based planning. There is very little evaluation of the needs of women, their skills, resources, and availability of markets (for those who venture to start micro enterprises). Necessary action has to be initiated by LSGs for overcoming these drawbacks.
2. The main reason for the failure of WCP is the individual beneficiary approach followed while implementing this programme. A clear understanding of the factors that promote development of women is lacking.
3. The allocation under WCP in the DPs is for housing and for providing help to houseless women. The funds used for these programmes can very well be met from general funds earmarked for women.
4. Gender training should be given to social workers and elected women representatives at the beginning itself to enable them to undertake their responsibilities effectively. In the course of discussion we found that skill training is usually related to some stereotyped occupations like making soaps and umbrellas, food processing etc. Women lacked managerial and marketing skills and such skills are not imparted to women during the trainings conducted. To sum up, it is emphasized that the strategic needs of women were not addressed through WCP. Issues like control over income, domestic violence, dowry, mental health issues, alcoholism in the family and work place, problems of women with disability, problems of empowerment needs of aged women etc. are not given seriousness in the projects.

6.1.4 Reasons for Low Fund Utilization

1. Female labour participation rate in Kerala is very low. It is only 35.4 percent where as that of men are 82.4 percent. This should be looked into seriously while formulating WCP projects at the DPs. Projects which create more employment to women should be given priority.
2. Gender Planning as an approach and ideology is not very clear to the members of DPs. It has to be critically reviewed and corrected.
3. Active involvement and participation of women in WCP Plan preparation is very poor.
4. Lack of proper understanding of WCP and lack of required skills to transform gender needs into projects also hamper the formulation of WCP projects.
5. Several DPs are not maintaining adequate information regarding the physical targets and achievements, employment and income generation and implementation and completion of WCP projects. Owing to the data gap on aspects mentioned above, it is impossible to judge the impact of WCP projects.
6. Defective auditing system and improper fund utilisation are also reasons for the low expenditure in WCP.
7. Micro level survey undertaken shows that the revolving fund sanctioned for women specific projects is inadequate. Revolving fund given to a group is operated individually. It is not linked with bank loans and beneficiaries are not properly benefited through these schemes. Several WCP projects are sanctioned to SHGs but are operated by individuals. Hence they do not take up viable and sustainable commercial projects. So, necessary steps may be taken to allocate projects to SHGs which are commercially viable and sustainable creating employment and income.
8. WCP is implemented by different departments. There is no proper mechanism at the DP level to co-ordinate the activities and projects undertaken by each department. This situation affects the implementation of WCP projects and utilization of fund.

Hence District Women Welfare Officer shall be entrusted with the responsibility of co-ordinating, monitoring and implementing WCP projects in each DP.

6.2 Special component Plan

The SC population of Kerala is 30.39 lakh as per 2011 census, constituting 9.1 percent of the total population of the state. The sex ratio of SC population in the state is 1057 women per 1000 men. The ST population as per 2011 census is 4.84 lakh comprising 1.45 percent of the total population and the sex ratio is 1035 women per 1000 men. The percentage of SC and ST population to total population in the districts as per 2011 Census is indicated in the table 6.2.

Table 6.2: Population of SC and ST as Percentage to Total Population in the districts

| Sl. No. | District | S.C | S.T |
|---------|--------------------|-------|-------|
| 1. | Thiruvananthapuram | 11.30 | 0.81 |
| 2. | Kollam | 12.46 | 0.41 |
| 3. | Pathanamthitta | 13.74 | 0.68 |
| 4. | Alappuzha | 9.46 | 0.31 |
| 5. | Kottayam | 7.79 | 1.31 |
| 6. | Idukki | 13.12 | 5.03 |
| 7. | Ernakulam | 8.18 | 0.50 |
| 8. | Thrissur | 10.39 | 0.30 |
| 9. | Palakkad | 14.37 | 1.74 |
| 10. | Malappuram | 7.50 | 0.56 |
| 11. | Kozhikode | 6.45 | 0.49 |
| 12. | Wayanad | 3.99 | 38.53 |
| 13. | Kannur | 3.30 | 1.64 |
| 14. | Kasaragod | 4.08 | 3.74 |

Source: Kerala Economic Review 2011, State Planning Board

It is seen that the highest concentration of SC population is in Palakkad district followed by Pathanamthitta and Idukki districts, while ST population is mainly concentrated in Wayanad (38.5 percent) followed by Idukki and Kasaragod districts. Special Component Plan and Tribal Sub Plan are intended to provide special protective measures to safeguard the interests of SCs and STs. Decentralised planning is also aimed at enhancing the socio-economic status of SCs and STs by improving their quality of life. The outlay and expenditure for General, SCP and TSP schemes of LSGs are furnished below in table 6.3.

Table 6.3: Category wise outlay and Expenditure of LSGIs (₹Crore) 2012-2015

| LSG | General | | | SCP | | | TSP | | | Total | | |
|----------------|-----------|-------------|------|-----------|-------------|------|-----------|-------------|------|-----------|-------------|------|
| | Allotment | Expenditure | % | Allotment | Expenditure | % | Allotment | Expenditure | % | Allotment | Expenditure | % |
| GPs | 1524.2 | 1188.0 | 77.9 | 556.6 | 343.5 | 61.7 | 95.8 | 59.4 | 62.0 | 2176.5 | 1591.2 | 73.1 |
| BPs | 279.2 | 236.7 | 84.8 | 158.9 | 134.1 | 84.4 | 28.1 | 22.3 | 79.1 | 466.2 | 393.1 | 84.3 |
| DPs | 276.8 | 187.6 | 67.7 | 180.4 | 110.7 | 61.2 | 35.8 | 19.1 | 53.3 | 493.0 | 317.4 | 64.4 |
| Municipality | 317.8 | 208.9 | 65.7 | 91.5 | 44.9 | 49.0 | 2.3 | 1.2 | 53.0 | 411.7 | 255.1 | 61.9 |
| Corporation | 243.5 | 152.3 | 62.5 | 79.0 | 32.5 | 41.1 | 0.01 | Nil | - | 322.6 | 184.8 | 57.3 |
| Total | 2641.5 | 1973.6 | 74.7 | 1066.5 | 665.9 | 62.4 | 162.1 | 102.0 | 62.9 | 3870.0 | 2741.6 | 70.8 |
| 2013-14 | | | | | | | | | | | | |
| GPs | 2022.9 | 1684.0 | 83.2 | 632.9 | 483.4 | 76.4 | 109.4 | 79.1 | 72.3 | 2765.4 | 2246.5 | 81.2 |
| BPs | 409.5 | 371.2 | 90.6 | 168.6 | 152.3 | 90.3 | 29.5 | 27.8 | 93.3 | 607.9 | 551.3 | 90.6 |
| DPs | 453.2 | 308.6 | 68.0 | 210.2 | 128.7 | 61.2 | 41.0 | 28.2 | 68.6 | 704.5 | 465.5 | 66.1 |
| Municipality | 432.1 | 328.9 | 76.1 | 106.5 | 65.2 | 61.3 | 2.7 | 1.7 | 62.4 | 541.3 | 395.9 | 73.1 |
| Corporation | 347.6 | 206.0 | 59.2 | 90.7 | 52.7 | 58.1 | 0.0 | 0.0 | Nil | 438.3 | 258.8 | 59.0 |
| Total | 3665.4 | 2898.8 | 79.0 | 1209.0 | 882.5 | 72.9 | 183.1 | 136.8 | 74.7 | 5057.6 | 3918.2 | 77.0 |
| 2014-15 | | | | | | | | | | | | |
| GPs | 2443.0 | 1706.3 | 89.9 | 628.1 | 409.4 | 65.2 | 112.8 | 69.2 | 61.4 | 3183.8 | 2185.0 | 68.5 |
| BPs | 472.3 | 396.9 | 84.0 | 175.7 | 144.4 | 82.2 | 29.4 | 25.7 | 87.2 | 677.5 | 567.0 | 83.6 |
| DPs | 575.0 | 398.0 | 69.2 | 240.9 | 151.1 | 62.6 | 40.3 | 25.0 | 62.0 | 856.3 | 574.1 | 67.0 |
| Municipality | 517.8 | 343.2 | 66.2 | 112.6 | 61.2 | 54.3 | 2.97 | 1.74 | 58.6 | 633.4 | 406.1 | 64.1 |
| Corporation | 457.1 | 256.2 | 54.8 | 96.4 | 45.3 | 47.0 | Nil | Nil | - | 563.5 | 301.5 | 53.5 |
| Total | 4475.4 | 3100.7 | 69.3 | 1253.9 | 811.5 | 64.7 | 185.4 | 121.6 | 65.6 | 5914.8 | 4033.9 | 68.2 |

Source: Kerala Economic Reviews of various years, State Planning Board

Among the LSGs, DP is the lowest fund utilizing agency especially for SC/ST programmes. In this study, we have evaluated the functioning of the DPs with special reference to SCP & TSP programmes in 7 selected DPs viz. Thiruvananthapuram, Alappuzha, Kottayam, Thrissur, Malappuram, Wayanad and Kannur. It can be seen from table 6.3 that DPs in Kerala utilize less than 65 percent of the plan funds allotted to them for SCP and TSP programmes. Major programmes implemented for the welfare of the SC & ST people include: educational schemes, housing schemes, schemes providing land for landless people, health schemes including financial assistance to seriously ill people, development programmes for the vulnerable communities including SC and ST, employment schemes providing financial assistance for promoting new ventures, assistance for marriage of girls

belonging to these communities etc. An analysis of SC/ST programmes implemented by selected DPs is presented below:

Kerala Government earmarked funds for SCP from State Plan outlay in proportion to the percentage of the population of SCs. Financial assistance is given for the development of SC and ST in the state. One of them is the assistance provided through the LSGs and the other through SC/ST development departments. Out of the total SCP/TSP outlay, a given amount decided by the government are allocated to LSGs for the implementation of schemes for SC/ST under decentralized planning and the remaining to the SC/ST Development departments. In this study, we have analysed only the funds allotted to LSGs specifically to selected DPs. The allotment and expenditure under Special Component Plan from plan grant for the first three years of the 12th plan are as shown in Table 6.4.

Table 6.4: Allotment and Expenditure under Special Component Plan (2012-2015)
(₹ Crore)

| DPs | 2012-2013 | | | 2013-2014 | | | 2014-2015 | | |
|--------------------|-----------|-------------|---------|-----------|-------------|---------|-----------|-------------|---------|
| | Allotment | Expenditure | Percent | Allotment | Expenditure | Percent | Allotment | Expenditure | Percent |
| Thiruvananthapuram | 15.59 | 12.30 | 79 | 17.07 | 11.60 | 68 | 20.53 | 12.72 | 62 |
| Alappuzha | 8.75 | 5.37 | 61 | 13.16 | 7.48 | 57 | N.A | N.A | - |
| Kottayam | 11.36 | 5.49 | 48 | 12.82 | 6.10 | 47 | N.A | N.A | - |
| Thrissur | 22.18 | 17.82 | 80 | 20.32 | 13.67 | 67 | 24.10 | 12.82 | 53 |
| Malappuram | 15.00 | 9.32 | 62 | 16.87 | 13.23 | 78 | N.A | N.A | - |
| Wayanad | 2.65 | 1.11 | 42 | 3.20 | 1.79 | 56 | N.A | N.A | - |
| Kannur | 4.35 | 2.68 | 62 | 5.51 | 3.49 | 63 | 6.98 | 4.09 | 58 |

Source: Kerala Economic Reviews of various years, State Planning Board

Though there is an increase in the year-wise allotment for SCP in all the selected DPs, the utilization of funds is steadily on the decline except in Malappuram and Wayanad districts. Major programmes taken up under SC development in selected DPs are (i) educational schemes (eg. assistance to pre-metric studies, post-metric studies, running model residential schools etc.) (ii) Housing schemes (eg. financial assistance for construction of new houses for the houseless SC families) (iii) Land to landless SC families for house construction (iv) Health schemes; viz. financial assistance to seriously ill people (v) Employment schemes; viz. financial assistance for promoting new ventures among SC and (vi) Assistance for marriage of SC girls. Details of the projects taken up by DPs like the number of projects completed sector-wise every year and the benefits accrued to SCs in the

form of income generation, employment creation and asset creation is not obtained from any of the selected DPs. In the absence of these performance indicators, we are unable to judge the real impact of these programmes to the SC population. Sector-wise performance (outlay and expenditure) of the programmes taken up under SCP in selected districts are presented in Table 6.5.

Table 6.5: Performance of Sector-wise Programmes under SCP in Selected DPs (₹ Crore)

| | 2012-13 | | | 2013-14 | | | 2014-15 | | |
|--------------------------------|-----------|-------------|------|-----------|-------------|------|-----------|-------------|-----|
| | Allotment | Expenditure | % | Allotment | Expenditure | % | Allotment | Expenditure | % |
| Thiruvananthapuram - | | | | | | | | | |
| Production | 0.13 | Nil | - | 0.59 | 0.14 | 24 | 0.47 | 0.13 | 27 |
| Service | 10.36 | 8.74 | 84 | 7.24 | 5.55 | 76 | 10.15 | 7.29 | 72 |
| Infrastructure | 5.11 | 3.56 | 69 | 9.24 | 5.90 | 64 | 9.91 | 5.29 | 53 |
| Total | 15.60 | 12.30 | 79 | 17.07 | 11.59 | 68 | 20.53 | 12.71 | 62 |
| Total No. of Approved Projects | 125 | | | 115 | | | 150 | | |
| Alappuzha | | | | | | | | | |
| Production | 0.61 | 0.02 | 0.03 | 0.35 | 0.21 | 0.6 | N.A | N.A | N.A |
| Service | 4.65 | 3.80 | 81.7 | 7.29 | 5.68 | 77.9 | N.A | N.A | N.A |
| Infrastructure | 3.49 | 1.55 | 44.4 | 5.52 | 1.59 | 28.8 | N.A | N.A | N.A |
| Total | 8.75 | 5.37 | 61% | 13.16 | 7.48 | 57% | N.A | N.A | N.A |
| Total No. of Approved Projects | 76 | | | 69 | | | N.A | | |
| Kottayam | | | | | | | | | |
| Production | 0.53 | 0.19 | 35.8 | 0.08 | 0.01 | 12.5 | N.A | N.A | N.A |
| Service | 6.30 | 3.74 | 59.4 | 5.07 | 2.55 | 50.3 | N.A | N.A | N.A |
| Infrastructure | 4.52 | 1.56 | 34.5 | 7.67 | 3.54 | 46.0 | N.A | N.A | N.A |
| Total | 11.36 | 5.49 | 48% | 12.82 | 6.10 | 47% | N.A | N.A | N.A |
| Total No. of Approved Projects | 123 | | | 110 | | | N.A | | |
| Thrissur | | | | | | | | | |
| Production | 1.09 | 0.99 | 91 | 1.42 | 1.15 | 81 | 1.66 | 0.93 | 56 |
| Service | 13.08 | 9.92 | 76 | 13.72 | 9.32 | 68 | 13.83 | 7.56 | 55 |
| Infrastructure | 8.01 | 6.91 | 86 | 5.18 | 3.20 | 62 | 8.61 | 4.33 | 50 |
| Total | 22.18 | 17.82 | 80 | 20.32 | 13.67 | 67 | 24.10 | 12.82 | 53 |
| Total No. of Approved Projects | 333 | | | 290 | | | 168 | | |
| Malappuram | | | | | | | | | |
| Production | 2.16 | 1.16 | 53.7 | 1.03 | 0.88 | 65.4 | N.A | N.A | N.A |
| Service | 6.36 | 4.25 | 66.8 | 6.06 | 5.42 | 89.4 | N.A | N.A | N.A |
| Infrastructure | 6.48 | 3.91 | 60.3 | 9.78 | 6.92 | 70.7 | N.A | N.A | N.A |
| Total | 15.00 | 9.32 | 62% | 16.87 | 13.2 | 79% | N.A | N.A | N.A |
| Total No. of Approved Projects | 105 | | | 95 | | | N.A | | |
| Wayanad | | | | | | | | | |
| Production | Nil | Nil | Nil | Nil | Nil | Nil | N.A | N.A | N.A |
| Service | 1.55 | 0.80 | 51.6 | 1.47 | 0.96 | 65.3 | N.A | N.A | N.A |
| Infrastructure | 1.10 | 0.31 | 28.2 | 1.73 | 0.83 | 47.9 | N.A | N.A | N.A |
| Total | 2.65 | 1.11 | 42% | 3.20 | 1.79 | 56% | N.A | N.A | N.A |
| Total No. of Approved Projects | 36 | | | 39 | | | N.A | | |
| Kannur | | | | | | | | | |
| Production | 0.05 | 0.04 | 80 | 0.05 | 0.05 | 100 | Nil | Nil | Nil |
| Service | 3.27 | 2.23 | 68 | 3.90 | 2.52 | 64 | 5.33 | 3.66 | 68 |
| Infrastructure | 1.04 | 0.41 | 39 | 1.56 | 0.93 | 59 | 1.65 | 0.43 | 26 |
| Total | 4.36 | 2.68 | 61 | 5.51 | 3.49 | 63 | 6.98 | 4.09 | 58 |
| Total No. of Approved Projects | 35 | | | 58 | | | 50 | | |

Source: Data obtained from various DP Offices (Survey data)

Figure 6.1 Outlay and expenditure of DPs under SCP during 2012-2015 (₹Crore)

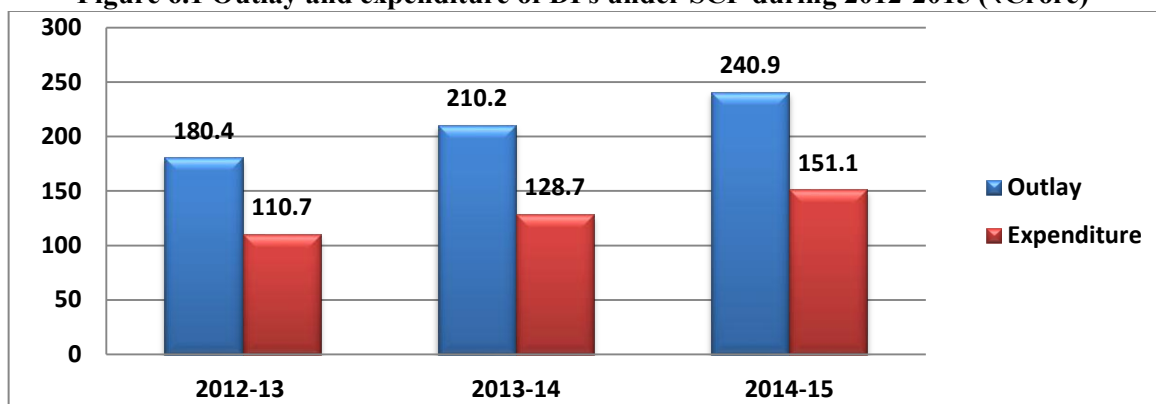
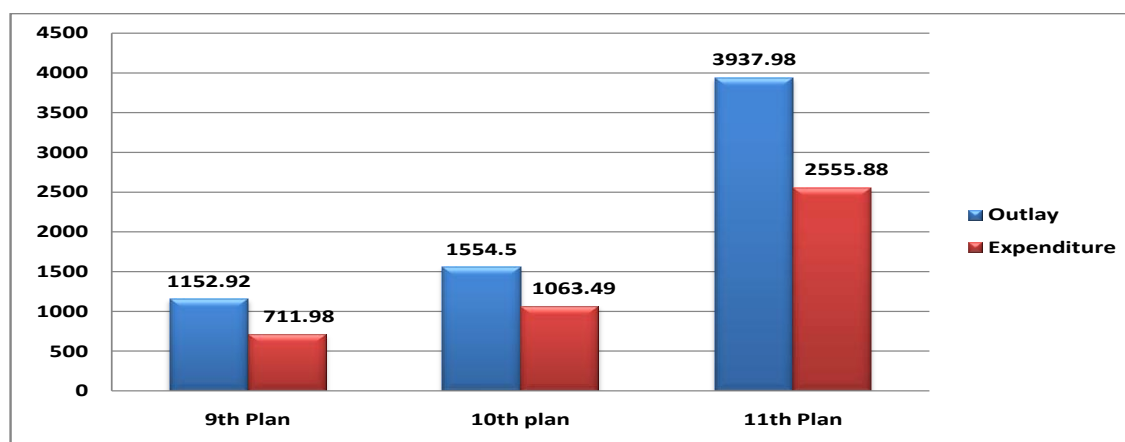


Figure 6.2 Outlay and expenditure of SCP under Five Year Plans (₹Crore)



Source: Figure 6.1, 6.2 Data obtained from Kerala Economic Review (various issues)

6.2.1 Special Component Plan and Opinion Survey

DPs constitute separate working group for formulating Special Component Plan for SC people as envisaged in the government guidelines. Habitat based plans are prepared for providing basic facilities to SC households. These facilities include housing, water supply, sanitation, electricity and other common facilities. Similarly necessary plans are prepared for improving capabilities as well as providing assistance for achieving economic development through self employment or wage employment.

Special Component Plan as a whole under decentralised plan brought several changes in the overall development of SC people. It has brought in remarkable changes particularly in education, health and housing. However target under SCP are not totally

realized mainly because of the drawbacks in formulating and implementing projects. Survey among elected DP members, indicate the major issues that still exist in SCP. They are (i) intended beneficiaries under SCP are not benefited (ii) beneficiaries misuse projects (iii) adequate importance is not given to SCP by officials and (iv) lack of clarity in government guidelines on SCP formulation and implementation. According to elected members changes are necessary in SCP formulation and implementation.

