

# **Institutionalization of Local Governments in Kerala**

**Report I**

**Local Government Commission  
Government of Kerala**

**25 February 2016**

***Institutionalization of  
Local Governments in Kerala***

*Report I  
February 2016*

*Local Government Commission, Government of Kerala*

ISBN :978-93-84557-38-6

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*Printed at  
Co-operative Press, Mulamkunnathukavu,  
Ph : 0487-2200391, 9895566621*

*Layout & Cover  
Rajeshb Thanikudam*



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## ACRONYMS

ADS	Area Development Society
ARC	Administrative Reforms Commission
BRGF	Backward Region Grant Fund
CAG	Controller & Auditor General
CESS	Centre for Earth Science Studies
CDS	Centre for Development Studies
CDS	Community Development Society
CMD	Centre for Management Development
CSC	Citizen Score Card
CSSs	Centrally Sponsored Schemes
CWRDM	Centre for Water Resources Development and Management
DICs	District Industries Centres
DHDR	District Human Development Report
DLFA	Department of Local Fund Audit
DPC	District Planning Committee
DRP	District Resource Person
EDI	Entrepreneurship Development Institute
ERs	Elected Representatives
ETC	Extension Training Centre
FYP	Five Year Plan
GIS	Geo Information System
GoK	Government of Kerala
GPF	General Purpose Fund
GP	Gram Panchayat
GS	Grama Sabha
HDR	Human Development Report
IIM	Indian Institute of Management
IIM-K	Indian Institute of Management-Kozhikode
IMG	Institute of Management in Government
IT	Information Technology
ITI	Industrial Training Institute
ISRO	Indian Space Research Organisation
IRMA	Institute of Rural Management
IKM	Information Kerala Mission
JLG	Joint Liability Group
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KFRI	Kerala Forest Research Institute
KILA	Kerala Institute of Local Administration
KPRA	Kerala Panchayat Raj Act
KMA	Kerala Municipalities Act

KPR	Key Resource Person
KWA	Kerala Water Authority
KSEB	Kerala State Electricity Board
LED	Local Economic Development
LGC	Local Government Commission
LGs	Local Governments
LIM	Local Investors Meet
LRP	Local Resource Person
LSGIs	Local Self Government Institutions
LSG	Local Self Government
LSGD	Local Self Government Department
LSGIs	Local Self Government Institutions
MEC	Micro Enterprise Consultants
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MoRD	Ministry of Rural Development
MoPR	Ministry of Panchayati Raj
MoSD	Ministry of Skill Development
MoHRD	Ministry of Human Resource Development
NABARD	National Bank for Agriculture and Rural Development
NCC	National Cadets Corps
NGO	Non-Governmental Organization
NHG	Neighbourhood Groups
NHM	National Health Mission
NSS	National Service Scheme
NIC	National Informatic Centre
NOFN	National Optic Fiber Network
NRI	Non Resident Indian
OSR	Own Source of Revenue
PAC	Public Accounts Committee
PERT	Programme Evaluation & Review Technique
PHC	Public Health Centre
PMGSY	Pradhan Mandhri Gram Sadak Yojana
PRA	Participatory Rural Appraisal
PPC	Peoples Plan Campaign
RBI	Reserve Bank of India
RD	Rural Development
SA	Social Audit
SABALA	Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG)
SC	Scheduled Caste
SCP	Special Component Plan



SEC	State Election Commission
SFC	State Finance Commission
SHGs	Self Help Groups
SIDBI	Small Industries Development Bank of India
SIHFW	State Institute of Health and Family Welfare
SRP	State Resource Person
ST	Scheduled Tribe
SSAT	Society for Social Audit Accountability and Transparency
SPAA	State Performance Audit Authority
TISS	Tata Institute of Social Sciences
TSP	Tribal Sub Plan
TGS	Technical Guidance and Support
ULBs	Urban Local Bodies
UNIDO	United Nations Industrial Development Organisation
UNDP	United Nations Development Programme
VTC	Voluntary Technical Corps
WDC	Ward Development Committee
WS	Ward Sabha



## **Acknowledgement**

This first report of the Local Government Commission entitled 'Institutionalisation of Local Governments in Kerala' has been made possible with the support and cooperation of many to whom I am indebted a lot. The Commission is grateful to Mr.Oommen Chandy, the Hon. Chief Minister of Kerala, whose vision for institutionalizing the local governments in Kerala has been the reason for setting up a separate Commission for Local Governments.

The Commission owes a word of thanks to the Commission members such as Mr.James Varghese IAS (Principal Secretary-LSGD and Member Secretary, Local Government Commission), Mr.T.R.Reghunandan (IAS Rtd.), Dr.K.P.Kannan (former Director of CDS), Dr.M.Kabir (Economist), and Mr.Saratchandren (former Special Secretary, Govt. of Kerala) for the immense support with academic inputs.

The Commission has been immensely benefited by the insights of Mr.S.M.Vijayanand IAS (Secretary of MoPR, Govt. of India and special invitee to the Commission) all through it's functioning to whom we indebted a lot. We have been enriched with his two decades of continuous experience in decentralization and that has helped us to craft many of the chapters of this report.

The Commission could over come its administrative and financial constraints due to the commitment of KILA and its staff for organizing the consultations for and behalf of the Commission and offering profound academic and administrative support. The Commission is grateful to Dr.P.P.Balan (Director, KILA) and Dr.J.B.Rajan (Assistant Professor, KILA) – two special invitees from KILA – for their active involvement in academic process of the Commission.

We would not have evolved this report unless the Elected Representatives, Officials, and Experts have provided their suggestions by actively participating in the consultations. We express a word of thanks to all of them. Last but not least, the Commission is thankful to its supportive staff Mr.Johnsingh James (Consultant) and Mr.Hasiludeen.S (Office Administrator) for their continuous support for the smooth office functioning.

However Commission shoulder the responsibility of views expressed in this report.

Local Government Commission  
18/02/2016

K.Kutty Ahammed Kutty  
Chairman



## Preface

The 73<sup>rd</sup> and 74<sup>th</sup> Amendments to the Constitution of India envisaged and aimed at the formation of a third stratum of Government at Local Level, for formulation and implementation of plans and schemes as envisaged in Article 243 G. Article 243 G provides that the state legislature may, by law, endow the Panchayat with such powers and authority to enable them to function as institutions of self government and such law may contain provision for the devolution of powers upon Panchayat at appropriate level, with respect to,-

- a) the preparation of plans for economic development and social justice;
- b) the implementation of schemes for economic development and social justice; as may be entrusted to them including those in relation to the matters listed out in the eleventh schedule.

It is widely felt that the above provision is not mandatory. Although the constitution has defined the Local level government, their powers and responsibilities are not clearly spelt out. However Kerala is the only state where sincere efforts are made in the direction of devolution of powers, to carry forward the process of decentralisation in its totality. Kerala Panchayat and Municipality Acts as amended in 1999 is the best attempt to define the functional areas of LSGIs, the objective being to reduce their agency role, and to expand their autonomous role. These Acts have eliminated direct control of Panchayats and reduced drastically government control over them.

The Constitution has to categorically express the status of the institution of self Government as mentioned in Article 243 G, or 243 W. The available three options are:-

- a) Panchayats and municipalities constitute the third stratum of governance. Hence in the constitution, there shall be clear recognition of such status. This would mean that, these institutions will have a coordinate status along with the Union and State governments, each having its constitutionally given functional domain, area of jurisdiction, powers and authority. This will amount to formal conversion of the existing two level federation into a multi level federation.
- b) They will not have a co ordinate status along with the other two levels of governance. They will still be the creatures of the state Acts and subject to some kind of control by the state governments. Yet they will have sufficient autonomy over a set of identifiable functions that should be spelt out in the

constitution. The functions that will be carved out by the constitution for these institutions will represent the minimum that should be given to all such bodies of the country, but the state legislature may have the option to endow these institutions with more functions with power and authority.

- c) They will continue to remain as local authority as envisaged under entry 5 of Schedule VII, even though their right to exist, nature of their composition, elections and some other things would be guaranteed by the constitution.

The third option, obviously, is unacceptable as this amounts to maintaining the status quo. Constitutional reform is necessary since the existing provisions have, by and large failed to ensure local democracy at the desired level. To be really effective, measures for reforms have to be chosen either from option (a) or (b).

The Commission may examine the above aspects and make due recommendations. The Local Government Commission in an open discussion decided to bring to the notice of the Government most sensitive and contemporary issues for urgent action. So they preferred to submit such matters to the immediate attention of Government in this 'first report'. The matters covered by the Government Order constituting the Commission in its Terms of Reference (ToR) will be dealt with in the ensuing Second Report, which will be submitted shortly. The Final Report will contain the concluding remarks of the Commission and Proposals requiring the stream lining of the existing enactments and other issues touching the Local Government Governance, which will be submitted during May 2016.

18.2.2016

**K.Kutty Ahammed Kutty**  
Chairman  
Local Government Commission  
Government of Kerala

## INTRODUCTION

- 1.1.** After the 73<sup>rd</sup> and 74<sup>th</sup> Amendments to the Constitution, Kerala adopted for an orthodox approach. It went in for a “*big bang*” decentralization, devolving responsibilities, powers, personnel and resources almost at one go. It was a leap of faith, but a leap in the dark.
- 1.2.** Naturally, this approach had to follow “reversals” as different from conventional wisdom. It had to build capacity after giving responsibilities, it had to put in systems even while power was being transferred and, most importantly, it had to set up accountability mechanisms after devolving substantial financial resources. In a sense, this approach has been responsible for strengthening the sustainability of Kerala’s decentralization even though it had also contributed to certain adhocism in respect of processes, procedures, and systems.
- 1.3.** Kerala is now the national leader in the implementation of the provisions of the Constitution in letter and spirit. Powers and functions have been demarcated with clarity. Functional assignments and expenditure responsibilities are more or less matched with adequate fiscal decentralization and the constitutional institutions like the State Election Commission (SEC), State Finance Commission (SFC) are national models. Even in respect of the District Planning Committee (DPC), Kerala is ahead of other States even though it has a long way to go.
- 1.4.** It is worth recalling that transfer of functions, institutions, and staff took place in a big way on the 2<sup>nd</sup> of October, 1995. This was immediately followed up, in a space of nine months, by the announcement to devolve a third of the plan resources in an untied form to local governments and the launch of the People’s Plan to put them to proper use. The first three years could be termed as the ‘experimentation phase’ where interesting initiatives were attempted and valuable lessons learnt. Naturally, several mistakes were made and shortcomings noticed. It goes to the credit of the Government that instead of rationalizing and being on the defensive it openly acknowledge deficiencies and set about rectifying them in the next two years which could be called the “correction phase”.
- 1.5.** Since there was huge churning due to the suddenness and the fundamental nature of the devolution, there had to follow a “stabilization phase” for another two years or so. Then the challenge of institutionalization started. Though initially it was expected that things would be fully in place in four to five years, the “institutionalization phase” has dragged on and could take another couple of years even if rigorous work is put in.
- 1.6.** The present architecture of Kerala’s decentralization was largely contributed by the recommendations of the Committee on Decentralization of Powers, better known as Sen Committee after the name of its Chairperson Late Dr. S.B. Sen (who unfortunately passed away after giving the initial report). The Committee did excellent work and contributed a robust framework to the local government system. But the Committee had experience of only the first three years of decentralization. Now two decades have passed and it is the right time to learn and unlearn from this long experience.
- 1.7.** It is remarkable that even though the institutionalization process got delayed, it was never derailed. The interim systems have withstood the pressures fairly well. It goes to the credit of Governments since 1995 that there has been a remarkable continuity of core policy and unanimity in respecting the political and functional space of Local Governments.

It is in this context that Government set up the Local Government Commission as per G.O. (MS) No.273/12/LSGD dated 22<sup>nd</sup> October, 2012 (**Annexure I**). The Terms of Reference (ToR) include:-

- (1) Review the laws in force including the rules and suggest modifications and additions.
- (2) Review the staffing system in Local Governments and recommend revamping and strengthening to improve its quality and efficiency.
- (3) Assess the capacity building measures in place and advice enhancing its relevance and effectiveness.
- (4) Study the regulatory powers of Local Governments and recommend their modifications to meet the challenges thrown up by the times.
- (5) Look specifically into the following issues and make appropriate recommendations.
  - Planning and implementation with special emphasis on increasing participation, bringing about integration and convergence, improving quality and strengthening monitoring and evaluation.
  - Functioning of DPC
  - Harnessing expert support including from academic and R&T institution, non-government organisations and private sector.
  - Bringing about harmonious and integrated functioning of the different wings of the Local Governments.
  - Bringing in greater synergy in the partnership between local Governments and Kudumbashree.
  - Effective functioning of the elected bodies including Standing Committees and Steering Committees.
  - Relationship between Local Governments and different departments and the State Government.
- (6) Assess the transparency and accountability systems and suggest measures for improving their effectiveness.
- (7) Analyze the different issues related to institutionalization and make suitable recommendations.
- (8) Suggest improved management practices in different aspects of local government functioning.

**1.8.** It has been made clear in the order that for the local government system to be firmly rooted and deliver itself, it is necessary to fast track the process of institutionalization. The Local Government Commission has been given the freedom to widen and deepen the scope of its work as required.

**1.9.** Certain administrative and financial procedures delayed full-fledged functioning of the Commission. Want of financial resources limited the capacity of the Commission to hire experts and conduct studies. Also staff support to the Commission was meagre. However, it has been able to overcome the problem and is now in a position to submit its first Report. Those tasks that require detailed studies like time and motion study for the staff system will be considered in the next report.

**1.10.** The Commission has adopted the **methodology** summarized below:-

- (a) Study of existing laws to identify changes required and gaps to be filled



- (b) Study of literature on local governments of the State in the last twenty years, especially ARC Reports, Report of the Kerala Administrative Reforms Committee, Report of the M.A. Oommen Committee, assessments of the State Planning Board, especially in the relevant chapters of Economic Surveys, key reports of CAG, Director of Local Fund Audit, and State Performance Audit Authority.
- (c) Interaction with Elected Heads and Members – past and present
- (d) Exchange of ideas with national level experts
- (e) Holding of expert and stakeholder consultations
- (f) Study of best practices from documents of KILA, especially those revealed through the different episodes of Green Kerala Express.
- (g) Field visits

**1.11.** The **approach** followed by the Commission is summed up below:-

- (1) Strengthening the functions of Panchayats, Municipalities and Corporations so that they can act as Institutions of Local Self Government with well demarcated autonomy, without the need for frequently referring matters to Government for clarification or approval. Of course, considering the magnitude of devolution of powers, it is necessary for Local Governments to perform certain agency roles but this should be only supplementary.
- (2) Even while Local Governments, especially the Village Panchayats, Municipalities, Corporations have to perform the traditional mandatory civic functions, they have to realize their constitutional responsibilities of bringing about economic development and social justice, the latter incorporating human development particularly of the poor and the marginalized. It is a well-known fact that human development has been the foundation of Kerala's developmental efforts and success. It is to be noted that the core functions related to education, nutrition and health are now local government responsibility which implies that development of Kerala in future, particularly of the bottom half of the population depends critically on local governments performing these functions efficiently and effectively.

Economic development is equally important as local governments can provide economic stimulus locally. For this, they need to be suitably capacitated.

- (3) Only accountable Local Governments can be autonomous Local Governments – The Commission feels that strengthening accountability will in due course strengthen the freedoms of Local Governments and enhance their credibility.
- (4) The experience of the last twenty years has thrown up several second generation issues and they need to be addressed sooner or later for enabling smooth local governance.

**1.12.** In accordance with the approach outlined above, the Committee has chosen the following themes for the First Report:-

- (1) A Retrospect on Twenty Years of Decentralisation
- (2) Strengthening Gram Sabha
- (3) Accountability
- (4) Tribal Development (most critical aspect of social justice in Kerala)
- (5) Public Health (an emerging issue threatening the State's human development)

- (6) Local Economic Development (a serious developmental challenge Local Governments are facing)
- (7) District Planning (a Constitutional mandate which Kerala has not been able to realize)
- (8) General Recommendations (arising out of the Report of the Second Administrative Reforms Commission set up by Government of India and other miscellaneous items of importance)



## TWO DECADES OF DECENTRALISATION IN KERALA

### 2.1 The Beginning

The Local Governments of Kerala had a few civic functions, a little developmental function and some regulatory functions before the enactment of the Kerala Panchayati Raj and Kerala Municipalities Acts in 1994. Ever since the formation of the State in 1956 there has been repeated, but unsuccessful attempts to create a decentralized governance system. The first Administrative Reforms Committee constituted in 1958 suggested measures for the democratization of the organs of government. The coalition governments that came to power alternatively every five years initiated and carried forward legislative measures to create a new tier of government at the district and lower levels. The Kerala Panchayat Bill and the District Council Bill were drafted, amended and considered by the Legislative Assembly several times. At last the Kerala Panchayat Bill was enacted in 1960 and the first election held in 1963.

The Kerala District Administration Act was passed in 1979, but the first election was conducted in 1990 and the District Councils came into existence in 1991. The State Government made earnest attempts to empower the District Councils so that they could function as independent district governments having powers and well defined functions. The Government that came to power in 1991 reversed the decentralization initiative taken of the earlier government by taking back the powers and functions and drastically cutting the fund allotment. Then the District Councils were dismissed on the pretext that the 73 & 74 Constitutional Amendments required the State Governments to pass the Conformity Acts and a new LG system has become mandatory.

The conformity Acts to the constitutional amendments were passed by the GoK on the last date fixed for the purpose. The enactments were carried out as a routine and mandatory procedure without realizing its implications. But soon the advocates of decentralization among political parties, bureaucracy and the civil society found in it an opportunity to realize the long cherished desire of creating a decentralized governance system. Though the first Panchayat Election was delayed by almost one year, the GoK took long strides in a short time towards establishing independent LSGIs in the State.

Kerala initiated and implemented several innovative measures to strengthen LGs. The path breaking decision that paved the way to strengthen Local Self Government Institutions (LSGIs) in Kerala was to earmark one third of the development fund to the LGs as untied funds (1996) and to transfer institutions and officials relating to the 28 subjects, to the three tier Panchayats and Urban Local Bodies (1995).

The purpose and determination of the government to create an empowered third tier of government, besides the central and state governments is evident in its decision to appoint a Committee on Decentralization<sup>1</sup>. The Committee recommended radical changes in local government administration and laid down the key principles of devolution of functions and functionaries to LGs. The Government took immediate steps to implement the recommendations of the Committee (1999) and the present LGs of Kerala differ from their counterparts in other States because they are constituted on the basis of the principles laid down by the Committee.

The LGs in Kerala enjoy administrative, functional, and financial autonomy. They are assigned clear functional areas with required staff resources and infrastructure; they can

raise resources and take independent decisions and implement them. They function on the principle of subsidiarity i.e., what can be done best by a local government is done by that government and not by a higher level government. The responsibilities and functions of each level of government are clearly defined and overlapping and repetition are reduced to the minimum. At the same time the functions of different tiers are integrated and the schemes implemented in an area converge into an integrated plan. There is uniformity in the norms and criteria for selection of beneficiaries and prioritization of activities. Without people's participation the objects of local governance cannot be attained. Every attempt is made to ensure all sections of the society get opportunity to participate in the decision making process. The marginalized and the comparatively weaker and ignored sections are also represented in the Panchayat Council and the numerous micro level organizations created as support bodies of participatory governance. Accountability and transparency measures are embedded in the system as evidenced in the provisions in the Act regarding right to know, social audit, performance audit, and citizens' charter.

**Table 1: Grama Panchayats in Kerala (2010-2015)**

SL. NO.	DISTRICT	NO. OF GPS
1.	Thiruvananthapuram	73
2.	Kollam	70
3.	Pathanamthitta	54
4.	Alappuzha	73
5.	Kottayam	73
6.	Idukki	53
7.	Ernakulam	84
8.	Thrissur	88
9.	Palakkad	91
10.	Malappuram	100
11.	Kozhikode	75
12.	Wayanad	25
13.	Kannur	81
14.	Kasaragode	38
	<b>Total</b>	<b>978</b>

**Table 2: Population of LSGIs**

TIERS	NO.	NUMBER OF WARDS/DIVISIONS	AVERAGE AREA PER LSGI (SQ.KM.)	AVERAGE POPULATION PER LSGI*
District Panchayats (DPs)	14	332	2651.70	1903357
Block Panchayats (BPs)	152	2095	244.24	175309
Grama Panchayats (GPs)	978	16680	37.16	26674
Municipal Corporations	5	359	95.60	491240
Municipalities	60	2216	23.65	51664
<b>Total</b>	<b>1209</b>	<b>21682</b>	-	-

Source: Panchayat Guide-2015 published by Local Self-Government Department

\*Population figures – Census 2011

**Table 3: Density of Population – Kerala**

<b>DISTRICT</b>	<b>POPULATION</b>	<b>MALES</b>	<b>FEMALES</b>
Thiruvananthapuram	33,07,284	15,84,200	17,23,084
Kollam	26,29,703	1244815	1384888
Alappuzha	2121943	1010252	1111691
Pathanamthitta	1195537	561620	633917
Kottayam	1979384	970140	1009244
Idukki	1107453	551944	555509
Ernakulam	3279860	1617602	1662258
Thrissur	3110327	1474665	1635662
Palakkad	2810892	1360067	1450825
Kozhikode	3089543	1473028	1616515
Wayanad	816558	401314	415244
Malappuram	4110956	1961014	2124942
Kannur	2525637	1184012	1341625
Kasargod	1302600	626617	675983
<b>Total</b>	<b>33387677</b>	<b>16021290</b>	<b>17366387</b>

## 2.2 Democratic Decentralization

The very concept of decentralized governance implies deepening of democracy and participation of people. At the higher tiers of governance only representative democracy is practical, but at the local level there is scope for direct democracy. The LGs can provide opportunity to every voter to participate in the decision making process. The GramaSabha/Ward Sabha is a forum of direct democracy. Since the Panchayats and Municipalities of Kerala are large in size the GS/WS is defined as an assembly of all voters of a ward and the meeting is held at ward level.