In our survey, four SCP projects formulated and implemented in Thiruvananthapuram DP were selected. They are training to SC farmers in using agriculture machinery (2013-2014), purchase of harvesting machine (2013-2014) for the Scheduled Caste Co-operative Society, (a joint project by DP Thiruvananthapuram and Karavaram Grama Panchayat) and two water supply projects (2013-2014). In the first project, training was given to 25 SC youth at a cost of ₹3.0 lakh. From the survey among the trained SC youth, we understand that they are not getting job in operating agricultural tractor and other implements.

In the second project, ie; purchase of harvesting machine, share of the DP, Thiruvananthapuram was ₹10.9 lakh. The machine was handed over to Scheduled Caste Society but it is operated by „Karshika Karma Samithi“ on hire rate. Here the society get Rs.8800 per month as rent and Karshika Karma Samithi get ₹22,000 per month as profit. The driver of the harvesting machine is not from SC community. It raises the concern that SCP fund for project does not benefit individuals from the Scheduled Castes.

Beneficiary survey was conducted in two water supply projects sanctioned at a cost ₹ 35.05 lakh (2013-14). Total beneficiary families were 48 and out of them 34 families were SC families. Survey reveals mixed response related to the supply and availability of drinking water. Studies related to the two drinking water projects show that projects are completed as envisaged and drinking water is made available.

6.2.2 Reasons for Low Fund Utilization

1. Our study observed several reasons for the low fund utilization under SCP. We had discussions with elected members and implementing officials. The major reasons are lack of a long term vision, delay in technical and administrative sanction, delay in the release of total fund, lack of expertise in identifying viable projects, lack of interests among executing

officers, lack of proper co-ordination of SCP projects of different departments and lack of proper monitoring. The District SC Development Officer should be entrusted with the task of co-ordinating the SCP projects implemented by different departments.

2. It is observed that the outcome of several SCP projects implemented in the DPs under study cannot be assessed accurately. So it becomes difficult to judge the real impact of these projects on the weaker and the backward SC population. In future SCP projects which addresses the local needs of the weaker SC sections may be prepared and executed.

3. At present majority of the projects implemented in DPs under SCP are service sector projects followed by infrastructure projects. Production sector absorbs only a negligible portion of the total outlay. This situation should be changed. Production sector should be given adequate importance. Projects in the production sector which create sustainable income and employment and which are environment friendly should be selected and implemented.

4. The elected DP members opinioned that intended beneficiaries under SCP are not adequately benefited. They also mentioned that in several instances the beneficiaries misuse the projects due to lack of monitoring. Authorities should look into these opinions with seriousness.

5. Adequate importance is not given to preparation and implementation of SCP projects by the officials. It is suggested by several elected people that changes are necessary in SCP formulation and implementation.

6. Training to SC youth for getting employment and income is a major project under SCP. The project succeeded in giving training to SC youth. But the objectives of providing sustainable job is not realized. Hence in future, projects should be formulated for providing training to acquire sustainable income and employment.

7. While purchasing machines for implementing a project using SCP fund, the asset purchased with SCP fund should be maintained and operated by the SC people themselves. In our study it is found that a Harvest Machine purchased by DP Thiruvananthapuram using SCP fund is maintained and operated by a Karshika Karma Samithi. The SC society gets

only the rent of the machine. Such instances should be avoided and necessary steps should be taken to ensure the maintenance and operation of the machines by the SC people themselves to derive the benefits directly.

8. The DP members remarked that benefits of SCP fund normally go to upper/influential SC people who are socially and economically well off. Hence while DP formulate SCP projects, priority must be given to SC people who are economically and socially weak and living in backward areas.

9. Another serious problem observed is the data gap in SCP projects. Details about the projects executed are not properly collected and documented. This is a serious problem to be corrected.

6.3 Tribal Sub Plan

Unlike SCs who are dispersed throughout the state, the Scheduled Tribes have traditionally been concentrated in limited geographical areas mainly forests and hills. This has made it difficult to deliver essential services to them as is possible with the SCs. The ST population of Kerala is ₹4.85 lakh as per 2011 population census, constituting 1.45 percent of the total population of the state. Sex ratio of ST population in Kerala is 1035 women for 1000 men. The Tribal Sub Plan was introduced for the welfare of ST population in the 5th Plan and the same is continuing. The objective is to give special care to STs through a Sub Plan approach. After 1974-1975, the strategy has undergone changes and now this has been integrated with the LSG machinery. The ST population is scattered in clusters and is concentrated in interior forest and adjoining areas. The strategy of TSP was to protect tribal people and thereby attain tribal development. As per the TSP strategy, the state allocates an amount which is more than proportional to the total population (1.45 percent) in the state. During 2014-2015, 3 percent of the State Plan outlay was provided under TSP and for the year 2015-2016, allocation to TSP was 3.02 percent. Major TSP schemes implemented in the state include: educational programmes, housing schemes, health schemes, assistance for marriage of ST girls and resettlement of landless tribes.

The allotment and expenditure under TSP from plan grant during the first three years of the 12th plan in the selected DPs are furnished in Table 6.6

Table 6.6: Allotment and Expenditure under TSP in the selected DPs (₹ Crore)

| DPs | 2012-2013 | | | 2013-2014 | | | 2014-2015 | | |
|--------------------|-----------|-------------|----|-----------|-------------|-----|-----------|-------------|----|
| | Allotment | Expenditure | % | Allotment | Expenditure | % | Allotment | Expenditure | % |
| Thiruvananthapuram | 1.83 | 0.72 | 39 | 2.89 | 1.81 | 65 | 2.11 | 1.37 | 65 |
| Alappuzha | 0.15 | 0.09 | 60 | 0.23 | 0.23 | 100 | N.A | N.A | - |
| Kottayam | 2.02 | 1.40 | 69 | 2.13 | 1.70 | 80 | N.A | N.A | - |
| Thrissur | 0.34 | 0.25 | 73 | 0.41 | 0.25 | 61 | 0.52 | 0.24 | 46 |
| Malappuram | 0.94 | 0.74 | 78 | 0.93 | 0.89 | 95 | N.A | N.A | - |
| Wayanad | 15.46 | 6.84 | 44 | 17.54 | 12.28 | 70 | N.A | N.A | - |
| Kannur | 2.48 | 1.73 | 70 | 2.94 | 2.94 | 100 | 1.60 | 0.92 | 57 |

Source: Data obtained from various DP offices

The data given in table 6.6 reveals that there has been an increasing trend in the allotment of funds for TSP during the first three years of the 12th plan. The average utilization in the first year (2012-2013) was only 61percent but there was a considerable improvement in the second year (2013-2014) and the average utilization had risen to 80 percent. But the data available for 2014-2015 (only for three DPs) exhibit a significant fall in the average utilization and it worked out to only 56 percent. Rather than the availability of funds, the effective utilization of available funds assumes significance. Major programmes taken up under TSP in the selected DPs are (i) educational programmes (mainly providing financial assistance to students attending various courses) (ii) housing schemes (financial assistance for construction of houses for houseless ST families) (iii) Health schemes (financial assistance for treatment for diseases like T.B, Leprosy, Water born diseases etc.) (iv) assistance for the marriage of ST girls and (v) resettlement of landless tribes. Owing to lack of detailed information regarding the number of projects completed (year-wise) under TSP and the nature of benefits enjoyed by tribal population in the selected DPs, the impact of plan programmes in the welfare of STs could not be properly assessed.

**Table 6.7: Performance of Sector wise Programmes under TSP in the Selected
DPs (₹ Crore)**

| District Panchayat | 2012-13 | | | 2013-14 | | | 2014-15 | | |
|--------------------------------|-----------|-------------|----|-----------|-------------|-----|-----------|-------------|-----|
| | Allotment | Expenditure | % | Allotment | Expenditure | % | Allotment | Expenditure | % |
| Thiruvananthapuram- | 0.32 | 0.07 | 22 | Nil | Nil | - | Nil | Nil | - |
| Production | 0.96 | 0.50 | 52 | 1.85 | 1.49 | 80 | 1.71 | 1.37 | 80 |
| Service | 0.54 | 0.15 | 25 | 0.54 | 0.31 | 56 | 0.40 | Nil | - |
| Infrastructure | 1.82 | 0.72 | 39 | 2.89 | 1.80 | 75 | 2.11 | 1.37 | 65 |
| Total | | | | | | | | | |
| Total No. of Approved Projects | 19 | | | 14 | | | 10 | | |
| Alappuzha | Nil | Nil | - | Nil | Nil | - | - | - | - |
| Production | 0.15 | 0.09 | 60 | 0.23 | 0.23 | 100 | - | - | - |
| Service | Nil | Nil | - | Nil | Nil | - | N.A | N.A | N.A |
| Infrastructure | 0.15 | 0.09 | 60 | 0.23 | 0.23 | 100 | | | |
| Total | | | | | | | | | |
| Total No. of Approved Projects | 4 | | | 5 | | | N.A | | |
| Kottayam | 0.11 | 0.06 | 54 | Nil | Nil | - | - | - | - |
| Production | 1.58 | 1.22 | 77 | 1.17 | 0.96 | 82 | - | - | - |
| Service | 0.27 | 0.18 | 63 | 0.96 | 0.75 | 78 | N.A | N.A | N.A |
| Infrastructure | 1.96 | 1.46 | 74 | 2.13 | 1.71 | 80 | - | - | - |
| Total | | | | | | | | | |
| Total No. of Approved Projects | 23 | | | 17 | | | N.A | | |
| Thrissur | Nil | Nil | - | Nil | Nil | - | Nil | Nil | - |
| Production | 0.34 | 0.25 | 73 | 0.34 | 0.25 | 73 | 0.33 | 0.04 | 12 |
| Service | Nil | Nil | - | 0.07 | Nil | Nil | 0.19 | 0.19 | 100 |
| Infrastructure | 0.34 | 0.25 | 73 | 0.41 | 0.25 | 61 | 0.52 | 0.23 | 44 |
| Total | | | | | | | | | |
| Total No. of Approved Projects | 8 | | | 12 | | | 10 | | |
| Malappuram | Nil | Nil | - | Nil | Nil | - | - | - | - |
| Production | 0.94 | 0.74 | 79 | 0.93 | 0.89 | 95 | - | - | - |
| Service | Nil | Nil | - | - | - | - | NIL | NIL | NIL |
| Infrastructure | 0.94 | 0.74 | 79 | 0.93 | 0.89 | 95 | | | |
| Total | | | | | | | | | |
| Total No. of Approved Projects | 7 | | | 5 | | | NIL | | |
| Wayanad | 1.91 | 0.30 | 16 | 1.75 | 0.89 | 51 | - | - | - |
| Production | 9.24 | 5.01 | 54 | 11.07 | 7.71 | 69 | - | - | - |
| Service | 4.31 | 1.52 | 35 | 4.72 | 3.68 | 78 | NIL | NIL | NIL |
| Infrastructure | 15.46 | 6.83 | 44 | 17.54 | 12.28 | 70 | | | |
| Total | | | | | | | | | |
| Total No. of Approved Projects | 142 | | | 123 | | | NIL | | |
| Kannur | 0.04 | Nil | - | Nil | Nil | | 0.01 | 0.01 | - |
| Production | 2.44 | 1.73 | 71 | 2.94 | 2.94 | 100 | 1.59 | 0.91 | 57 |
| Service | Nil | Nil | - | Nil | Nil | - | Nil | Nil | - |
| Infrastructure | 2.48 | 1.73 | 69 | 2.94 | 2.94 | 100 | 1.60 | 0.92 | 57 |
| Total | | | | | | | | | |
| Total No. of Approved Projects | 25 | | | 20 | | | 20 | | |

Source: Data obtained from various DP offices

Sector wise performance (based on outlay and expenditure) of the programmes taken up under TSP in the selected districts are presented in Table 6.7.

Figure 6.3 Year wise outlay and expenditure of DPs under TSP during 2012-2015 (₹Crores)

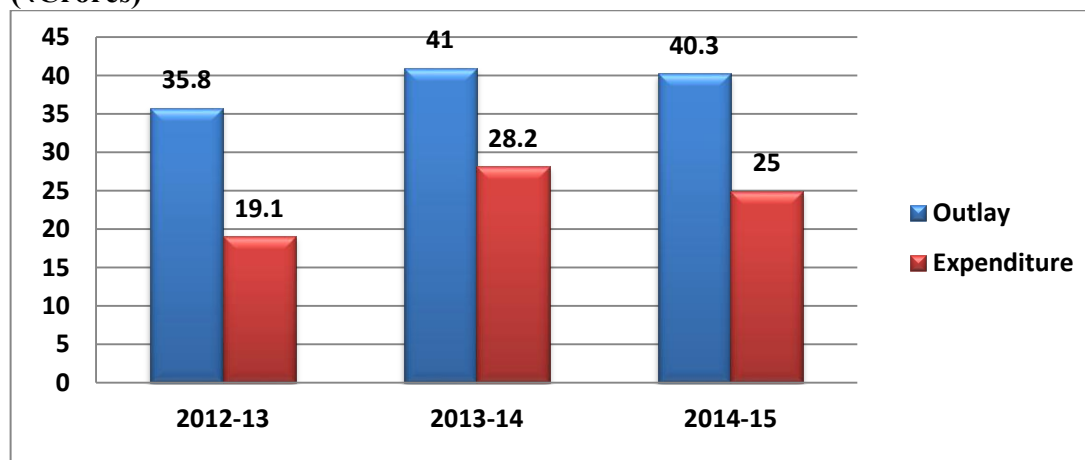
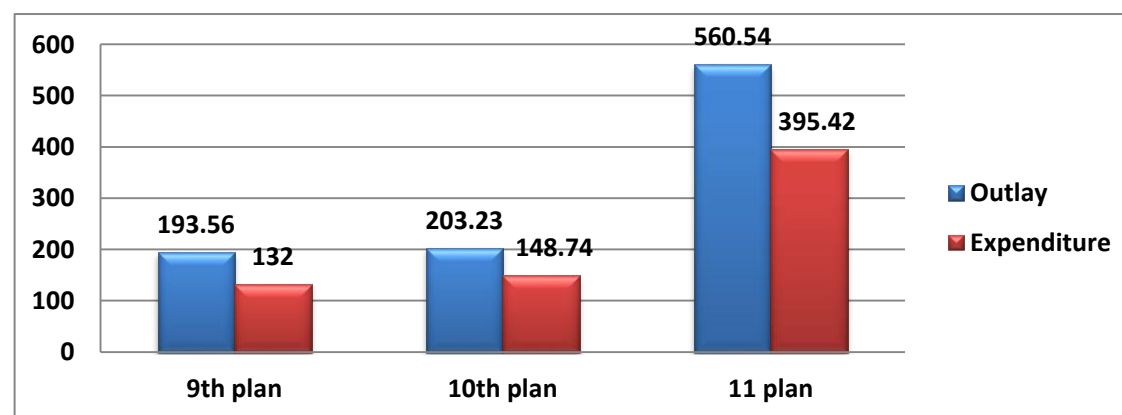


Figure 6.4 Outlay and expenditure of DPs under TSP during the Five Year Plans (₹ Crores)



Source: Various issues of Kerala Economic Review

In the majority of the DPs, bulk of the allotment and expenditure under Tribal Sub Plan are centered on service sector. Contribution of production and infrastructure sector to TSP projects are negligible. Absence of projects in production sector adversely affects the income generation of tribal households. Lack of infrastructure projects is another drawback adversely affecting the welfare of tribal households. Wayanad district has the highest outlay and expenditure in all the 3 years owing to the concentration of tribal households in the district followed by Thiruvananthapuram, Kottayam and Kannur districts. The DPs have

furnished the number of approved projects (sector-wise) for the first three years of 12th plan. Data regarding the number of projects completed in each year, the benefits obtained by the tribal households from these projects (income generation and asset creation etc.) are not available in any DP under study. This is a serious drawback which needs immediate attention. The sector-wise unutilized amount for the first three years of the 12th Plan under TSP in the selected DPs is furnished in the table 6.8.

Table 6.8: Unutilized amount (Sector-wise) under TSP in the selected D.Ps for the first three years of the 12th Plan (₹Crores)

| Sector | TVM | ALPA* | KTTM* | THR | MPRM* | WYND* | KNR |
|----------------|-------------|-------|-------|------|-------|-------|------|
| Production | 0.25 | Nil | 0.05 | Nil | Nil | 2.47 | 0.04 |
| Services | 1.17 | 0.06 | 0.07 | 0.47 | 0.24 | 7.60 | 1.39 |
| Infrastructure | 0.39 | Nil | 0.31 | 0.47 | 0.22 | 3.83 | Nil |
| Total | 1.81 | 0.06 | 0.93 | 0.54 | 0.46 | 13.90 | 1.43 |
| Total | 19.13 Crore | | | | | | |

*Note: * Data furnished for two years*

Source: Survey Data TVM-Thiruvananthapuram, ALPA-Alappuzha, KTTM-Kottayam, THR-Thrissur, MPRM-Malappuram, WYND-Wayanad, KNR-Kannur

It is understood that out of the total outlay for TSP in the 7 selected districts, (₹53.94 crore), the total unutilized amount come to ₹19.13 crore (35 percent). Lack of monitoring and inefficiency in timely implementation are the main reasons for this lapse of funds.

6.3.1 Tribal Sub Plan and Opinion Survey

DPs constitute working groups separately for Tribal Sub Plan as envisaged in the guidelines issued by government. After the development seminar, DPs formally approve the Tribal Sub Plan and then appraise the projects and submit to DPC for approval. Once the DPC approve the project DPs start the implementation process after getting technical sanction. The monitoring and implementation of the projects are not effective. So projects fail to fulfill the targets and to improve the socio-economic status of tribal people.

Tribal Sub Plan is aimed to provide special protective measures for ensuring better living for the Tribal people. Although projects formulated and implemented at LSG level for tribal people have contributed to improve their social and economic life, several inadequacies and problems still exist. This study brings out several issues which could be

solved through improved plan formulation and implementation. Survey among elected DP members indicated several problems which need immediate solution. The issues are mismanagement of fund by officials, benefits not reaching needy people, inefficiency of officials, improper selection of beneficiaries and delay in project implementation. Elected members suggested that importance should be given to the demands of „Oorukuttam“. They also suggested to seek expert opinion in project implementation.

We have examined housing schemes implemented under TSP in Thiruvananthapuram DP. Houses for ST families are built in inaccessible areas. There are no roads to transport building materials to these places. So the beneficiaries have to meet more expenses as loading/unloading charges. ST beneficiaries are daily wage earners and have no other source of income. So ST people cannot complete house construction with the government assistance. There are two measures to correct the situation; (i) raise the house subsidy to ST families to Rs 5 lakh (ii) improve the transport facilities to the places where houses for STs are constructed.

To conclude, it is to be stated that efficient planning and execution of TSP programmes are equally important to fund allocation. More innovative projects have to be designed and technical experts should prepare projects which are viable and helpful to empower the marginalized communities. The vicious circles of poverty and backwardness has to be broken. Isolated settlements, lack of viable projects, non-co-operation from departments, lack of enthusiasm and indifference of elected members are some of the reasons for the continuance of backwardness of STs. The officials, the elected members including Presidents of LSGs should conduct field visits to the settlement of STs to identify their problems and find out permanent solution to their problems.

6.3.2 Findings and Suggestions for Low Fund Utilization

1. Major Programmes taken up under TSP in DPs are educational programmes, health schemes, housing schemes, assistance for marriage and resettlement of landless tribes. Adequate priority is not given to employment and income generation. TSP programmes should focus on income and employment generation on a long term sustainable manner to improve the quality of life of the tribes.

2. Our micro level survey shows that details regarding outlay and expenditure and physical targets and achievements of TSP projects are not properly collected and documented. This practice should be stopped and a data bank at the DP level should be maintained on TSP.
3. While implementing tribal projects, in several instances, unintended beneficiaries are benefited out of it. Such practices should be avoided. Necessary planning and monitoring should be made to make the benefits available to the Tribal people.
4. Demands of „Oorukoottam“ should be given importance. The services of skilled and talented officials may be made available in projects formulation and implementation.
5. ST people live in remote and inaccessible backward area with poor road and transport facility. ST people are coolies or daily wage earners. ST people therefore cannot complete their house construction with the present government assistance. There are two measures to correct the situation (i) raise house construction assistance/subsidy given to ST families to ₹5 lakh and (ii) create awareness among ST people regarding the need for a „good house“ for a better living and persuade them to put their own effort in this regard.
6. In the identification of projects and beneficiaries, opinion of experts and social activists would improve efficiency and quality of projects under TSP. But opinion of experts and social activists are not taken seriously and it has a direct impact on low fund utilization.

Chapter 7

Audit and E-Governance

In 2002, Government of Kerala entrusted the audit of LSGIs with the C&AG. He was also given powers for issuing guidelines for the audit conducted by the Director of Local Fund Audit, Government of Kerala. State Government accepted the budget and account formats for PRIs prepared by the C&AG and it came into force on 1st April, 2004. Amounts spent from the Consolidated Fund, whether Central Government or State Government are audited by C&AG. In addition to it 10 percent of PRIs are audited annually by C&AG.

Local Fund Audit Department has been made mandatory auditor as per the provisions of Panchayat Raj Act, Kerala Municipalities Act and Kerala Local Fund Audit Act. Audit reports of Local Fund Audit Department are placed in the Legislative Assembly. State Performance Audit Officer also conducts the audit. Inspection Wing of the Finance Department, Government of Kerala examines instances of financial indiscipline/ misappropriation of PRI funds. Stores Purchase Department conducts inspections based on store purchase rules applicable to PRIs.

A LSGI is required to submit to an officer authorized by the State Government an abstract of its annual report showing receipts and payments under each head of account as certified by the auditor not later than the fifteenth day of the second month of the next financial year. The Act prescribes that the authorized officer shall submit a consolidated report to the Government.