Administrative decentralization became a reality in the State with the constitution of three tier Panchayats, Municipalities and Municipal Corporations. To begin with, there were 999 GPs, 152 BPs, 14 DPs, 53 Municipalities and 5 Municipal Corporations. After the delimitation exercise that was carried out every five years by the Delimitation Committee, the number of wards in all LGs changed. The constitution of new Municipalities and Municipal Corporation has changed the number of GPs and the reconstitution of BPs has changed the total number of BPs. At present there are 941 GPs, 152 BPs, 14 DPs, 87 Municipalities and 6 Municipal Corporations. All these LGs are independent and autonomous administrative units with little control from above. They are able to function independently because of the Legislative entitlement provided by the State.

The KPR and KM Acts, the comprehensive amendments to the two Acts and the Rules framed thereof have laid strong foundations for the LGs and that is why they have stood the test of times and survived the challenges so far. Among the salient features of the Acts the most remarkable are the constitution of SEC, SFC, Ombudsman, Appellate Tribunal, and DPC. The provisions for transparency, accountability and good governance have further strengthened the LG system.

The SEC has conducted regular election to LGs every five years, conducted reelection within six months when vacancy arose and disqualified elected members for violating the

Act. The SFC has been reconstituted periodically and the recommendations of SFC have been accepted and implemented to a great extent by the GoK. As a result, the resource base of LGs in Kerala has been widening steadily for the last two decades.

The Ombudsman of LGs is a unique feature of the Acts. The Ombudsman that has the powers of a civil court deals with all complaints of corruption, malfeasance, and failure on the part of LGs to perform their duties. It is easily accessible and free of cost as the complainant can present a complaint without the help of a lawyer. The Appellate Tribunal deals with all appeals against the decisions of LGs and is remarkable for its simple procedure and minimum cost of complaint redress. But both the institutions are hampered in performing their functions because of the lackadaisical support of the government.

Five years before the Central Act on Right to Information was passed, the KPR Act of Kerala amended in 1999 had provisions on Right to Information. Citizens' Charter and Social Audit are other features for ensuring transparency, accountability and good governance. They have made the local government system more responsive and people friendly. Social Audit continues to be a problem, as the continuous effort to create an effective mechanism of SA has not succeeded yet. If we had been able to activate the SA system, it would have improved the performance of LGs. In its absence, monitoring and evaluation of development schemes is not properly done.

When the LGs started to formulate and implement annual development plans in a participatory mode, they realized that their functional domain is restricted by many other Acts and Rules that were there before decentralization. The Committee on Decentralisation went deep into the hurdles along the path of decentralization process and recommended comprehensive amendments to the KPR and KM Acts and amendments to 42 other Acts that have bearing on LGs. All the recommendations were implemented immediately. Thus the legal space was created for the LGs' autonomous functioning.

The amendments to the two Acts have generally helped improve the functioning of LGs, except for the amendment on disqualification of elected members for not convening two Gram Sabhas consecutively. The unification of LSGD with RD and merging the two departments into one augmented the decentralization process. But bifurcation and trifurcation of the departments and rejuvenation and creation of parallel bodies like Development Councils have eroded the powers of LGs to a great extent and adversely affected their functioning.

### **2.3 Developmental Decentralisation**

The LGs of Kerala acquired massive developmental functions with the enactment of the KPR and KM Acts in 1994. Once functions, functionaries, funds, and freedom were given to LGs and they were in a position to formulate and implement plans for local economic development ensuring social justice. LGs were to prepare annual development plans with peoples' participation from 1997 onwards. The GoK seized the opportunity and launched a movement, called the People's Plan Campaign (PPC) in 1996 to enable the LGs to formulate development plans with people's participation. There were many persons who believed that it was an immature decision and the consequence would be disastrous. But today we have the advantage of hindsight and we know from the experience of other States that the decision was not wrong, as there was no other effective way to initiate the decentralization process.

The challenges to such an initiative were formidable. Development planning was considered the domain of the experts. And now the elected members, officials of local governments, and the activists can involve themselves in the process. The demystification of planning was essential. It can be done through capacity building and training and that was a great challenge. The size of the training population was so huge that the traditional training

methodology and management could not be used. A new cadre of trainers was created with four tiers; State Resource Person (SRP), Key Resource Person (KRP), District Resource Person (DRP) and Local Resource Person (LRP). In the initial stage, training was imparted by different agencies like training institutes, development departments, Non-Governmental Organizations (NGOs) and adhoc training canters organized by the State Planning Board. Gradually government training institutions like KILA, SIRD, IMG, ETC, etc. managed the majority of the training programmes. The capacity of KILA has been built and designated as nodal agency for the capacity building of LSGIs. At present, it is able to cater to the major part of the training needs of all stakeholders of local governments.

The most important outcome of the PPC is that it succeeded in developing a methodology for participatory planning which emerged as a model for others. Participatory Planning process has several distinct phases that begin with the identification of development needs in the GS. As the number of GS in LGs varies approximately from 10 to 20, the identified needs have to be consolidated and priorities fixed at the LG level. It is done in the Development Seminar attended by the ERs, officials, representatives of all GSs, experts and other stakeholders. Then the Working Group for the respective development sector projectises the prioritized development needs. The Panchayat approves the draft annual plan, after due deliberations. Before submitting the plan to the DPC for approval, it is vetted by the team of experts. Once the annual or five year plan containing all development projects along with mandatory documents is approved by the DPC, it is ready for implementation.

Peoples' participation is not limited to the formulation of plan, but extends to the implementation and monitoring of the plan. Many micro level committees were constituted like Working Group/Task Force for each development sector, Expert Committees/Technical Advisory Committees for vetting of projects, Beneficiary Committees for project implementation and Monitoring Committees for ensuring effective implementation. Though a few changes were made by the governments in power from time to time to the constitution and functioning of the Committees, the basic methodology has remained more or less the same for the last two decades. The enthusiasm generated by the PPC gradually faded and participation also started decreasing for various reasons. The greatest enemy of decentralization is the unwillingness of the power brokers to devolve power to any other authority. The setbacks to decentralization have also arisen from this attitude of political leadership of higher levels and the bureaucracy. The only way to overcome this obstacle was institutionalization of decentralized governance.

The newly created system of participatory planning and governance had to be institutionalized and that was the next important step. Institutionalization is a continuous process and is still going on. During the Ninth Five Year Plan, the approach was learning by doing. When trying to do something new, problems crop up and corrective measures are taken to solve the problems. Thus participatory planning process has undergone revisions and modification several times, it is changing now and it should change in future to accommodate the changing needs.

While allocating funds to LGs, the Government issued detailed Guidelines for preparation of annual development plan. The Guidelines made some projects relating to the mandatory functions of LGs compulsory and fixed maximum and minimum allocation for the three development sectors, namely Production, Service and Infrastructure. Within the framework set by the State government, the LGs have freedom to fix priorities and formulate plan according to the priorities.

The tenth FYP was due in 2002. By that time the LGs of Kerala had the experience of preparing and implementing one FYP consisting of five annual plans. The strengths and weaknesses of the system were identified. Taking lessons from five years of participatory

planning, the priorities have to be modified. The objectives of tenth FYP were local economic development by increasing production and productivity, achieving greater social justice, reducing gender disparities, upgrading the quality of basic services with focus on natural resource management and integrated area development. Promotion of good governance was another important objective. Except for local economic development, the tenth FYP went a long way in attaining the objectives.

The Guidelines for the eleventh FYP did not deviate much from the earlier one. The thrust was on local economic development by generating additional incomes and more job opportunities with focus on relatively poor sections of the society. Integrated Watershed Management and Joint Forest Management were given priority. Strengthening of micro-enterprises and encouragement of small and medium enterprises were suggested as a means to local economic development. Inclusive growth, enhancing the quality of public services and good governance were other objectives of XI FYP. Through the years the resources of the LGs were increasing, but there was no corresponding increase in the quality of planning and administration. Thin spread of resources, lack of long term perspective, trivialization of procedures, thinning peoples' participation, reluctance of ERs to devolve power to the people and inadequacy of staff are some of the issues that affect the performance of LGs. Although the issues relating to decentralized governance were identified from time to time they were not addressed in a time bound manner.

The general approach of XII FYP, started in 2012, was comprehensive development by giving more autonomy to the local governments and responsibilities to the officials. Several measures were suggested to address the issues of the previous plans. An important deviation from the earlier plans was that the Technical Advisory Groups (TAGs) set up at BP, DP, Municipal and State Level to vet the plans and grant Technical Sanction to projects were totally dispensed with. The work of the TAGs is assigned to a team of officials of the department concerned. The server-based Plan Software –Sulekha - was transformed into online platform. The several allocation of funds to development projects is made more flexible by giving more freedom to LGs in fund allocation. An innovative step is the setting up of a Gram Kendra – Headquarters of Grama Sabha - in each ward that should function as the office of the GS and an extension of the LG office. At the ward level Ward Development Committee (WDC) are formed and Ayal Sabhas (Assembly of Neighbourhoods) consisting of 100-150 families were also constituted. Ayal Sabhas became the panic unit of plan preparation. In a way these measures are for strengthening Grama Sabha.

## **2.4 Fiscal Decentralisation**

In the context of decentralization of power, all other devolutions are rendered useless unless they are accompanied by fiscal devolution. Decentralized planning was made possible because of the historic decision of the GoK to devolve one third of the development fund to LGs without any ties in 1997. Until then, LGs were allotted funds to implement schemes formulated and approved by the State Government. For the first time in its history, the LSGIs of the State were in a position to prepare their own development plan, utilizing the funds available for the purpose. The development fund of an LG consists of Plan and Non-Plan funds from State Government, funds from GoI to implement Centrally Sponsored Schemes (CSSs), funds from State government to implement State Sponsored Schemes, and Own Sources of Revenue (OSR).

The LGs of Kerala have plenty of resources compared to their counterparts in other States, thanks to the timely constitution and functioning of the State Finance Commission. The SFCs constituted for the purpose of reviewing the finances of local bodies, fixing the size of tax sharing between local bodies and state government and for suggesting measures to improve the financial position of local bodies have served the purpose commendably since



1994. The First SFC was appointed even before the election to LGs took place after the enactment of the new PR and Municipalities Act. The Commission collected and consolidated data regarding different aspects of LG finances and made recommendations regarding devolution of funds. The arbitrary way of fund allocation gave way to norms based allocation ensuring transparency in fiscal devolution.

The second SFC was appointed in 1999, the third one in 2005, the fourth in 2009 and the fifth one in 2014. On the whole, the recommendations of the SFCs have been accepted and implemented to a great extent by the GoK but there were many instances of the government not fully implementing the recommendations.

The functioning of LGs has been hampered, whenever there was delay or denial in the payment of allocation to LGs.

In the beginning, allocation of funds to LGs was arbitrary, but over the years the SFCs succeeded in laying down transparent norms, creating a separate head in the annual budget for local government finances, and changing the relationship between the State government and LGs from that of a 'giver' and 'receiver' to that of legitimate sharer, following the principle of subsidiarity.

The total plan allocation to LGs in 1997-98 was Rs. 1046.2 crores. The allocation has constantly increased to Rs. 7406.8 crores in 2014-15. Although there is a steady increase in the amount, there is no corresponding increase in the percentage. Starting with 9.64% in 1997-98, there has been rise and fall and the maximum of 33.33% was allocated only in 2002-2003. Plan fund is allocated under three heads. General Fund, fund under Special Component Plan for development of Scheduled Castes and fund under Tribal Sub-Plan for the development of Scheduled Tribes. The Non-Plan grants to LGs include General Purpose Grant to perform traditional functions, grant for road maintenance and grant for maintenance of other assets.

The LGs also get the share of funds allocated for Centrally Sponsored Schemes and State Sponsored Schemes as both schemes are implemented by the Panchayats and ULBs and find a place in the Annual Development Plan of the local body. Of late the Mahatma Gandhi National Rural Employment Guarantee Scheme has become the single largest scheme implemented by GPs and fund for the scheme has outsized all other allocations in the case of some GPs.

The GPs, Municipalities and Municipal Corporations of Kerala had their own source of revenue right from the beginning of their formation. Their resources include tax and non-tax revenues. The important items of tax revenue are Property Tax, Profession Tax, Entertainment Tax and Advertisement Tax. There are other taxes as well, like shops tax and exhibition tax. Although there is great potential to increase the revenue by enhancing the rate of tax, collecting taxes fully and by levying new taxes, the LGs are reluctant to make use of the potential. The political leadership fears that widening the tax net and enhancing the rates will cause loss of votes in elections.

Non Tax revenue includes License fee, Gate fee, Rent from property, Income from property other than rent, Permit fee, Registration fee and User fee or Service charge. There is still room for increasing Non-tax revenues in the State. Except in the case of a few LGs who made systematic effort to increase tax and non-tax revenue, all other LGs try to increase their revenue by getting more allocations from governments and other agencies.

The facility to take loans is available to LGs. But the LGs are generally reluctant to make use of the opportunity. It is time for LGs to think of enhancing own resources as the assistance and grants from government may not continue in the same scale forever. National and International agencies also provide assistance to LGs for specific schemes and LGs should explore the possibility so that local governance could be strengthened further.

## 2.5 Fiscal Decentralisation in Kerala

Fiscal decentralization efforts in Kerala are evaluated as the best practices in India. Substantial initiative from Government of Kerala to LSGs, even before and after the 73rd and 74th Constitutional Amendments, is one among the reasons for the remarkable achievements of Panchayati Raj Institutions in Kerala. As per the Kerala Panchayati Raj Act, own source of revenue - tax and non-tax, plan and non-plan funds from State Government, and funds from Central Governments are the important sources of revenues of the Local Self Governments in Kerala.

## 2.6 Kerala Tops in Devolution

After the 73rd and 74th Constitutional Amendment, all the State Governments were passed conformity Acts. But the devolution of functionaries, functions, and finance were not homogenous in character. States like Kerala, Karnataka, Maharashtra were far ahead; whereas States like Jharkhand, Arunachal Pradesh, Bihar, etc. were lagging behind in providing financial resources to Local Self Governments. Kerala Panchayati Raj Act earmarked various provisions for financial devolution to the LSGs. Financial sources of Grama Panchayats are own sources of revenue, i.e., tax and non tax revenues, State Sponsored Schemes, devolution of funds from the State, State Finance Commission Award as per the Article 243 I, Centrally Sponsored Schemes, Devolution from Central Government as per Article 280 of the Constitution, external assistance and borrowings. Table 4 shows that financial devolution in Kerala is third highest in India.

**Table 4: Devolution Index of States (2014-15)**

STATE	FUNCTIONS	FUNCTIONARIES	FINANCES	IGT	AGGREGATE DPO
Kerala	1	1	3	1	1
Karnataka	8	12	1	8	2
Maharashtra	5	2	8	3	3
Sikkim	2	11	4	4	4
West Bengal	3	22	10	2	5
Tamil Nadu	6	7	7	13	6
Rajasthan	7	4	16	9	7
Madhya Pradesh	23	6	2	19	8
Odisha	11	15	9	17	9
Himachal Pradesh	22	5	15	6	10
Manipur	25	3	5	22	11
Chhattisgarh	4	16	22	15	12
Telangana	9	24	12	11	13
Andhra Pradesh	9	17	24	10	14
Punjab	17	14	14	12	15
Gujarat	18	19	11	18	16
Tripura	21	20	17	7	17
Uttar Pradesh	16	13	21	16	18
Jharkhand	20	23	6	20	19
Haryana	24	21	13	14	20
Uttarakhand	15	10	20	21	21
Assam	19	25	18	5	22
Bihar	12	8	25	23	23
Jammu and Kashmir	13	18	19	24	24
Arunachal Pradesh	14	9	23	25	25

Source: Tata Institute of Social Science, Mumbai-2015.

## 2.7 State Government Support to LSGs

The role of local bodies in the formulation and implementation of plan was very limited in Kerala, like other parts of India before 1996-97. Main activities of local bodies were the utilization of untied plan grants and implementation of sponsored projects of State as well as Central Governments. However with the decentralisation of powers, fiscal decentralisation was also implemented by the State by devolving funds to the Local Governments. (Table 5).

**Table 5: Total Budgetary Allocation to the Local Self Governments in Kerala [from 1997-98 to 2015-16]**

YEAR	TRADITIONAL	MAINTENANCE TO ROADS	MAINTENANCE TO NON-ROADS	PLAN FUND	TOTAL
1997-98			297	749.0	1046.2
1998-99			384.3	950.0	1334.3
1999-00			405.4	1020.0	1425.4
2000-01			419.9	1045.0	1464.9
2001-02			440.9	850.0	1290.9
2002-03			472.2	1342.1	814.2
2003-04			505.6	505.6	1822.6
2004-05	205.3	129.3	196.4	1350.0	1881.0
2005-06	255.5	174.9	226.7	1375.0	2032.1
2006-07	300.0	138.9	211.0	1400	2049.9
2007-08	330.0	152.8	232.1	1540	2254.9
2008-09	362.9	168.1	255.3	1694	2480.3
2009-10	399.3	184.9	280.8	1863	2728.0
2010-11	439.2	203.4	308.9	2050	3001.5
2011-12	617.0	528.5	264.3	2750	4159.8
2012-13	735.2	724.0	362.0	3228	5049.2
2013-14	900.1	943.0	471.5	4000	6314.6
2014-15	1052.6	1102.8	551.4	4700	7406.8
2015-16	1119.8 (14.6)	1173.1 (15.3)	586.5 (7.6)	4800 (62.5)	7679.4 (100.0)

Source: Economic Review 2004 -2014.

Government of Kerala had been earmarking assigned taxes, shared taxes, and statutory and non-statutory grants in aids to the LSGs upto the implementation of the Second State Finance Commission period. Since the implementation of the Second Finance Commission, the budgetary provisions of grants- in aid to LSGs has four categories, i.e., General purpose / traditional functions, road maintenance assets, non-road maintenance assets and plan grants (expansion and development). Second Finance Commission advocated three and half percentage of own revenue be devolved to LSGs as General Purpose grants or otherwise called traditional Functions grants. This grants could be utilized for meeting expenses in the traditional sectors and operating costs of the LSGs. Maintenance grants to roads and non-roads was also recommended by the Second Finance Commission. Plan grants can also be divided into three, i.e., general sector, Special Component Plan (SCP) and Tribal Sub Plan (TSP).

Tied and untied funds were given to Local Self Governments in Kerala upto 2004-05. Instead of assigned taxes, shared taxes and statutory / non statutory grants in aids, three and half percent of own tax revenue of the State Government as general purpose or traditional

functions grant as per the Second State Finance Commission. The grant can be utilized for meeting traditional functions and operating costs of the local self-governments. Maintenance fund is recommended by Second State Finance Commission for maintenance of assets of LSGs and transferred institutions. The Commission recommended five and half percent of the annual own tax revenue of the State Government to LSGs to the maintenance of roads and assets. During period from 2004-05 to 2015-16 total allocation has been increased from Rs.1881 Crores to Rs.7679.4 Crores. Major share (62.5 percent) of the budgetary allocation is plan fund whereas maintenance fetched 15.3 percent, traditional functions got 14.6 percent and the remaining 7.6 percent was for maintenance of roads. Kerala Government is providing 9 percent of the own revenue of the State Government to the LSGs towards maintenance of roads and non-roads. Cost of maintenance of assets in LSGs has been increasing year by year. So the percent of allocation to maintenance of roads and non-roads has to be increased to minimum of 15 percent.

The absolute amount of plan allocation to the LSGs by the State, over the period, seems on the increase. However in percentage terms, it is on the decline. (Table 6).

**Table 6: Plan Allocation to LSGs in Kerala**

YEAR	TOTAL PLAN ALLOCATION	TOTAL ALLOCATION TO LSGS	% TO TOTAL
1996-97	2200	212	9.64
1997-98	2855	749	26.23
1998-99	3100	950	30.65
1999-00	3250	1020	31.38
2000-01	3535	1045	29.56
2001-02	3015	850	28.19
2002-03	4026	1342	33.33
2003-04	4430	1317	29.73
2004-05	4800	1350	28.13
2005-06	5369	1375	25.61
2006-07	6680	1400	20.96
2007-08	6950	1540	22.16
2008-09	7700	1694	22.00
2009-10	8920	1863	23.30
2010-11	10025	2050	21.90
2011-12	11030	2750	23.30
2012-13	14010	3228	23.00
2013-14	17000	4000	23.50
2014-15	20000	4700	23.50
2015-16	20000	4800	24.00

Average for 20 years 7944.751911.7525.00 Source: Economic Review 2012 and Budget Documents.

Government of Kerala decided in 1997 to devolve at least one third of the State Plan fund to the LSGs. But statistics of plan devolution shows that plan fund to the LSGs are decreasing from 31 percent of 1999-00 to 20.96 percent in 2010-11. Average from 1996-97 to 2015-16 shows that plan devolution is 25 percent of the State Plan fund. Plan fund includes Central Finance Commission devolution and External funds including KLGSDP and KSUDP. If we deduct the CFC devolution and external assistance, the plan fund will further reduce to less than 20 percent. This shows that plan devolution to the LSGs are reducing in Kerala.

## 2.8 Plan Assistance to Various Tiers of LSGs

Budgetary allocation to LSGs has been increasing in Kerala except in two years. But percentage of change over the last year shows wide differences. Average for 20 years from 1996-97 shows that average plan assistance is Rs.1910 crores. Lion's share of assistance is earmarked to Grama Panchayat (56.10 percent), Block and District Panchayats are getting around 13 percent, Municipalities 9.46 percent and the remaining 7.08 percent assigned to Corporations. (Table 7).

**Table 7: Plan Assistance to Various Tiers of LSGs**

(Rs. in crores)

YEAR	GRAMA PANCHAYAT	BLOCK PANCHAYAT	DISTRICT PANCHAYAT	MUNICIPALITY	CORPORATION	TOTAL	% CHANGE
1996-97	100.00	15.00	28.0	54.0	15.00	21	-
1997-98	420.49	108.69	123.94	62.34	33.54	749	253.30
1998-99	549.54	135.02	142.67	81.89	40.88	950	26.80
1999-00	595.01	144.41	148.39	88.13	44.06	1020	7.37
2000-01	608.92	148.8	153.07	89.52	44.69	104	52.45
2001-02	483.43	115.32	115.32	74.41	61.52	850(-)	18.66
2002-03	760.84	179.94	180.94	122.60	97.68	1342	57.88
2003-04	741.70	179.60	185.01	117.4	493.25	1317(-)	1.86
2004-05	759.17	185.02	190.79	119.9	195.11	1350	2.51
2005-06	777.05	192.25	198.21	115.12	92.37	1375	1.85
2006-07	787.89	199.85	205.83	144.44	91.99	140	01.80
2007-08	866.68	219.83	226.40	125.91	101.18	1540	10.00
2008-09	943.44	240.08	243.67	107.42	107.42	1694	10.00
2009-10	1048.66	265.99	273.95	152.23	122.14	1863	10.00
2010-11	1154.16	292.53	301.28	167.69	134.31	2050	10.03
2011-12	1515.46	372.32	372.32	275.56	214.31	2750	34.14
2012-13	1849.95	398.57	399.07	333.27	247.57	3228	11.73
2013-14	2207.49	532.66	532.66	408.58	318.58	4000	23.91
2014-15	2595.59	622.98	622.98	482.38	376.05	4700	17.50
2015-16	2685.59	622.98	622.98	491.38	377.05	4800	2.12
20 years average	1072.55 (56.10)	258.59 (13.53)	263.37 (13.78)	180.71 (9.46)	135.44 (7.08)	1910.66 (100.00)	-

Source: Economic Review 1996-2014.

## 2.9 Plan and Non-Plan Allocation to LSGs

Total devolution of funds from State Government to the LSGs included both plan fund and non plan fund. Twenty years average from 1996-97 to 2015-16 shows that 65.85 percent is being allotted as plan fund and the remaining 34.15 percent of the total as non plan fund. (Table 8). It is estimated that one third of the LSGs are facing financial crisis due to non-availability of enough non plan fund which is untied. Non Plan fund allocation has to be increased so as to face the financial crisis.

**Table 8: Budgetary Allocation to Local Self Governments in Kerala - Plan and Non-Plan**

YEAR	PLAN FUND	NON PLAN	TOTAL
1996-97	212.00	616.15	828.15
1997-98	749.00	297.20	1046.20
1998-99	950.00	384.30	1334.30
1999-00	1020.00	405.40	1425.40
2000-01	1045.00	419.90	1464.90
2001-02	850.00	440.90	1290.90
2002-03	1342.00	472.20	1814.20
2003-04	1317.00	505.60	1822.60
2004-05	1350.00	531.00	1881.00
2005-06	1375.00	657.00	2032.10
2006-07	1400.00	649.00	2049.90
2007-08	1540.00	714.90	2254.90
2008-09	1694.00	786.30	2480.30
2009-10	1863.00	865.00	2728.00
2010-11	2050.00	951.00	3001.50
2011-12	2750.00	1409.80	4159.80
2012-13	3228.00	1821.20	5049.20
2013-14	4000.00	2314.60	6314.60
2014-15	4700.00	2706.80	7406.80
2015-16	4800.00	2879.40	7679.40
20 years average	1911.75 (65.85)	991.38 (34.15)	2903.21 (100.00)

Source: Economic Reviews of various years and budgetary documents.

**Table 9: Percentage Shares of States in Total Central Releases Reported**

STATE	2008-09	2009-10	2010-11	2011-12	2012-13
Andhra Pradesh	7.4%	12.2%	7.2%	6.3%	N.A
Assam	3.7%	5.6%	5.1%	4.2%	1.5%
Chattisgarh	14.5%	7.8%	9.6%	9.0%	9.6%
Gujarat	7.5%	9.2%	9.4%	6.7%	7.7%
Haryana	0.1%	0.2%	0.2%	0.3%	0.4%
Himachal Pradesh	0.4%	0.4%	0.4%	0.4%	0.5%
Karnataka	0.3%	0.7%	1.3%	2.4%	2.6%
Kerala	4.5%	5.3%	5.6%	6.4%	8.1%
Madhya Pradesh	1.6%	2.0%	1.3%	2.1%	2.9%
Maharashtra	17.8%	16.4%	14.6%	16.7%	25.7%
Manipur	0.0%	0.0%	0.0%	0.0%	0.0%
Nagaland	1.5%	2.4%	1.8%	2.3%	1.7%
Orissa	1.7%	2.2%	2.1%	2.3%	3.5%
Punjab	0.6%	0.8%	0.6%	0.4%	0.4%
Rajasthan	24.2%	19.8%	12.4%	12.4%	13.6%
Uttar Pradesh	6.2%	4.9%	19.0%	16.1%	7.3%
Uttarakhand	N.A	N.A	0.0%	0.0%	0.0%
West Bengal	8.1%	10.1%	9.5%	11.6%	14.5%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Centre for Policy Research, New Delhi, 2014 prepared and submitted for the 14th Central Finance Commission.

Fifth Kerala State Finance Commission should advice the Kerala Government to devolve more funds to LSGs both in plan and non-plan funds. Minimum of 30 percent of the total plan fund has to be earmarked to LSGs. More financial devolution is required to financially weak LSGs.



## STRENGTHENING GRAM SABHA/WARD SABHA

### 3.1. Introduction

Local governance can be built only on the strong foundation of effective Gram Sabha, which is the constitutional forum for people's participation. Article 187 of Indian Constitution clearly states that Gram Sabha is an integral part of the Panchayat Raj System. The fundamental principles of decentralized governance like participation, transparency, efficiency, responsiveness, and accountability cannot be realized unless Gram/Ward Sabhas function actively. It is in the Gram/Ward Sabha that people get the opportunity to observe, monitor, and evaluate all development activities and participate in the decision making process. During Peoples Plan Campaign (PPC) period, there was comparatively better participation of people in Gram Sabha, but gradually it has decreased. At present it is a matter of great concern that attendance in Gram Sabha is on the decline.

### 3.2. Importance of Gram Sabha

Gram Sabha is the most critical institution of direct participatory democracy in the country. Its importance and criticality can be judged from the following:-

- (1) It is a forum for people to air their needs and requirements.
- (2) It is a powerful feedback mechanism for both the local government and State Government, on the performance of public institutions and public programmes.
- (3) It is an institution, which generates trust in the governance system. Failure will result in apathy and alienation.
- (4) It is a platform, which can motivate citizens to public action for common good.
- (5) Gram Sabha enables collective decisions can be taken on different kinds of contribution to local level development.
- (6) It has a potential of local conflict resolution through discussions and dialogue.
- (7) It is a powerful forum of accountability and transparency.
- (8) It is critical for realizing rights based development

### 3.3. Reasons for Declining Participation

The reasons for declining participation in Gram Sabhas are several. The important ones are the following:-

- (1) Since Kerala does not have organic villages in the sense of social geographies, there is a limit to spontaneous participation.
- (2) There have not been any efforts to mould Gram Sabha into a functional institution either on the part of the Government or on the part of the Gram Panchayats.
- (3) Citizens have not realized the powers and responsibilities of Gram Sabha, which are so beautifully enunciated in the Kerala Panchayati Raj Act.
- (4) Meetings of Gram Sabhas are perfunctory and ritualistic, putting off the concerned citizens.

- (5) The decisions taken in the Gram Sabha are often not followed up and implemented. And reasons for non-implementation are not explained as stipulated in the law.
- (6) The wide range of functions of Gram Sabha beyond identification of beneficiaries and making suggestions for development have not been realized in practice.
- (7) There is an unfounded fear of a vibrant Gram Sabha among elected representatives.

### **3.4. Consequences Of Lack of Participation**

If the participation of people in Gram Sabha declines, it would distort the very rationale of decentralized governance. Accountability would be a major casualty. Relationship between the elected representatives and the voters would be directly affected. People's needs and their priorities could be missed out in the local development plans. Transparency would suffer and unscrupulous coteries and middlemen could hijack development initiatives.

More importantly, grassroots democracy would lose its vitality affecting democracy at all levels – rootless democracy cannot sustain.

### **3.5. Ward Sabha**

Ward Sabha is an innovation for the urban local governments of Kerala. It has been given the same functions and responsibilities as Gram Sabhas. Therefore, the above mentioned paragraphs are equally applicable to Ward Sabhas.

### **3.6. Recommendations**

The Commission believes that the best indicator of performance of a local government is the quality of functioning of the participatory fora of which Gram Sabhas and Ward Sabhas are the most important. To begin with spontaneous participation is difficult to expect, more so, in urban areas. So, it has to be carefully induced, encouraged, sustained and upscaled. This calls for action at all levels – State Government, Local Government, and the community. The recommendations are:-

- (1) The powers and responsibilities enshrined in the Kerala Panchayat and Municipality Acts need to be realized in practice. An action plan for each of the items enumerated in the Acts is called for. Rules and byelaws would make them more powerful.
- (2) Action Research should be taken up in different social, developmental, geographical and political milieu. To realize the objectives of Gram Sabha in respect of each function, it is necessary to identify support organizations in the form of academic institutions or credible NGOs for the Action Research Projects.
- (3) Some of the States like Chhattisgarh and Jharkhand have provisions for Standing Committees of Gram Sabha. Similar Standing Committees may be provided for in respect of Gram Sabhas and Ward Sabhas to perform the functions entrusted to them. These Standing Committees may be empowered to coopt the services of professionals and experts from outside the jurisdiction, if so required.
- (4) For Gram Sabha to be successful, sub-systems are required. Neighbourhood Sabhas (*Ayal Sabha* in common parlance) consisting of 25 to 50 families living in a cluster, may be set up. Neighbourhood Sabhas can meet regularly and certainly before the meeting of the Gram Sabha so that they can be prepared with the issues to be raised. Neighbourhood Sabhas should also take up voluntary activities as locally required. Some of the suggested activities are listed below:-



**i) Local Economic Development**

- Self-sufficiency in vegetable cultivation
- Total bio-cultivation

**ii) Social Welfare**

- Liquor free, Drug free ward
- Litigation free ward
- Dowry free ward
- Tobacco free ward
- Drinking water for all
- Child friendly ward

**iii) Environment Protection**

- Ward free of plastic
- Zero litter ward
- Soil and Water Conservation
- Afforestation
- Total sanitation
- Conservation of nature and environment
- Protection of water sources.

- (5) It is necessary to formally link the Kudumbashree set up with the Gram Sabha. From each Area Development Society (ADS), at least five women can be identified as Community Resource Persons for strengthening local democracy. They should be actively involved in the functioning of Neighbourhood Sabhas and in mobilizing people for the Gram Sabha/Ward Sabha and during the meetings, they should also act as facilitators to bring about informed discussions and decisions.
- (6) As per G.O. No. MS/112/214 dated 20.6.2014, Government have issued guidelines on Grama Kendrams and Ward Kendrams. The important functions of the Kendrams are:-
- (i) A permanent meeting place
  - (ii) A place for dispute resolution
  - (iii) Information Centre
  - (iv) Extension Centre of the Local Government
  - (v) Social and Cultural Centre
  - (vi) Resource Centre enlisting voluntary services of professionals
  - (vii) Centre to motivate action against social evils
  - (viii) Centre to provide life skills
- (7) The Ward Development Committee (WDC) envisaged in the Order mentioned above, needs also to be operationalized. Its capacity has to be built up in a planned manner.
- (8) In order to enliven Gram Sabhas/Ward Sabhas, some other suggestions are:-

- (a) Prizes for regular attendance and participation
  - (b) Cultural activities and honouring of notable achievements
  - (c) Having a question-answer session
  - (d) Having special themes like health, nutrition, etc.
  - (e) Showing of documentaries on local development
- (9) All the Gram Sabha/Ward Sabha proceedings should be videographed and decisions recorded and circulated.
- (10) As far as practicable, the calendar of Gram Sabha/Ward Sabha may be fixed before the start of the financial year, along with the topics for discussion. This should be prominently displayed in all the public places including schools.
- (11) A Gram Sabha/Ward Sabha awareness campaign may be launched.
- (12) The powers of the Government vis-à-vis Local Governments may be described in a simple language and the booklet given to every household.
- (13) Special Gram Sabhas/Ward Sabhas may be held for the following categories:-
- ☞ Women
  - ☞ Differently abled persons
  - ☞ Senior citizens
  - ☞ Youth
- (14) Also Bala Sabhas (Assembly of Children) may be held separately for adolescent and pre-adolescent children.
- (15) The issues brought up in the special Sabhas may be presented in the main Gram Sabha/Ward Sabha meeting and follow up action reported back in the special Sabhas.
- (16) On the lines of the Rashtriya Gaurav Gram Sabha Puraskar, State may institute awards for best Gram Sabha and Ward Sabha at the district and State level.
- (17) The amendment made in the Kerala Panchayati Raj Act (KPRA) that the elected member would be disqualified only if he/she fails to convene Gram Sabha for three successive times, may be annulled and the *status quo ante* restored whereby the disqualification would take effect if two meetings are not convened.



## STRENGTHENING ACCOUNTABILITY

Local governments are, by definition, the most accountable of public institutions, because of their closeness to people and openness to continuous public scrutiny. The stated goal of Kerala's decentralization is power to the people through local governments. When Peoples' Planning was initiated, it was expected that with the kind of participatory processes and structures introduced, corruption and nepotism would practically vanish. Though no formal assessment has been made of the levels of corruption in local governments, anecdotal evidence indicates that, while corruption has come down sharply in areas like selection of beneficiaries, provision of assistance to individuals and families, issue of administrative and technical sanctions, it is still above tolerable levels in respect of public works and issue of licences and permits. It can be unambiguously stated that corruption at the local government level is more harmful for the reason that the roots decay and people lose faith in governance and get more alienated. Therefore, it is in the larger interest of decentralization and local governance, that powerful and effective accountability systems are put in place. Accordingly, the following recommendations are made:

**4.1** Social Audit may immediately be operationalised. An independent Social Audit Unit, staffed by non-officials of impeccable integrity with bi-partisan acceptance, as mandated in the rules under MGNREGA, may be set up process. Simultaneously, the KPRA and KMA may be amended, to give legal backing to Social Audit. As per the assessment of the Ministry of Rural Development (MoRD), one of the best Social Audit systems exists in Andhra Pradesh and Telangana where SSAT (Society for Social Audit Accountability and Transparency), an autonomous agency sufficiently ring fenced from interference conducts Social Audit and follows up the action to be taken. A similar system can be introduced in Kerala, as appropriate to Local Governments.

There could be state level guidance group consisting of Additional Chief Secretary (Finance), Principal Secretary, LSGD, Accountant General, Director of Local Fund Audit and persons of eminence like Smt. Aruna Roy and Shri Nikhil Dey to guide the system in the beginning. The Social Audit mechanism may broadly follow the provisions of the Social Audit manual issued by the Ministry of Rural Development. (**Annexure II**).

**4.2** The Ombudsman system for local governments is a national model and was recommended by the 13<sup>th</sup> Finance Commission for adoption by all States. It felt that the institution of the Ombudsman needs further strengthening to make its expertise more rounded and enable it to be pro-active in its out-reach. It is, therefore, suggested that Ombudsman for Local Self Government Institutions (LSGIs) may be converted into a three member body headed by a High Court Judge, serving or retired and having an eminent representative of the Civil Society and a retired Secretary to Government as members. To enhance the image of the institution, the Members should be identified jointly by the government and the Leader of Opposition.

Experience shows that the ordinary person is not aware of the powers of the Ombudsman. Therefore, in every institution of local governments and in public places, details regarding the powers and functioning of Ombudsman and how the services of the Ombudsman can be availed of need to be clearly publicised.

**4.3** The weakest aspect of Kerala's decentralization relates to the functioning of Gram Sabha. Attendance is thin, interest in matters other than beneficiary selection is weak, and discussions rare. Gram Sabha is a constitutionally mandated institution for face-to-face,

deliberative democracy. Effective functioning of Gram Sabha is the essence of local governance and without it, decentralization does not have much meaning. Therefore, strengthening of Gram Sabha needs to be taken up as a priority item and a multi-prolonged strategy is suggested as follows:

- a) Restore the provision that the elected member would be disqualified if two consecutive meetings of Gram Sabhas are not convened.
- b) Non-convening of Gram Sabha within the prescribed time, should lead to automatic termination of the membership of the elected representative.
- c) Gram Sabhas may have Standing Committees for Health and Sanitation, other basic services, local economic development, and so on.
- d) There should be accredited persons for mobilizing participation of the Gram Sabha, suitably trained and motivated.
- e) Neighbourhood Sabhas (Ayal Sabhas) may be legally recognized consisting of 50 to 100 households as a sub-system of Gram Sabha.
- f) While presenting the budget of the local government, the days for Gram Sabha for the next financial year may be fixed in advance and notices affixed in all important public places. Also special information may be given through schools, religious institutions, village libraries, NHGs, etc.
- g) The detailed agenda of the Gram Sabha may be circulated to the participants, a week in advance.
- h) The proceedings of the Gram Sabha may be simultaneously web-cast.

**4.4** In order to operationalise Section 4 of the Right to Information Act, Government may issue detailed institutions on pro-active disclosures on different aspects of local government functioning. Already a disclosure policy exists for the urban local governments. (**Annexure-III**). This has to be extended to Panchayats as appropriate and made mandatory.

**4.5** In respect of public works, the following are recommended:

- a) All estimates should be taken in the *Sugama* software and put on the web.
- b) All the bills and payments should be simultaneously placed on the web.
- c) Time-stamped, geo-referenced photographs of all public works taken in three stages at the start, middle, and on completion may be placed on the web in the Bhuvan platform of ISRO.
- d) An independent quality assurance system may be put in place for public works above Rs. 5 lakhs through quality monitors from technical institutions. The three-tier quality assurance mechanism of PMGSY (**Annexure-IV**) may be suitably adapted.
- e) Estimates should have a summary in the language of the common man.
- f) All work sites should have a board on which details of different components are exhibited so as to enable the ordinary man to appreciate the work done.

**4.6** Details of all intended procurements of goods and services may be made available in the web and, later, on delivery, details given again. A common platform for this may be developed by Information Kerala Mission (IKM).

**4.7** A Public Accounts Committee (PAC) may be set up in all the local governments to be headed by the Leader Opposition, as identified from data submitted under Anti-Defection Act<sup>1</sup>. The members of the Public Accounts Committee could be the Chairpersons of different Standing Committees.

- 4.8** A simple pamphlet may be prepared of citizens' rights and responsibilities in relation to local governments and distributed to all the members of the Gram Sabha/Ward Sabha.
- 4.9** A web-based grievance redressal system may be introduced in the urban local governments and extended to Village Panchayats on the basis of experience. It should facilitate the citizen to file a complaint and track its progress. There should also be a provision to escalate the complaint to the next higher level automatically, after a fixed period which may vary depending on the nature of the complaint.
- 4.10** Citizens' Charters as applicable to each institution of local government should be developed and published at the end of every year. There has to be an assessment of performance through the Citizens Score Card (CSC) system, which may be administered by the social audit volunteers.
- 4.11** A Community based Monitoring System may be put in place through the NHG network of Kudumbashree. The indicators for monitoring could relate to schemes, works, and general performance.
- 4.12** All local government should publish annually self-assessment of performance. The system tried out in West Bengal may be suitably adopted to the Kerala context. **(Annexure-V)**.
- 4.13** As recommended by the 4<sup>th</sup> State Finance Commission, a new Chapter on Fiscal Accountability, may be introduced in the Kerala Panchayat Act and Kerala Municipalities Act and the relevant recommendations are re-produced below and strongly endorsed.
- 1) Making person(s) responsible for diversion of funds to pay an interest of 2% per month on the diverted funds, till they are recouped.
  - 2) Any decision of local governments to divert funds should be made illegal, so that officers concerned need not obey them.
  - 3) Payments of deducted and collected items should be made automatic. Deducted items should be sent to the appropriate authority within 30 days and the library cess should be remitted within 30 days of the succeeding financial year. Same time limit may be prescribed for the 2% contribution of Urban Local Governments to the Urban Poverty Alleviation Fund.
  - 4) Repayment of loans, payments of dues to Kerala Water Authority (KWA) and Kerala State Electricity Board (KSEB) in respect of street lights and public water supply should be made the first charge on own revenues and General Purpose Fund (GPF). Any penalties may be collected from the Secretary concerned.
  - 5) Transfers to implementing offices/heads of offices for payment of electricity/water/telephone charges etc., should be automatic.
  - 6) Deposit works should be resorted to only if they are part of the Budget and based on proper estimates. There should be an agreement with the implementing agency covering the issues like time of completion, cost increases, etc.
  - 7) Splitting up of works to obtain technical sanction by lower level authorities should be banned. Cost increase of public works more than the technically sanctioned estimate should be allowed only with the approval of an authority to be prescribed for the purpose.
  - 8) Technical Advisory Groups and DPCs should be made liable for wrong decisions.
  - 9) The Secretaries and ex-officio Secretaries should mandatorily give their advice on file and it should be indicated in the minutes of the local government, while decisions are taken. If no advice is tendered or wrong advice is given, the official would be responsible; otherwise the elected members involved in the decision would be liable.

- 10) Implementing officers and ex-officio Secretaries should be made responsible for provision of details for budget preparation, provision of data on performance, and for follow up of audit findings in respect of their area of functioning. Repetition of the kind of mistakes once pointed out by audit and rectified should be brought within the definition of malfeasance.
- 11) All audit findings having financial implications for individuals should be finalized within six months. Audit Monitoring Committees should ensure this.
- 12) The provision to recover monetary loss caused to Local governments by action or inaction by elected members or officials jointly or separately should be introduced in the Kerala Panchayat Raj Act and Kerala Municipality Act.
- 13) An appellate system should be prescribed for hearing and deciding first appeals against charge and surcharge decisions which could be a statutory body consisting of Director of Local Fund Audit, State Performance Audit Officer and a representative of CAG.
- 14) As regards illegal decisions, the existing provisions should be modified to allow officials the freedom not to implement them subject to the condition that they give it in writing with the rationale in detail. If the local governments feel that the stand of the officer is not correct, they may refer it to Government and the decision of government shall be binding or the local governments may insist on carrying out the decision in which case the officer could take up with Government and await decision. Time limit for decision could be sixty days.
- 15) A budget review may be prepared at the close of every six months of the financial year i.e. before 30th of September and 30th of April and that review reports should be published as a public document and discussed at the Gram Sabha meetings in detail.