As mentioned above, DP accounts are audited by the three agencies in Kerala. They are (i) Comptroller and Auditor General of India (ii) Local Fund Audit Department, Government of Kerala and (iii) State Performance Audit, Government of Kerala. Table 7.1 shows the details of audit conducted by three audit agencies in five DPs during 2012-2013, 2013-2014 and 2014-2015 and total number of projects audited. It shows that in Kottayam DP, 25 percent projects were audited every year. In other DPs all the projects are audited. Similarly, in some DPs all the three agencies are not auditing the accounts. For instance in Thrissur DP, no agency audited the account during 2014-2015 although they had 913

projects. In 2013-2014, although there were 1527 projects in Thrissur DP only state performance audit units audited the accounts.

Table 7.1: Audit Agencies Auditing Accounts of District Panchayats

| District Panchayat | Audit Agencies and Projects Audited | | | | | |
|--------------------|-------------------------------------|---|---------|--|---------|---|
| | 2012-13 | | 2013-14 | | 2014-15 | |
| Kottayam | 25% | 1.State Performance Audit 2. C& Auditor General 3. State Local Fund Audit | 25% | 1.State Performance Audit 2.C& Auditor General 3. State Local Fund Audit | 25% | 1.State Performance Audit 2. C& Auditor General |
| Alappuzha | 423 | 1. State Performance Audit 2. C& Auditor General 3. State Performance Audit | 450 | 1. State Performance Audit 2.C& Auditor General 3.State Performance Audit | 522 | 1. State Performance Audit 2.C& Auditor General |
| Thrissur | 1269 | 1. State Performance Audit 2. C& Auditor General 3. State performance Audit | 1527 | State Performance Unit | 913 | No Audit |
| Malappuram | 556 | 1.State Local Fund Audit 2. State Performance Audit | 670 | 1.State Local Fund Audit 2.State Performance Audit | 1200 | 1.State Local Fund Audit 2.State Performance Audit |
| Kannur | 567 | 1. State Performance Audit 2.C& Auditor General 3. State Local Fund Audit | 929 | 1. State Performance Audit 2. C& Auditor General 3. State Local Fund Audit | 1056 | 1.C& Auditor General 2. Local Fund Audit |

Note: In Kottayam DP only 25% projects were audited.

Source: Survey Data

Audit becomes effective when DP prepares and submits project-wise outlay and expenditure to the Audit agency. Here, five DPs mentioned that they usually submit it in time. Similarly we raised a question whether auditing agency examines only financial irregularities and completion of projects. One DP answered in the affirmative to this question while four DPs mentioned that auditors examine other aspects as well. Elected members remarked that auditors lack social commitment while auditing fund utilization and project completion procedures. Here, one DP remarked that projects like purchase of medicine for patients in hospitals, purchase of three-wheeler scooters for physically challenged, training programmes and social security schemes, the auditors' remarks have to be more value-based and rational. It is so because under these projects it is difficult to follow strict rules. One DP remarked that auditors make verifications based on rules and therefore it is difficult to formulate and implement innovative projects. Similarly, according to one DP, physical targets cannot be fixed for all projects. Therefore, in future auditors have to

examine the remarks of the elected people especially when innovative projects are audited. Table 7.2 shows some selected survey questions on Audit and the corresponding answers.

DPs did not initiate steps for social audit and publishing citizen's charter. All the five DPs surveyed responded that they have not initiated social audit. With regard to citizen's charter while 3 DPs published it, 3 did not. When questions were raised about this during the survey, responsible officers tended to transfer the responsibility to lower level officers. The answers obtained during survey are therefore either of poor quality or responsible officers are not trying to correct the system and improve it. In both cases, it is a major drawback to the decentralised planning process. We felt that responsible officers did not view this study with seriousness.

Table 7.2: Selected Survey Questions on Audit and the Answers

| Sl.No | Particulars | Answers (Nos.) | |
|-------|--|----------------|-----|
| | | Yes | No |
| 1 | Do you submit Annual project wise outlay and expenditure for Audit? | 5 | Nil |
| 2 | Do you think that audits examine only financial irregularity and project completion? | 1 | 4 |
| 3 | Do you think that Auditors lack social commitment while auditing? | 2 | 2 |
| 4 | Has the DP initiated social Audit? | Nil | 5 |
| 5 | Have you published citizen charter? | 2 | 3 |
| 6 | Do you receive complaints from public regarding services provided? | 1 | 3 |

Source: Survey Data

The audit reports of C&AG for various years relating to LSGIs indicate that comprehensive picture of the LSGIs in the State is not available since the consolidated accounts of the LSGIs were not prepared as prescribed in the Acts. Consequently, consolidated accounts of the Panchayats and Municipalities are difficult to be audited. C&AG further observes that in the absence of detailed accounts of proper utilization of loans, the trend of repayment and amount of interest paid or payable could not be ascertained. The audit carried out by C&AG as well as the Performance Audit wing of the State Government in several districts has brought to light a number of serious problems. Important observations on maintenance, execution and monitoring of projects are indicated below:

- i. There are a number of Audit Reports in various District Panchayats pending finalization
- ii. In the case of lease of property to private persons, often stamp duty is not properly collected with the result that the government is losing a huge amount in each transaction.
- iii. The Science Park donated by ISRO and maintained by one selected DP (Kannur) is not functioning properly with the result that huge amounts have become infructuous. A reply to audit query in this respect is pending for a long time.
- iv. Drinking water supply programmes (7 Nos) in one DP (Kannur) could not be completed due to the absence of timely supervision and hence the purpose of an investment of more than ₹100 lakh remains unfulfilled.
- v. Register of advance payments has not been maintained properly and an advance of more than ₹2 crore has not been adjusted even after 2 years of delay.
- vi. Irregularities have been noted in audit regarding records and up-keeping of cash book and asset register in several DPs.
- vii. The project regarding fixing/maintaining of pipelines taken up by DPs are seen confined to one Grama Panchayat only and not implemented in a group of Grama Panchayats. This is against the provisions envisaged in the Panchayat Raj Act.
- viii. Deposit Works awarded to KSEB & KWA by DPs are not monitored properly and hence not completed in prescribed time limit. Proper utilization certificate of amounts allotted to these agencies have also not been obtained and produced before the audit officials.
- ix. Working Groups are not functioning properly and their meetings are held rarely (once in a year) and hence the audit teams observed that their functioning is „deplorable“ in certain cases.
- x. DP Grama Sabhas were also held very rarely (almost once in a year) with the result that they fail to perform the Constitutional responsibilities assigned to them; viz.,

selection of beneficiaries, selection of projects to be taken up and issues of directions for monitoring of the ongoing projects.

- xi. The minutes of the Standing Committee were not prepared systematically in most of the DPs.

7.1 Governance

E-Governance and ICT greatly influence better governance. Transparency and accountability to people, quality of services provided to public, planning, monitoring and evaluation of projects and financial management were major objectives behind E-governance. It is with these objectives that PRIs in Kerala started computerization and networking with government support. Government of Kerala in 1999 started to computerize works of PRIs through Information Kerala Mission (IKM). In the initial years of computerization of PRIs, despite the efforts taken by Government through IKM, progress of computerization and networking was slow and disappointing. IKM managed the computerization activities of LSGs and developed the software and allowed them to operate. The operations were entrusted with trained people outside the LSGs. As a result the responsibility of training the PRIs' own staff in computer use was neglected and this caused major setbacks to computerization programmes of PRIs. But in due course, PRI's own staff were given training in e-governance and computerization and it resulted in better utilization of computers in PRIs.

DPs started computerization in 1999 and gradually all offices and divisions have been computerized. Similarly, offices/institutions transferred to DPs have also been computerized even though all such details were not available in all DPs. In the study, out of 7 DPs selected, only six provided the required details on computerization. These six DPs have sufficient computers with network facilities and email services. Three DPs mentioned about the computerization in DP office alone while the other three mentioned the details of computer in the transferred offices as well. Table 7.3 shows the details of computers installed in the DP offices and the related facilities, Table 7.4 shows some factors that promote the use of computers and some factors that block their activities.

Table 7.3: Computer and Related Facilities in the DPs

| DPs | Computers (Nos) | Net work and email facilities | Printers | Computer availability |
|--------------------|----------------------------|--|-----------------|----------------------------------|
| Thiruvananthapuram | 31 | 31 | 7 | 31 |
| Kottayam | 45 | 10 | 5 | 45 |
| Alappuzha | 140 | 140 | 6 | 140 |
| Thrissur | 484 | 186 | 4 | 375 |
| Malappuram | 26 | 14 | 7 | 22 |
| Kannur | 97 | 97 | 12 | 97 |

Note: Three DPs have given computer facilities in transferred institutions also and hence more numbers

Source: Data obtained for field survey

All the six DPs together have 823 computers which show an average of 137. Three DPs mentioned only about computers available within DPs; here the average number of computers comes to around 34. In Thiruvananthapuram there are 31 computers while in Kottayam and in Malappuram there are 45 and 26 respectively. Thrissur has stated that all employees do not need computer systems. All computers in Thrissur DP have network and email facilities. All DPs have printers but it varies from 4 in Thrissur to 12 in Kannur. Average number of printers per DP is 7. In Malappuram and Thrissur many computers are not in working condition. For instance, in Thrissur including in transferred offices, only 77.5 percent computers are in working condition. In four DPs, all the computers are in working condition (see Table 7.3).

7.2 Uses of Computer

Computer application has different uses in DP offices. All the DPs have online information system. Similarly all DPs are using the computer facility for uploading and downloading information from lower level offices to higher level offices and vice versa. Accounting system in all the six DPs has been computerized and all are using „saankya double entry system“ through IKM. Similarly, entire project details of the DPs are computerized and they were available in computer network. Internet connection from BSNL is used in all the DPs. While four DPs have Annual Maintenance Agreement for computer maintenance, two have no such AMC agreement.

In the DPs understudy, computerized services provided are different and varying. Three DPs hesitated to provide details of services provided through computer facility.

However all DPs uniformly agreed that computer system has improved efficiency and strengthened the financial management system. Similarly, computerization has improved the efficiency of works related to planning, implementation, monitoring, and evaluation of projects. In other words planning process could be monitored properly and timely with the help of computers. In Thiruvananthapuram, services available through computer were (i) review of plan progress; (ii) tender updating; (iii) accounting system and (iv) expenditure monitoring. In Kottayam plan implementation and monitoring were through computer. In Thrissur DP there is no direct public interaction using computers except through the front office system.

In Malappuram, no services are provided to the public through computer network. However, the DP believes that computerisation can ensure transparency in overall functioning/administration with special reference to service delivery and accounting. Alappuzha District Panchayat believes that through „Sulekha Software“, planning process turned simple, accurate and understandable. Data handling and retrieving became effective and easier using computers according to Thrissur.

Even though DPs enumerated the advantage and efficiency of computer, there are disadvantages and drawbacks as well in the computer use and application. Their use and application would improve and strengthen only when officials are given periodic training in computer use. While, four DPs reported that IT- based computer trainings are not given to officials, two DPs mentioned that trainings are given. Similarly, three DPs are of the opinion that they don't have sufficiently-trained manpower to operate all the installed computers. The computer use and application could be improved under such situation through the appointment of a trained system manager in each DP. While three DPs have system manager, three have no system manager. Table 7.4 gives details of trained personnel, system managers and AMCs in six DPs.

Table 7.4: Factors that promote and Block Computer use in DPs

| Sl. No | District Panchayat | AMC | Improved Efficiency | Restriction in Expenditure on computer | Computer training to officials | Computer and financial management | Availability of system Manager | Trained official to operate computer |
|--------|--------------------|------------|---------------------|--|--------------------------------|-----------------------------------|--------------------------------|--------------------------------------|
| 1 | Thiruvananthapuram | Yes | Yes | NA | Yes | Yes | Yes | Yes |
| 2 | Kottayam | Yes | Yes | No | Yes | Yes | Yes | Yes |
| 3 | Alappuzha | Yes | Yes | No | No | Yes | No | Yes |
| 4 | Thrissur | No | Yes | No | No | Yes | Yes | Yes |
| 5 | Malappuram | Yes | Yes | No | No | Yes | No | No |
| 6 | Kannur | No | Yes | Yes | No | Yes | No | No |

Source: Data obtained for field survey

Informations collected from DPs and their analysis shows that all the six DPs have computerized the office activities. But as we approached DP for data on details of plan progress including implementation and amount utilized, there was lack of information or the information provided was inadequate and inconsistent. For instance, plan data on general sector projects, SCP/TSP projects and women component projects and centrally sponsored projects were unable to be generated from computer for immediate use. Similarly, DPs were unable to generate the details of spillover projects from computers. We have observed that (i) data on plan projects are neither systematically kept nor updated regularly. (ii) Trained computer operators were not available to operate the system. For instance, 4 DPs responded that regular training is not given to officials. Two DPs stated that trained officials to operate computers are not available. It is a major drawback of the computerization system in the DPs. DPs have sufficient fund for purchasing of computers and providing training. It shows that the defect lies with the administrative system. To overcome the serious drawbacks mentioned above, every DP should appoint a well-trained computer professional as a system manager capable to supervise all data entry, ensure timely updating of it and making it possible to generate data on all activities of DP. The Secretary, DP, has to constantly watch how the computer system work and the defects of the system should be corrected immediately. Our recommendation is that (i) software specification should be standardized at state level and should be constantly monitored by IKM and (ii) all service delivery details including planning process must be made available to public through computer network.

Chapter 8

Decentralized Governance: An Empirical Analysis

In this chapter we are presenting the profile of District Panchayats, empirical analysis of the views and opinions of DP members, officials and beneficiaries about the functioning of DP. The survey results are given below:

8.1 Profile of the Sample District Panchayats

Elected Members: In Kerala, there are 14 District Panchayats covering 332 wards and 332 members. It shows that average wards per District Panchayat are 24. Out of 332 members, 163 are male and 169 female. Similarly there are 35 SC members and 5 ST members in the District Panchayats. Seven Panchayats have females as Presidents and one has an SC President. For the study, seven District Panchayats were selected and they together have 175 elected members. Among them, 15 are SC members, 4 are ST members and 91 are female members. A break up of district-wise elected members is given in Table 8.1.

Staff Members: Seven District Panchayats together have 199 staff and out of them 19 are gazetted and 180 are non-gazetted. In each District Panchayat, there is one Secretary and one Finance Officer deputed from State Government Departments. With regard to other staff members also, they are either transferred or deputed from other Departments. It shows that the District Panchayat does not have its own permanent staff.

On an average one District Panchayat has 28 staff. But the number of staff varies from 39 in Alappuzha District Panchayat to 20 in Malappuram. It shows that while a small District Panchayat like Alappuzha has 39 staff, Malappuram, a rather big District Panchayat has only 20 staff. Malappuram has 32 elected members and was awarded a plan grant of Rs. 6275 lakh during 2014-15. The grant allotted to Alappuzha District Panchayat with 23 elected members was Rs.3950 lakh. It indicates that a big District Panchayat with more plan grant has only less number of staff. Surely, this would affect its overall functions. Table 8.1 shows the District Panchayat wise strength of staff.

Table 8.1: Elected Members and Staff in sample District Panchayats

| Sl. No | District Panchayats | Elected Members | | | | Staff Members* | | |
|--------|---------------------|-----------------|----|----|--------|----------------|----------|--------------|
| | | Total | SC | ST | Female | Total | Gazetted | Non Gazatted |
| 1 | Thiruvananthapuram | 26 | 3 | - | 13 | 30 | 2 | 28 |
| 2 | Alappuazha | 23 | 2 | - | 12 | 39 | 3 | 36 |
| 3 | Kottayam | 23 | 2 | - | 14 | 28 | 2 | 26 |
| 4 | Thrissur | 29 | 4 | - | 15 | 28 | 3 | 25 |
| 5 | Malappuram | 32 | 2 | 1 | 16 | 20 | 3 | 17 |
| 6 | Wayanad | 16 | 1 | 3 | 8 | 25 | 3 | 22 |
| 7 | Kannur | 26 | 1 | - | 13 | 29 | 3 | 26 |
| | Total | 175 | 15 | 4 | 91 | 199 | 19 | 180 |

**Note: Staff members working in the DP office*

Source: Survey Data

Functions and Responsibilities: The 73rd Constitutional amendment was a milestone in the Local Self Governance in India. Kerala Government passed the Kerala Panchayat Raj Act 1994 envisaging the transfer of powers and functions of various departments of the State Government to the three-tier panchayats. The major institutions transferred to District Panchayats are: District Agriculture Office, District Agricultural Farm, District Veterinary Centres, Fisheries schools, part of District Industries Centre, Upper Primary Schools, High Schools and one division of Public Works Department. Detailed list of institutions and posts transferred to District Panchayats are given in Table 3.2.

Implementing Officers: As mentioned above, functions of 16 Departments and officials from 10 Departments have been transferred to District Panchayats. Plan grant, functions and officials are transferred to District Panchayats to formulate development plan at district level with the participation of people and to implement them. Though people are involved in Plan formulation, its execution is still with officials. For the administration of District Panchayat, staff have been transferred separately and posted, as mentioned above. On an average, each District Panchayat got ₹.4450 lakh during 2014-2015 as plan grant. Development Plan projects are formulated based on this plan grant and the State government has permitted implementing officers to execute these projects. Data collected from the implementing officers from 4 District Panchayats, out of 7 selected for the study have showed that the number of implementing officials vary District Panchayat-wise. For instance, in Thiruvananthapuram District Panchayat, there are 47 implementing officers whereas in Kottayam there are only 32 implementing officers. Similarly, in Thrissur District Panchayat

while there are 37 implementing officers, there are 38 in Alappuzha (See Table 8.2). Breaks-up of district-wise implementing officers are given in Appendix 1 to 4.

Table 8.2: Implementing Officers in District Panchayats

| Sl.No | DPs | Implementing Officers (Nos.) |
|-------|--------------------|------------------------------|
| 1 | Thiruvananthapuram | 47 |
| 2 | Alappuzha | 38 |
| 3 | Kottayam | 32 |
| 4 | Thrissur | 37 |
| | | 154 |

**Note: Three DPs did not furnish the details*

Source: Survey Data

All implementing officers are not transferred officials to the District Panchayat. The implementing officers include officials from Kerala State Electricity Board and Kerala Water Authority. The works implemented through these Departments are deposit works. Here projects approved by District Panchayats are transferred to them along with approved outlay. It is very striking that deposit works are not properly monitored by the District Panchayats. The Comptroller and Auditor General and Local Fund Audit have noted that deposit works are not completed in time and utilization certificates are delayed. It reveals that transferred officials to District Panchayat are not serious about timely completion of the projects and getting the utilization certificate. Here, we understand that this situation arises mainly due to the large number of projects that District Panchayats have to handle. District Panchayats would find it difficult to monitor large number of projects and their execution stages regularly. For instance, Thrissur District Panchayat had 1269 projects in 2012-2013 and 1527 in 2013-2014. The Number of projects came down to 913 during 2014-2015.

Table 8.3: District Panchayat-wise Projects (2012-2015)

| Sl.No | DPs | Projects (Nos) | | |
|-------|--------------------|----------------|-----------|-----------|
| | | 2012-2013 | 2013-2014 | 2014-2015 |
| 1 | Thiruvananthapuram | - | - | 1223 |
| 2 | Kottayam | - | - | 979 |
| 3 | Alappuzha | 423 | 450 | 522 |
| 4 | Thrissur | 1269 | 1527 | 913 |
| 5 | Malappuram | 556 | 670 | 1200 |
| 6 | Kannur | 567 | 929 | 1056 |
| 7 | Wayanad | - | - | 489 |

Source: IKM

In Malappuram District Panchayat, the number of projects increased from 556 in 2012-2013 to 1200 in 2014-2015. The number of projects in Kannur District Panchayat also increased from 567 in 2012-2013 to 1056 in 2014-2015. However, in Alappuzha District Panchayat, the number of projects was relatively low at 423 in 2012-2013 and it marginally increased to 522 in 2014-2015.

Table 8.4: District Panchayat-wise Plan grant and number of projects and average outlay per Project (2014-2015)

| Sl.No | District Panchayats | 2014-15 | | |
|-------|---------------------|-------------------------|------------------|---------------------------------------|
| | | Plant Grant (₹.Lakh) | Project (Nos) | Average Outlay of Project (₹.lakh) |
| 1 | Thiruvananthapuram | 5527 | 1223 | 4.50 |
| 2 | Alappuzha | 3950 | 522 | 7.55 |
| 3 | Kottayam | 3688 | 979 | 3.77 |
| 4 | Thrissur | 5388 | 913 | 5.90 |
| 5 | Wayanad | 2922 | 489 | 5.99 |
| 6 | Malappuram | 6275 | 1200 | 4.50 |
| 7 | Kannur | 3711 | 1056 | 3.50 |

Source: IKM

When District Panchayat takes a large number of projects, the outlay per project becomes low. When outlay becomes too low, the project may become uneconomic. When we analysed the Plan grant allotted to District Panchayats and number of projects formulated during 2014-2015, we understood that average size of the District Panchayat project vary from a low of ₹3.50 lakh in Kannur district to a high of ₹7.55 lakh in Alappuzha District Panchayat. An analysis of the average outlay of projects thus indicates that in four District Panchayats, the average outlay of project is below ₹5.0 lakh each and in three districts average outlay is above ₹5.0 lakh. Here, our suggestion is that the District Panchayat shall be directed to take relatively medium or big projects above ₹10 lakh.

8.2 District Panchayat Members

A survey was conducted among the District Panchayat members to know their understanding of various aspects about the functioning of DP. Their views on the formulation of district plan, resource mobilization, transfer of functions and officials, grama sabhas, E-Governance, WCP, SCP, TSP etc. were collected in the survey. In the survey, a sample of 65 elected members from seven DPs, were interviewed (See table 8.5).