**4.14** A multi-prolonged strategy for strengthening monitoring as recommended by the 4th<sup>th</sup> Finance Commission is endorsed and re-produced below for implementation:

- 1) Working Groups have obligation to monitor the projects related to their sector. This system may be activated. Appropriate formats may be designed for different kinds of projects and given to the Working Groups. Details should be computerized and as well as discussed in meetings of the Local Governments.
- 2) Local Governments may conduct a meeting every month on a fixed day in which all the implementing officers participate. The progress of the schemes may be reviewed.
- 3) For all projects, simple PERT charts may be prepared in consultation with the Implementing Officers. This should become part of the project file.
- 4) Formats may be prepared for submission of progress reports by Implementing Officers relating to different sectors. The progress reports must be entered into the computer in the Local Government on a fixed date every month for transmission to the State Headquarters for consolidation and analysis. One copy of the progress report should be sent directly to the district level officer of the department concerned by the Implementing Officer.
- 5) While holding monthly meetings of field level officers by the district officers, a fixed agenda item to monitor the progress of LGs should be made mandatory. The reports sent by the Implementing Officers should be consolidated for Gram Panchayats, Block Panchayats, Municipalities, Corporations and District Panchayats by the district officer and sent to the Heads of Department with critical comments and suggestions, every month. The Heads of Department should prepare state level reports and send to their Secretary and Secretaries in charge of LSGD and Planning.
- 6) Every month, there should be a review meeting held by the Secretary in charge of LSGD in which Heads of Departments or specially nominated Additional Directors

participate. The key issues emanating from these reviews should be discussed in the Co-ordination Committee and follow up action taken.

- 7) A concurrent monitoring system may be put in place utilizing the services of Colleges, particularly the NSS and NCC units and other clubs functioning in the Colleges.
- 8) Institutes of repute like Centre For Development Studies (CDS), Centre for Management Development (CMD), Indian Institute of Management, Kozhikode (IIMK), Centre For Water Resources Development and Management (CWRDM), Centre For Earth Science Studies (CESS) could be requested to conduct sample studies as part of concurrent evaluation.
- 9) Educational and academic institutions may be entrusted with the task of independent concurrent monitoring. Technical Education Institutions like ITIs, Polytechnics, and Engineering Colleges could be involved in quality assurance of public works on a random

**4.15** The third Kerala Administrative Reforms Committee had recommended setting up of a different participatory fora to enliven participatory democracy. The recommendations are quoted below:

**(1) Citizens' Juries**

This is an American concept. It brings together a group of representative citizens to consider an issue in depth for a period of three to five days during which period they receive evidence, written and oral, examine witnesses and discuss the issue thoroughly before arriving at a conclusion which is presented in the form of a report. These Juries enable concerned citizens with differing kinds of expertise to analyse an issue and come to a conclusion, which can help a rounded appreciation of it. Since it requires only a short time commitment, it has possibilities of participation from a wide cross section. Typically a Jury could contain 10 to 20 members having balance of gender, age, and occupation. To avoid bias, it is necessary to give representation to various points of view. Juries normally have clear procedure for examining witnesses, calling for expert assistance, perusing documents, and so on.

**(2) Planning Cells**

This is a German system akin to the Citizens Jury. It aims at involving the stakeholders, experts, and citizens in the planning process; based on their experience and expertise. The logic behind involving the three groups is simple; since stakeholders have an interest, they will be fully involved in bringing out all the issues involved, experts provide the technical input, and citizens are the neutral observers who can be either the victims or the beneficiaries of the planning measures. A three-step process is followed. In the first step, the stakeholders identify their criteria and objectives for evaluating various options of the planning issue. In the second, step experts identify the impacts of the various options. Acting as Group Delphi, experts are divided in small groups. Later, they compare their judgments and try to arrive at a consensus. In the third and final steps, Citizens panels are asked to determine the relevant values, criteria, and indicators for decisions and come out with their consensus conclusions.

**4.16** The Public Participation Law which is a reform mandated by Government of India under JNNURM does not seem particularly appropriate to Kerala as per the current provisions. But it will be useful, if it is modified as relevant to Kerala and incorporated in the Kerala Panchayat Raj Act and Kerala Municipality Act with focus on the following:

- 1) Functioning of Gram Sabhas/Ward Sabhas/Ward Committees,
- 2) Setting up of various participatory fora akin to those suggested by the Third Administrative Reforms Committee of Kerala.

1. In order to ensure health of the child and, through that, lay the foundation for human development of the community, it is necessary to start provision of supplementary nutrition from adolescence to girls. Thereafter nutrition intervention has to be for pregnant women and infants looking at a ‘thousand-day-window’ from conception. The Department of Social Justice and Department of Health and Family Welfare may come out with joint guidelines on nutrition interventions for field workers and Community Resource Persons who need to be identified from the tribal communities. Also special training on nutrition may be given to elected representatives by KILA.
2. There is a need to teach, using the local tribal dialect, in the pre-school stage and if possible in the first three standards. Educated tribal youth could be given the task of teaching the local dialect as guest teachers.
3. For students who have failed in class XII, special teaching may be arranged on the lines of Giri Vikas in Palakkad. Similar institutions could be set up in Idukki and Wayanad as per requirements.
4. Eminent personalities may be identified as mentors and sent on visits to schools and hostels in teams for at least three persons.
5. It is seen that many of the educated tribals are still unemployed. A special recruitment for qualified tribals, particularly for teachers and technical jobs may be undertaken. Further utilizing the assistance of Ministry of Rural of Development, skill gap analysis may be got done for tribal youth and a skill training programme introduced, to provide them with salaried jobs in the formal sector as per their aptitude. This may be done in partnership with credible non-profit skilling and placement organizations working with the Ministry of Rural Development.
6. Housing is an important intervention under TSP both by State Government and the Local Governments. But, barring a few exceptions, the quality of housing still remains a cause for concern. However, the houses constructed under AHADS are relatively of better quality. Therefore, it is suggested that houses may be got constructed using non-profit agencies of repute who meet rigorous standards of performance. The construction needs to be closely monitored for which Collectors and Sub-Collectors could be given key responsibilities.
7. Local governments may be encouraged to promote tribal arts and culture in a bigger way. Further with the effort of institutions under the Culture Department of the State, efforts should be taken to development a repository of tribal arts and culture.
8. Certain tribal communities are well known for their traditional medicine. It is necessary to properly study and document them even while protecting the intellectual property rights of the tribal communities. This may be got done by the local governments through a joint effort of the Kerala Agricultural University, Directorate of Medical Education (Ayurdeva), and KIRTADS.
9. The third party monitoring system may be put in place utilizing the services of expert institutions involved in the preparation of the perspective plan. The third party monitoring should focus on the following:
  - i) Adherence to participatory processes as prescribed in the TSP guidelines.
  - ii) Quality of assets created.
  - iii) Impact of the TSP projects, especially those relating to livelihoods and human development.

The feed-back should be shared with the local governments for follow up and rectification.

**Footnotes**

<sup>1</sup> 52<sup>nd</sup> Amendment to Indian Constitution.





## LOCAL GOVERNMENTS AND TRIBAL DEVELOPMENT

- 5.1.** When decentralised planning was initiated, bulk of the Tribal Sub-Plan (TSP) Funds was handed over to the local governments. At the end of the Ninth Five Year Plan, though empirical studies were not made, it was widely perceived by officials, experts, and activists that the local governments are not been particularly effective in the implementation of Tribal Sub-Plan. So much so at the beginning of the Tenth Five Year Plan, in the aftermath of an agitation led by Smt.C.K. Janu, TSP funds were completely withdrawn. Shortly, thereafter realizing that the withdrawal did not really help to improve the situation, 50% of the TSP funds was given back to the local governments.
- 5.2.** Addressing the deficiencies of planning for TSP by the local governments, Government came out with landmark guidelines in in 2003 as per G.O. (MS) No. 54/2003/Plg. dated 31/05/2003, prescribing a highly participatory process for TSP. Interestingly, the policy incorporated in the guidelines has continued unchanged across four governments and three Five Year Plans.
- 5.3.** But interactions with tribals and experts as well as scattered evidence from the field reveal that things have not really improved. The guidelines are only followed on paper. The essence of the guidelines empowering the tribal community in finally deciding how resources under TSP should be allocated is ignored. The focus continues to be on housing and infrastructure and very little effort has been made on economic development, human development or social development. It is obvious that there is an unexpressed sense of frustration and alienation among tribals, particularly among the youth and this is potentially not a healthy sign.
- 5.4.** Tribal development continues to be a black mark in the developmental performance of Kerala. The tragic events of Attappady in 2013 provide a stark example of the failure of State and local government intervention in tribal development. What happened in Attappady was a total collapse of basic health care, including provision of nutrition, which has been in the functional domain of Panchayats since 1995. In order to prevent repeat of such extreme cases in future, it is necessary to bring about a radical reform in the way local governments do tribal development.
- 1) In order to ensure health of the child and, through that, lay the foundation for human development of the community, it is necessary to start provision of supplementary nutrition from adolescence to girls. Thereafter nutrition intervention has to be for pregnant women and infants looking at a 'thousand-day-window' from conception. The Department of Social Justice and Department of Health and Family Welfare may come out with joint guidelines on nutrition interventions for field workers and Community Resource Persons who need to be identified from the tribal communities. Also special training on nutrition may be given to elected representatives by KILA.
  - 2) There is a need to teach, using the local tribal dialect, in the pre-school stage and if possible in the first three standards. Educated tribal youth could be given the task of teaching the local dialect as guest teachers.
  - 3) For students who have failed in class XII, special teaching may be arranged on the lines of Giri Vikas in Palakkad. Similar institutions could be set up in Idukki and Wayanad as per requirements.

- 4) Eminent personalities may be identified as mentors and sent on visits to schools and hostels in teams for at least three persons.
- 5) It is seen that many of the educated tribals are still unemployed. A special recruitment for qualified tribals, particularly for teachers and technical jobs may be undertaken. Further utilizing the assistance of Ministry of Rural of Development, skill gap analysis may be got done for tribal youth and a skill training programme introduced, to provide them with salaried jobs in the formal sector as per their aptitude. This may be done in partnership with credible non-profit skilling and placement organizations working with the Ministry of Rural Development.
- 6) Housing is an important intervention under TSP both by State Government and the Local Governments. But, barring a few exceptions, the quality of housing still remains a cause for concern. However, the houses constructed under AHADS are relatively of better quality. Therefore, it is suggested that houses may be got constructed using non-profit agencies of repute who meet rigorous standards of performance. The construction needs to be closely monitored for which Collectors and Sub-Collectors could be given key responsibilities.
- 7) Local governments may be encouraged to promote tribal arts and culture in a bigger way. Further with the effort of institutions under the Culture Department of the State, efforts should be taken to development a repository of tribal arts and culture.
- 8) Certain tribal communities are well known for their traditional medicine. It is necessary to properly study and document them even while protecting the intellectual property rights of the tribal communities. This may be got done by the local governments through a joint effort of the Kerala Agricultural University, Directorate of Medical Education (Ayurdeva), and KIRTADS.
- 9) The third party monitoring system may be put in place utilizing the services of expert institutions involved in the preparation of the perspective plan. The third party monitoring should focus on the following:
  - i Adherence to participatory processes as prescribed in the TSP guidelines.
  - ii Quality of assets created.
  - iii Impact of the TSP projects, especially those relating to livelihoods and human development.

The feed-back should be shared with the local governments for follow up and rectification.

**5.5.** The Local Government Commission had formal and informal interaction with different stakeholders and after deep deliberation, strongly recommends the following points of action:

- 1) The approach to tribal development by local governments should focus on empowerment and that too in the spirit of “Antyodaya” to reach out to the last first. Since the number of tribal households is very small, the local governments, viz., Gram Panchayats and Municipalities and Corporations should adopt household centered approach, which is scaled up to the hamlet or ‘Ooru’ and then to the ward and local government levels. The tribal community especially the women need to be in the centre of this development process. Essentially rights based approach is what is necessary, with the rights being clarified to the rights-holders as well as duty-bearers backed up by a strong enforcement system. While fully respecting the autonomy of local governments in deciding the priorities and projects under TSP, there has to be a system of concurrent, independent “watch” which is intense, credible and has the power and capacity to provide feed-back for rectification.

- 2) Andhra Pradesh came out with a pioneering legislation to protect SCP and TSP “ANDHRA PRADESH SCHEDULED CASTES SUB-PLAN AND TRIBAL SUB-PLAN (PLANNING, ALLOCATION AND UTILISATION OF FINANCIAL RESOURCES) ACT, 2013”. (A copy of the law is attached as **Annexure-VI**). Kerala may immediately go in for a similar legislation which should incorporate the key features of the TSP guidelines for local governments as well as provisions to facilitate the operationalisation of the different recommendations of this report.
- 3) Local governments may be restored their share of TSP as during the 11<sup>th</sup> Five Year Plan. It may be noted that the TSP share of local governments has come down from 50% in the 10<sup>th</sup> Five Year Plan to 19.88 per cent in 2015-16.
- 4) It is noticed that government is often sanctioning schemes that are essentially in the domain of local governments, under the state share of TSP. This has to stop forthwith. There is a strong need for clarifying the roles and responsibilities under TSP of each tier of local government as well as the State Government with very little scope of overlap and parallel action. This process could be done utilizing the principles laid down by the Ministry of Panchayati Raj for “activity mapping” which may be seen at **Annexure - VII**.
- 5) The entire Tribal Sub-Plan covering both the State and local government funds should be based on participatory planning from below. To start with, a perspective plan may be prepared under the tripartite guidance of the State Planning Board, Department of Local Self-Government and Department of Tribal Development. In order to support this process, for districts with high tribal population, services of expert institutions like Centre for Development Studies (CDS), Indian Institute of Management-Kozhikode (IIM-K), KILA, Tata Institute of Social Sciences, etc. may be utilized. The process should start with conduct of an intensive PRA exercise backed up by conventional assessment of natural resources, livelihood status, human development status and availability of basic services. An Expert Group consisting of persons of national eminence could steer this process.
- 6) In the last five years, a lot of useful data with high degree of granularity has been captured in different surveys and censuses like:
  - i. Survey of ST habitations conducted by SC& ST Development Department through KILA.
  - ii. Decennial Census 2011
  - iii. Socio-Economic Caste Census (SECC), 2012
  - iv. Kudumbashree Survey, 2014

These may be harmonized and gaps filled up so that a robust statistical database is available for the perspective planning as well as preparation of annual plans in the future.
- 7) It would be very helpful to the local governments as well as the tribal communities, if pictorial and attribute data of the tribal situation in each hamlet is brought on a GIS platform.
- 8) During the last few decades, the social capital of tribal communities has eroded due to several reasons, particularly the exploitative intervention of outsiders, including local political leaders. It is necessary to re-build this meticulously without which resources and processes would have no effect. In the present circumstance, organization of ST families through women into exclusively tribal Neighbourhoods Groups (NHGs) seems to be the only possible way. While doing so, it has to be ensured that it does not develop

as a parallel system and weaken Kudumbashree, which is a pride of Kerala. Therefore, organisationally the tribal NHG formations would have to be networked with the CDS system at the GP level for proper coordination. Of course, the mode of networking will vary across local governments, depending on the strength of the tribal population.

Earlier attempts to organize NHGs failed because they were not organically rooted in the realities of the tribal situation. So there is need for care and caution. At the same time, there is urgency to hasten the process without affecting the natural process of group formation. This calls for a great deal of sensitive facilitation which can be provided by well-trained and properly motivated young professionals who all from institutions of repute like IRMA, TISS and other eminent colleges Post-Graduates in Social Work, Rural Development and related subjects. These professionals should be taken on a two year contract to carry out this process and they should be supplemented by Community Resource Persons from among tribal women at the rate of one person for a normal hamlet and two persons for large hamlets having population of above 50 families.

The tribal NHG networks should be given a formal role in the following:

- i) Planning for Tribal Sub-Plan
  - ii) Preparation of Labour Budget under MGNREGA
  - iii) Community Management of Water Supply Schemes
  - iv) Community based primary health care
  - v) Management of Anganwadies, Schools and Hostels
  - vi) Assessing nutrition especially of children, adolescent girls, pregnant women and lactating mothers
  - vii) Combating social evils like alcoholism, substance abuse, trafficking of women and other atrocities on women, etc.
  - viii) Community based monitoring of local development
  - ix) Social audit not only of works and projects but also of institutions and provision of key services.
- 9) Even while the preparation of the Perspective Plan is on, special efforts may be taken to get the newly elected Local Governments prepare TSP in the spirit of the guidelines, with focus on GPs having a tribal population of more than 1000. Resource teams may be constituted consisting of experts, academicians, activists and officials for a cluster of such GPs to guide the process.
- 10) To operationalise the rights-based approach, Government may clarify the rights of tribals under the following laws:
1. SC & ST (Prevention of Atrocities) Act
  2. Right to Information Act
  3. MGNREG Act
  4. Forests Rights Act
  5. Right to Education Act
  6. National Food Security Act
  7. State Acts relating to the following:

Prevention of Land Alienation,

Controlling of money lending.

- 11) Right to Hearing may be introduced especially for matters related to tribal development on the lines of the entitlement available in Rajasthan, the Act and Rules of which may be seen at **Annexure – VIII**.
- 12) Community Resource Persons may be trained as para-legals to intermediate and enable the tribal to access their rights. Their work could be co-ordinated by young professionals who are law graduates.
- 13) As soon as a newly elected local governments assume office, Kudumbashree may work very closely with them to develop a livelihood package for the tribals with focus on the following:
  - i) Utilisation of MGNREGS for work and agriculture
  - ii) Nutrition – drawing from all available schemes like ICDS, Mid-day Meals, SABALA, etc.
- 14) Also a social security package may be put in place covering the following:
  - Different pensions
  - Assistance for medical treatment
  - BUDS Schools for mentally challenged children
  - Care of the aged.
  - Palliative care
  - Care of the mentally ill
- 15) An independent system may be put in place to monitor nutrition levels of tribal children and adolescent girls. This could be on the lines of the nutrition monitoring introduced in Attappady in the wake of the crisis.
- 16) Similarly every school student should be submitted to tests indicating levels of learning at the beginning of the year, to be conducted by agencies that should be trained by PRATHAM. This should be followed up by remedial teaching, to be arranged and monitored by the local governments.
- 17) All the hostels should assigned the services of a person qualified in social work. This should be done on a part-time basis till such time formal recruitment is made to the post of Hostel Wardens from qualified people. This is highly essential as the current level of mentoring in hostels is extremely poor and calls for immediate professionalization, whatever be the obstruction.
- 18) All Anganwadis having more than 50% of the students as tribals should immediately be given a co-worker selected from out of the tribal community of the neighbourhood. The existing workers from these Anganwadies should be treated as supernumerary category and absorbed in the arising vacancies else where, so that the tribal workers could take over in a reasonable period of time.
- 19) Mobile based tracking of all extension work may be put in place.
- 20) Tribal Promoters may be brought under the control of Village Panchayats, Municipalities, and Corporations. They should be given specific and detailed job chart as relevant to different tribal areas. Future recruitment and training of Tribal Promoters may be entrusted to an institution of eminence like TISS.

- 21) Strong accountability systems need to be put in place to ensure proper implementation of TSP, they include the following:
1. Pro-active disclosures of information related to selection of beneficiaries, voucher based expenditure, etc.
  2. Strong penalties for misuse of funds meant for tribal development.
  3. Special performance audit on annual basis in Village Panchayats, having a tribal population of more than 500.
  4. Social audit by independent experts of the performance under TSP and as well as running of Anganwadies, Schools, Hostels and health institutions in these Panchayats.
  5. Social audit by the community to be facilitated by specially identified civil society organizations. To be taken up annually in all local governments having TSP component.
  6. Third party quality assessment mechanism preferably through engineering colleges and Polytechnics in respect of public works.



## LOCAL GOVERNMENTS AND HEALTH

### 6.1 Background

Modern Local Governments, in a sense, arose out of the need to provide public health in the aftermath of the Industrial Revolution. As population pressure increased in the newly emerging towns, public health became a major concern with increasing instances of diseases mainly due to poor sanitation. Traditionally, in Kerala, Local Governments looked after only sanitation and, to a limited extent, drinking water supply. It was only after 1995 that responsibilities for providing primary and secondary health and managing the service delivery institutions related to them became a Local Government responsibility.

The Kerala health profile owes its status to the early and consistent interventions of governments and to the social mobilization mediated by socio-political movements, resulting in a solid foundation of human development. The initial successes in disease prevention, family planning, and increasing health seeking behaviour were easily built on this. But, over the years complacency over the relative achievement vis-à-vis the rest of the country and the commercialization of health care has thrown up several challenges, particularly due to the second generation issues in the form of non-communicable diseases and new forms of communicable diseases. These challenges need to be addressed sooner than later.

Decentralization of powers to Local Governments has thrown up an opportunity to achieve a paradigm shift in dealing with them. It is worth recalling that of all the essential elements of primary health care identified in the Alma Ata Declaration, a good number of them do not relate to core health functions and touch nutrition, education, housing, communications and, most importantly, adequate supply of safe drinking water and basic sanitation. Therefore, health, especially primary health calls for convergence of different sectors and different departments. And Local Governments present the optimal platform to bring about such a convergence. They have the added advantage of being close to the people and understanding their problems first hand besides providing for community participation. By definition, they are supra-departmental.