Table 8.5: Sample Number of District Panchayat Members

| Sl.No. | District Panchayats | Members(Nos.) | (%) |
|--------|---------------------|---------------|------|
| 1. | Thiruvananthapuram | 10 | 15.4 |
| 2. | Kottayam | 5 | 7.7 |
| 3. | Alappuzha | 4 | 6.2 |
| 4. | Thrissur | 10 | 15.4 |
| 5. | Malappuram | 7 | 10.8 |
| 6. | Wayanad | 8 | 12.2 |
| 7. | Kannur | 21 | 32.3 |
| Total | | 65 | 100 |

Source: Survey Data

We interviewed 65 members (37%) out of total 175 members in 7 DPs. We were able to cover more members from Kannur, Thrissur and Thiruvananthapuram District Panchayats.

Educational status of the members shows that two members have educational level below SSLC. Twenty-seven members are graduates and above and seventeen have passed SSLC. Similarly 19 have completed pre-degree. Details of educational status of members are given in Table 8.6.

Table 8.6: Educational Qualification of the Members

| Sl. No. | Educational Qualification | Members (Nos.) | Percentage % |
|---------|---------------------------|----------------|--------------|
| 1. | Below SSLC | 2 | 3.1 |
| 2. | SSLC | 17 | 26.2 |
| 3. | Pre-Degree | 19 | 29.2 |
| 4. | Degree | 19 | 29.2 |
| 5. | Above degree | 8 | 12.3 |
| Total | | 65 | 100 |

Source: Survey Data

The age structure shows that only 3 percent belonged to the age group less than 30 years. Eighteen percent belonged to the age group 31 to 40 years. More than one fourth of the members belonged to the age group 41-50 years. More than 50 percent of the sample members interviewed belonged to the age group of more than 51 years.

Table 8.7: Age-wise Distribution of Members

| Sl No. | Age | Members(Nos.) | Percentage(%) |
|--------|---------------|---------------|---------------|
| 1. | < 30 years | 2 | 3.1 |
| 2. | 31 – 40 years | 12 | 18.5 |
| 3. | 41 – 50 years | 17 | 26.2 |
| 4. | 51 – 60 years | 23 | 35.4 |
| 5. | >60 years | 11 | 16.9 |
| Total | | 65 | 100 |

Source: Survey Data

More than 50 percent of the sample members were females. The highest number of females were from Kannur (35 percent) followed by Kottayam and Wayanad. In Wayanad 37.5 percent members were from Scheduled Tribe and in Thrissur 50 percent were from Scheduled Castes. We could not cover more female members of the DPs due to non-availability of them for the interviews.

Table 8.8: Male – Female Members (in Percentage)

| Sl. No. | District Panchayats | Gender (%) | |
|---------|---------------------|------------|--------|
| | | Male | Female |
| 1. | Thiruvananthapuram | 25.0 | 6.5 |
| 2. | Kottayam | 00 | 16.1 |
| 3. | Alappuzha | 17.9 | 3.21 |
| 4. | Thrissur | 17.9 | 6.1 |
| 5. | Malappuram | 14.3 | 9.7 |
| 6. | Wayanad | 14.3 | 12.9 |
| 7. | Kannur | 21.4 | 35.5 |
| Total | | 100 | 100 |

Source: Survey Data

Majority of the members under study were either members of grama panchayats or block panchayats. Only a few members have not contested earlier in elections to local governments. This shows that majority of the members have experience and exposure to decentralized planning process.

Out of the 65 sample members, 55 (85 percent) were standing committee members. Only a few respondents mentioned the name of the Standing Committee to which they belong. Among them, 16 (29 percent) were members of development Standing Committee and 13 (24 percent) were members of the standing committees of education and health.

Table 8.9: Membership in District Planning Committee

| Sl No. | District Panchayats | Yes (Nos.) | No (Nos) | Yes % | No % |
|--------|---------------------|------------|----------|-------|------|
| 1. | Thiruvananthapuram | 9 | 1 | 16.4 | 12.5 |
| 2. | Kottayam | 5 | 0 | 9.1 | 00 |
| 3. | Alappuzha | 3 | 1 | 5.5 | 12.5 |
| 4. | Thrissur | 8 | 2 | 14.5 | 25.0 |
| 5. | Malappuram | 7 | 0 | 12.7 | 00 |
| 6. | Wayanad | 5 | 3 | 9.1 | 37.5 |
| 7. | Kannur | 18 | 1 | 32.7 | 12.5 |
| Total | | 55 | 8 | 100 | 100 |

Source: Survey Data

Around 50 percent of the respondents were members of DPC. All the 4 respondents from Alappuzha District panchayat were DPC members whereas in Kottayam, out of the 5 respondents, only one was a DPC member. In all other District Panchayats under study, nearly half of the respondents were members of DPC. Details are given in Table 8.10

Table 8.10: Membership in DPC

| Sl No. | District Panchayats | Yes (Nos.) | No (Nos.) | Yes % | No % |
|--------|---------------------|------------|-----------|-------|------|
| 1. | Thiruvananthapuram | 5 | 5 | 15.2 | 15.6 |
| 2. | Kottayam | 1 | 4 | 3.0 | 12.5 |
| 3. | Alappuzha | 4 | 0 | 12.1 | 00 |
| 4. | Thrissur | 4 | 6 | 12.1 | 18.8 |
| 5. | Malappuram | 3 | 4 | 9.1 | 12.5 |
| 6. | Wayanad | 6 | 2 | 18.2 | 6.3 |
| 7. | Kannur | 10 | 11 | 30.3 | 3.4 |
| Total | | 33 | 32 | 100 | 100 |

Source: Survey Data

The profile of the District Panchayat members under study shows that members have good educational qualifications. Similarly, the sample comprised more or less equal number of male and female members. Sample has also given adequate representation to Schedule Castes and Schedule Tribes. Most of the respondents under study had previous experience as LSG members. Similarly, 87 percent of the respondents were members of the Standing Committees and more than 50 percent of them were also members of District Planning Committees.

8.2.1 Training

One of the major problems faced by the members of DP is lack of proper training. Training on different aspects relating to Panchayat Raj administration is provided to members mainly by Kerala Institute of Local Administration (KILA). Giving training in time to all DP members is beyond the scope of KILA. Unfortunately, alternative arrangements are not yet properly developed.

In this study, an attempt was made to elicit the details of training programmes attended by the members. Out of the 65 respondents, 55 attended training on decentralized planning conducted by KILA. Duration of the trainings was normally 4 or 5 days only. The respondents stated that trainings were imparted on subjects such as administration of

District Panchayats; three-tier decentralized planning, project formulation and implementation, computer training and Panchayat Raj in Kerala. However several respondents considered the training as a routine process only. Many of them were not able to give details of the training they attended such as dates, number of days of training and the inputs they received from these trainings. From the responses, it is clear that the quality of training was poor or the members are not taking it seriously.

Details of the subjects on which training was given to the respondents is shown in Table 8.11. The table shows that 24 respondents attended training on District Panchayat administration followed by 20 members on three-tier decentralized planning. It is important to note that only 5 respondents attended training on project formulation and implementation, which is a core subject. Likewise, only 3 members attended computer training. Thus, inadequate training to members of DP on administration, finances, plan formulation, execution, auditing and use of computers is the major constraint of capacity building of the members to perform their duties more effectively and efficiently.

Table 8.11: Subject-wise Training attended by Members

| Sl. No. | Subjects | Respondents (Nos.) | Percentage (%) |
|---------|--|--------------------|----------------|
| 1. | District Panchayat Administration | 24 | 43.6 |
| 2. | Three-tier Decentralised Planning | 20 | 36.4 |
| 3. | Computer Training | 3 | 5.5 |
| 4. | Project formulation and Implementation | 5 | 9.1 |
| 5. | Panchayat Raj in Kerala | 1 | 1.8 |
| 6. | Not reported | 2 | 3.6 |
| Total | | 55 | 100 |

Source: Survey Data

8.2.2 Plan formulation

Constitution of working groups with persons having expertise in planning and its efficient functioning is a pre-condition for the success of district panchayat plan. Out of the 65 respondents, 47 stated that working groups were formed satisfactorily and were working efficiently. Remaining 18 respondents were not satisfied with constitution and functioning of the working groups. But these respondents did not explain the reasons for the poor performance of the working groups. While asking the respondents about from where and how the suggestions for projects came up, they mentioned nine major sources. They include grama sabhas, block panchayats, District Panchayat members, District Panchayat

President, working groups and suggestions of experts from different fields/areas. Respondents also said that need-based projects are to be given priority.

Table 8.12: Source of origin of District Panchayat Projects

| Sl. No. | Sources | Respondents (Nos.) | Percentage (%) |
|---------|---|--------------------|----------------|
| 1. | Grama Sabha | 6 | 9.2 |
| 2. | Block Panchayat | 2 | 3.1 |
| 3. | District Panchayat | 16 | 24.6 |
| 4. | Decision of the DP President | 1 | 1.5 |
| 5. | Suggestion from experts | 2 | 3.1 |
| 6. | Working Groups | 9 | 13.8 |
| 7. | Need- based local projects | 1 | 1.5 |
| 8. | District Panchayats/ Grama Sabha | 12 | 18.5 |
| 9. | Grama Panchayats/Zilla Panchayats/ Block Panchayats | 16 | 24.6 |
| Total | | 65 | 100 |

Source: Survey Data

Fifty-eight respondents stated that development projects are given priority on the basis of certain norms. Remaining 7 members did not respond to this question. The norms suggested by the members are plan grant amount, local needs, suggestions from members and decisions of the District Panchayat sabha. In certain cases, vested interests of the members also influence prioritizing the projects.

Scarcity of resources badly affects implementation of projects. Resource mobilization is an important aspect here. Out of the 64 respondents, 56 stated that District Panchayat had made attempts for additional resource mobilization. The main sources of resource mobilization were commercial banks, co-operative banks and contributions made by the public and beneficiaries. But it is observed that the resource mobilization through beneficiary contribution and public contribution is not significant. Details of the norms for prioritizing development projects were given in Table 8.13

Table 8.13: Norms for Prioritizing Development Projects

| Sl. No. | Norms | Respondents (Nos.) | Percentage (%) |
|---------|--|--------------------|----------------|
| 1. | Plan grant amount | 13 | 22.4 |
| 2. | Local needs | 11 | 19.0 |
| 3. | Suggestions from members | 2 | 3.4 |
| 4. | Decision of DP Sabha | 9 | 15.5 |
| 5. | Projects under the interest of Members | 1 | 1.7 |
| 6. | Plan grant amount/Local needs/ suggestions from members/decision of DP Sabha | 22 | 37.9 |
| Total | | 58 | 100 |

Source: Survey Data

8.2.3 Three-Tier Integrated Plan

District Development Plan prepared by integrating the plans of the three-tier Panchayat institutions would promote the overall developmental activities. Out of the 64 respondents, 50 stated that a district development plan is prepared in their districts by integrating the plans of the three-tier panchayat institutions. But 14 respondents reported that such a plan is not prepared. Similarly, certain respondents highlighted some of the difficulties in the formulation of the three-tier integrated district plan. Majority of them cited lack of creative ideas and lack of interest from Chairman or committee members. Preparation of master plan is not made mandatory for preparing district development plan. Sanctioning projects without proper norms, lack of co-ordination between various departments and the three-tier LSGs, poor functioning of the District Planning Committees and difficulties in formulating spatial development plans were cited as the reasons by the respondents. Out of the 14 respondents, 8 respondents highlighted the above-said issues. Remaining 6 respondents did not report the reasons. Details are given in Table 8.14.

Table 8.14: Formulation of 3 Tier Integrated District Plan

| Sl. No. | Issues | Respondents (Nos.) | Percentage (%) |
|---------|--|--------------------|----------------|
| 1. | Lack of interest in building creative ideas | 3 | 21.4 |
| 2. | Lack of suggestion from Chairman, Standing Committee | 1 | 7.1 |
| 3. | Master Plan not mandatory for preparing District development Plan | 3 | 21.4 |
| 4. | Committee blindly sanction projects/lack of co-ordination among various Departments and three tier LSGs/DPCs were not working properly/Find difficulty in formulating spatial development Plan | 1 | 7.1 |
| 5. | Not Reported | 6 | 42.9 |
| Total | | 14 | 100 |

Source: Survey Data

Long-term or perspective plans are essential to fulfil certain broad development goals and to attain sustainable development. While preparing perspective plans the physical and financial resources and the development requirements of the District Panchayat have to be taken into account. We asked the respondents whether physical and financial goals are taken into consideration in preparing long term plan. Fifty two respondents have stated that these aspects are considered in plan formulation. The respondents highlighted certain issues on preparing long-term development plan. They are given in Table 8.15.

Table 8.15: Issues in Long Term Plan Preparation

| Sl. No. | Issues | No. of Respondents | Percentage |
|---------|--|--------------------|------------|
| 1. | Lack of knowledge and training for members | 52 | 80 |
| 2. | Lack of interest among members | 10 | 15.4 |
| 3. | Autocratic rule of President | 1 | 1.5 |
| 4. | There is no target oriented project plan | 1 | 1.5 |
| 5. | Not reported | 1 | 1.5 |
| Total | | 65 | 100 |

Source: Survey Data

It is very important to note that 52 respondents (80 percent) described the lack of knowledge and training as the major problems in formulating long term plan. Though the state has completed two decades of decentralized planning, steps have not taken to prepare perspective plans for the district. Due to lack of vision for the future, DPs are not able to prepare sound five year plans for the development of the district.

8.2.4 Effectiveness of District Planning Committee

The major role of the DPC were the following (1) approve plans and projects prepared by all the local governments (2) monitor and evaluate the development projects of all LSGs at the district level and (3) integrate and consolidate local level plans prepared by all LSGs into a district plan. Experience shows that DPCs are unable to perform the last two tasks assigned to it. Inadequate expertise and lack of office support also affect the functioning of DPC. We reported earlier, that more than half of the respondents in this study were members of the DPC. The respondents pointed out several reasons for the ineffective functioning of DPC. Major issues highlighted by the respondents are given in Table 8.16.

Table 8.16: Effectiveness of District Planning Committee

| Sl. No. | Norms | Respondents (Nos.) | Percentage (%) |
|---------|--|--------------------|----------------|
| 1. | DPCs were downgraded to the level of sanctioning local government Plan | 3 | 4.6 |
| 2. | DPCs have to improve effectiveness and long term vision | 3 | 4.6 |
| 3. | Incapable to suggest proper criteria for project Plan formulation | 2 | 3.1 |
| 4. | Incapable to assess the direct and indirect impact of a project | 3 | 4.6 |
| 5. | DPC meetings were ineffective | 1 | 1.5 |
| 6. | Functions not proper | 3 | 4.6 |
| 7. | Not reported | 50 | 76.9 |
| Total | | 65 | 100 |

Source: Survey Data

It is important to note that even though majority of the respondents were DPC members, only 15 members expressed their views regarding the poor performance of DPC. Fifty respondents did not give any reasons. Inability of members to express their views points to the fact that they need more orientation and capacity building.

8.2.5 Project Appraisal Technical and Administrative Sanction

Participatory Planning process in Kerala brought about significant changes in plan formulation and implementation in terms of people's participation and beneficiary selection. However, the quantum and impact of such changes was much below the expectations. In the study, we asked the opinions of District Panchayat members about issues relating to project appraisal, technical and administrative sanctions. But only 24 members responded to us and the views of the members are given in Table 8.17.

Table 8.17: Members' views on project appraisal, Technical and Administrative sanction

| Sl.No | Opinion | Respondents (Nos.) | Percentage (%) |
|-------|--|--------------------|----------------|
| 1 | Lack of efficiency and transparency/ lack of expertise in project evaluation | 4 | 16.7 |
| 2 | Shortage of time to implement public works due to delay in technical sanction | 9 | 37.5 |
| 3 | Doubts of officials on government orders | 1 | 4.2 |
| 4 | Inefficiency of officials in handling project | 6 | 25 |
| 5 | Lack of efficiency and transparency /lack of expertise in project evaluation/untimely implementation | 4 | 16.7 |
| Total | | 24 | 100 |

Source: Survey Data

One-third of the members were of the view that the delay in technical sanction and shortage of time for project implementation were the main issues. Members remarked that as a result, projects were implemented during the last months of the financial year. Sincere efforts are necessary to solve these problems and achieve better utilisation of plan funds. Six members responded that inefficiency of officials was the cause of poor plan spending. According to them, officials have to be given adequate training to improve their capacity in project appraisal and implementation.

8.2.6 District Panchayat Grama Sabha

Thirty-one members have not given their views on the functioning of the District Panchayat grama sabha. Only a few respondents were satisfied with the functioning of grama sabha. The respondents raised a number of issues relating to the functioning of grama sabha (Table 8.18).

Table 8.18: District Panchayat Sabha

| Sl. No | Opinion of Members | Respondents (Nos.) | Percent |
|--------|--|--------------------|---------|
| 1 | Grama Sabha decisions were manipulated | 1 | 2.5 |
| 2 | Minutes of the Grama Sabha not published | 1 | 2.5 |
| 3 | People's participation in Grama Sabha is very low | 5 | 12.5 |
| 4 | Grama Sabha decisions cannot be implemented properly | 1 | 2.5 |
| 5 | Grama Sabha decision were manipulated/minutes were not published in time | 1 | 2.5 |
| 6 | Not Reported | 31 | 77.5 |
| Total | | 40 | 100.0 |

Source: Survey Data

It is reported that decisions of the grama sabha were manipulated and minutes of the meetings were not published in time. Auditors have also pointed out non-publication of minutes of grama sabhas. According to C&AG, grama sabha meetings of the DP were held once in a year and its minutes were not published. Hence there is enough room for effecting changes in minutes. Some members remarked that grama sabha decisions cannot be implemented practically. Poor participation in the grama sabha meeting is also a major drawback of the system. If District Panchayat grama sabha is convened regularly and properly, people's representatives can participate and discuss matters relating to selection of projects, earmarking of fund and issues on the implementation. Effective functioning of

grama sabha can also help to monitor the accountability of officials in the decentralized planning process. Therefore, measures have to be initiated to monitor the functioning of the District Panchayat grama sabhas and to make it more effective in planning process.

8.2.7 Low Fund Utilisation

Fund devolution to LSGs is the most important element of Kerala's decentralized planning. Fund is provided to local governments in the form of untied plan grant for implementing projects. Similarly, development fund is allotted to local governments for categories such as general sector, Special Component Plan and Tribal Sub Plan. Outlay for each sector is fixed on the basis of the recommendation of the State Finance Commission. The 4th State Finance Commission had recommended for devolving of 25 percent of the state plan outlay to local governments as development grant.

Reviews of expenditure of local governments show that fund allotted to them is not totally utilized. For instance, overall plan fund utilization in 2014-15 was only 68.20 percent of outlay. In 2013-14, utilization was 77.74 percent and in 2012-13 it was 70.84 percent. Local Government-wise expenditure shows wide variation among different Local Governments. For instance, Block Panchayat utilized 83.69 percent of the outlay followed by Grama Panchayats at 68.63 percent. Among the three-tier Panchayats, District Panchayat stands at the bottom with 67.04 percent during 2014-15 (Economic Review 2015).

Several reasons have been highlighted by District Panchayat members for low fund utilization. Reasons for low fund utilization as expressed by 60 District Panchayat members are shown in Table 8.19. Five respondents did not give their views. According to twenty-five respondents (38%) delay in project formulation and irresponsibility of officials are reasons for low fund utilization. Seventeen respondents (26%) were of the view that selection of non-viable projects, delay in giving administrative sanction to the projects and shortage of implementing officers are the reasons for low fund utilization.

Table 8.19: Reasons for Low Fund Utilisation

| Sl. No | Opinion of Members | Respondents (Nos.) | Percentage (%) |
|--------|---|--------------------|----------------|
| 1 | Red tapism | 4 | 6.2 |
| 2 | Selection of unviable projects | 3 | 4.6 |
| 3 | Delay in technical and administrative sanctions and incapability of officials | 5 | 7.7 |
| 4 | Delay in project formulation/ rigid project criteria/ irresponsibility of officials | 25 | 38.5 |
| 5 | Unviable projects / shortage of implementing officials/administrative delay/ problems relating to rules | 17 | 26.2 |
| 6 | Lack of co-ordination and unity among Panchayat members | 6 | 9.2 |
| 7 | Not Reported | 5 | 7.7 |
| Total | | 65 | 100 |

Source: Survey Data

8.2.8 Women Component Plan

Women Component Plan (WCP) is one of the salient features of Kerala's decentralised development plan. Out of the total plan outlay, local governments have to set apart 10 percent for women development projects. Similarly, under WCP, income-generating and employment-generating projects are given priority. But, very often the amount allotted to WCP is not fully utilized. For instance, in 2014-15, ₹.613.16 crore was earmarked by Local Governments for WCP in the State. But expenditure was only ₹441.32 crore (71.97%) (Economic Review, 2015). In the survey, among 65 District Panchayat members, thirty-nine responded that WCP helped in creating income and employment for women. But, twenty respondents disagreed with this view. Remaining six respondents did not express their opinion on WCP projects. However, respondents have highlighted several serious issues relating to WCP. They are shown in Table 8.20. According to 10 members, adequate importance is not given to WCP. Improper utilization of fund, lack of priority given to SHGs and the need for starting WCP projects in backward areas are some major opinions expressed by the members. Members also pointed out that there are many projects which do not benefit women, and that the auditing system is defective.

Table 8.20: Reasons for Low Fund Utilisation -Women Component Plan

| Sl.No | Reasons | Respondents (Nos.) | Percentage (%) |
|-------|---|--------------------|----------------|
| 1 | Inadequate Fund | 4 | 6.2 |
| 2 | Lack of priority to SHG | 6 | 9.2 |
| 3 | Projects which address local need be given priority | 5 | 7.7 |
| 4 | Auditing system is defective | 5 | 7.7 |
| 5 | WCP Projects were not directly benefiting women | 3 | 4.6 |
| 6 | Adequate importance is not given to WCP | 10 | 15.4 |
| 7 | WCP Projects not started in backward regions | 6 | 9.2 |
| 8 | Fund allotted is not properly utilized | 7 | 10.8 |
| 9 | Not Reported | 19 | 29.2 |
| Total | | 65 | 100 |

Source: Survey Data

8.2.9 SCP and TSP

Special Component Plan (SCP) and Tribal Sub Plan (TSP) are aimed to provide special protective measures to safeguard the interests of Scheduled Castes and Scheduled Tribes. Allocation of Plan fund to SCP and TSP from the State Plan outlay is based on the ratio of SCs and STs to total population of the State. Similarly, out of the total Plan fund allotted to Local Self Governments, fund for SCP and TSP is earmarked based on government guidelines. During 2014-15, SCP fund earmarked by Local Governments and utilized are ₹927.58 crore and ₹811.56 cores (87%) respectively. Likewise fund earmarked and fund utilized under TSP by local governments during 2014-2015 came to ₹139.21 crore and ₹121.61 crore (87%) respectively.

The main issues noted by District Panchayat members on SCP and TSP are shown below:

Special Component Plan

- Intended beneficiaries under SCP were not benefited
- Beneficiaries misuse the project
- Adequate importance was not given to SCP by officials
- Changes were needed in the Governments' guidelines on SCP

Tribal Sub Plan

- Shortage of funds
- Mismanagement of funds by officials
- Demands of Oorukoottam were not given importance
- Benefits were not reaching the needy people
- Officials were inefficient
- Beneficiaries were not properly identified
- Projects were not implemented in time
- Expert opinion is not obtained in projects

8.2.10 Transferred Institutions

In this study, we gathered opinions of the District Panchayat members about the dual control of transferred officials. Eighteen members were of the view that dual control is not good and it adversely affects the functioning of the District Panchayats. Twelve members were of the opinion that dual control is good, provided more powers are given to District Panchayats. Another 12 members considered dual control as part of the democratic system whereas the same number of respondents stated that it would lead to autocratic rule of the officials transferred. The views of the respondents are given in Table 8.21. In our discussions with District Panchayats members, some of them stated that the transferred officials are not working efficiently. According to them, lack of adequate training, lack of commitment to work and lack of interest for taking up responsibilities are some problems. The members demanded that District Panchayats should be given full control over the transferred officials.

Table 8.21: Dual Control of Transferred Officials

| Sl.No | Opinion | Respondents (Nos.) | Percentage (%) |
|-------|---|--------------------|----------------|
| 1 | Dual Control is a part of democratic system | 12 | 18.5 |
| 2 | Dual control is not good/it affects adversely | 18 | 27.7 |
| 3 | Dual Control is good, but more powers must be given to DP | 12 | 18.5 |
| 4 | Inefficient officials and irresponsibility towards work | 6 | 9.2 |
| 5 | Officials were not given proper guidance on government orders | 3 | 4.6 |
| 6 | Autocratic rule of officials | 12 | 18.5 |
| 7 | Not Reported | 2 | 3.1 |
| Total | | 65 | 100 |

Source: Survey Data

8.2.11 Suggestions

In the survey, District Panchayat members were asked to give their suggestions to improve present situation of District Panchayat administration. Nearly 54 members put forward several suggestions. But 11 members had not given any suggestion. Conducting elections six months prior to the completion of the tenure of the existing body to give adequate training to the newly elected members was one suggestion. Obviously, this is impossible. Relaxing the existing auditing system, giving better honorarium to District Panchayat members and full control over transferred officials by the District Panchayat were the other suggestions. The suggestions made by the respondents are shown in Table 8.22.

Table 8.22: Suggestions of Sample District Panchayat Members

| Sl. No | Suggestions | Respondents (Nos.) | % |
|--------|---|--------------------|-------|
| 1 | Election must be conducted six months before the tenure for giving adequate training to new members | 8 | 12.31 |
| 2 | Need-based projects should be selected | 4 | 6.15 |
| 3 | Audit system should be relaxed or liberalized | 8 | 12.35 |
| 4 | Transparency in project selection and implementation | 6 | 9.23 |
| 5 | Increase the strength and honorarium of DP members | 7 | 10.77 |
| 6 | Full control over transferred officials | 7 | 10.77 |
| 7 | Conduct Standing Committee meeting regularly | 4 | 6.15 |
| 8 | Efficient officers were required | 4 | 6.15 |
| 9 | Proper monitoring of the Plan /projects | 6 | 9.23 |
| 10 | Not Reported | 11 | 16.91 |
| Total | | 65 | 100 |

Source: Survey Data

Members are of the opinion that need-based projects are not selected and approved. Regarding the audit system, members remarked that auditors examine irregularity in fund use strictly based on rules disregarding the constraints of a local government. Therefore, they suggest relaxation and liberalization in the audit rules. Similarly transparency in project, selection and implementation are necessary. Another major issue in the District Panchayat administration is dual control over transferred officials and the problems associated with it. Similarly, regular standing committee meeting, posting of efficient officers and proper monitoring of projects execution would improve the performance of

DPs. In spite of the completion of two decades of decentralisation, the District Panchayats have not succeeded in improving their efficiency in administration and achieve better performance of annual plans.

8.3 Transferred Officials

An attempt is also made to examine the role of transferred officials in the development administration of District Panchayats. Here we analyse the views of officials on formulation of projects, functioning of standing committees/working groups, monitoring mechanism and delays in plan fund utilization. Administration becomes effective and efficient when officials acquire capacity through training. Transferred officials were interviewed with structured interview schedules and seventy-five officials responded. Response of the officials was not satisfactory since they had not properly understood the objectives of this study.

8.3.1 Training and Capacity Building

Intensive and continuous trainings are inevitable for officials for enhancing their efficiency and capacity. Therefore, the study put in much effort for collecting information on trainings attended by officials and their feedback. Analysis pertaining to the trainings show that 72 percent of the officials interviewed had attended trainings. It is shown in Table 8.19

A detailed analysis shows that out of 75 officials responded, 54 had attended training. Even though all the respondents are from major development departments, many of them attended only short-term training (two or three days) programmes conducted by KILA on decentralized Planning. But 28 percent (21) officials had not attended any training. Similarly only a few officials got induction orientation training.

Table 8.23: Transferred Officials and Their Response to District Panchayat Administration

| Sl.No | Responses | District Panchayats | | | | | | | |
|---------------------------|--|---------------------|-----------|----------|----------|------------|---------|--------|-------|
| | | Thiruvananthapuram | Alappuzha | Kottayam | Thrissur | Malappuram | Wayanad | Kannur | Total |
| 1. | Training attended | | | | | | | | |
| | Yes | 11 | 5 | 3 | 12 | 10 | 10 | 6 | 54 |
| | No | 3 | 3 | 3 | 4 | 2 | - | 3 | 21 |
| 2. | Procedures followed in the formulation of projects | | | | | | | | |
| | Yes | 14 | 6 | 5 | 12 | 10 | 9 | 6 | 62 |
| | No | 0 | 2 | 1 | 4 | 2 | 1 | 9 | 13 |
| 3. | Functioning of Standing Committee/Working Group | | | | | | | | |
| | Yes | 13 | 6 | 5 | 14 | 11 | 8 | 9 | 66 |
| | No | 1 | 2 | 1 | 2 | 1 | 2 | 0 | 9 |
| Total officials responded | | 14 | 8 | 6 | 16 | 12 | 10 | 9 | 75 |

Source: Survey Data

The training and the course content are on decentralized planning process. To some extent, it has benefited officials who engage in the decentralized planning administration. On the other hand, many officials from development departments are not given training in their functions for enhancing their skills, efficiency and capacity. For example, one Principal Agricultural officer who is the district head, having 31 years of service, had never undergone any training. Similar cases of district heads, who have not attended any training in any training institution, were also there. It means that officials who are expected to play key role in the formulation and implementation of development projects, either for state or for PRIs are not adequately trained. Under such circumstances, how the efficiency and capacity of officials can be strengthened to carry out their assigned functions effectively is an important question. This is perhaps one of the reasons for the lack of formulation of imaginative and innovative projects. It also leads to under utilization of the annual development fund allotted to local governments.

8.3.2 Formulation of Projects and Procedures

Study focused to ascertain whether different procedures stipulated by the government for the formulation of projects are followed by the officials and the local governments. Analysis of the data revealed that out of 75 officials responded, 62 (83%) followed the procedures/guideline prescribed by the government in the formulation of plans.

As reported by the survey, 83 percent of the respondents followed the guidelines of the government for the preparation and implementation of projects. Every year the government issues guidelines regarding procedures to be followed by the LGs in its plan formulation. Also, the Government stipulate steps such as working group meetings, gramasabha discussions, prioritizing of projects, project finalization, development seminar, preparation of annual plan documents, approval of projects by District Planning Committee, and implementation of projects. LGs have to follow these steps for the formulation and implementation of plan. It is the duty of the officials transferred to the District Panchayat to follow these procedures. Some officers reported that due to several reasons, all the procedures cannot be followed always. One difficulty cited is the vagueness of the procedures. When clarity is sought, answer is not given in time. Subsidy norms for different category of beneficiaries are also not cleared in time which create delay and difficulties. Different departments issue directions pertaining to the procedures to be followed differently. It also creates confusion and for getting it clarified, time is unnecessarily wasted. It also causes delay in the formulation and approval of projects.

As evident from table 8.23, 17 percent of the implementing officers responded that they face difficulties in following procedures strictly while formulating annual plan. Members of the DPs used to intervene and wanted to effect changes in projects. Some officials following the procedures and a few others not following the procedures create confusion to the District Panchayat in finalizing the plan within the stipulated time. It also results in delays in getting approval thereby delaying implementation. Therefore early issue of guidelines and its clarity is a pre-requisite for the timely formulation and implementation of projects.

8.3.3 Functioning of Standing Committee and Working Groups

District Panchayats have five standing committees. They are development, SC/ST Welfare, Finance, Works and Women Welfare Committees. Each committee deals with the subjects coming under its jurisdiction. These committees discuss and approve subjects transferred to it. Chairmen of the standing committees are elected member of district grama panchayat. However officials transferred to District Panchayats play profound role in the plan formulation process. Success of plan project formulation and implementation depend on how effectively and efficiently the committee and officials work jointly.

The survey collected information from officials to understand how Committees and Working Groups function. Here 88 percent (66) of the officials responded that standing committees and working groups function effectively. But 12 percent (9) of the officials responded that these two bodies are not effective. Opinion of 12 percent officials who disagree on the functioning of the standing committee and working group should be taken seriously and it has to be studied for appropriate intervention and correction. Therefore, appropriate measures have to be initiated to rectify the deficiencies.

8.3.4 Monitoring Mechanism and Project Completion

Evolving proper monitoring mechanism and effective follow-up are essential for the timely completion of projects. Study therefore tried to collect information on the monitoring mechanism and its effectiveness in the sample District Panchayats. Opinions of the transferred officials who implement the projects were collected through survey. Out of the 75 officials, 66 (88%) responded that they strictly monitor the progress of project implementation. But 9 officials (12%) responded that monitoring mechanism is ineffective. Ineffective monitoring systems cause delayed and faulty implementation. It results in project spill-over, cost-over run and negation of timely benefits to people.

Even though 88 percent transferred officials responded that they conduct effective monitoring of projects, survey among District Panchayat members revealed that there is lack of expertise among officials for project monitoring and evaluation. Similarly, inadequate number of experienced officials and irresponsibility of officials are also causes for the poor monitoring system. Fund utilization of District Panchayats during implementation of Five Year-Plans also supports the inefficient monitoring mechanism.

For instance, during the 9th Five Year Plan District Panchayats in Kerala spent only 64.3% plan outlay. It remained at 68.9% during the 10th Five Year Plan and at 67.3% during the 11th Five Year Plan. If we analyse the fund utilization under special component Plan and Tribal Plan such Plan, ratio of expenditure is very low.

Project implementation is effective and timely completion is possible, only if there is proper monitoring. Therefore, District Panchayat administration has to be strengthened and restructured with experienced and trained officials.

8.3.5 Delay in Plan Fund Utilization

Analysis of plan fund utilization of District Panchayats shows that during the last three Five Year Plans (9th, 10th and 11th), they spent only 68-70 percent of outlay. There are different reasons for low fund utilization. Therefore, as part of the study, we conducted a survey among 75 transferred officials from District Panchayats. Response of the officials is very valid and it would enable authorities to initiate policy decision and strategy to improve plan fund utilization by District Panchayats.

From the beginning of the decentralized planning in Kerala in 1996-97, expenditure incurred by District Panchayats have been low when compared to grama and block panchayats. Even though local governments in Kerala have completed two decades of decentralized planning the capacity of officials to utilize plan fund devolved to them have not improved as envisaged. Many reasons are attributed for the poor utilisation of plan funds. Survey among transferred officials to District Panchayats indicate mainly five reasons for poor plan fund utilization. Table 8.24 shows these reasons for low fund utilization.

Table 8.24: Major Reasons for Delay in Plan Fund Utilization Views of Transferred Officials

| Sl. No | Reasons | District Panchayat Officials | | | | | | | |
|--------|---|------------------------------|-----------|----------|----------|------------|--------|--------|-------|
| | | Thiruvananthapuram | Alappuzha | Kottayam | Thrissur | Malappuram | Wayand | Kannur | Total |
| 1. | Delay in Finalising Projects | 6 | 4 | 4 | 7 | 4 | 3 | - | 28 |
| 2. | Delay in issue of Administrative sanction | 3 | 1 | - | 4 | 1 | 2 | 1 | 12 |
| 3. | Delay in Issue of Technical Sanction. | 4 | - | - | - | 2 | 2 | 1 | 9 |
| 4. | Insufficient outlay | 6 | - | 1 | - | 1 | 3 | 1 | 12 |
| 5. | Untimely Release of Fund | 2 | - | - | 3 | 4 | 1 | 2 | 12 |
| 6. | Others | 1 | 3 | 1 | 7 | 4 | 4 | 7 | 21 |
| Total | | 22 | 8 | 6 | 21 | 16 | 15 | 6 | 94 |

Source: Survey Data

Table 8.24 shows that out of 75 respondents, 28 (37%) pointed out that the delay in the finalization of project was the major reason for delay in fund utilization. Even though District Panchayats initiate steps for the formulation of plan projects based on government guidelines, it is not possible to complete the process due to many reasons. Firstly, fund is not earmarked or intimated to officials and even if fund is earmarked more time is taken for processes like project discussion, placing it in the working group, administrative sanction of District Panchayat Samiti and approval of District Planning Committee. Generally, all these exercises take time and final approval is issued by December/January. Thereafter, if there is revision of projects, delay occurs again. In effect, two-thirds of the time is spent for formulating projects and their approval, and only one-third time is available for implementation. This process of project formulation, causes much delay in the finalization, approval of projects, delays in execution and low utilisation of funds of District Panchayats.

Issue of administrative sanction for the approved project by District Panchayat is the next stage in the planning process. Projects, after getting the approval of DP committee, are sent to District Planning Committee for approval. 16% of the respondents (12) are of opinion that there is delay in administrative sanction. Here, the reason for delay in the

issuing of administrative sanction can be attributed to delay in the finalization of projects by the District Panchayat administration.

Only a few respondents noted delay in the issue of technical sanction. For instance, only 9 (12%) respondents out of 75 total respondents responded delay in the issue of technical sanction. A few respondents remarked that delay in the finalization of construction and related technical projects leads to delay in the issue of construction and related sanctions.

Another major reason for delay in plan fund utilization is insufficient outlay. Delays can also happen when outlay is earmarked to each sector but the implementing officer does not get a clear picture of the outlay earmarked for projects in that particular sub-sector. Outlay is tentatively fixed and final outlay for each project is intimated only later. This procedure causes delay in starting implementation. In the survey, 12 officials (16%) responded insufficient outlay as a reason. There are also cases of earmarking outlay on piece-meal basis. Later, outlay is adjusted from the savings from other projects. If sufficient amount is provided at the time of finalizing projects, time bound implementation is possible.

Untimely release of fund is another reason cited by respondents for delay in project implementation and fund utilization. Delay in allocation of funds and delay in its release and lack of sufficient alternative projects are also reasons for the delay in plan fund utilization. As shown in Table 8.24, sixteen percent of officials remarked untimely release of fund as a reason.

Respondents have pointed out other reasons for delay in Plan fund utilisation. Out of 75 respondents, 21 (28%) pointed other reasons for low fund utilization. But, during informal discussions, these officials pin-pointed political intervention as the dominant reason in the category of „others“.

8.3.6 Suggestions

Government officials posted in development department should compulsorily undergo orientation and induction training before she/he starts official duty. Skill development training programmes would equip them to discharge their duties efficiently and effectively.

Officials transferred to District Panchayat should also compulsorily undergo training on decentralized planning and on subjects like project formulation, project appraisal, project implementation and monitoring.

Training for officials has to be arranged regularly and continuously. Training needs assessment, contents of training, training modules, duration of training, and the training faculty have to be well defined with regard to functions and responsibilities. Training conducted by KILA is for short period and without a clear assessment of training needs. It has to change.

There are officials who participate in training regularly and officials without attending any kind of training. Such situation should change and officials should be trained to equip themselves with skill, knowledge and confidence in the efficient management of administration of LGs on a priority basis.

Issue of guidelines on plan formulation and related process on implementation of projects has to be clear, precise and self-explaining. Experts associated with plan formulation process from State Planning Board have to be associated with the preparation of guidelines.

Based on the findings of the study, we are suggesting changes in the guidelines on plan formulation. State Planning Board has to be involved in the issue of detailed guidelines.

Decentralized Planning division of the State Planning Board has to be strengthened with efficient and sufficient staff. Responsibility for strengthening the LGs on democratic style of development and administration shall be made clear. As part of it, frequent meetings could be arranged with Secretary, District Panchayat to understand problems associated with decentralized planning. The State Planning Board shall not remain silent on local government planning but has to take up the moral responsibility to ensure that the fruits of development reach the target groups.

Review meetings by District Panchayat at regular intervals, if possible, shall be held every month and progress of Plan projects and expenditure must be reviewed. Similarly, progress reporting has also to be evolved at the District Panchayat and DPO being the Joint Secretary to DPC must co-ordinate and report the progress of implementation to DPC and

State Planning Board. Data updating has to be made by the Decentralized Planning Division of the State Planning Board. State Planning Board in turn must report to government with suggestion for corrective measures. Local governments, district planning office and District Planning Committee must co-ordinate at district level and report to State Planning Board to evolve interconnecting network for the effective plan formulation and implementation.

8.4 Beneficiaries

As part of the study, we conducted a survey among the beneficiaries of 11 selected projects from Thiruvananthapuram District Panchayat as shown in Table 8.25. The projects are selected from Women Component Plan, Special Component Plan, Tribal Sub Plan and general sector. Total outlay of these 11 projects is ₹629 lakh and amount utilized was ₹619 lakh (98%). Total beneficiaries selected for the survey are 75, an average of 6 beneficiaries per project as shown in Table 8.25.

Analysis of data from survey reveal that majority of projects do not fulfill the objectives. A few projects are wrongly identified and poorly executed. Outcome of the project could be achieved only if fund is utilized in time and project is implemented properly through proper monitoring mechanism.

Table 8.25: Sector-wise Projects Surveyed and Evaluated for the Study (2013-14)

| Sl.No | Projects | Outlay (₹.Lakh) | Expenditure (₹ Lakh) | Beneficiaries selected (Nos) |
|-------|--|--------------------|-------------------------|---------------------------------|
| 1 | Revolving fund to Women Fisheries Workers Societies (WCP) | 20.00 | 20.00 | 15 |
| 2 | Integrated Paddy Cultivation (General) | 44.00 | 39.20 | 5 |
| 3 | Revolving fund to women dairy farmers through dairy co-operative societies (WCP) | 110.00 | 110.00 | 5 |
| 4 | Factory type Handloom Units (General) | 15.00 | 12.50 | 12 |
| 5 | Goat Village (Aadu Gramam) (WCP) | 9.00 | 9.00 | 6 |
| 6 | Integrated Banana Cultivation (Kudumbasree) (WCP) | 15.00 | 15.00 | 6 |
| 7 | IAY Housing Scheme (General &TSP) | 362.79 | 362.79 | 6 |
| 8 | Training to SC Farmers in Agriculture machinery (SCP) | 3.00 | 3.00 | 5 |
| 9 | Purchase of Harvesting Machine Karavaram Panchayat (SCP) | 13.00 | 10.90 | 5 |
| 10 | Mavila Colony Drinking water supply scheme Kanjiramkulam Panchayat (SCP) | 15.00 | 14.55 | 5 |
| 11 | Kuttathatti Drinking Water Supply Scheme in Vembayam Panchayat (SCP) | 21.94 | 21.94 | 5 |
| TOTAL | | 628.73 | 618.88 | 75 |

Source: Survey Data

1. Revolving Fund to Vanitha Fish Society (Thiruvananthapuram)

There are 19 vanitha fish societies in Thiruvananthapuram district and 66 groups. During 2013-14, plan assistance of ₹ 30,000 was given to each group for fish-related trade activities as part of employment and income generation in the form of revolving fund. Survey was conducted among 15 beneficiaries from seven groups from 4 vanitha societies who received revolving fund. The survey aimed to assess the socio-economic condition of the beneficiaries and the monthly income they generate by utilizing the revolving fund. Total assistance distributed in Thiruvananthapuram district to 66 groups among 19 vanitha societies is ₹20 lakh.