A quick assessment of the performance of Local Governments in the health sector, during the last two decades, shows that it has not been consistent and the focus has been too much on infrastructure. But it must be mentioned that the palliative care system being operationalized in Kerala through a Panchayat People Professional Partnership is an international model. And there are lot of lessons to be learnt from this purposive collaboration of Local Governments, Neighbourhood Groups of Kudumbashree, and the health professionals from the public and voluntary sectors. In addition, there are some good practices here and there. This is the right time to assess the performance of Local Governments and reposition their role in the present context.

### 6.2 Health Issues Before Local Governments

Some of the important health issues that the Local Governments need to address are:-

- (1) The new generation non-communicable diseases such as diabetes, hypertension, cardio vascular diseases, and degenerative diseases. They are largely caused by life styles and require behaviour change and constant care and support.

- (2) Occupational health especially relating to coir workers, quarry workers, fisher folk, cashew workers, agricultural and plantation workers exposed to chemicals and so on.
- (3) Health issues of migrant workers who number more than two million as per existing estimates.
- (4) Absence of a proper primary health care system in large urban areas.
- (5) Service delivery deficiencies due to funds crunch as well as attitude to staff

### 6.3 Recommendations

- (1) There is need as well as opportunity for a community based approach to primary health care in respect of non-communicable diseases, led by a symbiotic partnership of elected Local Governments and health professionals. This, of course, is a challenging task; but if elements of success from an initiative like palliative care, BUDS schools for mentally challenged and ASRAYA for destitute are analyzed, the directions would be clear. Local Governments have to work with and through the Neighbourhood Groups of women and their federations. The health volunteer system of Kudumbashree needs to be reactivated. Such volunteers could act as Community Resource Persons in the field of health – preventive and promotive. They are at a greater advantage in convincing the community about behaviour change like avoiding tobacco and alcohol, undertaking physical activities and exercises and destressing through recreation and games. The Local Governments could provide the necessary back up support through regulatory measures as well as preventive and promotive measures.

To start with, several field experiments need to be designed for addressing the major non-communicable diseases for which protocols may be laid down. Through interaction with people, Local Governments, health professionals, and community based organizations could come out with strategies and plans of action. To start with, in selected Local Governments, for well defined projects, the guidelines may be relaxed and projects implemented with an action research approach, closely monitored, recorded and responded to. Through such a process of trial and error, but rapidly operationalized, replicable models can be developed which can be unscaled in the next five year plan.

- (2) For geriatric care and care of people with disabilities, the Kudumbashree approach is highly relevant. It is suggested that Neighbourhood Groups of elderly persons covering both men and women may be set up as subsystems of the existing arrangement. Similarly, for persons with disabilities, neighbourhood groups can be formed. Here there is, probably, no need to exclude even the better off persons who volunteer to be the part of the community groups.

Once the organizations are in place, outreach health services could be provided by activity groups of Kudumbashree on the lines of the successful Santhwana project.

- (3) Local Government may be encouraged to move towards providing comprehensive health coverage. Government may identify the minimum set of components, which could be included in this. Local Governments should be encouraged to position themselves vis-à-vis different public and private facilities and services and fill the gap in a systematic manner subject to availability of resources.
- (4) Based on the experience so far, it is time to revamp the planning methodology for health, taking into account the multi-sectoral and multi-dimensional issues involved. To start with, technical guidelines on preparing Health Status Report at different levels needs to be issued jointly by Health and LSG Departments. Health Department using the data available needs to prepare an epidemiological map for each Village Panchayat,



Municipality, and Corporation. This should be supplemented by participatory assessment of conditions, which facilitate or hamper good health. This situation analysis should estimate the disease profile and recommend preventive and curative steps. The report can serve as the baseline to assess future improvements.

- (5) A policy decision needs to be taken to ensure that there is only a single integrated plan for primary health, first referral unit and secondary health pooling the resources from National Health Mission (NHM), State Plan and Local Government Plans. As far as practicable, there should be convergence, or at least proper positioning of the four streams of medicine – Allopathy, Ayurveda, Siddha and Homeopathy.
- (6) To start with, the Working Groups on Health should be reconstituted with experts and stakeholders who can contribute ideas and proper training arranged for the members.
- (7) To provide professional support to the planning process, it is necessary to set up Resource Teams at the State, District, and Block/Municipality levels. These teams consisting of professionals, academicians, and activists could provide triple services of capacity building acting as a helpline to clear doubts and functioning as monitors during the preparation and implementation stages to provide feedback.
- (8) The planning methodology should combine the elements prescribed by National Health Mission as well as the decentralized planning guidelines of the State. Essentially what is needed is a District Plan prepared from the bottom, through an iterative process. To illustrate, after the health situation analysis, PHC areas could prepare the strategies and plans and send them up to the intermediate level where they would be consolidated or if required, sent back with comments and suggestions. Thereafter, adding elements relevant to the intermediate level, they would be sent to the District where the process could be repeated. Thus, through a process of cascading consolidation, the District Plan for health could emerge.
- (9) For the health planning to be effective, a detailed capacity building exercise is called for. Ideally it should be done, jointly, by Kerala Institute of Local Administration (KILA) and the State Institute of Health and Family Welfare (SIHFW). To add value to the efforts, the Achutha Menon Research Centre should be drawn in. As far as possible, joint trainings of elected representatives and officials should be conducted.
- (10) Since most of the projects during the last three Five Year Plans have been computerized, it would be worthwhile to analyze the kinds of projects and the pattern of allocation so as to get a good idea of the priorities and investments in health at different levels and different geographies. Simultaneously, KILA should proactively identify good practices and document them.
- (11) The Resource Group at the State level in consultation with District Resource Groups could prepare a Handbook of project ideas – as different from standardized projects - and circulate them to all Local Governments.
- (12) The Plan for combating non-communicable diseases should contain clear components related to IEC, physical activity and preventive measures. These would include systematic campaign against use of tobacco, alcohol, etc., promotion of sports and provision of water and sanitation.
  - In order to facilitate proper planning, the Health and LSG Departments, with the help of experts, may prepare a detailed “responsibility map” indicating the responsibilities of each category of health institution as well as personnel. The responsibilities of elected bodies and elected functionaries should also be detailed.

- State Government may, based on available studies and data, issue detailed advisories and protocols on key communicable and non-communicable diseases and also indicate the special target groups like Scheduled Tribes and fisher folk.
  - Standards and specifications for public health infrastructure and services may be laid down with normative provisions for local adoption according to the local situation.
  - The medical college hospitals, both public and private, should be formally involved in the planning process and tasked with the responsibility of concurrent monitoring and evaluation. Special emphasis should be given for utilizing the services of staff and students of Community Medicine Departments of the Medical Colleges.
  - The Health Plan should specially address issues of occupational health as relevant as well as providing basic health care to migrant workers.
- (13) Manuals for different institutions covering administrative, managerial and professional aspects needs to be finalized at the earliest. To start with, the PHC Manual may be got ready within three months. The manuals should clearly expound code of conduct applicable to elected representatives and professionals.
- (14) Since medical doctors are not well trained in administrative matters, there are several audit objections that make them over cautious. Therefore, the Health Department along with the State Performance Audit Authority (SPAA) may set up a Help Desk in each district to assist the Medical Officers in clearing the audit objections by following due process.
- (15) For decentralized planning and health administration at the local level to be effective, the Medical Officer concerned should be declared as the Secretary (Health) of the Local Government concerned. Medical Officers should move the files directly to the Standing Committee and the full Committee along with draft resolutions, wherever required. Of course, the Secretary of the Local Government should be kept informed.
- (16) More than plan and new infrastructure, it is the intelligent use of Maintenance Fund for essential upkeep of infrastructure and equipment and purchase of medicines and other consumables that is very critical. There needs to be a detailed advisory on how the maintenance plan has to be prepared and how the funds are to be accessed.
- (17) The draft Public Health Bill prepared by the Health Department may be jointly scrutinized by the Health and LSG Departments with the involvement of professionals and the final Bill got ready. The Bill should ensure that the roles and responsibilities of the Local Governments are clearly laid down, particularly in relation to Primary Health including disease prevention, disease surveillance, and disease control.
- (18) It has to be admitted that all the recommendations cannot be operationalized in letter and spirit in all the Local Governments. Therefore, leaders and volunteers among the Local Governments may be nurtured as schools of practice for other local governments to learn from. This task could be left to the Resource Groups at the district level.
- (19) For the next Five Year Plan from 2017-2022, outcome targets should be set at the State level and broken down to the lowest level in a rational manner. This would lend meaning and purpose to the planning process.
- (20) To carry out these challenging tasks, it is necessary to have an Empowered Committee consisting of LSG, Health and Social Justice Departments with clear terms of reference, meeting every week regularly.



## LOCAL ECONOMIC DEVELOPMENT

### 7.1 Background

Traditionally, Local Governments had been performing only civic functions in the State as in the rest of the country i.e. focusing on basic services like sanitation, water supply limited to open draw wells, street lighting, intra-village connectivity, parks and playgrounds, bus stands and taxi stands, burial grounds and crematoria and so on. With the 73<sup>rd</sup> Amendment, the Constitution vested on them the mandate of “economic development and social justice”. Among the direct economic development functions listed in Eleventh Schedule are:-

1. Agriculture
2. Animal husbandry, dairying and poultry
3. Fisheries
4. Social forestry and farm forestry
5. Minor forest produce
6. Small scale industries, including food processing industries
7. Khadi, village and cottage industries
8. Markets and fairs

When Kerala followed with its devolution, it gave a range of Local Economic Development (LED) functions to Local Governments not only in the agriculture and allied sectors but also in local industries. Also poverty reduction became, almost fully, a local government mandate. Adequate finances followed these functions with the policy directive to spend 30% of the untied transfers in the “productive sectors”.

Except in the case of poverty reduction, through Kudumbashree, Local Governments have not been able to achieve significant success in LED barring certain isolated examples. The Joint Liability Groups (JLG) of Kudumbashree have achieved remarkable results in farming activities, mostly by taking land on informal lease. Also, the Samagra Project of Kudumbashree focusing on key products as relevant to the district is an interesting innovation with huge potential for further development. However, its success has been limited to only two or three districts. In addition, there are innovative micro-enterprises covering different sectors so much so, Kudumbashree is the acknowledged leader in the country in respect of self-employment through micro enterprises run by women SHGs.

There have also been isolated successes like Local Investors Meet (LIM) conducted in Mallappuram District. The Talikulam experiment to bring about Local Economic Development with the technical support of an eminent NRI and the recent livelihood intervention in Attappady in the wake of the deaths of children due to malnutrition. The Mararikulam experiment in Alappuzha and the Subhiksha project in Kozhikode also deserve mention, as they attempted to bring in technology and professional leadership to enterprises that are essentially owned by SHGs.

## 7.2 Meaning of LED

In the past decade or so, there has been increasing emphasis on LED. It essentially denotes micro level efforts led by Local Governments to fully utilize opportunities at the local level as well as those arising out of the macro situation. It seeks openings right from the neighbourhood and local levels to regional, national and, even international levels. It is an attempt to deepen and broaden development in the local situation within a Local Government. Basically it implies more decent jobs and incomes mainly through enhancing production/productivity as well as stepping up of trade and provision of services.

LED envisages a cooperative and synergetic partnership between Local Governments, local private sector as well as the third sector. It attempts to use, to the maximum extent possible, local resources – human, material, and non-material – to stimulate economic development.

Since it is local and led by Local Governments, it is largely pro-poor and environment friendly. The LED approach calls for improving the capacity and credibility of local institutions to better contribute to development. As different from conventional economic development, it is consensual and participatory and bottom-up. Typically, LED uses multiple forms of economic activity that are inter-related, emerging from local capacities and advantages.

Local Governments lead in facilitation by analyzing the situation, developing strategies and plans, filling gaps in infrastructure and services, building capacities, bringing the key factors of production together and improving governance thus laying an economic foundation.

## 7.3 Importance of LED

It improves the quality of life locally through increase in incomes and aspirations

- It prevents migration particularly distress migration
- It addresses basic livelihood requirements of the poor
- It enhances services to the community
- It boosts local initiatives, promotes a variety of business solutions, and nurtures innovation
- Because of local ownership, it bridges social capital, human capital, financial capital, and physical capital and even secures the green capital
- As opposed to globalization, it gives greater importance to local preferences and interests and gives a lot of space to local decision-making
- More than the “invisible hand”, it is guided by visible local hands acting in coordination

## 7.4 Recommendations

By definition, LED is local. It calls for active political and social intervention to realize the economic potential for common benefit. Naturally, strategies and programmes have to be rooted in the local realities. This is the strength and beauty of LED. Therefore, the Commission is restricting itself to general suggestions with the main objective of bringing up LED as a top priority agenda of Local Governments. The recommendations are:-

- (1) KILA should undertake documentation of the cases of both successful and not-so-successful LED initiatives, especially the ones mentioned earlier. This would help Local Governments to understand the processes involved as well as the factors that contribute to success and failure.

- (2) The Coconut Development Board has been fairly successful in stimulating LED through several micro enterprises. Though not related to Local Governments, the approach and methodology are relevant to Local Governments, Coconut Development Board may be asked to prepare a Handbook on this experience indicating the possibilities of its adaptation to other areas for value addition.
- (3) KILA could work with a team of officials from State Planning Board, Directorate of Economics and Statistics, Town and Country Planning Department and NABARD to collect, collate, and analyze data on economic development to identify patterns and potential areas.
- (4) At the State level a consortium of technic support institutions like SIDBI, CMD, CDS, KINFRA, I-KIN, INKEL, NABARD, KITCO, K-BIP, EDI and the trade and industry associations may be formed to provide suggestions and generate potential LED ideas. This consortium should be tasked to support the District Planning Committees as well as Local Governments, which show interest.
- (5) Each DPC should have a sub-group for LED including district level officers of Planning, Economics and Statistics, Agriculture, Animal Husbandry and Dairy Development Departments. The General Manager of the District Industrial Centre (DIC) should anchor the sub-group. Experts from non-Government and academic institutions could be co-opted.
- (6) The District Industries Centres needs to be activated and its functional links with the District Panchayats strongly established. It should lead the promotional activities and play an important role in preparing the credit plan required for LED activities.
- (7) KILA should take up LED as a demand-based training module covering groups of Local Governments along with the officials concerned. The programme should focus on gaining expertise in the use of LED tools as well as lessons from best practices. Agencies like CMD, EDI, and KITCO could be associated.
- (8) Using available literature, Centre for Management Development along with KILA may prepare a Tool Kit on LED as relevant to Local Governments in Kerala. The same team could also prepare a few model projects as suited to different economic zones of the State.
- (9) Unnat Bharat Abhiyan, an initiative of the Ministry of Human Resources Development (MoHRD), which envisages outreach of educational institutions to assist with Gram Panchayats needs to be properly leveraged for the purpose of strengthening LED. The Higher Education and LSG Departments of the State may work out the modalities. Probably IIM, Kozhikode could be asked to provide leadership for this.
- (10) The concept of Local Investors' Meet may be popularized. The processes adopted for the Malappuram meet and their lessons need to be documented. The DPC or District Panchayat can identify potential investors, have several rounds of discussions with them, assist them in identifying proper areas of investment or in expanding their existing business, provide links to financial institutions and facilitate clearances through a one-stop shop approach. They should be informed about the infrastructure available as well as the level of services guaranteed. Also issues related to labour costs and, more importantly, labour behaviour have to be clearly addressed in a tripartite manner.
- (11) The concept of local investment climate has to be boosted. Local Governments could take the initiative in this and provide necessary assurances to investors in terms of clearances, labour practices, and available support services. Joint action by a cluster of Local Governments would be better.

- (12) Thalikulam Model of partnering with NRIs is again quite promising. The NRIs of the Local Government or a cluster of Local Governments may be identified and discussions held with them on possible job opportunities and the skills required for them. At the same time job seekers may be mapped and their skill gaps located and filled up through proper skill development training programmes.
- (13) UNIDO has pioneered economic clusters, with the support of the consortium of experts. DPC may identify potential clusters with significant natural geographical concentration of certain economic activities that are similar and complementary and have a critical mass. This can then be developed to provide certain common facilities, with arrangements put in place for cooperative action by the existing units especially in sourcing raw material, skilling workers, and marketing products.
- (14) The DPC led by its President and the Member Secretary should hold quarterly mass contact programmes for the existing and potential investors to sort out grievances. In addition to direct interaction, IT based Grievance Redressal System could be put in place.
- (15) Adapting the methodology used for identifying ease of business, a study may be conducted of different Local Governments in the State, especially the urbanized Panchayats and urban Local Governments by a competent, independent agency. Based on the study, necessary changes in the laws need to be made.
- (16) Skilling for placement may be taken up as a major priority by Gram Panchayats and Urban Local Governments. The help of the Ministry of Rural Development (MoRD) and the Ministry of Skill Development (MoSD) may be taken to identify the best skilling agencies. Special efforts may be taken to skill people for jobs abroad.
- (17) DPC, using the District Industries Center, could develop zones for potential investments on the basis of unique local advantages. This may be given wide publicity.
- (18) To the extent possible, Industrial Estate set up by Local Governments in the IXth and Xth Five Year Plans may be revitalized.
- (19) Kerala is the only State, which is fully connected under National Optic Fiber Network (NOFN). This connectivity may be used to explore the possibilities of accessing and transmitting information related to LED. The connectivity itself could be used to promote LED through different electronic services.
- (20) LED is difficult to achieve. Therefore, volunteer Local Governments may be identified and nurtured as “Beacons”, so that they can function as the schools of practice from which other Local Governments can learn.
- (21) The Micro Enterprise Consultants (MEC), a successful innovation of Kudumbashree, needs to be upgraded and a team of community based LED consultants developed with the objective of promoting local investment.
- (22) Successful local entrepreneurs should be identified and a team of Resource Persons made out of them. These persons could be used by KILA to sensitize Local Governments and by the Local Governments to motivate investors.
- (23) Outstanding Local Governments and initiatives need to be recognized and suitably awarded on Panchayat Day on the basis of applications that are verified by an independent agency.



## DISTRICT PLANNING

### 8.1 Background

Kerala is the leader and path-breaker in decentralized planning. However, its efforts to prepare District Plans, as mandated by the Constitution of India, have not been very successful. Unless the State is able to get over this deficiency, its decentralization will remain incomplete. The Constitution of India has clear provisions for preparation of District Plans. It is pertinent to quote Article **243 ZD (3)**:

**(3) Every District Planning Committee shall, in preparing the draft development plan,—**

**(a) have regard to—**

**(i) matters of common interest between the Panchayats and the Municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;**

**(ii) the extent and type of available resources whether financial or otherwise;**

**(b) consult such institutions and organisations as the Governor may, by order, specify.**

Right at the beginning of the People's Plan exercise, an attempt was made in 2000 to prepare a sort of District Plan. This was not successful. During the Tenth Five Year Plan, an effort was initiated by the DPC of Kollam to prepare a District Plan, which achieved significant success in developing a doable methodology but it was not carried to the logical conclusion. Attempts to replicate it in five other districts did not succeed. District Plan in the context of Kerala where nearly a third of State Plan is prepared and implemented through Local Governments has several advantages. These include:-

- (1) By its very nature, District Plan develops a holistic perspective which will serve as a guide for all the Local Governments as well as for State Government investments in the sectors concerned helping efficient investment decisions.
- (2) District Plan has to be for a minimum period of five years, obviously coinciding with a Five Year Plan. This will ensure that resources get allocated for bigger projects instead of spreading them in the electoral constituencies, which is now the case.
- (3) District planning will facilitate integration across tiers, which is critical for several sectors like health, education, and economic development including agriculture.
- (4) District Plan also enables intra-sectoral and cross-sectoral integration as well as facilitates better convergence of resources.

- (5) District Plan will prevent duplication of efforts and sub-optimal use of resources through parallel schemes of similar nature implemented by Local Governments and Departments.
- (6) District planning will harness quality data and provide space for identification of historical patterns, determining strong and weak areas of development, rational priorities, revealing potential, all through better analysis of data.
- (7) District planning offers greater possibilities of tackling environmental issues related to soil erosion and degradation, river degradation, water depletion and so on.
- (8) For local economic development also, District Planning affords the required scale.
- (9) By analyzing causes of backwardness and relative advantages, it will improve the progress of the district as a whole, particularly by motivating them to bring down intra-district disparities.

In this context, the Commission makes the following recommendations:-

## **8.2 Strengthening of DPCs**

- (1) District Planning Committees have own buildings. Action may be taken to construct buildings for the remaining 6 DPCs.
- (2) The three offices transferred to the District Planning Committee *viz.* District Planning Office, District Statistical Office and Office of the Town Planning, should function from the premises of the DPC Office.
- (3) A protocol may be laid down jointly by the LSG and Planning Departments on the precise roles and responsibilities of the supporting officers and their staff to strengthen DPC.
- (4) As a policy, the Collector's role as a Member Secretary of the DPC should be given prominence while assessing the performance of the Collectors. The Collectors should be suitably trained to play their role as Member Secretary properly and effectively.
- (5) Expert institutions may be identified for different areas of development like CWRDM, CSS, KFRI, CDS, IIM and arrangements made to provide professional support to the districts.
- (6) The Vice-Chairperson of the DPC should be selected on merit and be the best development professional available in the district. The role of the Vice-Chairperson should be delineated clearly.
- (7) The State may make available all district level data in a usable form to the DPC.
- (8) The District Unit of NIC may be requested to service the DPC.
- (9) All DPCs may be supported to prepare the District Development Report incorporating the District HDR. A template may be prescribed for this purpose.



- (10) As envisaged in the Constitution, detailed rules may be drafted for the functioning of DPC.
- (11) A Budget Head may be opened for support to DPC so that DPC can conduct local surveys, studies, etc.