Table 8.26: Socio-Economic Profile of Beneficiaries Selected for Revolving Fund to Fisher Women Workers Societies (WCP)

| Sl.No | Particulars | Nos. |
|-------|--|------------------------|
| 1 | BPL Women | 5 |
| 2 | APL | 10 |
| 3 | Women having own land | 10 |
| 4 | Living in purampoke land | 5 |
| 5 | Family Income (monthly ₹) < 5000 5000-6000 6000-9000 >9000 Total | 3 7 1 4 15 |
| 6 | Education Below SSLC SSLC Completed SSLC and above | 15 7 4 4 |
| 7 | Occupation of Beneficiaries: Fish related occupation | 15 |
| 8 | Monthly income generated after utilizing revolving fund (₹) <1500 1500-300 >3000 Total | 12 2 1 15 |

Source: Survey Data

The survey reveals that fisher women are unable to generate reasonably good monthly income for the family from the fish trade. For instance, 12 beneficiaries revealed that they could earn only a monthly income below ₹1500, while two women revealed that they generated a monthly income of ₹3000. But one beneficiary mentioned that she could generate a monthly income of ₹6000. While eight women mentioned that the scheme will sustain, seven women mentioned that the scheme will not sustain. The study thus

recommends the following suggestions for making their occupation more effectively viable and sustainable.

1. Amount of assistance sanctioned to each group is ₹30,000. Assistance is insufficient for undertaking any activity relating to fish trade. Therefore assistance under revolving fund has to be enhanced reasonably to enable them make more investment and generate sufficient employment and income for better living.
2. Amount allotted to the group by District Panchayat may be allowed to „roll“ for a reasonable period and it should be constantly monitored and corrected.
3. More time may be given to repay the loan. Then sustainable income and employment can be created.

2. Integrated Paddy Cultivation 2013-14

The integrated paddy cultivation is a District Panchayat project, implemented by the grama panchayat Krishi Bhavan. The purpose of the project is to increase paddy cultivation by providing financial aid to the farmers and encouraging them to utilize available agricultural barren land for cultivation of paddy. In addition to this, the project also aims to improve the quality of life of the farmers through better income. Total amount allotted towards the project is ₹162.8 lakh. This amount was raised by the joint endeavour of the District Panchayat, block panchayat and grama panchayat. The share of District Panchayat is Rs. 44 lakh. Block panchayat shared ₹17.6 lakh and grama panchayat shared ₹ 26.4 lakh.

The project provided subsidy for farmers at the rate of ₹16000/hectre. From the subsidy of ₹16000, 30% came from GP (₹ 4800), 20% from BP (₹3200) and 50% (₹ 8000) from DP. DP's share is used for the purpose of preparing the land prior to paddy cultivation and for the purchase of fertilizers and seeds. The share of block panchayats and grama panchayats is used for the purchase of bio-pesticides, bio-fertilizers, chemical fertilizers, lime and seeds. One hectare of land requires an approximate quantity of 100kg of paddy seeds. One kiliogram of seed costs ₹ 40 and the total seed cost (40x100) is ₹ 4000 for one hectare. Since, farming is done twice a year, the total cost for seeds per year will be Rs. 8000. The annual average production of paddy per hector is approximately 8000 kg. For one kilogram of paddy, they get only ₹ 22 and therefore annually they get ₹ 1,76,000. The cost of organic farming is much higher. The produce is sold at the same rate at which it was produced by inorganic farming. It means that organic farming is not profitable.

The farmers use cultivable barren lands for cultivation, but it does not benefit them in a profitable way. The government should give farmers more monetary assistance as subsidy in order to make the farming profitable and to encourage other farmers to join the project. Since, organic farming is more expensive for the farmers; the unit price of organic paddy needs to be raised accordingly to make organic farming profitable. There are still barren lands around the „padashekaram“ that are used for animal rearing, damaging the paddy crops. Similarly, irrigation facilities require improvement in order to increase their efficiency.

Table 8.27: Integrated Paddy Cultivation--Socio-Economic Profile of Farmers

| Sl.No | Particulars | Cost |
|-------|---|----------------------------------|
| 1 | Total Cost of the Project (₹. Lakh) | 162.80 |
| 2 | Sharing Patterns (₹. Lakh) DP BP GP Others | 44.00 17.60 26.40 74.80 |
| 3 | Educational Qualification of Farmers Below SSLC SSLC Degree | 4 1 |
| 4 | Average area of family land (cents) for cultivation 101 to 150 >150 | 2 3 |
| 5 | Average Monthly income of the family (₹.) 5001 to 10000 10001 to 15000 | 1 4 |
| 6 | Total Beneficiaries APL Families | 5 |
| 7 | Total Cost for beneficiaries in Paddy Cultivation (Yearly) (₹) < 1 Lakh 1 to 2 lakh > 2 lakh | 2 2 1 |
| 8 | Gross Income (Yearly) ₹. < 1 Lakh 1 to 2 lakh | 2 3 |
| 9 | Stable income and employment No | 5 |
| 10 | Sufficient income from the project No | 5 |
| 11 | Annual loss after meeting the expenses 10000-25000 >25000 | 4 1 |
| 12 | Sustainability of the projects in the long run Yes No | 1 4 |

Source: Survey Data

All the five farmers agree that they will not get stable income and employment from paddy cultivation. Similarly, all the five farmers are of opinion that they do not get sufficient income from paddy cultivation. For all the five farmers annual loss after meeting all the expenses was above ₹20,000 per hectre annually. Since paddy cultivation is on loss, according to farmers, „padasekharam paddy project“ will not sustain for a long period. Therefore inorder to sustain the cultivation, project subsidy per hectre must be raised to ₹25, 000 or unit price of paddy to be increased to ₹ 25/kg.

We surveyed five farmers in the padasekharam for the study. Socio-economic profile of the five farmers shows that they belong to APL families. Four farmers have average monthly income of ₹10,000-15,000 and one farmer’s monthly income is between ₹5000-10,000. Similarly three farmers have land above 150 cents and two farmers have 100-150 cents. Their education show that one farmer is a graduate and four farmers have passed SSLC. There is no net income from paddy cultivation.

Farmers are of opinion that poor quality of seeds is distributed to them without soil test. Farmers suggest that if they are provided with high quality paddy seeds (NSC), productivity and production will increase along with their income. Organic manures (particularly rock phosphate) are distributed untimely. Other fertilizers and manures are also distributed untimely. Farmers also complained that harvesting machines are always under trouble and „padasekhara samithi“ has to purchase spare parts from Alappuzha at their own cost. The repair charges also have to be borne by them. Similarly farmers have to pay rent for the machine during the period of repairs. Production bonus given to farmers is ₹ 4 per cent at present and they demand it be increased to ₹25. For organic farmers there are no market facilities to sell the paddy. Hence, farmers are forced to sell it at low prices incurring great loss. Similarly, for crop losses, farmers demand that the compensation given at present is to be doubled.

3. Revolving Fund to Vanitha Dairy Farmers

District Panchayat formulated and executed the project, Revolving Fund was given to Vanitha Dairy Farmers during 2013-2014. The objective of the project was to generate employment and income for vanitha dairy farmers. Project was implemented through the dairy societies from where beneficiaries are selected. Total cost of the projects was ₹ 110

lakh and each society was given ₹1, 25,000 and this amount was distributed to a group of five vanitha dairy farmers at the rate of ₹ 25, 000 for each farmer. Dairy farmer has to buy a cow, rear it and sell the milk to the society and repay the fund through the society at the rate of ₹500 per week or ₹2000 per month.

Table 8.28: Revolving Fund to Vanitha Farmer's Group Through Dairy Societies

| Sl.No | Particulars | Women Beneficiaries (Nos) |
|-------|----------------------------|---------------------------|
| 1 | APL Families | 4 |
| 2 | BPL Families | 1 |
| | Total | 5 |
| 3 | Education of Beneficiaries | |
| | SSLC | 3 |
| | Degree | 2 |
| 4 | Area of Land owned (cents) | |
| | <25 | 4 |
| | 50 | 1 |
| 5 | Average Family Income (₹) | |
| | Rs.5000-10,000 | 2 |
| | Rs.10,000-20,000 | 2 |
| | Rs.20,000-50,000 | 1 |

Source: Survey Data

In the survey, five women dairy farmers from two societies were interviewed. Out of the five farmers 4 are from APL family and one from BPL family. Average monthly family income of 2 beneficiaries was ₹5000 to Rs.10,000, two families was ₹10,000 to 20,000 and one family ₹20,000 to ₹50,000. Educational qualification shows that 3 farmers are SSLC passed and two are graduates. While four beneficiary farmers are having family land below 25 cents, one beneficiary is having 50 cents of land. The socio-economic profile of the five beneficiaries" shows that all are educated and among them four belong to APL group.

Revolving fund for each beneficiary is ₹25000. Survey revealed that farmers have not availed any bank loan. Beneficiaries were selected through the society and no norm is followed for the selection. Fund was released during 2013-2014. While one beneficiary revealed that she gets sufficient income from cow rearing, five beneficiaries responded that they do not get sufficient income for meeting family expenses. Similarly, on the question on the survival of the project, four beneficiaries responded that it will not survive and two responded that the project will survive.

From the survey findings, we have come to the following conclusions. (i) Beneficiaries were selected through society without clear norms and therefore 4 out of 5 beneficiaries were APL card holders (ii) Even though revolving fund is given to a group of five women the project is operated individually (iii) Even though it is a group activity, fund is not linked with bank loan or beneficiary's own contribution. (iv) Since revolving fund is given to a group of 5 dairy farmers, they could have started a dairy farm on commercial basis with bank support. In future, while formulating such group projects, its commercial viability could be examined and a modern dairy farm could be started. It would ensure better survival and sustainability through higher income and employment.

Hereditary dairy farmers continue cow rearing since they have land and income from other crops. Marginal farmers have no sufficient land and for them, cattle rearing cannot generate sustainable income for a family. The interest-free revolving fund (₹25,000) is insufficient for purchasing a high breed cow. Increasing cost of cattle feeds and the nonavailability of service of veterinary doctors also create problems relating to cattle rearing. In order to attract new generation farmers to dairying and promote cattle rearing, substantial increase in the rate of revolving fund, supply of cattle feeds at 50% subsidy and timely supply of free medical service and insurance for cattles are recommended.

4. Revolving Fund to Factory-Type Handloom Unit (2013-14)

Handloom industry in Kerala, especially weaving sector, is facing threat for survival. The major problem is the high production costs of handloom cloth and lack of expert weavers, master weavers and workers for ancillary works. Expert weavers and workers engaged in ancillary works get only low wages. Wages of weavers are too low and inadequate to meet daily family expenses. Health problems of weavers are also adversely affecting the industry. Because of low wages and health problem, new generation workers are not coming to handloom weaving sector for livelihood.

It is in this context that District Panchayat provided ₹15 lakh to 12 Handloom Weavers Industrial Co-operative Society in Thiruvananthapuram District during 2013-2014. Each Society is provided yarn worth ₹1.25 lakh as revolving fund and it has to be repaid by the society. The objective of the project is to create more employment and income to member weavers from hand loom industry.

As part of the study we conducted survey in 4 societies, from Pallichal, Balaramapuram (2 societies) and Venganur Grama Panchayats. The objective of the survey was to assess the extent to which the revolving fund helps the society members to generate income and employment and also to assess the socio-economic status of the weaver beneficiaries. There are 67 members in these 4 societies which show an average of 17 members per society. We selected 3 members from each society for the survey. Thus the total members surveyed are 12. Socio-economic profile of the 12 members surveyed are shown in Table 8.25

Table 8.29: Socio-Economic Profile of Beneficiaries

| Sl.No | Particulars | Beneficiaries (Nos) |
|-------|---|-----------------------------|
| 1 | BPL | 7 |
| 2 | APL | 5 |
| Total | | 12 |
| 3 | Beneficiary having own land (cents) | |
| | < 5 cent | 8 |
| | < 5-10 cent | 3 |
| | >10 cent | 1 |
| | Total | 12 |
| 4 | Annual Family Income (₹) | |
| | <₹.7000 | 2 |
| | <₹.7000-10000 | 3 |
| | ₹.10000-12000 | 2 |
| | ₹.12000-15000 | 5 |
| | Total | 12 |
| 5 | Education | |
| | Below SSLC | 7 |
| | SSLC Completed | 2 |
| | SSLC and above | 3 |
| | Total | 12 |
| 6 | Occupation | Weaving and Ancillary works |
| 7 | Monthly income generated after utilizing revolving fund (₹) | |
| | <3000 | 6 |
| | 3000-4000 | 2 |
| | 4000-5000 | 3 |
| | >5000 | 1 |
| | Total | 12 |

Source: Survey Data

Out of the 12 beneficiaries surveyed, 7 were BPL and 5 were APL families. Similarly, area of land owned by 11 beneficiaries is below 10 cents. Educational qualification shows that, 9 have not passed SSLC and 3 are SSLC passed. Occupation of the beneficiaries is weaving and ancillary works. The revolving fund was distributed during

2013-2014 and its utilization was started during 2014-15. The survey finds that after the distribution of yarn to the members, their monthly income marginally increased. Six members responded that they get a monthly income of ₹3000 while another 3 members responded that they get a monthly income of ₹4000-₹5000. Workers were paid wages depending on the size of the cloth weaved by them. Therefore workers who weave more clothes get more wages. For instance, one worker got wage above ₹5000 per month.

Handloom Industrial Weaving Societies (Factory Type) are facing several problems. Lack of working capital, training, marketing, low wages of workers and health problems are major among them. Revolving fund in the form of yarn alone cannot solve problems of workers. They need sufficient working capital, training in weaving, marketing of cloths and above all good management for the overall improvement of the Society. District Panchayat with the support of state government may formulate comprehensive development project for each handloom industrial weaving society after assessing its requirement. When asked, 8 workers responded that the project will sustain and 4 members responded that it will not sustain.

Suggestions:

1. Handloom Industrial weaving societies (Factory type Society) are facing hardships for survival. Therefore, steps may be taken to allot fund from government for GPF, ESI and Welfare Fund remittances. Similarly Societies may be provided more working capital from District Panchayat/state government for increasing production and employing more workers.
2. Revolving fund may be given only after assessing the total number of looms of each society and its working condition. Equal distribution of revolving fund to all societies is unjust and non-viable since some societies have more number of looms (Handlooms).
3. Extend financial help for utilizing all looms and workers in the Industrial Weaving Society. It would enable workers to get good wages for better living.
4. Provide grant from government to societies for ESI, GPF and Welfare Fund remittances. As the societies are non-viable, the society cannot remit the contribution.

5. Industrial Weaving Societies have no rebate as being given to primary societies. Hence, the government may study the problems now faced by the industrial units in-depth and take appropriate steps for the survival of handloom industry in Kerala.

5. Goat Gramam Project: 2013-14

Goat-rearing has been widespread in India from time immemorial as part of livelihood. In ancient India, Goats were fostered in folks. Subsequently, changes have occurred in this field as in other fields. Yet, in some parts of the country, goats are seen fostered in folks. In Kerala, goats are still fostered in houses as part of agriculture and as a source of income. Cattle and goats were widely reared as part of agriculture. But breeding of goats are vanishing. Milk of goats is medicinal, nutritious and as such best for health. In addition to the medicinal value of milk, the value of meat of goats as food is growing very fast. Excreta of goats are good organic manure for agriculture. In short, breeding of goats is a profitable occupation related with agriculture. It is under these circumstances that District Panchayat with the co-operation of Kudumbasree District Mission and Grama Panchayats initiated „Goat Gramam“ project.

Total project cost is ₹1, 80, 00,000 and share of District Panchayat is ₹9 lakh. The project was formulated and implemented during 2013-2014 in 5 Grama Panchayats in Thiruvananthapuram District. The Grama Panchayats are Ottasekharamangalam, Vellarada, Aryancode, Venganoor and Kallara. The major objectives of the „goat gramam“ project is to eradicate poverty through self employment necessary for a better living.

The project envisaged to supply 25 goats to each group of 5 members (five goats to each member of a group). Project cost of each group is ₹ 2 lakh. It is a joint project by DP and grama panchayat linked with bank loan, subsidy and beneficiary contribution. The unit cost of the group project is shown in Table 8.30. In each group there are five members. Out of the total cost of ₹2.00 lakh, Bank loan is ₹1.20 lakh and subsidy is ₹50, 000 and it is paid from Kudumbasree, Share of District Panchayat, Grama Panchayat and beneficiary contribution is ₹10,000 each.

Table 8.30: Unit Cost of Goat Farm

| Sl. No | Particulars | Unit Cost (₹) |
|------------|-----------------------------|---------------|
| 1 | Bank Loan | 1,20,000 |
| 2 | Subsidy | 50,000 |
| 3 | Share of District Panchayat | 10,000 |
| 4 | Share of Grama Panchayat | 10,000 |
| 5 | Beneficiary Contribution | 10,000 |
| Total Cost | | 2,00,000. |

Source: Survey Data

District Panchayat distributed ₹ 9 lakh for the project to 90 groups in 5 grama panchayats. Beneficiary groups are selected by CDS of Kudumbasree through advertisement.

Table 8.31: Goat Farm Project Socio-Economic Profile of Beneficiaries

| Sl.No | Particulars | Beneficiaries (Nos) |
|-------|---|-----------------------|
| 1 | Beneficiaries BPL APL | 6 4 2 |
| 2 | Area of land owned by beneficiaries (cents) <10 cent >10 cent | 4 2 |
| 3 | Monthly Family Income (₹) <10000 >10000-15000 >15000 Total | 1 4 1 6 |
| 4 | Educational Qualifications SSLC Completed SSLC Passed Degree | 1 3 2 |
| 5 | Monthly Family Income (₹) After project implementation <4000 4000-4500 4500-6000 > 6000 Total | 2 2 1 1 6 |

Source: Survey Data

Out of six beneficiaries surveyed from 3 groups, 4 were BPL families and 2 were APL. Four beneficiaries were having family land below 10 cents. Monthly income-wise analysis showed that 4 families were having income ranging from ₹10, 000 to ₹ 15,000 (see table 8.31)

Beneficiary's income from the goat farm unit varies from ₹4000 to above ₹6000 per month. While 2 beneficiaries generated only a monthly income below ₹4000, 2 beneficiaries generated an income between ₹4000-4500 (see Table 8.31).

The project generates subsidiary occupation and income to women. We surveyed six beneficiaries and they generated a monthly income ranging from ₹4000 to ₹6000 per month. The project was implemented during 2013-2014 and all the six beneficiaries responded that the project is sustainable.

Suggestions

1. The goat farm is a good project and its success depends mainly upon the positive attitude of the beneficiary. If beneficiaries are given proper training in goat rearing, project can be very effectively and successfully implemented and extended to more grama panchayats.
2. Free service of Veterinary Doctors is insufficient at present to control rinder pest (Kulampu Rogam) and for timely medical check-up. Therefore, veterinary services have to be improved at grama panchayat level.
3. Grama panchayat must monitor the project and ensure that beneficiaries purchase better variety of goats and sustain the projects. Income from the sale of lambs is the major source of income. Therefore, grama panchayat may have to arrange market facilities for the sale of lamb and avoid middle men.
4. Grama panchayats can take steps to collect the excreta of goats for making organic manures and to distribute it to farmers. Similarly, District Panchayat and grama panchayats together may extend financial support to Goat Farm Units which implement the project effectively and successfully.

Study revealed that „Goat Gramam“ is a viable project capable to generate income and employment for women. But, beneficiaries must be given supporting facilities like timely free veterinary service, good variety of lambs, better marketing facilities for the sale of goats and sufficient working capital at subsidised rate. Similarly, women shall be promoted to start goat farming units on a commercial basis on a medium scale after providing them good training on goat rearing.

6. Integrated Banana Cultivation Project 2013-14: (WCP)

Project cost was ₹15 lakh and the project formulated by District Panchayat is implemented in 15 Grama Panchayats. Under the project, banana suckers, manure, sprayer, pesticides etc valued at ₹ 1.00 lakh is given to a beneficiary group through Agro-Industries Corporation. The project is implemented by Joint Liability Group (JLG) of Grama Panchayat having four or more members. The project is under the supervision of CDS. The project is implemented in 15 grama panchayats.

The objective of the project is to generate employment and income for women and to improve their livelihood. Socio-economic profile of the beneficiaries selected for study is given in Table.8.32.

Survey was conducted among 6 beneficiaries from three grama panchayats viz; Balaramapuram, Parassala and Kottukal. In Parassala Grama Pandchayat, Banana is cultivated in 1.5 acres, in Balaramapuram 1.25 acres and in Kottukal 1.00 hector of leased land. All the six beneficiaries selected belonged to BPL families having area below 20 cents of own lands. Annual family income of four beneficiaries was above ₹10,000. Two beneficiaries were SSLC-passed and 3 were SSLC-completed. The monthly income generated from banana cultivation was below ₹2000 for 5 beneficiaries and for one beneficiary it was above ₹2000. Four beneficiaries responded that the project will not sustain while 2 responded that it will sustain. The study observed that all beneficiaries belong to poor economic back ground and they are unable to generate sustainable income from banana cultivation.

In order to sustain the project, assistance in the form of cash incentives and awards has to be provided. Similarly, the implementing agency has to arrange marketing facilities so as to ensure reasonable price and profit from banana cultivation. District Panchayat can also take steps to promote agro-processing enterprises to manufacture value-added products from banana and other by- products. Such efforts and measures are not envisaged in the project formulation. It is a major drawback of the project. There was no proper follow up and monitoring of the project by implementing agency and hence production and productivity stands at low levels.