### **8.3 Approach to District Planning**

- (1) The District Plan should cover the plans of Local Governments as well as schemes of State Departments that are operational at the District level. Especially, in sectors like health, education, agriculture, animal husbandry and water supply, it is necessary to have single plans prepared in a participatory manner.
- (2) The District Plan should have three parts –
  - (i) a Perspective Plan, ideally for fifteen years ;
  - (ii) a broad Implementation Plan for five years ;
  - (iii) a precise Implementation Plan for one year
- (3) There has to be a kind of visioning from below relating to key developmental areas and themes. This visioning should be based on local situation analysis presented in the form of Development Reports. Through a process of cascading consolidation, they could be integrated at the Intermediate and District levels to have a vision document for the District.
- (4) Based on the situation analysis, the needs and issues could be identified. Through a process of intensive consultations involving the elected Local Governments and the officials concerned for different developmental areas and themes, norms and criteria for prioritization and choice of projects should be identified and unanimity arrived at. Once a unanimous decision is taken, they should be followed by all Local Governments while preparing plans.
- (5) An iterative process is recommended for preparation of District Plans. To illustrate, taking the example of health, position papers could be prepared by the DPCs with the help of the professionals of the Health Department and circulated to all the Local Governments. At the Local Government level, based on inputs of the Working Group concerned, issues, priorities, strategies, and action points would be suggested to the higher tier. At that level, all the draft plans from different Local Governments could be examined and gaps pointed out and the plans returned with advisories. Once the plans come back, the middle tier would add what has to be done at its level, normally covering the responsibilities of the area Community Health Centre or Taluk Hospital. This would be repeated in the case of higher tier namely District Panchayat. Since the District Panchayat manages the District Hospital, which is a Secondary Health Institution, even the Corporation and Municipalities would have to send their plans to the District Panchayat.
- (6) From a practical point of view, it is better to prepare Sectoral Plans in areas like:-

- Watershed Management including River Rejuvenation
- Human Development
- Infrastructure
- Civic amenities
- Local economic development
- Poverty

While preparing the plans, the need for integration and convergence of related sectors could be identified.

In the case of special groups like children, disabled, aged, women, and marginalized groups like Scheduled Castes (SCs) and Scheduled Tribes (STs), plans could be developed based on the needs of these groups and the relevant component pushed into the sectoral plans.

- (7) There should be an overarching Governance Plan focussing on service delivery, reduction of corruption and leakages, improving operation and maintenance of assets and effective local resource mobilization.

#### **8.4 Preparatory Steps**

- (1) The State Planning Board, through the District Planning Officers, may consolidate at the District level, the plans implemented by the Local Governments and the Departments for each year of the twelfth Five Year Plan. This would give an idea of the kind of schemes implemented and the resources invested.
- (2) The State should facilitate collection and collation of data, disaggregated to the lowest level possible. Some of the critical data sources are:-
  - ✓ Census
  - ✓ Socio-Economic and Caste Census
  - ✓ Economic Census
  - ✓ Agriculture Census
  - ✓ Livestock Census
  - ✓ DISE data of Education Department
  - ✓ Health data
  - ✓ ICDS data
  - ✓ SC/ST Survey data
  - ✓ Watershed data

- ✓ Utilities data – from KSEB, KWA, etc.
  - ✓ Sub points from KWA, etc.
  - ✓ Banking data
- (3) Trained teams of the DPC Secretariat should analyze the data and put them on a GIS platform. A spatial analysis is very critical for planning. Wherever time series data is available, the trends could be analyzed spatially.
  - (4) The DPC may be supported and equipped to prepare position papers on different sectors, adequately backed up by data and professional inputs.
  - (5) The possibilities of Unnat Bharat Abhiyan may be explored to bring about partnership between educational institutions and DPCs as well as Local Governments.
  - (6) The Local Governments should start the process of stock-taking since the Ninth Five Year Plan, for which the Working Groups should be suitably equipped and trained. Templates may be prepared to simplify the process.
  - (7) KILA may conduct a “Writershop” in which different available guidelines and methodologies are analyzed and the relevant portions identified. They would include:-
    - Dantwala Committee Report on Block Level Planning
    - Credit Plan Guidelines of RBI
    - Suggestions of the Hanumantha Rao Committee on District Planning
    - Suggestions of the Expert Committee on Grassroots Planning of the Ministry of Panchayati Raj
    - Manual for Integrated District Planning

Further, past exercises in District Plans within and outside Kerala should be gone into by collecting those plans and studying the methodologies adopted. They would include:-

- ✓ Midnapore Plan prepared by West Bengal in mid-80s
- ✓ Natural Resources Based Plan prepared by Department of Science and Technology
- ✓ Almora District plan prepared in mid-80s
- ✓ Mysore District Plan prepared in 1989
- ✓ Kannur District Plan prepared in early 90s
- ✓ Selected District Plans prepared in Kerala in 2000
- ✓ A couple of good BRGF District Plans
- ✓ A couple of good District Plans prepared under the guidance of UNDP supported district planning project of the Planning Commission

- ✓ A couple of high quality District Human Development Reports prepared with the support of UNDP
- ✓ Kollam District Plan prepared under the guidance of the Town and Country Planning Department

The Writeshop should be attended by selected professionals and Local Government leaders and the draft should be presented to DPC Chairpersons, Vice-Chairpersons, and Member Secretaries and consensus developed on a doable methodology.

- (8) The concept of Voluntary Technical Corps (VTC) concept may be revived and high quality professionals identified normatively to create professional support groups, sectoral and cross-sectoral, to assist the DPC and the Local Governments.

All the preparatory arrangements should be completed by June, 2016 and the training should start immediately thereafter. The planning should begin latest by September, 2016.



## RECOMMENDATIONS

As mentioned, the Commission has evolved the recommendations for institutionalizing the local governance system in Kerala from the multi-stakeholder consultations, literature review, study of best practices, and field visits. During the course of literature review, the Commission also analyzed the recommendations of the Sixth Report of the Second Administrative Reforms Commission on “Local Governance – *An Inspiring Journey into the Future*” which was submitted in October 2007. The recommendations of ARC considered to be relevant to Kerala by the Commission are presented as Part A. The general recommendations of the Commission are given as Part B.

### Part A - Suggestions of The Second Administrative Reforms Commission

Most of the recommendations of the ARC emanated from the positive experience of Kerala and a good number of recommendations have later been operationalized in the State and a few recommendations are not very relevant. Therefore, the Commission has listed out the following recommendations which could be of use to Kerala if popularly followed up:-

- (1) The State Government should proactively push for Constitutional amendments which include:-
  - (a) Providing for a Legislative Council consisting of members elected by the Local Governments. **[para 3.1.2.4]**
  - (b) Creation of a District Council in every district representing both urban and rural areas. **[para 3.1.3.11]**
  - (c) Though Kerala has amended several laws following the principle of concomitance, it is suggested that another round of amendments may be resorted to so that different subject laws are harmonized with the Panchayati Raj and Municipality Acts.
  - (d) It is also suggested that just as there are “financial memorandum” and “memorandum of subordinate legislation” in Bills, it is necessary to introduce a “local government memorandum” also in every Bill. This will ensure that the Assembly is fully aware of the implications of the proposed legislation for Local Governments **[para 3.3.1.7]**.
- (2) An independent mechanism may be put in place to review the implementation of the recommendations of the SFCs. **[para 3.5.2.18]**.
- (3) In respect of capacity building, the following are the recommendations:-
  - (a) State Government should enable the Local Governments to outsource specific functions to public or private agency by laying down clear norms and guidelines. They should also be assisted for monitoring and oversight all outsourced activities.
  - (b) A network of training institutions dealing with subjects relating to financial management, economic development, general management, etc. may be developed with KILA as the hub so that training activities can be holistic.
  - (c) Expenditure needs for training should be assessed by the State Finance Commission. For rare disciplines, an accredited panel of experts and specialists could be prepared to enable Local Governments to access their specialist services.

- (d) There should be a system for supporting theoretical, applied and action research on various aspects of the functions of local governments.

**[para 3.6.16]**

- (4) On Decentralized Planning, recommendations are:-

- (a) A dedicated centre should be set up in every district to provide technical assistance to Local Governments for preparation of plans.
- (b) State Planning Board should ensure that the District Plans are integrated with the State Plan. The State Plan should be prepared only after consolidating the plans of all local governments.
- (c) Development authorities should be merged with Urban Local Governments.

**[para 3.7.5.6]**

- (5) On accountability, the suggestions are:-

- (a) Audit Committees may be constituted by the State Government at the district level to exercise oversight regarding the integrity of financial information, adequacy of internal controls in practice, compliance with the applicable laws and ethical conduct of all persons involved.
- (b) A suitable mechanism to evolve a system of benchmarking on the basis of identified performance indicators may be adopted. Independent professional assistance may be sought for this.

**[para 3..8.6]**

- (6) On accounting and audit, the recommendations are:-

- (a) The Technical Guidance and Support (TGS) provided by CAG should be institutionalized by introducing necessary legal provisions in the State laws.
- (b) The Director of Local Fund Audit should become an independent institution **(the old recommendation of the Sen Committee to create an Audit Commission is reiterated)**.
- (c) The system of performance or outcome audit should be introduced for key themes.

**[para 3.9.22]**

- (7) Parastatals at district and sub-district level, whether it be societies or committees should be fully harmonized with the local government system. **[para 4.1.7.8]**

- (8) Activity mapping or responsibility mapping should be redone for all the subjects to ensure that there is role clarity among different tiers and the departments in performing the functions. **[para 4.2.3.10]**

- (9) On resource generation, the following are the recommendations:-

- (a) All common property resources vested in the Local Governments should be identified, listed, surveyed and put to maximum use for revenue generation.
- (b) Based on clear assessment of capacity, Local Governments should be encouraged to manage transport, water supply, and power distribution.

**[para 4.3.5.3]**

- (10) All tax details, particularly for Property Tax, should be placed in the public domain. Also a computerized database of all properties using GIS should be prepared. Randomly selected tax assessments could be audited by DLFA.

**[para 5.3.3.8]**

- (11) Panchayat and Municipality Bye-laws should provide for segregation of waste. Also special user charges should be introduced for sanitation and sewerage.

**[paras 5.4.3.3.9 and 5.4.3.5.3]**

- (12) In cities, unified transport authorities could be experimented. **[para 5.4.5.15]**

- (13) Disaster management must be an integral part of spatial planning. **[para 5.7.2.12]**

## **Part B – General Recommendations**

### **(1) Dual Control**

Though it was an innovative way of overcoming employee resistance to work under Local Governments, dual control has created several operational issues. The following suggestions are made to address them:-

- (i) The control by the State Government and control of Local Governments need to be defined clearly covering all aspects. This can be done following the methodology of Activity Mapping.
- (ii) All the officers placed under the Local Governments may be formally transferred through a notification which indicates local government-wise and category-wise transfer of staff.
- (iii) There is a legal provision that senior most transferred official of each department is made the ex-officio Secretary of the Local Government concerned. It would be useful to issue a notification on this. This will ensure that they are equal to the Secretary to the Local Government and mitigate procedural issues.
- (iv) The LSGD Engineering Wing was created as an integral part of the local government system. Now, it appears that the Engineers are acting like the erstwhile officers of the Local Works Department limiting themselves to providing technical services. Therefore, this situation may be rectified by issuing a clarification that the Engineer is part of the core staff of the Local Government concerned.

### **(2) Harmonizing the boundaries of revenue villages and cutting edge level local governments**

There are 1453 revenue villages in Kerala and their boundaries do not match the Local Government boundaries and in several cases, the same village lies in the jurisdiction of two or more Local Governments. Therefore, it is recommended that the revenue villages be rearranged in such a way that the Gram Panchayat, Municipality or Corporation has one or a whole number of revenue villages.

### **(3) Demarcation of ‘vested’ lands**

Statutorily, revenue porumboke, water bodies, etc. are vested in the Panchayats and Municipalities but rules regarding vesting and divesting need to be issued. Also, through a special drive, the lands vested should be demarcated and details given to the Local Government concerned – including on GIS.

### **(4) Dispute resolution**

Government may study the functioning of Nyaya Panchayat as a separate entity as in Bihar and as a part of the Gram Panchayat as in Himachal Pradesh and take a decision on operationalizing the concept of Nyaya Panchayat in Kerala. Till then, it is recommended that in partnership with the Kerala Legal Services Authority, Panchayats and Municipalities should be encouraged to proactively resolve local disputes.

**(5) Empowering the Appellate Tribunal**

It is recommended that the powers of the Appellate Tribunal be broadened to enable it to consider all appeals against decisions of Local Governments taken in their administrative and regulatory capacity.

**(6) Own resource mobilization**

In order to strengthen the own resources of Local Governments, the following suggestions are made:-

- (i) Wherever exemptions are made by Government, the Local Governments should be compensated to that extent.
- (ii) Building Tax should be transferred to the Local Governments.
- (iii) Luxury Tax should be made a Local Government tax.
- (iv) The Property Tax Board should be made an autonomous agency.
- (v) The Kerala Panchayati Raj and Municipality Acts may be amended to enable increase in taxes, fines, fees, user charges, etc. through a notification linked to a suitable index of money value.

**(7) CSR**

The Government may tap the CSR funds for Village Panchayats especially in the tribal and coastal areas.

**(8) Ombudsman**

The present institution may be made a three-member body. In addition to the High Court Judge, there should be a civil servant and a representative of the Civil Society. All these members may be chosen through consensus by the Chief Minister, Leader of Opposition and Chief Justice of the High Court.

**(9) Revamping of Performance Audit**

The Performance Audit Wing should be revamped to conduct performance audit on the lines of CAG in addition to carrying out internal audit.

**(10) Encouraging Voluntarism**

When the Peoples Plan was launched, it was attempted to raise at least twenty per cent of the local plan as contribution from the public, in labour, cash and kind. However, voluntarism has declined over the years. It is necessary to promote voluntarism and encourage Panchayats to set internal targets.

**(11) Costless Development**

A lot of development can be achieved without much investment. This can be through behaviour change, introduction of new technology or techniques, providing the last mile access to services, public action and so on. KILA may identify the possibilities of costless development as relevant to different regions of the States and build the capacity of Local Governments particularly Gram Panchayats, Municipalities and Corporations to promote such development.





# **Annexures**



**Annexure I**  
**Constitution of Local Government Commission G.O. (MS) No.273/12/LSGD**  
**dated 22<sup>nd</sup> October, 2012**





## GOVERNMENT OF KERALA

## Abstract

Local Self Government Department - Setting up of a Local Government Commission to guide he institutionalisation process of Decentralisation in Kerala - Orders Issued

## LOCAL SELF GOVERNMENT (RD) DEPARTMENT

GO(MS) No. 273/12/LSGD

Dated, Thiruvananthapuram, 22-10-2012

## ORDER

Kerala adopted a unique trajectory of decentralisation after the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments. Resource, responsibilities and powers were transferred to Local Self Government Institutions in a short span of time. Adhoc systems were put in place to see through the transition. After the initial period of experimentation which lasted till about 1999, a period of rectification set in and from 2002 things have stabilised. The institutionalisation process began around this time, but, for various reasons it has dragged on.

For the local government system to be firmly rooted and deliver results. It is necessary to fast track this process.

Kerala's decentralisation is rated by national and international agencies as the best in the country with several classical features. The whole nation looks up to Kerala as a model and expects it to move further and fully institutionalise its system as a decentralisation initiative. Kerala set up the Committee on Decentralisation of Powers (CDP) popularly known as the Sen Committee with a mix of talent from the political, academic, activities and official streams.

Now more than a decade and a half have passed since Kerala began its decentralisation efforts and by now it has acquired deep experience during which there has been unusual consistency of policy and continued support across several government. And this evenful experience has thrown up new issues and challenges most of which are typical second generation ones, which need to be addressed creatively and proactively so that the Kerala model is fully developed.

In this circumstances, Government hereby constitute a Local Government Commission with the following composition to guide the institutionalisation process of decentralisation:

1. Senior political leader having experience and expertise in matters relating to decentralisation and local governments as Chairperson.
2. Two political leaders of credibility and seniority preferably bi-partisan
3. Four senior officers (serving or retired) from within and outside the State recognised for their expertise in the sector
4. Two or three academic/activists of repute having a clear understanding of Local Governments of the Senior academics one should be an economics
5. One or two former local governments leaders of proven excellence in performance.

## 6. Principle Secretary, LSGD as the member Secretary

Terms of reference:

1. Review the laws in force including the rules and suggest modifications and additions
2. Review the staffing system in Local Governments and recommended revamping and strengthening to improve its quality efficiency
3. Access the capacity building measures in place and advice enhancing its relevance and effectiveness.
4. Study the regulatory powers of Local Governments and recommend their modifications to meet the challenges thrown up by the times.
5. Look Specifically into the following issues and make appropriate recommendations
  - Planning and implementation with special emphasis on increasing participation, bringing about integration and convergence, improving quality and strengthening monitoring and evaluation.
  - Functioning of DPC
  - Harvesting expert support including from academic and R & T institutions, non-government organisations and private sector
  - Bringing about harmonious and integrated functioning of the different wings of the Local Governments.
  - Bringing in greater synergy in the partnership between local Governments and Kudumbashree.
  - Effective functioning of the elected bodies including Standing Committees and Steering Committees.
  - Relationship between Local Governments and different departments and the State Government.
6. Assess the transparency and accountability systems and suggest measures for improving their effectiveness
7. Analyse the different issues related to institutionalisation and make suitable recommendations.
8. Suggest improved management practices in different aspects of local government functioning.

The Local Governments Commission would be free to widen and deepen the scope of its work as required. It shall work in close partnership with Kerala State Urban Development Project and Kerala Local Government Service Delivery Project so that the human and financial resource of these projects as relevant to the terms of reference could be optimally utilised.

The Local Government Commission could follow up on the initiative taken under modernising Government Programme and the Decentralisation Support Programme. The commission would further study recommendations of the following and adopt relevant ones.

- Kerala Administrative Reforms Committee
- State Finance Commission
- MA Oommen Committee
- Second Administrative Reforms Commission

- Action Plan for strengthening Panchayat Raj prepared by the Ministry of Panchayat Raj.
- Various advisories issued by the Ministry of Panchayati Raj.
- Recommendations of the Local Fund Audit Committee of the Assembly.
- Recommendations of the CAG.

### Methodology

- Conduct studies on different aspects of local Government functioning
- Organise consultative workshop with practitioners and experts from within and outside the State.
- Visit other states to learn best practices
- Get to know international experience from UN Agencies, World Bank, ADB etc.
- Access appropriate knowledge from literature using services of institutions like KILA, Centre for development Studies, Centre for Management Development, NIRD etc.
- The Committee may hold as many sittings as possible and submit its recommendations covering different areas, report after report so that quick follow up action can be taken by government. The commission is given a period of 18 months to complete its work in full.

### Power:-

The Local Government Commission should be free to decide on the following.

- 1 Visit to places and institutions in the country.
- 2 Seek the services of experts and institutions to conduct studies
- 3 Hold Workshops
- 4 Request departments to provide reports
- 5 Set up task forces of officials

### Follow up action

In order to process the recommendations it is ordered that a committee of secretaries may be set up as follows

Chief Secretary/Additional Chief Secretary	-	Chairperson
Principle Secretary (Finance)	-	Member
Principle Secretary (Planning)	-	Member
Secretary (Personnel)	-	Member
Principle Secretary (LSG)	-	Convenor

A cabinet Sub Committee will consider the reports of this Committee. The Sub Committee is headed by the Chief Minister with the Ministers in charge of Local Self Government and Finance and Law Departments as Members.

The Commission will utilise the existing support system and office accommodation of the Consultative Committee on Decentralisation. No Additional post will be created for the Commission. If any additional manpower is required it will be provided by re-deployment

The Orders appointing the Chairman and members of the Commission and terms and conditions of service will be issued separately.

The expenditure on this account will be met from the existing budget allocation.

By order of the Governor,  
T.J. Mathew  
Secretary to Government

To,

The Director of Urban Affairs, Thiruvananthapuram  
The Director of Panchayats, Thiruvananthapuram  
The Executive Director, IKM (for publishing in the website)  
The Executive Mission Director, IKM (for publication in official website)  
PS of Chief Minister  
PS to Ministers (LSGD)  
PA to Principle Secretary (LSGD)  
The Chairman, Consultative Committee for Decentralisation  
GA (SC) Department (vide item No. 2220 dated 3-10-2012)  
Stock file/Office copy



**Annexure II**  
**Social Audit Manual issued by the Ministry of Rural Development,**  
**Govt. of India**  
**[Chapter 1 only]**



## I. Social Audit

Social Audit is an audit that is conducted jointly by the Government and the people, especially by those people who are affected by, or are the intended beneficiaries of, the scheme being audited. To put it in a simpler way, social audit can be described as verification of the implementation of a programme/ scheme and its results by the community with the active involvement of the primary stakeholders. This is done by comparing official records with actual ground realities, with the participation of the community in the verification exercise, and reading out the findings of the verification exercise aloud in a public platform. The social audit process goes beyond accounting for the money that has been spent to examine whether the money was spent properly and has made a difference to people's lives. The aim is effective implementation and control of irregularities.

### Social Audits are a continuous process of public vigilance

A social audit ensures that MGNREGA is designed and implemented in a manner that is most suitable to the local conditions and reflects the priorities and preferences of the people affected by the Act. This is because, through social audits, officials receive feedback from the beneficiaries on how the programme is running on field which can be used to implement the programme better.



A social audit is conducted by the Gram Sabha of the Panchayat, with the help and support of resource persons identified by the State Social Audit Unit at the State, District and Village level to facilitate the social audit. The resource persons collate records, verify the records with the people through household verifications, record their grievances, visit worksites, organise information in an easily understandable manner and prepare a social audit report based on their findings to be read out to the gram sabha. The gram sabha will deliberate on the findings and the implementing agencies have to respond to the report presented in the gram sabha.



Facilitates social audit

### I. Major objectives of a Social Audit:

- Promote transparency and accountability in the implementation of a programme
- Inform and educate people about their rights and entitlements under the Law in course of conducting social audits
- Provide a collective platform such as a social audit Gram Sabha, for people to express their needs and grievances
- Promote people's participation in all stages of the implementation
- Strengthen participation in Gram Sabha, make it an inclusive and participatory institution and make it a platform for positive collective action through social audits
- Improve the capacity of local stake-holders who are participants in the social audit

- e) Strengthen the scheme by deterring corruption and improving implementation
- f) Democratize decision making by providing a platform for implementation authorities to be accountable to beneficiaries
- g) Controlling leakages in implementation of the programme
- h) Detecting malfunctioning in the implementation in the presence of people and promoting corrective action
- k) Strengthening local governance
- m) Providing a platform for systematic feedback to improve the programme
- n) Complement formal audit processes

Most importantly, social audits enable collective access to information.

**Film to watch:**

Right to Information and Corruption, Mazdoor Kisan Shakti Sangathan [41 minutes]  
Available online here:  
[https:// www.youtube.com/watch?v=nBjRZEZeq48](https://www.youtube.com/watch?v=nBjRZEZeq48)

**II. Five Fundamentals of a Social Audit under MGNREGA:**

The purpose of a social audit is to ensure the accountability of the implementing authorities to the public they are supposed to serve.

**Film to watch:**

Right to Information and Corruption, Mazdoor Kisan Shakti Sangathan [41 minutes] Available online here:  
[https:// www.youtube.com/watch?v=nBjRZEZeq48](https://www.youtube.com/watch?v=nBjRZEZeq48)

1. A social audit is conducted by stakeholders of the programme. However, social audits in a Gram Panchayat are facilitated by stakeholders who are not residents of the same Gram Panchayat.
  2. Resource Persons who facilitate the conduct of social audits in a Gram Panchayat must be trained in reading and understanding of all records relevant to MGNREGA
  3. The Administration must ensure the provision of a copy of all records to the resource persons prior to the social audit
  4. The social audit must involve a 100% verification of all households, work sites and payments made in the Gram Panchayat
  5. The Resource Persons facilitating the social audit must prepare a Social Audit Report that is read out in the Gram Sabha
- III. The following are the basic principles of a social audit under MGNREGA:**
- a) Resource Persons responsible for facilitating social audits need to have access to the complete information prior to social audit, to assimilate and verify the information provided to them by the administration.
  - b) A social audit gram sabha and public hearing should mandatorily have officials to be present and answer queries raised.
  - c) Outcomes of a social audit must have legally sanctioned outcomes, and State Governments should enact specific rules for this.
  - d) Social audits must be conducted in every Gram Panchayat once every 6 months.
  - e) Social audit Gram Sabha must be presided by an authority other than from the implementing agency. Therefore, the Sarpanch cannot preside over the social audit gram sabha.
  - f) The quorum of a gram sabha as defined in the State Panchayati Raj Act will apply to the social audit gram sabha too.
  - g) The social audit public Gram Sabha and the social audit public hearing should be open for all members of the public to participate. This includes, people from the press,

Civil Society Organizations, elected representatives, SHG members, Bharat Nirman Volunteers amongst others.

- h) The Resource Persons should present all recorded information to the Gram Sabha orally.
- i) Social Audits must include the exercise of officials (Independent Observers) taking and announcing a decision on each deviation presented which is also recorded in the social audit public forum resolution.
- j) A social audit is incomplete unless there is time bound follow up and feedback on the grievances identified in the process of a social audit.
- k) A social audit is a joint exercise between Government and Citizens. It is the responsibility of the Gram Sabha to conduct a social audit with the help of the social audit facilitators. But acting on the grievances identified during a social audit within a fixed time period is the sole responsibility of the State Government.



Support should be taken from CSOs of the area to conduct trainings and hold workshops to review the progress being made on social audits. CSOs must also be actively involved in creating awareness on the importance of participating in social audits within the community.

#### IV. Synergy with the C&AG

Under the MGNREGA, Section 17(1) of the MGNREGA, 2005 articulates the mandate of the Gram Sabha to conduct social audits as follows:

“The Gram Sabha shall monitor the execution of works within the Gram Panchayat.

- (2) The Gram Sabha shall conduct regular social audits of all the projects under the Scheme taken up within the Gram Panchayat.
- (3) The Gram Panchayat shall make available all relevant documents including the muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected books of account and papers to the Gram Sabha for the purpose of conducting the social audit.”

The Government of India, in consultation with the Comptroller and Auditor General (C&AG) has framed a set of rules and regulations titled the ‘Audit of Scheme Rules, 2011’, under the sub-section (1) of Section 24 of the MGNREGA,



- l) Civil society organizations should be an important part of the social audit. They should participate in the social audit gram sabha and social audit public hearings.

2005 for guiding the process by which social audits should be conducted. The following are the broad provisions that need to be complied with by State Governments implementing MGNREGA to comply with the Audit of Scheme Rules, 2011:

- a) Conduct social audit of the works taken up under the Act in every Gram Panchayat at least once in 6 months
- b) Identify or establish an independent organization (Social Audit Unit) to facilitate the conduct of social audits by the Gram Sabha
- c) Identify, train and deploy resource persons at the village, Block, District and State level to facilitate conduct of social audits
- d) Ensure that the social audit shall be independent of any process undertaken by the implementing agency of MGNREGA and ensure that the latter at no point "interfere with the conduct of social audit"

- e) Provide all the records mentioned in the Rules to the social audit teams 15 days prior to the conduct of social audit
- f) Ensure that the social audit is done on the basis of 100% verification of all job card holders and worksites
- g) Submit a summary of the findings of social audits conducted to the C&AG
- h) Ensure that follow up action is taken on the findings of the social audit

Social Audits must be seen as a part of a social accountability bundle of measures which include- participatory planning, community based monitoring, budget tracking, mandated pro-active disclosures, citizens charters and time bound and decentralized grievance redress

Therefore, social audits serve as an important mechanism of complementing formal audits conducted by the C&AG by supplementing the latter with feedback relating to the implementation of the programme from field.



**Annexure III**  
**Disclosure Policy for the Urban Local Governments**







**GOVERNMENT OF KERALA**

Abstract

The Kerala Municipality Act 1994 – Directions for Public Disclosure – Orders Issued

**LOCAL SELF GOVERNMENT (RD) DEPARTMENT**

G. O (MS ) No. 48/09/LSGD

Dated: Thiruvananthapuram, 21/3/2009

**ORDER**

In order to ensure proper disclosure of information on different aspects of the functioning of Municipalities and Municipal Corporations to the public , Government are pleased to issue directions under section 517 B(3) of the Kerala Municipality Act 1994 , to all Municipalities and Municipal Corporations to provide information as specified in the Appendix to this order. This order would have effect from 1-4-2009.

(BY ORDER OF THE GOVERNOR)

S.M. VIJAYANAND  
PRINCIPAL SECRETARY (LSGD)

To

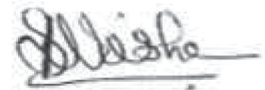
1. The Secretary to Government, Local Self Government Department
2. The Director , Urban Affairs
3. The Commissioner , Rural Development
4. The Principal Secretary , Rural Development
5. All other Principal Secretaries and Secretaries to Government
6. The Member Secretary, State Planning Board.
7. The Director of Public Relations (For immediate Press release)

8. All District Collectors and Secretaries to District Planning Committees
9. The Project Director, Kerala Sustainable Urban Development Project
10. All Mayors / Secretaries of Municipal Corporations
11. All Chairpersons / Secretaries of Municipalities
12. The Chairman, Kerala State Electricity Board
13. The Managing Director, Kerala State Road Transport Corporation
14. The Managing Director, Kerala Water Authority
15. All Managing Directors / Chief Executives of Public Sector Undertakings / Corporations / Boards / Autonomous Bodies
16. The Director of Public Instructions
17. The Director of Collegiate Education
18. The Director of Technical Education
19. All other Heads of Departments.
20. All District Planning Officers
21. All Departments in the Secretariat.
22. The Accountant General (A & E), Kerala, Thiruvananthapuram
23. The Accountant General (Audit) Kerala, Thiruvananthapuram.

**Copy to**

1. The Principal Secretary to Chief Minister.
2. The Private Secretary to the Minister, Local Self Government.
3. Private Secretaries to other Ministers
4. The P.A. to Vice Chairman, State Planning Board.
5. The Joint Secretary to Chief Secretary.
6. All members of State Level Coordination Committee of Decentralized Planning
7. Planning and Economic Affairs Department.
8. Local Self Government Department.
9. Rural Development Commissionerate
10. Stock file/ Office Copy

Forwarded/ By Order,



Section Officer

## **Directions for Public Disclosure of Information by the Municipalities / Municipal Corporations**

### **I. Back ground**

1. Transparency is key principle of Kerala's decentralization and participatory planning. The ideal was given statutory form through amendment to the Kerala Municipality Act 1994 when Section 517 B was introduced providing for Right to Information. This has been further reinforced and extended with enactment of Right to Information Act 2005.

Further, the State Government of Kerala, as a signatory to a tri-partite Memorandum of Agreement (MoA) with the Government of India and the Urban Local Bodies of Thiruvananthapuram and Kochi under the Jawaharlal Nehru National Urban Renewal Mission (JnNURM) has committed itself to the implementation of seven mandatory reforms, among which is the Public Disclosure Law. It is in this context, therefore that the Municipalities / Municipal Corporations are directed to implement the Public Disclosure of Information.

### **II. Objectives**

1. To maintain and disclose information on the functioning of Municipalities/ Municipal Corporations and related local bodies on a regular basis in a specified format to promote a culture of accountability and transparency.
2. To bring about efficient and citizen friendly governance
3. To motivate public spirited people to watch the utilization of public funds.
4. To ensure the community participation and incorporation of felt needs in the Service Delivery and Infrastructure Development Programmes of the Municipality / Municipal Corporation and realize appropriate, affordable and cost effective solutions to address the local issues.

### **III. Definitions**

- a. **"Public disclosure"** means provision of details related to Urban Local Government Institutions as mandated by these guidelines or as decided by the Municipality / Municipal Corporation from time to time.
- b. **"Municipality/Municipal Corporation"** means a Town Panchayat, a Municipal Council or a Municipal Corporation as provided under the Kerala Municipality Act, 1994.

- c. **“Municipal Area”** means an area coming under the administrative control of a Town Panchayath or a Municipal Council or a Municipal Corporation provided in the Kerala Municipality Act, 1994.
- d. **“Service”** means an assistance that a Municipality/Municipal Corporation may render to a citizen which is obligatory/discretionary/administrative/developmental/welfarist/regulatory; directly or indirectly through institutions/agencies under its control, either free of cost or by imposing a reasonable fee to improve the quality of life of citizens and it may include the rendering of financial assistance and the issue of permit, license or certificate for any purpose.

Words and expressions used, but not defined in these guidelines, but defined in the Kerala Municipality Act, 1994 shall have the meaning respectively assigned to them in the Act.

#### **IV. Obligation of Municipality/Municipal Corporation**

Every Municipality/Municipal Corporation shall maintain and publish all its records duly catalogued and indexed, using the formats as given in Part A and Part B of these guidelines, and in the manner and frequency as specified.

##### **Part A**

- i. Particulars of the Municipality/Municipal Corporation as per **Annexe – 1A**
- ii. Contact information of Councillors as per **Annexe 1-B**
- iii. A list of Standing Committees/Other Committees, Working Groups, City Technical Advisory Groups and City Voluntary Technical Corps and other similar bodies constituted by the Municipality/Municipal Corporation and whether the meetings of the said bodies are open to the public and the availability of the Minutes of the meetings accessible to the public as specified in **Annexe 2.**
- iv. A Directory of the Officers and Employees of the Municipalities / Municipal Corporations as per **Annexe - 3**
- v. Procedures associated with grants, concessions, permits or authorization by the Municipal Corporations / Municipalities as per **Annexe – 4.**
- vi. Pending Applications for Building Permits as Per **Annexe- 4A**

**Part B.****i. Financial Details of Municipalities / Municipal Corporations.**

- (a) Unaudited financial statements of Balance Sheet, Income and Expenditure and Cash Flow of the Municipalities/Municipal Corporations to be published on a quarterly basis within one month of the end of each quarter on the website.
- (b) Audited financial statements for the full financial year (Income and Expenditure statement, balance sheet and cash flow) of the Municipalities/Municipal Corporations to be published within six months from the end of each financial year in the local edition of two Category A (PRD Classification) news paper as decided by the Council and maintained on the website. For municipal Corporations one newspaper to be of English Language
- (c) A summary of municipal fund flow i.e., income generated in the previous year by the Municipalities/Municipal Corporations in conformity with Kerala Municipality Act,1994, to be published annually as specified in **Annexe-5**, in the local edition of two Category A (PRD Classification) newspaper as decided by the council and maintained on the website. For municipal Corporations one newspaper to be of English Language
- d) A summary of function wise expenditure incurred by the Municipalities / Municipal Corporations to be published within one month of the end of each quarter on the website as per **Annexe - 6**
- ii. The Service Levels for Municipal Services being undertaken by the Municipality/Municipal Corporation as per **Annexe - 7**
- iii. Details of programmes involving subsidies to poor carried out by the Municipalities/Municipal Corporations, and the manner and criteria of identification including eligibility and prioritization criteria of beneficiaries for such programmes shall be published annually as per **Annexe – 8**
- iv. The particulars of civil works together with information on the value of works, time of completion, and details of contract; shall be published every quarter as per **Annexe-9**.
- v. Particulars of the Master Plan, City Development Plan, Comprehensive Mobility Plan, Sewerage network, Master Plan for Surface Drainage or any other plan concerning the development of the municipal area; shall be made available as and when prepared or modified for reference of the citizens as per **Annexe – 10**.
- vi. Particulars of all plans, proposed expenditure and actual expenditure on major services provided or activities carried out and reports on disbursements made; to be published annually on the website as per **Annexe -11**.
- vii. List of NGOs and institutions funded by the Municipality/Municipal Corporation, the funds disbursed and projects taken up by them to be published annually on the website as per **Annexe -12**.
- viii. List of Slums in the city, details of proposals for Anti Poverty Sub-plan and disbursements to be published as per **Annexe- 13**.
- ix. Details of any consultancy / contracts awarded to external agencies as per **Annexe -14**

## V. Manner and Frequency of Disclosure

The mode and frequency of disclosure are specified as per Annexe 1 through 14 appended to the order. In addition the Municipality / Municipal Corporation would compile annual publication termed as annual report (not less than 200 copies to be circulated to all councilors , ward committee members and others) which would mandatorily contain all the information mentioned in the Annexes 1 to 14 and would be put on website within 3 months of closure of the financial year.

## VI. Accountability and Staffing

The overall accountability for mandatory Public Disclosure of information for the Municipality/Municipal Corporation shall vest with the “Secretary” of the Municipality/Municipal Corporation. Steps shall be taken to designate a Nodal Officer who will be responsible to coordinate and source information in a timely manner from all departments concerned and for quality assurance of such information that shall be disclosed. The Municipality/Municipal Corporation shall deploy the required resources, both in terms of personnel and hardware/software and establish procedures to enable frequent updation and retrieval of information to be disclosed.

The Annual Confidential report of the “Secretary” would necessarily mention the initiatives taken by them in implementation of this order in “Self Appraisal” portion of ACR and the reporting and reviewing officer would give their specific comments on contribution made by “Secretary” in implementation of this order. The appraisal would be taken into consideration for declaration of probation and promotions.

**Annexure IV**  
**The Three-tier Quality Assurance Mechanism of PMGSY**





## **Pradhan Mantri Gram Sadak Yojana (PMGSY)**

**Ministry of Rural Development, Government of India**

### **Guidelines on action to be taken on the Reports of the National Quality Monitors**

At DPIU level the following action shall be taken (unless for reasons to be recorded, it is proposed not to act on any portion of the NQM Report).

- i. After the inspections in the district are over and copy of Part-II of reporting format will be handed over by the NQM to the PIU, copies will be sent to the state Quality Coordinator and NRRDA within 10 days after completing inspection. Unless the PIU disagrees with the conclusion/recommendation, rectification work should be ordered immediately by the PIU. In case the head of PIU feels that any portion of the inspection report or the suggested rectification is not appropriate, he shall make a full report to the State Quality Coordinator.
- ii. The Action Taken Report will be prepared by Executive Engineer/Head of Project Implementing Unit in the prescribed Format and will be sent to the State Quality Coordinator. The State Quality Control Coordinator will mention his remarks and send a copy of Action Taken Statement to NRRDA.
- iii. The Action taken report submitted should be comprehensive, i.e. merely writing letter to the Contractor or to the subordinate doesn't constitute action taken and should not be treated as ATR.

At SQC level, the following actions shall be taken:

- i. On receipt of the report of the National Quality Monitors the State Quality Control Coordinator will immediately remind the Project Implementing Unit/Executive Engineer for taking action and reporting on every paragraph of the report. He will also initiate action on the general issues brought out by the National Quality Monitors in his report for remedial action by all concerned.
- ii. In case there is disagreement with the finding/recommendation in a National Quality Monitors Report, this should be communicated as part of the Action taken Report duly supported by test results/findings of SQM/SQC and sent by the DPIU through the State Quality Coordinator.
- iii. The SQC will generally compare findings of the SQM and SQC to find if the two are in conformity.
- iv. The SQC shall prepare and send an Annual Report to NRRDA through the state Nodal Agency in the 1st week of May every year. The report shall contain analysed performance of the SQM, general deficiencies observed/highlighted through NQM/SQM reports and action taken/required to be taken to remedy systematic deficiencies at organisational level in order to improve the Quality of roads and programme performance
- v. A monthly return will be sent by SQC to NRRDA enclosing ATR's in proforma E as at Appendix E.

At NRRDA level, the following actions may be taken:

- i. The NRRDA will after, scrutiny of NQM reports, grade the works as 'satisfactory' or 'unsatisfactory' .All cases where work appears unsatisfactory and all other cases where action is required will be forwarded by the NRRDA to the SQC for taking action and Submitting Action Taken Report.
- ii. The NRRDA will analyse ATRs received through SQM for their compliance and further follow up if required.
- iii. NRRDA at periodic intervals shall get the NQM reports as well as the Annual Quality Report analysed through STA or PTA, who shall make recommendations on systematic action to be taken at organizational level to improve Quality of roads and programme performance in the state.



**Annexure V**  
**Annual Self-assessment of Performance in West Bengal**



**Government of West Bengal**  
**Department of Panchayats & Rural Development**  
**Joint Administrative Building (6<sup>th</sup> to 9<sup>th</sup> Floors), HC-7, Sector-III,**  
**Bidhannagar, Kolkata-700106**

No. 3732(18)/PN/O/I/3C-4/06(Pt.-II)

Dated: 01.11.2013

From: Saurabh Kumar Das

Principal Secretary to the  
 Government of West Bengal

To: The District Magistrate \_\_\_\_\_ (All)

**Sub: Evaluation of three tier Panchayats in West Bengal for 2013-14 based on performance during the year 2012-13**

Madam/Sir,

You are well aware that the Government of West Bengal has been conducting the self evaluation of the three tier PRIs of the State since 2006-07 followed by award of incentives to the best performing Panchayats out of the State Budget. Since 2011-12, the self evaluation exercise has been integrated with the incentivisation of best performing Panchayats component under Panchayat Empowerment and Accountability Incentive Scheme (PEAIS) implemented by the Ministry of Panchayati Raj, Government of India. In both 2011-12 and 2012-13 from this integrated system of evaluation six Gram Panchayats, two Panchayat Samitis and one Zilla Parishad has been granted incentives additionally by MoPR out of PEAIS.

From 2013-14 onwards the PEAIS has been subsumed in the newly launched Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) and the activities taken under PEAIS shall continue substantially in the same form under RGPSA. The State Government has taken a decision to participate in the performance assessment to be conducted under RGPSA from 2013-14 keeping alive its own system of awarding the best performing Panchayats in the districts. Certain changes have also been introduced in the new process by adopting the following measures -

1. The questionnaire used in earlier years has been made simpler.
2. Participation of 100% Panchayats of all the three tiers has to be ensured.
3. Response of PRIs will have to be made more objective and supported by definite source of information.
4. Instead of self-marking, evaluation and marking will be done by higher Administrative Committee.
5. Preparation of a data bank will be prepared following the evaluation.

6. Meaningful hand holding support will be provided to the lagging Panchayat under the existing capacity building programmes.

In order to finalize the questionnaires, marking pattern methodology of evaluation, and formation of evaluation committees in all three levels, a workshop was organized with officials of the Department, the Directorate under this Department, SIPRD and DPRDOs on 28.10.2013. Based on the discussions held in the workshop, the following guideline is issued for conducting the performance assessment in the current year in a time bound manner.