Suggestions

1. Organic manures supplied are insufficient and its quantity may be increased.
In addition to the supply of raw materials for cultivation, financial support may also be provided as an incentive for the working capital.
2. Give award to good/efficient, banana cultivation group through District Panchayat to promote banana cultivation. Also arrange training to the beneficiaries for making value-added products from banana.
3. Provide financial help to the beneficiary cultivators when crops are damaged due to natural calamities and diseases in addition to crop insurance.
4. Fix minimum standard price for plantain fruits and make arrangements for procurement and marketing. Similarly a high price may be fixed for the plantains produced using organic manures. Also make arrangements for its procurement and marketing.
5. Timely advice and training on banana plantain cultivation shall be provided to the beneficiaries by the officials of the agriculture department. It will help farmers to cultivate banana effectively and to get more income and lead better living conditions.

Table 8.32: Socio-economic profile of Beneficiaries Selected for Integrated Banana Cultivation

| Sl.No | Particular | Beneficiaries |
|-------|---|---------------|
| 1 | Beneficiaries | |
| | BPL | 6 |
| | APL | - |
| 2 | Area of won family land (cent) | |
| | <10 cent | 3 |
| | 10-20 cent | 3 |
| 3 | Family Income (₹) | |
| | <10,000 | 2 |
| | >10,000 | 4 |
| 4 | Educational Qualification | |
| | <SSLC | 1 |
| | SSLC Completed | 3 |
| | SSLC Passed | 2 |
| 5 | Monthly Income generated from Project (₹) | |
| | <2000 | 5 |
| | >2000 | 1 |

Source: Survey Data

7. IAY Housing Scheme

The District Panchayat, Thiruvananthapuram set apart ₹362.79 lakh for housing scheme during 2013-14. Total cost of each house was ₹2 lakh for general and SC families, ₹2.50 lakh for ST's (2013-2014). The average area of the house is 40 to 60sq.ft. General and SC beneficiaries are selected through grama sabhas whereas ST beneficiaries are selected through „Oorukootams“.

Out of the 6 beneficiaries selected for survey 4 were from general category, and 2 from ST, category. Out of the 4 families from general category, two were APL and two were BPL. Under ST category one each belonged to APL and BPL. Average monthly family income of 3 beneficiaries from general category and two under ST were below ₹2000.

Total cost per house they constructed was above government subsidy/support. One beneficiary from general and one under ST spent ₹5 lakh for the house. Similarly 3 families in general and 2 families under ST spent between ₹ 5 to ₹10 lakh per house. Three families in general and two families under ST contributed upto ₹.3 lakh as own contribution for each house. Two families in general and one family under ST availed loan up to ₹2 lakh for the construction of the house. One family in general sector availed loan between ₹2 to 4 lakh. Five beneficiaries started construction during 2013 and one ST family in 2014. All the families got 2 to 3 instalments as well. Three families from general and two families under ST partially completed house construction. Only one family from general sector completed the construction. As far as ST families are concerned, houses are built in inaccessible areas without road to transport building materials to the site. Here they have to meet more expenses as loading charges. Similarly, majority of ST families have no other source of income for the completion of construction. All the beneficiaries are daily wages earners belonging to the ST and therefore they cannot complete the house construction with the government assistance alone. There are two measures to correct the situation. They were (i) raise the house construction subsidy/assistance of ST families to ₹5 lakh (ii) creating awareness among ST people regarding the need for a „good house“ for a „better living“ and persuading them to put in their own effort either through self work or savings for completing the house construction.

The survey showed that out of six houses started during 2013-2014, only one was completed. Other five houses were partially completed but family started living there. Several problems are involved in housing programme like identifying the beneficiaries, selecting the plinth area and design of the house. Naturally all people wish for good house with more facilities irrespective of their resources. They start with more plinth area anticipating loan and own contribution besides government support. But they always do not realize its seriousness; naturally problems arise and construction prolongs. Similarly, monitoring mechanism of LGs and officials function less effectively and all these together cause the delay in completion. In this context LGs housing programme need a total restructuring and a new housing policy for the economically backward section and SC/ST people has to be evolved.

Table 8.33:Housing Programme

| Sl.No | General Profile | Category | |
|-------|--|----------|----------|
| | | General | ST |
| 1 | Cost of House (₹. Lakh) | | |
| | Unit Cost (₹lakh) | 2.00 | 2.50 |
| | Sharing Pattern | | |
| | GOI | 35000 | 35000 |
| | State Govt. | 85000 | 85000 |
| | Sub Total | 1,20,000 | 1,20,000 |
| | DP | 28,000 | 45,500 |
| | BP | 32,000 | 52,000 |
| | GP | 20,000 | 32,500 |
| | Three Tier Panchayat Total | 80,000 | 1,30,000 |
| | Total Cost | 2,00,000 | 2,50,000 |
| 2 | Arrange Family Income (Monthly) of Beneficiaries | | |
| | 1000-2000 | 3 | 2 |
| | >2000 | 1 | - |
| 3 | Category of Beneficiaries | | |
| | APL | 2 | 1 |
| | BPL | 2 | 1 |
| 4 | Total Estimated cost per House (₹Lakh) | | |
| | <5 | 1 | 1 |
| | 5-10 | 3 | 1 |
| | 10-15 | - | - |
| 5 | Own Contribution (₹Lakh) | | |
| | <3 | 3 | 2 |
| | 3-6 | 1 | - |
| 6 | Bank Loan (₹Lakh) | | |
| | <2 | 2 | 1 |
| | 2-4 | 1 | - |

Source: Survey Data

Table 8.34: Present Status of the House Construction

| Sl.No | | Caste | |
|-------|----------------------------------|---------|--------|
| | | General | ST |
| 1 | Beneficiary Selection | 4 | - |
| | Grama Sabha Oorukoottam | - | 2 |
| 2 | Starting of Construction | | |
| | 2013 2014 | 3 - | 1 1 |
| 3 | Installments Received | | |
| | 5 Installments | 2 | 1 |
| | 6 Installments | - | 1 |
| | 7 Installments | 2 | - |
| 4 | Present Stage of the house | | |
| | Completed Partially Completed | 1 3 | - 2 |

Source: Survey Data

8. Project Training for SC Farmers in Agricultural Machinery use (Tractor)

The project is for imparting training to SC farmers in tractor use for agricultural purpose. Total cost of the project is ₹3 lakh and the implementing agency is Asst. Engineer, Agriculture; District Panchayat. For the training 25 SC persons were selected from various grama panchayats, among whom 50% were women. These persons were given training in tractor, garden tiller, bush cutter, power tiller, harvesting machine and coconut climbing. Trainees were given a stipend of ₹ 250 per day, including breakfast and lunch on training days. Out of the total trainees only 6 persons got license from the competent authority.

From the survey among trained SC youth it is understood that they are not getting job opportunity for which they have got training. It was on the presumption that after the training they would get job through the „Padasekhara Samithies“ in the panchayats. Unfortunately, the selected trainees are not from the „Padasekhara Samithies“ having paddy cultivation. In GPs where „Padasekhara Samithies“ exist, farmers do not engage in paddy cultivation; instead, they do plantain cultivation because paddy cultivation is facing loss.

The project has succeeded in giving training to SC youth. But the objective was to give training for sustainable job in operating agricultural tractor and other implements and to solve the scarcity of trained labour in paddy cultivation and other agricultural practices. Therefore, SC farmers may be selected for training from areas where paddy and other cultivation practices exist. SC farmers may be selected for training from the grama panchayats where „Pasdsekhara Samithies“ were functioning and paddy and other cultivation practices exist.

District Panchayats can provide agriculture machineries to „Padasekhara Samithies“ based on requirement and for its operation the services of trained SC farmers/ youth in the panchayat area could be utilized. Similarly, SC farmers/youth could register a trust or society and DP/GP can purchase agricultural implements including tractor for the society utilizing SCP fund. These SC youth could be given training in the use of agriculture implements for sustainable employment and income.

9. Purchase of Harvesting Machine (2013-14) (Joint Project with Karavaram Grama Panchayat)

The Harvest Machine Project (2013-14) in Karavaram grama panchayat was introduced for the purpose of utilizing available agricultural barren land for paddy cultivation and for the timely harvesting of paddy crop. The project is implemented by the „Karavaram Krishi Bhavan“. It is a joint project by the Karavaram grama panchayat and District Panchayat Thiruvananthapuram using SCP fund for 2013-2014. Financial assistance from both grama panchayat and District Panchayat are used for the project. Total cost of the project was ₹20.90 lakh; grama panchayat contributed ₹10 lakh and District Panchayat ₹10.90 lakh. The harvesting machine was purchased by the „Krishi Bhavan“ and handed it over to „Scheduled Caste Co-operative Society“. Although the Scheduled Caste Co-operative Society is the custodian of the machinery, the machine is operated by the „Karshika Karma Samithi“ on a hire basis and an agreement with the Society. Hiring rate is ₹100 per hour.

Average operating cost of the machinery in a month is ₹90, 000. The paddy farmers hire the machines from „Karshika Samithi“ for ₹2000 per hour. Farmers from other panchayats need to pay ₹2500 for an hour. Average monthly income of „Karshika Karma Samithi“ after meeting all operating expenses for the machinery is ₹22,000. In 2013-14, during the initial year of the project implementation, 75 farmers hired the machine for harvesting. However, in 2014-2015, farmers using harvest machine increased to 250. The project at present is profitable and it successfully increased the paddy cultivation not only in Karavaram panchayat area but also in nearby panchayats as well.

The machinery purchased using SCP fund belongs to „Scheduled Caste Co-operative Society“. Unfortunately, the projects do not directly benefit farmers from Scheduled Castes since they do not possess cultivable land. If the machine is hired directly by farmers, the

Schedule Caste Co-operative Society will get more benefits. The machine is hired by the Karshika karma Samithi from the Scheduled Caste Co-operative Society on daily rent agreement of ₹100 per hour. The samithi operates the machine 4 hours a day (average). The machine works 22 days in a month. The society gets only ₹8800 per month ($₹400 \times 22 = 8800$). Karshika Karma Samithi earns a net income of ₹ 22000 per month. If the Scheduled Caste Co-operative Society directly operates and maintains the machine the society could get a net income of ₹22,000/- per month. It raises concerns in handling the SCP Fund for projects that precisely do not directly benefit individuals from Scheduled Castes. The driver does not belong to Schedule Caste. There was no provision for training a Scheduled Caste man to operate the machine although the fund was under SCP. Driver from SC should be trained to operate the machine so that SC individuals would get employment.

10. SCP Water Supply Projects

Two water supply projects were sanctioned under SCP during 2013-2014; one (A) at Kangiramkulam panchayat a coastal area and one at Vempayam grama panchayat (B) in midland. Details of the two projects are given in Table 8.35. Total estimated cost of these two projects was ₹35.05 lakh. When completed the cost was ₹.36.49 lakh. The two projects together benefit 48 families and out of them SC families are 34.

Survey conducted among beneficiary families of the two project areas revealed mixed response in the supply and availability of drinking water. The opinion of the beneficiaries of „Kuttathatti“ is that water supply is not regular during the 7 days of the week. They do not get water for two days a week and its maintenance is poor. Beneficiaries also remarked that while executing the works their service or contributions were not demanded. If their contribution or service was mobilized and utilized, the cost could have been reduced and their requirement would have been satisfied. Major findings are: (i) they do not get water on all days, (ii) water is not chlorinated (iii) lack of pumping facilities (iv) poor maintenance (v) poor water quality and (vi) water charges are not paid. But in the case of Mavila Colony water supply, the beneficiaries are of opinion that they are getting water regularly on all days in the week. Quality of water is also good and there is an efficient beneficiary committee. All beneficiaries agree that it is a „good project“.

Therefore, in future, PRIs while taking up and executing water supply projects, should form a good beneficiary committee. The committee must be capable of maintaining the project properly and collecting fees/charges to meet its maintenance cost. This could be possible only if there are clearly defined guidelines.

Project „A“ benefits 25 families and SC families are 19 (76%) as against the norm of 51% families. Survey among five beneficiary families concluded that four are APL families and one BPL. Four families responded that they get water on all the 7 days a week. Quality and regular supply of water are almost ensured. Hence, the drinking water project is efficient. All the 5 families opinioned that the quality of water as good. Water is pumped six days a week and there is sufficient water for 25 families.

Survey shows that the project is useful and sufficient water is supplied every day. But according to the beneficiary committee, the electricity charges are high and the committee finds it difficult to afford. Similarly convener of beneficiary committee suggested extending the water supply to the next ward also because people in that ward also face drinking water problem.

Table 8.35: Drinking Water Supply Projects (SCP) by District Panchayat 2013-2014

| Sl.No | Project Particulars | Project A Mavila Water Supply (₹ Lakh) | Project B Kuttathatti Water supply – Vempayam Panchayat . (₹) |
|-------|---------------------------------|--|---|
| 1 | Total Estimated Cost | 13.11 | 21.94 |
| 2 | Total cost when completed | 14.55 | 21.94 |
| 3 | Year of sanctioning the project | 2013-14 | 2013-14 |
| 4 | Date of starting the work | 13.1.15 | 2015 |
| 5 | Storage capacity | 10,000 | NA |
| 6 | Source of water | Bore well | River |
| 7 | Total families Benefitted | 25 | 23 |
| | General | 6 | 8 |
| | SC families | 19 | 15 |
| 8 | Average cost per family (₹) | 42295 | ₹.95,391 |
| B | Beneficiaries Opinion | | |
| 1 | Total Beneficiaries (Nos) | 5 | 5 |
| | BPL | 1 | 5 |
| | APL | 4 | - |
| 2 | Do you get sufficient water | | |
| | Yes | 4 | 2 |
| | No | 1 | 3 |
| 3 | Quality of water | | |
| | Good | 5 | 3 |
| | Poor | | 2 |

Source: Survey Data

Project B benefits 23 families and among them SC families are 15 (65%) as against the required norm of 51%. Drinking water project was taken up during 2013-14 under SCP plan fund and it was completed in 2015. Total cost of the project is ₹ 21.94 lakh and it was utilized and project completed. Here, river is the source of water. Average cost per family for providing drinking water is estimated at ₹95391.

Survey among beneficiary families was conducted in the project B area to examine their level of satisfaction. Five families were surveyed and all belonged to BPL. Similarly all the five families mentioned that they get sufficient drinking water. But with regard to quality of water, while three families responded as good, two families responded it as poor. Government guidelines insist that when SCP projects under utility services are formulated, 51 percent beneficiaries have to be from SC families and rule has been followed here.

Survey and data analysis from the two drinking water projects showed that projects were completed as envisaged and drinking water is provided with minimum level of dissatisfaction to people. Both the projects follow the rule regarding the SCP fund utilization. It is suggested that the, District Panchayats in future shall take big projects covering more than one grama panchayats or more families.

CHAPTER 9

POLICY SUGGESTIONS AND RECOMMENDATIONS

District Panchayat must have full control over transferred staff and sufficient training must be given to members and officials for identification of viable projects and their technical appraisal. Survey among officials transferred to DPs emphasizes the need for their training on decentralized Planning process. Many officials from transferred departments are not given training in their functioning for enhancing their skills, efficiency and capacity. The role and functions of District Panchayats in co-ordinating and integrating district plan are not effective. State Government has transferred district level officers to District Panchayats through a government order, but majority of the transferred officials have not moved from the district level offices of the departments. Officials transferred to District Panchayat should be placed under the Secretary, who in turn has to achieve horizontal co-ordination with all district heads.

Survey among District Panchayat members indicate two major reasons for low efficiency of DP's administration. They are (i) delay in project formulation and irresponsibility of officials (ii) formulation of unviable projects and administrative delay. The capacity and expertise to formulate good and viable projects suitable to generate income and employment have not improved as envisaged in the decentralized Planning process at District Panchayat level. There are mixed responses from elected members to the dual control of transferred officials, such as lack of adequate training and lack of interest in work and responsibility. These issues need permanent solutions by bringing all transferred staff under the direct control of the District Panchayat. Elected members expressed the view that long term Plans are essential to fulfill broad development goals to attain sustainable development. However, lack of interest in evolving creative ideas, lack of knowledge and training to members and lack of proper guidelines hinder the formulation of an integrated three-tier district plan.

There has been a growth in spill over projects and poor utilization of plan funds in all DPs. Fund utilization of DPs need careful monitoring and quick action with the active involvement of finance officers of the DPs. At present FOs are not involved in this process. Development plan prepared by integrating the plans of three-tier panchayats would ensure overall development of the district. But such an integration is not happening on the ground due to the existence of many factors like lack of interest among the participants in the process, lack of coordination between three tiers of panchayat etc. DP and DPC should be empowered to fulfill broad development goals for sustainable development of the district.

Functioning of District Panchayat Grama Sabhas is another area of concern. Decisions of the grama sabha are often manipulated. The minutes of Grama Sabha meeting are not published in time. Poor participation in grama sabha meetings is another drawback of the system. Measures have to be initiated to make grama sabha more efficient by all concerned.

Fund utilization by DPs are found to be low due to delays in project formulation, rigid project criteria, poor implementation and inefficiency of officials concerned. Unviability of projects and shortage of implementing officials are also cited as the reasons. The five standing committees in the DP viz. Development, SC/ST Welfare, Finance, Public works and Women Welfare, have to play a key role in the plan formulation and implementation process of projects to make them successful. In spite of twenty years of decentralized planning experience of LSGs, they have not acquired the capacity to spent the entire plan grants allotted to them. DPs allocate their funds to three sectors: production, service and infrastructure. It is found that production sector absorbs relatively low levels of expenditure averaging around 65 percent. Moreover, plan grant earmarked for production sector is relatively low. So corrective steps are urgently needed in the allocation and spending of plan outlay in the production sector.

Plan Fund Utilisation

The plan fund utilisation of DPs are much lower than those of GP and BP since the beginning of the decentralised plan in 1996-1997. Survey among transferred officials indicate four major reasons for this low plan fund utilisation. They are (i) delay in preparing and finalizing projects (ii) delay in issue of administrative sanction (iii) insufficient outlay of

funds and (iv) untimely release of funds. According to officials two third of time is spent for project formulation and approval and only one third of time is available for implementation.

Implementing officers do not have a clear idea about the outlay earmarked for each project within a sub-sector. Outlay is tentatively fixed and final outlay for each project is intimated later. This results in delay in starting implementation. Nearly 16 percent officials cited insufficient outlay as one of the reasons for poor implementation. Untimely release of funds is another major reason for delay in project implementation.

The DPs take large number of projects ranging from 489 in Wayanad to 1223 in Thiruvananthapuram (2014-2015). The members want to have a large number of small projects for satisfying the demand of people in their wards. In our study average cost per project vary from a low of ₹3.50 lakh in Wayanad to a high of ₹ 7.55 lakh in Alappuzha. This approach defeats the macro perspective of a development plan of the district. Similarly, as the DPs have to prepare a large number of projects, mostly in the nature of engineering type, there is much delay in project formulation. The rational thing is to prepare medium sized and large projects.

District Planning Committee approves the DP plan in two weeks from the date of submission. It shows that there is no delay in DPC. Usually more than a month is required to complete the formalities connected with the tender process. This indicates that major share of the work of the project are executed during the fag end of the year. Therefore DP may have to expedite planning process more effectively to find more time for execution of the projects.

There is a need to effect structural changes in the LSG functions and administration based on two decades of experience in decentralised planning process in Kerala. The change has to begin at DP level since these institutions are often administered by fairly senior politicians and senior officials.

According to officials interviewed funds are not earmarked and intimated to the concerned officials. Even in cases where funds are earmarked much times is wasted during processes like project discussion, placing it in the working group, approval of District Planning Committee and issue of administrative sanction. In effect two-third of time is spent

for plan project formulation and approval and only one third time is available for implementation. There are also cases of earmarking outlay on piece meal basis and outlay is later adjusted from the savings of other projects. Delay in allocation of funds and release of it and lack of alternative projects also results in delayed plan fund utilisation. The delays in administrative and technical sanction is one of the main causes for poor utilisation of plan funds. The data on survey conducted among elected members also indicate the reasons for low fund utilisation.

Delay in project formulation, irresponsibility of officials, selection of unviable projects, delay in administrative approval, shortage of implementing officials, lack of co-ordination and unity among elected members, delay in issue of technical and administrative sanctions and incapacity of officials are the causes for low fund utilisation.

Women Component Plan

WCP in the District Panchayats studied were not based on any gender- status reports of the LSG concerned. This is a pre-requisite for any gender based Planning. There is very little evaluation of the needs of women, existing skills, resources, availability of markets (for those who venture to start micro-enterprises). Action has to be initiated by LSGs for overcoming these drawbacks. The main reason for the failure of WCP, in general, is the individual beneficiary approach followed. A clear understanding on what constitutes women's development is lacking. The elected women representatives also could not play an effective role as they also are new to Planning women projects and lack gender awareness. The target allocation under WCP in the District Panchayat is for housing and for providing help to landless women. But the real question is that funds used for these programmes can very well be met from general funds earmarked for women.

Gender training should be given to social workers and elected women representatives at the beginning itself to undertake their responsibilities effectively. In the course of discussions, we found that skill training is usually related to some stereotyped occupations like making of soaps, umbrellas, food processing etc. and Women lack managerial and marketing skills and this is not integrated usually in the training conducted for women. Issues like control over income, domestic violence, dowry, mental health issues, alcoholism

in the family and work place, issues of women with disability, aged women, empowerment needs etc do not manifest in viable projects.

Special Component Plan

Reasons for the low fund utilization under SCP are lack of long term vision, delay in technical and administrative sanction, delay in the release of total fund, lack of expertise in identifying viable projects, lack of interests among executing officers, lack of proper co-ordination of SCP projects of different departments and lack of proper monitoring. The District SC Development Officer should be entrusted with the task of co-ordinating the SCP projects implemented by different departments.

The outcome of several SCP projects implemented in the DPs under study cannot be assessed accurately. So it becomes difficult to judge the real impact of these projects on the weaker and the backward SC population. In future SCP projects which addresses the local needs of the weaker SC sections may be prepared and executed.

Majority of the projects implemented in DPs under SCP are under services sector followed by infrastructure. Production sector absorbs only a negligible portion of the total outlay. This situation should be changed. Production sector should be given adequate importance. Projects in the production sector which create sustainable income and employment and which are environment friendly should be selected and implemented.

The elected DP members opinioned that intended beneficiaries under SCP are not adequately benefited. They also mentioned that in several instances the beneficiaries misuse the projects due to lack of monitoring. Authorities should look into these opinions with seriousness.

Adequate importance is not given to SCP project preparation and implementation by the officials. It is suggested by several elected people that changes are necessary in SCP formulation and implementation.

Training to SC youth for employment and income is a major project under SCP. The project succeeds in giving training to SC youth. But the objectives of providing sustainable

job is not realized. Hence in future, projects should be formulated for providing training to acquire sustainable income and employment.

While purchasing machines for implementing a project using SCP fund, the asset purchased with SCP fund should be maintained and operated by the SC people themselves. In our study it is found that a Harvest Machine purchased by DP at Thiruvananthapuram using SCP fund is maintained and operated by a Karshika Karma Samithi. The SC society gets only the rent of the machine. Such instances should be avoided and necessary steps should be taken to ensure the maintenance and operation of the machines by the SC people themselves to derive the benefits directly.

The DP members remarked that benefits of SCP fund normally go to upper/influential SC people who are socially and economically well off. Hence while DP formulate SCP projects, priority must be given to SC people who are economically and socially poor and living in backward areas.

Another serious problem observed is the data gap in SCP projects. Details about the projects executed are not properly collected and documented. This is a serious problem to be corrected.

Tribal Sub Plan

Major Programmes taken up under TSP in DPs are educational programmes, health schemes, housing schemes, assistance for marriage and resettlement of landless tribes. Adequate priority is not given to employment and income generation. TSP programmes should focus on income and employment generation on a long term sustainable manner to improve the quality of life of the tribes.

Our micro level survey shows that details regarding outlay and expenditure and physical targets and achievements of TSP projects are not properly collected and documented. This practice should be checked and a data bank at the DP level should be maintained on TSP.

While implementing tribal projects, in several instances, unintended beneficiaries are benefited out of it. Such practices should be avoided. Necessary planning and monitoring should be made to make the benefits available to the Tribal people.

Demands of „Oorukoottam“ should be given importance. The services of skilled and talented officials may be made available in project’s formulation and implementation.

In the identification of projects and beneficiaries, opinion of experts and social activists would improve efficiency and quality of projects under TSP. But opinion of experts and social activists are not taken seriously and it has direct impact on low fund utilization.

Audit and E-governance

Audit Reports in various District Panchayats are pending finalization. Drinking water supply programmes (7 Nos) in one DP (Kannur) could not be completed due to absence of timely supervision and hence an investment of more than Rs.100 lakh remains unfulfilled. Similarly register of advance payments are not maintained properly and advance are not adjusted timely. Similarly irregularities have been noted in audit regarding records and up-keeping of cash book and asset register. The project regarding fixing/maintaining of pipelines taken up by DPs are seen confined to one Grama Panchayat only and not implemented in a group of Grama Panchayats which work against the provisions envisaged in the Panchayat Raj Act.

Deposit Works awarded to KSEB & KWA by DPs are not monitored properly and hence not completed in prescribed time limit. Proper utilization certificate of amounts allotted to these agencies have also not been obtained and produced before the audit officials. Working Groups are not functioning properly and their meetings are held rarely (once in a year) and hence the audit teams observed that their functioning is „deplorable“ in certain cases. DP Grama Sabhas were held very rarely (almost once in a year) with the result that they fail to perform the Constitutional responsibilities assigned to them; viz., selection of beneficiaries, selection of projects to be taken up and issues of directions for monitoring of the ongoing projects.

The minutes of the Standing Committee were not prepared systematically and the approval of the Chairpersons are not obtained in most of the DPs with the result that they fail to serve the purpose of selection and monitoring of development projects.

Computerisation

DPs have computerized all the office activities but as we approached DP for data on details of plan progress including implementation and amounts utilized, there was lack of information or the available information proved inadequate and inconsistent. For instance, plan data on general sector projects, SCP/TSP projects and women component projects and centrally sponsored projects were unable to be generated from computer for immediate use. Similarly, DPs were unable to generate information on spillover projects from computers. (i) Data on plan projects are neither systematically kept nor updated regularly and a machinery is not available for the data entry and updating (ii) Trained computer operators were not available to operate the system.

Regular training is not given to officials. Similarly trained officials to operate computers are not available. It is a major drawback of the computerization system in the DPs. There is sufficient funds for spending on computerization. It shows that the defect lies with the administrative system and not with the computers. Therefore to overcome the serious drawbacks, every DP should appoint a well-trained computer professional as a system manager capable to supervise all data entry, timely updating and making it possible to generate data on all activities. The Secretary, DP, has to constantly watch how the computer system works and any defect to the system should be corrected immediately.

(i) Every DP must have a well conceived project report on purchase, maintenance and operation of computers as well as training, data entry and updating the necessary data based on the requirement (ii) software specification should be standardized at state level and should be constantly monitored by IKM and (iii) all service delivery details including planning process must be made available to public through computer network.

District Planning Committee

District Planning Committee members and Joint Secretaries to District Planning Committee have to be provided adequate training for capacity building to enable them to formulate a District Plan. Similarly, adequate human resource, infrastructure, and adequate financial support have to be provided to District Planning Committees to conduct continuous seminars, discussions and related works. District Planning Committee must constitute a Sub Committee with resource persons from different departments and disciplines exclusively for the district plan formulation. It must be a Technical Support Team with experts like social scientists, economists, environmentalists, management experts and technocrats. Co-ordinate the activities of departments like Town Planning, Economics and Statics and equip them with technical support in the preparation and integration of district plan. Similarly State Planning Board has to give detailed guidelines for preparing the District Plan.

Ensure the participation and involvement of all Local Self Governments in the district in the district plan formulation exercise. Selected Presidents from a few Grama Panchayats and Block Panchayats shall be included in the subcommittee. District Planning Committee shall be a check point for final approval of plan and identification of critical gaps, formulation of targets and strategy and should have a permanent set up for plan monitoring. Formulate status report for every district for assessing the development needs and the services of retired experts could be used for it. Time bound action plan for formulating District Plan must be ensured. Improve the data base of each LSG for giving priority to sustainable development. Data based on decentralized plan are at present grossly inadequate and it is a major set back to Local Self Government Plan. It is severely felt in accounting system, execution of development projects, fixation of physical target and monitoring and evaluation of development programmes. LSG must be awarded and encouraged to take up innovative projects with the support of the District Planning Committee and Committee must monitor such projects constantly. While preparing District Plan more importance is to be given to physical quality and output than financial achievement.

Field Reflections

Government of Kerala transferred functions, resources and officials to LSGs as envisaged in Panchayat Raj/Municipalities Act 1994. As stipulated in the Acts, nearly 225 development functions have been transferred to Local self governments. Similarly, 25% State Plan outlay has been transferred to 1209 Local self governments based on norms recommended by State Finance Commission. Accordingly, the State has devolved nearly ₹ 23,500 crore to Local self governments from 1996-97 to 2014-15. 21,682 Democratically elected people's representatives are governing the Local Self Governments. 605 Local Self Governments are chaired by women and 604 by men. 121 Local self governments are chaired by SC and 16 by ST representatives. Local self governments work with local level people and formulate Development Plan based on local needs. An impartial assessment of these Local self governments is made here based on personal discussion with elected representatives.

District Panchayats give the list of development projects to Working Groups for formulating detailed projects. The Working Group members are experts in their areas of work and hence quality of the projects formulated by them are likely to be good. But DP Standing Committee makes changes in projects formulated by Working Groups. Projects in many such cases lose clear vision and objective. Similarly, while formulating projects, technical aspects are neither seriously appraised nor remarks and suggestions of officials are considered. Hence, when the project implementation starts problems arise and finally projects get spilled over and completion gets prolonged. It is a major problem and needs corrective policy decision. Beneficiary selections need clear criteria and vision. Beneficiary lists are transferred to implementing officers very late, and in the transferred beneficiary list the real beneficiaries in most cases would remain excluded. These aspects have also been examined at the time of audit. Devolution of power and funds to Local Governments for decentralized Planning is for identifying the deserving beneficiaries for uplifting their socio-economic life through LSG support. The findings of our study as well as the Audit reports suggest that selection of real beneficiaries and delivery of government support to them require structural changes in policy and strategy.

Spillover Projects

Local self governments are governed by locally elected people's representative who know the development needs of the people and Society. One elected member remarked that „needs are more but resources are limited, how can we satisfy all“? We returned a simple question „Why can't you prioritise the needs and divide the resources“. His answer was this „our Village has a mixed society. Caste, politics, income inequality and sex have a big role in the Village Society. They all have selfish motives“. He added „We distribute small resources to more people, we are all happy“. We again asked „How can all be happy?“ The member answered, „I can face them and get votes“. When we smiled he said, „we will continue the assistance next year and will call it „spill over projects“ This is how the idea of spillover projects become a „field reality“.

SCP Fund and Colony Approach

Special component Plan includes special protective project for SC people. But SCP funds are not properly utilized for generating income and employment. These protective measures would have promoted their living standard. One member smiled and remarked, „Local Self Government members and officials are responsible for it, good innovative projects are not formulated, officials are inefficient and indifferent, implementation and monitoring are poor. So SCP development programmes need structural changes“.

Colony approach under SCP and TSP for project formulation, particularly infrastructure, create problems and according to DPC members, Government may have to examine the issue seriously. If DPC is allowed to consider such issues, it could be corrected based on geographical needs and fund availability. Similarly, DPC members mentioned that SCP fund mostly flow to influential SC people with upper income who are socially and economically strong. These are issues which need clear policy decisions from government.

Training and Capacity Building

Training and Capacity building are essential for good governance of District Panchayats. Elected representatives and transferred officials attend KILA training. We

listened to an elected member: “During training in KILA we get the advice that an elected member is supreme and he should control officials”. He added that „when an official attends the training at KILA, the advice is “Members may come and go. You take care of yourself”. Such contradictory advices will not build up administrative capacity and confidence. KILA must call mixed training for elected Local self government Members and transferred officials. Training must cover theory and field visit covering all aspects like duties, responsibilities and Planning process.

Dual Control of Staff

We visited a District Panchayat for the survey and study. In an informal discussion, one manager from District Industries Centre who is a transferred official to District Panchayat said “My General Manager will not allow me giving priority to District Panchayat works”. He added „I am directly under his control. This situation must change”. Transferred officials must occupy their seat in the District Panchayat along with his auxiliary staff and do the work for the District Panchayat “. There are good officials like this Manager, but who will empower such officials?

Dual control on transferred staff to DP also create problems for DPs. According to DP members, transferred staff to DP are always having loyalty towards line Department as part of their hierarchy. Transferred staff should therefore be always under the direct control of the District Panchayat . Similarly, deputation of staff must be avoided and own staff should be recruited for each tier of Panchayat separately for the effective services. Salary and allowance of transferred staff are paid by parent department and therefore control on them is difficult. Opinion among DP members and staff is that dual control has positive impact on Plan formulation, implementation and monitoring since services and expertise of senior level officers are available. The issue has therefore to be examined at higher levels to find out appropriate solutions.

Member’s Protocol and Sitting fee

Kerala State has a three-tier Panchayat system namely, Grama Panchayat , Block Panchayat and District Panchayat . During the course of discussions with DP members, as part of our study on issues relating to DP administration, a few members remarked that a

protocol in three-tier Panchayat system would help to improve efficiency. Government may consider this subject and necessary action may be taken.

Similarly, a few members mentioned that District Planning Committee members are not given sitting fee. Government may also consider this matter and take necessary steps. DP members also suggested that when an institute or office is transferred to DP its assets shall also be transferred. It would also improve the control over the office and staff. In District Panchayat there are Finance Officers but their duties and responsibilities are not defined. Therefore, they are unable to exercise their role in the District Panchayat . This also needs the attention of the Government.

Appendix 1

Implementing Officers ,Thiruvananthapuram District Panchayat

| Sl.No | Designation | Department |
|--------------|------------------------------------|---|
| 1 | Secretary | District Panchayat |
| 2 | Executive Engineer | District Panchayat |
| 3 | District Medical Officer | Allopathy |
| 4 | District Medical Officer | ISM |
| 5 | District Medical Officer | Homeopathy |
| 6 | Superintendent | PattomThanupillai Homeo Hospital |
| 7 | Chief Medical Officer | Ayurveda Hospital, Varkala |
| 8 | Superintendent | District Hospital |
| 9 | Superintendent | District Hospital, Perrorkada |
| 10 | Superintendent | Nedumangad Hospital |
| 11 | District Programme Manager | NRHM |
| 12 | Deputy Director | Animal Husbandry |
| 13 | District Animal Husbandry Officer | Animal Husbandry |
| 14 | Veterinary Surgeon | Pig rearing farm, Parassala |
| 15 | General Manager | District Industrial Centre |
| 16 | District Manager | District Industries centre, Handloom |
| 17 | Project Officer | Khadi |
| 18 | Deputy Director | Education |
| 19 | Superintendent | Commercial Institute |
| 20 | Assistant Development Commissioner | SM |
| 21 | Project Director | (PAU) District Panchayat |
| 22 | Deputy Director | Diary Development |
| 23 | Deputy Director | Jersy Farm Vithura |
| 24 | Assistant Director | Jersy Farm, Exten. Unit Chettachal |
| 25 | Deputy Director | Fisheries (Zonal) |
| 26 | Principal VHSS | Fisheries School, Valiyathura |
| 27 | Head Master | Fisheries School, Valiyathura |
| 28 | Principal Agricultural Officer | Agriculture |
| 29 | Deputy Director (Y.P) | Agriculture |
| 30 | Deputy Director(W.M) | Agriculture |
| 31 | Assistant Executive Engineer | Agriculture |
| 32 | District Soil Conservation Officer | Soil Conservation |
| 33 | Superintendent | District Agriculture Farm, peringanmala |
| 34 | Assistant Director | State Seed Farm, Ulloor |
| 35 | Agricultural Officer | State Seed Farm, Chirayi |
| 36 | Agricultural Officer | Coconut Nursery, Kazhakkootam |

| | | |
|----|---|------------------------------|
| 37 | Agricultural Officer | Coconut Nursery, Valiyathura |
| 38 | District Welfare Officer | Scheduled Caste |
| 39 | Project Officer | A.T.D.P |
| 40 | District Social Welfare Officer | Social Welfare |
| 41 | District Programme Officer | Social Welfare |
| 42 | District Women Development Officer | Women Development |
| 43 | District Mission Co-ordinator | Kudumbasree |
| 44 | Palliative Care Co-ordinator | Palliative Care |
| 45 | Assistant Registrar | Co-operative Department |
| 46 | Assistant Development Commissioner (General) | Collectorate |
| 47 | Principal | DIET |

Appendix 2

Implementing Officers, District Panchayat Kottayam

| SL No. | Designation | Department |
|---------------|------------------------------------|------------------------------------|
| 1 | Secretary | District Panchayat |
| 2 | Executive Engineer | District Panchayat |
| 3 | Deputy Director | Education |
| 4 | Superintendent | District Hospital |
| 5 | District Medical Officer | Allopathy |
| 6 | District Medical Officer | Ayurveda |
| 7 | Chief Medical Officer | District Ayurveda Hospital |
| 8 | Superintendent | District Homeo Hospital |
| 9 | Project Director | Poverty Alleviation Unit |
| 10 | S.C Development officer | SC Development |
| 11 | Project Officer | ITDP, Kajirapalli |
| 12 | Deputy Director | Agriculture |
| 13 | Deputy Director | Agriculture |
| 14 | Assistant Executive Engineer | Agriculture |
| 15 | Assistant Director | State seed Farm |
| 16 | Assistant Director | State seed farm, Kozhikode |
| 17 | Farm Superintendent | District Agriculture Estate |
| 18 | District Soil Conservation Officer | Soil Conservation |
| 19 | Programmer Officer | ICDS Kottayam |
| 20 | District Social Justice Officer | Social Justice |
| 21 | Deputy Director | Diary Development |
| 22 | Project Officer | Socio Economic Unit |
| 23 | Gilla Project Officer | S.S.A Kottayam |
| 24 | Deputy Director | Fisheries |
| 25 | Manager | District Industrial centre |
| 26 | Project Engineer | District Nirmithi Kendra |
| 27 | Regional Engineer, Vaikkam | Regional Engineer, Vaikkam |
| 28 | Secretary | District Tourism Promotion Council |
| 29 | Assistant Director | Regional Poultry Farm, Manarkad |
| 30 | Superintendent | T.G.M.T |
| 31 | Deputy Director | Animal Husbandry |
| 32 | Assistant Registrar | Co-operative Department |

Appendix 3

Implementing Officers, District Panchayat Thrissur

| SL No. | Designations | Department |
|---------------|------------------------------------|------------------------------------|
| 1 | Secretary | District Panchayat |
| 2 | Deputy Director | Agriculture |
| 3 | Deputy Director | Agriculture |
| 4 | Assistant, Executive Engineer | Assistant, Executive Engineer |
| 5 | Superintendent | Farm, Agriculture |
| 6 | Senior Agricultural Officer | Agriculture |
| 7 | Senior Agricultural Officer | Agriculture |
| 8 | Senior Agricultural Officer | Agriculture |
| 9 | Senior Agricultural Officer | Agriculture |
| 10 | Senior Agricultural Officer | Agriculture |
| 11 | Senior Agricultural Officer | Agriculture |
| 12 | Senior Agricultural Officer | Agriculture |
| 13 | District Soil Conservation Officer | Soil Conservation |
| 14 | Executive Engineer | LSGD |
| 15 | Chief Medical Officer | R.V.D.A Hospital |
| 16 | District Medical Officer | Health |
| 17 | Superintendent | District Homeo Hospital |
| 18 | Deputy Director | Fisheries |
| 19 | Development Officer | Tribal Development |
| 20 | Development Officer | S.C Development |
| 21 | Deputy Director | Animal Husbandry Department |
| 22 | Deputy Director | Education |
| 23 | Manager | District Industrial center |
| 24 | Project Officer | Poverty Alleviation Unit |
| 25 | Assistant Development Commissioner | S.S.A |
| 26 | Superintendent, | District Hospital |
| 27 | District Medical Officer | Homeo |
| 28 | District Medical Officer | Ayurveda |
| 29 | Deputy Director | Diary Development Department |
| 30 | Project Officer | Khadi |
| 31 | District Social Justice Department | District Social Justice Department |
| 32 | Programme Officer | I.C.D.S (In charge) |
| 33 | Senior Veterinary surgeon | Pig rearing Centre |
| 34 | District co-ordinator , | Kudumbashree Mission |
| 35 | Women Development Officer | Women Development |
| 36 | District Co-ordinator | Sasharatha Mission |
| 37 | Principal Agricultural Officer | Agriculture |

Appendix 4

Implementing Officers, District Panchayat, Alappuzha

| SL No. | Designation | Department |
|---------------|--|---------------------------------------|
| 1 | Secretary | District Panchayat |
| 2 | Deputy Director | Principal Agricultural office |
| 3 | Deputy Director | Water Management |
| 4 | Assistant Executive Engineer | Agriculture |
| 5 | District Soil Conservation Officer | Soil Conservation |
| 6 | Deputy Director | Dairy Department |
| 7 | Deputy Director | Fisheries Department |
| 8 | Deputy Director | Animal Husbandry |
| 9 | General Manager/Manager | District Industries Centre |
| 10 | Project Officer | District Khadi and Village Industries |
| 11 | Deputy Director | General Education |
| 12 | Superintendent | T.G.M.T Centre |
| 13 | District Mission co-ordinator | Kudumbasree |
| 14 | District Programme Officer | Social welfare |
| 15 | District Social Welfare Officer | Social welfare |
| 16 | District Women Development officer | Women Development |
| 17 | Tribal Development Officer | Tribal Department (Punaloor) |
| 18 | District S.C Development Officer | SC Development |
| 19 | District Medical Officer | Health |
| 20 | District Medical Officer | ISM |
| 21 | District Medical Officer | Homoeo |
| 22 | Assistant Development Commissioner (General) | Collectorate |
| 23 | Co-ordinator - Saksharatha | Saksharatha Mission |
| 24 | Superintendent | Homoeo Hospital |
| 25 | Superintendent | District Hospital Mavelikkara |
| 26 | CMO, ISM | Ayurveda |
| 27 | Cost Ford | Cost Ford, Alappuzha |
| 28 | Nirmithy | Nirmithy Kendra, Alappuzha |
| 29 | Poverty Allegation Unit | Poverty Alleviation unit, Alappuzha |
| 30 | District Farm | District Farm, Mavelikkara |
| 31 | Farm, Veeyapuram | Farm, Veeyapuram |
| 32 | Farm, Arunnuttimangalam | Farm, Arunnuttimangalam |
| 33 | NRHM | NRHM |
| 34 | Commercial Institute, Alappuzha | Commercial Institute, Alappuzha |
| 35 | Deputy Chief Engineer | KSEB, Alappuzha |
| 36 | Executive Engineer | KWA, Alappuzha |
| 37 | Executive Engineer | KWA, Thiruvalla |
| 38 | District Officer | Ground Water Department |

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