1. The performance evaluation of 100% PRIs of the State for the year 2013-14 shall be conducted on the basis of the performance of the Panchayats in the financial year 2012-13.
2. The samples of final questionnaires for all the three tiers to be used for the purpose of the above evaluation shall be circulated both in hard and soft copies to the district level.
3. The district authorities shall make the requisite copies (@3 copies per Panchayat body for each tier and circulate the same among the Panchayats under its jurisdiction within stipulated time.
4. The filled-in questionnaires shall be collected from 100% of the Panchayat Bodies within the stipulated period. If required, specific dates may be fixed for the purpose of such collection.
5. The following Evaluation Committees shall be constituted for the three tiers comprising the following officials-
  - A. For Gram Panchayat:
    - 1) Block Development Officer- Chairman
    - 2) Joint Block Development Officer
    - 3) Panchayat Development Officer
    - 4) Panchayat Audit & Account Officer
    - 5) 2 Officers nominated by the BDO not below the rank of Extension Officer of the Block
  - B. For Panchayat Samiti:
    - 1) SDO or Additional SDO- Chairman
    - 2) One Officer of the rank of Deputy Magistrate
    - 3) Samiti Audit & Accounts Officer
    - 4) 2 Officers at the Sub-division level to be nominated by the SDO
  - C. For Zilla Parishad:
    - 1) Commissioner, P&RD- Chairman
    - 2) One Additional Director, P&RD, WB
    - 3) Sri Debashis Das, Joint Secretary of the P&RD Department
    - 4) Senior Audit & Accounts Officer and Ex-Officio Joint Secretary of the P&RD Department

- 5) One Additional Director of SIPRD
- 6) One Joint Director of the Directorate, P&RD, WB
- 7) One Joint Director of SIPRD

In the event of non-availability of official for any tier or the post lying vacant, the District Magistrate or the Chairman of the Evaluation Committee, as the case may be, shall nominate requisite number of Officers for inclusion in the Evaluation Committee

6. The PRIs shall only write objective responses in the questionnaire mentioning the source of information/ supporting office documents in favour of such response but shall not put any marks.
7. During evaluation the Evaluation Committee for any tier shall verify the responses made by the PRI and put marks accordingly.
8. The evaluated and marked filled-in questionnaires for GP and PS shall be collected by respective DP&RDO who shall prepare a consolidated list according to the decreasing order of marks obtained by PRIs of a particular tier within the district. Such lists shall be forwarded to State level after due recommendation of the District Magistrate.
9. The filled-in questionnaires of the Zilla Parishad shall directly be received in the office of the Commissioner, P&RD, West Bengal. The Evaluation Committee for the Zilla Parishad shall evaluate the filled-in questionnaires in a similar manner and forward the recommended list in the order of decreasing marks to the State level.
10. The State Panchayat Performance Assessment Committee (SPPAC) constituted at the State level shall consider the lists received from the Districts as well as from the Commissioner, P&RD and recommend State level field verification to selected top ranking Panchayat Bodies according to merit.
11. The State level field verification (SLFV) team constituted by the State Government shall visit such short-listed Panchayats and submit their reports within a fixed period.
12. After receipt of the reports of the SLFV team, the SPPAC shall finally recommend requisite number of Panchayats to the State Government for finally recommending the names of Panchayat Bodies to the Ministry of Panchayati Raj by the State Government.
13. The incentive from the State Government shall be awarded to the selected best performing Panchayats of a Block or District based on the ranked list received from the districts in due course.
14. Since very little time is left to the State Government for sending the recommendation to the Ministry in the current year, the work is to be completed strictly in a bound manner. The time line for the work mentioning different stages is annexed with this letter. If there is delay in receiving the filled-in questionnaire from any Panchayat body beyond the stipulated date, such questionnaire from any Panchayat body may not be considered for evaluation. However, efforts should be made to ensure participation of 100% Panchayats in the process.
15. The State Government shall identify some questions in the questionnaires for all the three tiers as on-watch indicators. The Panchayats lagging on those selected on-watch indicators or showing performance

below average shall be subsequently extended with meaningful hand holding support under the Capacity Building component of RGPSA.

16. After the evaluation is completed, the data in the filled-in questionnaires shall be computerised at the district level through outsourcing. As in previous years, Rs. 50/questionnaire (for GP and PS) shall be released to the districts from the State level on receipt of the soft version of the database and the claim.

The works shall have to be completed in the time bound manner.

Yours faithfully



(Saurabh Kumar Das)

No. 3732(18)/1(6)/PN/O/I/3C-4/06(Pt.-II)

Dated: 01.11.2013

Copy forwarded for information and necessary action to:

1. The Sabhadhipati, ..... Zilla Parishad(All)
2. The Commissioner, Panchayat & Rural Development Department, West Bengal.
3. The Director, SIPRD, Kalyani, Nadia.
4. The Additional Executive Officer, ..... Zilla Parishad.(All)
5. The Dist. Panchayat & Rural Development Officer, .....(All)

He is requested to circulate the copy of this communication to all concerned at the district level.

6. Shri .....

OSD & EODS to the  
Government of West Bengal



**ANNEXURE**

(Memo No. 3732/PN/O/I/3C-4/06(Pt.-II), dated: 01.11.2013)

**Timeline for Panchayat Performance Assessment (2013-14)**

**[Based on the performance of the Panchayats during the year 2012-13]**

1. Circulation of questionnaires to PRIs at District level - by **15/11/2013**
2. Receipt of filled in questionnaires from Panchayats to Block (for GP) / Subdivision (for PS) / Commissioner, P&RD (for ZP)- by **30/11/2013**
3. Completion of Verification / Evaluation at Block (for GP) / Subdivision (for PS) / Commissioner, P&RD (for ZP)- by **31/12/2013**
4. Forwarding of ranked list by districts (for PS & GP) - by **05.01.2014**
5. Forwarding of ranked list of ZP by Commissioner, P&RD to the State Government-by **05.01.2014**
6. State level field verification between **10.01.2014** and **20.01.2014**
7. Recommendation of SPPAC to State Government- by **25.01.2014**
8. Sending recommendation by State Government to MoPR - **By 31.01.2014**



**Annexure VI**  
**“ANDHRA PRADESH SCHEDULED CASTES SUB-PLAN AND TRIBAL SUB-  
PLAN (PLANNING, ALLOCATION AND UTILISATION OF FINANCIAL  
RESOURCES) ACT, 2013”**





# ఆంధ్రప్రదేశ్ రాజపత్రము

## THE ANDHRA PRADESH GAZETTE PART IV-B EXTRAORDINARY PUBLISHED BY AUTHORITY

No.1] HYDERABAD, THURSDAY, JANUARY 24, 2013

### ANDHRA PRADESH ACTS, ORDINANCES AND REGULATIONS Etc

The following Act of the Andhra Pradesh Legislature received the assent of the Governor on the 24<sup>th</sup> January, 2013 and the said assent is hereby first published on the 24<sup>th</sup> January, 2013 in the Andhra Pradesh Gazette for general information.

#### ACT No. 1 OF 2013

**AN ACT ANDHRA PRADESH SCHEDULED CASTES SUB-PLAN  
AND TRIBAL SUB-PLAN (PLANNING, ALLOCATION AND  
UTILISATION OF FINANCIAL RESOURCES) ACT, 2013**

#### ARRANGEMENT OF CLAUSES

#### CHAPTER – I

#### PRELIMINARY

1. Short title, extent, commencement, duration and savings.
2. Definitions.

## **CHAPTER – II**

### **PLANNING, RESOURCE ALLOCATION FOR SCHEDULED CASTES SUB-PLAN AND TRIBAL SUB-PLAN FUNDS AND SCHEMES**

3. Earmarking of Scheduled Castes Sub-Plan / Tribal Sub-Plan Fund from Plan outlays.
4. Communication of Plan outlay earmarked as Scheduled Castes Sub-Plan/Tribal Sub-Plan Fund to the departments.
5. Schemes to be included under the Scheduled Castes Sub-Plans and Tribal Sub-Plans.
6. Promotion of equity among Scheduled Castes and Scheduled Tribes.
7. Obligation to cover Scheduled Castes/Scheduled Tribes in general schemes.
8. Formulation of Scheduled Castes Sub-Plan/Tribal Sub-Plan schemes and preparation of Sub-Plans by the departments.
9. Submission of Sub-Plans proposed to be included in the Annual Plan for appraisal.

## **CHAPTER – III**

### **APPRAISAL, ALLOCATION OF SCHEDULED CASTES SUB-PLAN/TRIBAL SUB-PLAN FUND AND APPROVAL OF THE SUB-PLANS**

10. Appraisal of the Scheduled Castes Sub-Plan and Tribal Sub-Plan Schemes by the Nodal Agencies.
11. Allocation of Scheduled Castes Sub-Plan Fund and Tribal Sub-Plan Fund for financing the Scheduled Castes Sub-Plan/Tribal Sub-Plan schemes included in the Sub-Plans.
12. Recommendation by the Nodal Agencies and Nodal Departments.

## **CHAPTER – IV**

### **BUDGET PROVISIONING, DISTRIBUTION AND STRENGTHENING OF IMPLEMENTATION MACHINERY**

13. Budget allocations.
14. Scheduled Castes Sub-Plan and Tribal Sub-Plan wing in Finance Department.
15. Budget Release Orders.

## **CHAPTER – V**

### **INSTITUTIONAL ARRANGEMENTS**

16. State Council for Development of Scheduled Castes/Scheduled Tribes.
17. Functions of the State Council.
18. Nodal Agency and Nodal Department.
19. Functions of the Nodal Agency and Nodal Department.
20. Administrative and technical support to Nodal Department for Scheduled Castes Sub-Plan/Tribal Sub-Plan.
21. Department level Sub-Plan Support Unit.
22. Implementation of Scheduled Castes Sub-Plan/Tribal Sub-Plan schemes in the districts.
23. Institutional strengthening for effective implementation and monitoring.

## **CHAPTER – VI**

### **TRANSPARENCY AND ACCOUNTABILITY IN THE IMPLEMENTATION OF SCHEDULED CASTES SUB-PLAN/TRIBAL SUB-PLAN**

24. Transparency and accountability.
25. Incentives and penalties.
26. Annual Report to be placed before State Legislature.
27. Power to make Rules.
28. Power to remove difficulties.

### **ANDHRA PRADESH SCHEDULED CASTES SUB-PLAN AND TRIBAL SUB-PLAN (PLANNING, ALLOCATION AND UTILISATION OF FINANCIAL RESOURCES) ACT, 2013.**

An Act to ensure, accelerated development of Scheduled Castes and Scheduled Tribes with emphasis on achieving equality in the next ten years focusing on economic, educational and human development along with ensuring the security and social dignity and promoting equity among Scheduled Castes and the Scheduled Tribes, by earmarking a portion, in proportion to population of Scheduled Castes and Scheduled Tribes in the State, of the total plan outlay of the State of Andhra Pradesh as the outlay of the Scheduled Castes Sub-Plan/Tribal Sub-Plan of the State and ensuring effective institutional mechanisms for the

implementation and for matters connected therewith or incidental thereto.

Be it enacted by the Legislature of the State of Andhra Pradesh in the Sixty-third year of the Republic of India as follows:

### CHAPTER – I

1. This Act may be called the Andhra Pradesh Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning, Allocation and Utilization of Financial Resources) Act, 2013. **Preliminary Short title, extent, commencement, duration and savings.**
  2. It extends to the whole of the State of Andhra Pradesh.
  3. It shall come into force on such date as the State Government may, by notification in the Andhra Pradesh Gazette, appoint, and different dates may be appointed for different provisions of this Act.
  4. It shall cease to have effect after the expiry of ten years from the date of commencement, except in respect of this done or omitted to be done before such cesser and upon such cesser the Andhra Pradesh General Clauses Act, 1891, shall apply as if this Act had been repealed by a State Act.
2. In this Act, unless the context otherwise requires,- **Definitions**
- a) **"The Department"** means any Government Department concerned with implementation of the plan schemes for the welfare of Scheduled Castes and Scheduled Tribes;
  - b) **"Gaps in development"** means differences in development indicators of Scheduled Castes/ Scheduled Tribes when compared to the state averages, as may be prescribed particularly relating to human and economic development;
  - c) **"General Schemes"** means schemes included in the Annual Plans of the Departments which benefit all social groups including Scheduled Castes and Scheduled Tribes;



- d) **“Government”** means the State Government of Andhra Pradesh;
- e) **“Nodal Agency for SCSP”** means the committee headed by Minister of Social Welfare;
- f) **“Nodal Agency for TSP”** means the committee headed by Minister of Tribal Welfare;
- g) **“Nodal Department”** means Social Welfare Department for Scheduled Castes Sub-Plan and Tribal Welfare Department for Tribal Sub-Plan;
- h) **“Notification”** means notification published in the Andhra Pradesh Gazette and the word ‘Notified’ shall be construed accordingly;
- i) **“Prescribed”** means prescribed by the Government by rules made under the Act;
- j) **“State Council”** means State Council for Development of Scheduled Castes and Scheduled Tribes constituted under the Act;
- k) **“Scheduled Castes and Scheduled Tribes”** shall have the meanings assigned respectively under clauses (24) and (25) of article 366 of the Constitution of India;
- l) **“Scheduled Castes Sub-Plan (SCSP)”** means the Plan approved by the State Council for inclusion in the Annual Plan of the Department to bridge the gap in development of Scheduled Castes and shall include the SC component of general schemes;
- m) **“Tribal Sub-Plan (TSP)”** means the Plan approved by the State Council for inclusion in the Annual Plan of the Department to bridge the gap in development of Scheduled Tribes and shall include the ST component of general schemes;
- n) **“Scheduled Castes Sub-Plan/Tribal Sub-Plan Fund”** means a portion of the total plan outlays of the State, in a financial year, as earmarked under the section 3;

- o) **“Scheduled Castes Sub-Plan/Tribal Sub-Plan Schemes”** means the Scheduled Castes Sub-Plan/Tribal Sub-Plan schemes included in the Scheduled Castes Sub-Plan/Tribal Sub-Plan of the Departments
- p) **“Scheduled Castes/Scheduled Tribe habitation”** means any habitation where population of Scheduled Castes or Scheduled Tribes or combined population of Scheduled Castes and Scheduled Tribes is not less than 40% of the total population of the habitation;
- q) **“Sub-Plans”** means Scheduled Castes Sub-Plan (SCSP) or Tribal Sub-Plan (TSP) or both;
- r) **“Scheduled Areas”** means areas notified under Part C of Fifth Schedule to Constitution of India;
- s) **“Report regarding administration of Scheduled Areas”** means the Report by the Governor to the President of India regarding administration of Scheduled Areas as mentioned in paragraph 3 of Part A of Fifth Schedule to Constitution of India;
- t) **“A.P. Tribes Advisory Council”** means the Tribes Advisory Council as mentioned in paragraph 4 of Part B of Fifth Schedule to Constitution of India.”

## CHAPTER - II

### PLANNING, RESOURCE ALLOCATION FOR SCHEDULED CASTES SUB-PLAN AND TRIBAL SUB-PLAN FUNDS AND SCHEMES

3. The State shall, in every financial year, earmark in such manner as may be prescribed, a portion of the total Plan outlays of the State which shall be proportionate to the Scheduled Castes/Scheduled Tribe population of the State, to be called as Scheduled Castes Sub-Plan and Tribal Sub-Plan Fund:

**Earmarking of Scheduled Castes Sub-Plan/Tribal Sub-Plan Fund from Plan outlays.**

Provided that, the Fund to be earmarked is determined at least 6 months prior to commencement of the next financial year:

Provided further that, the Scheduled Castes Sub-Plan and Tribal Sub-Plan Fund outlay shall be revised according to State Annual Plan final outlay and:

Provided also that the expenditure of the SCSP/TSP Fund shall be accounted for in the manner hereafter specified in this Act.

4. The department as may be authorized by the Government shall, every financial year, communicate, in the manner prescribed, to the other departments, a tentative plan outlay out of Scheduled Castes Sub-Plan/Tribal Sub-Plan Fund as earmarked under Section 3 for preparation of respective department wise Scheduled Castes Sub-Plan/Tribal Sub-Plan.

**Communication of Plan outlay earmarked as Scheduled Castes Sub-Plan/Tribal Sub-Plan Fund to the departments**

5. The Sub-Plans of the departments shall include only such schemes that secure direct and quantifiable benefits to the Scheduled Caste/Scheduled Tribe individuals or Scheduled Caste/Scheduled Tribe households or Scheduled Caste/Scheduled Tribe habitations or Tribal areas and that have the potential to bridge the gaps in development following the norms laid down in this Act and the rules made there under:

**Schemes to be included under the Scheduled Castes Sub-Plans and Tribal Sub-Plans.**

Provided that the schemes should be consistent with the Annual and Five Year Plans and priorities of the State of Andhra Pradesh as may be communicated by the Planning department.

6. The departments shall prepare Scheduled Castes Sub-Plan/Tribal Sub-Plan to promote equity in the development among various social groups within Scheduled Castes/Scheduled Tribes and focused development of backward Scheduled Castes/Scheduled Tribe habitations. In case of Tribal Sub-Plan, special attention shall be paid to Scheduled Tribes residing in the Scheduled Areas.

**Promotion of equity among Scheduled Castes and Scheduled Tribes**

7. The departments shall ensure coverage of Scheduled Castes/Scheduled Tribes in the ongoing general schemes consistent with their eligibility for the same.

**Obligation to cover Scheduled Castes/Sch. Tribes in general schemes.**

8. On receipt of communication under section 4, each department, shall, after estimating the gaps in the development of Scheduled Castes/Scheduled Tribes, prioritize the development needs of Scheduled Castes/Scheduled Tribes through a consultative process, as may be prescribed and shall formulate the Scheduled Castes Sub-Plan/Tribal Sub-Plan schemes and prepare the Sub-Plans comprising of the Scheduled Castes Sub-Plan/ Tribal Sub-Plan schemes, within the State Plan priorities as communicated under section 5.

**Formulation of Scheduled Castes Sub-Plan/Tribal Sub-Plan schemes and preparation of Sub-Plans by the departments.**

9. Each Department, excluding the departments separately notified under this Act, shall submit each year, to the respective Nodal Departments, the Sub-Plans comprising of Scheduled Castes Sub-Plan/Tribal Sub-Plan Schemes proposed to be included in the Annual Plans, for appraisal by the Nodal Agency concerned, within the time frame and in the format, as may be prescribed.

**Submission of Sub-Plan proposed to be included in the Annual Plan for appraisal.**

### CHAPTER-III

#### APPRAISAL, ALLOCATION OF SCHEDULED CASES SUB-PLAN/TRIBAL SUB-PLAN FUND AND APPROVAL OF THE SUB-PLANS

10. The Nodal Agency for Scheduled Castes Sub-Plan/ Tribal Sub-Plan, shall take up appraisal of the Scheduled Castes Sub-Plan schemes and Tribal Sub-Plan schemes respectively submitted by departments, to ensure conformity with the conditions and norms laid down in the Act.

**Appraisal of the Scheduled Castes Sub-Plan and Tribal Sub-Plan Schemes by the Nodal Agencies.**

11. The respective Nodal Agency, while indicating allocation of Scheduled Castes Sub-Plan Fund and Tribal Sub-Plan Fund to the Scheduled Castes Sub-Plan/Tribal Sub-Plan schemes shall follow the following norms namely;-

**Allocation of Scheduled Castes Sub-Plan Fund and Tribal Sub-Plan Fund for financing the Scheduled Castes Sub-Plan/Tribal Sub-Plan schemes included in the Sub-Plan.**

- a) For schemes exclusively benefiting Scheduled Caste/ Scheduled Tribe individuals or Scheduled Caste/ Scheduled Tribe households, 100% of scheme cost shall be allocated and accounted for under Scheduled Castes Sub-Plan/Tribal Sub-Plan fund.

- b) For schemes benefiting Scheduled Caste/Scheduled Tribe habitations, 100% of scheme cost shall be allocated and accounted for under Scheduled Castes Sub-Plan/Tribal Sub-Plan fund in case of other habitations the cost shall be allocated and accounted for under Scheduled Castes Sub-Plan/Tribal Sub-Plan in proportion of the population of the Scheduled Castes or Scheduled Tribes;
- c) For general schemes, included in the Sub-Plans, benefitting Scheduled Caste/Scheduled Tribe individuals or Scheduled Caste/Scheduled Tribe households, along with others, the scheme cost shall be allocated and accounted for under Scheduled Castes Sub-Plan/Tribal Sub-Plan, in proportion to the Scheduled Caste/Scheduled Tribe beneficiaries covered;
- d) In respect of non-divisible infrastructure works a portion of the scheme cost as may be determined by the Government shall be deemed to have been attributed for Scheduled Castes Sub-Plan and Tribal Sub-Plan respectively.

12. The schemes that fulfill the norms laid down in the Act shall be recommended by Nodal Agency for Social Welfare and Nodal Agency for Tribal Welfare for inclusion in the Annual Plan proposals of the departments and aggregated for placing before the State Council for Development of Scheduled Castes and Scheduled Tribes, for consideration and approval as pre-budget process.

**Recommendation by the Nodal Agencies and Nodal Department.**

#### **CHAPTER-IV**

#### **BUDGET PROVISIONING DISTRIBUTION AND STRENGTHENING OF IMPLEMENTATION MACHINERY**

13. The budget approved by the State Council for Scheduled Castes Sub-Plan/Tribal Sub-Plan shall be included in the Demands for Grants for the departments under the relevant head of account for the Scheduled Castes Sub-Plan/Tribal Sub-Plan.

**Budget allocations.**

14. There shall be an exclusive Secretary, Finance in Finance Department for performing the functions relating to Budget implementation and allocation according to the provisions of this Act within the overall discipline of the ways and means positions as determined by the Finance department.

**Scheduled Castes Sub-Plan and Tribal Sub-Plan wing in Finance Department**

15. Budget Release Orders shall be issued to each department, for the amount provided in the Budget Estimates for Scheduled Castes Sub-Plan/Tribal Sub-Plan immediately after passing of the budget by the State Legislature in accordance with the schedule and norms prescribed.

**Budget Release Orders.**

## CHAPTER – V

### INSTITUTIONAL ARRANGEMENTS

16. (1) As soon as may be, after the commencement of this Act, the Government shall, by notification, constitute a Council under the Chief Minister, to be known as the State Council for Development of Scheduled Castes and Scheduled Tribes to exercise the powers conferred and to perform the functions assigned to it under the Act and the rules made thereunder.

**State Council for Development of Schedule Castes/ Scheduled Tribes.**

(2) The State council shall meet at least twice in a year.

17. The State Council shall:-

**Functions of the State Council.**

(a) Advise the State Government on all the policy matters relating to Scheduled Castes Sub-Plan/Tribal Sub-Plan;

(b) Suggest measures for proper planning and implementation of the schemes by the departments;

(c) Approve the Annual Scheduled Castes Sub-Plan/Tribal Sub-Plan proposals of the Departments;

(d) Perform such other functions as may be prescribed.

18. (1) Nodal Agencies headed by Ministers of Social Welfare and Tribal Welfare, shall be constituted in the

**Nodal agency and Nodal Department.**

Development Index against the projections for the State and district:

Provided that the directions of the Nodal Agency shall be binding on the Departments.

20. The Government shall appropriately strengthen the Nodal Departments of Social Welfare and Tribal Welfare with an Administrative and Technical Support Unit and a Sub-Plan Research Centre as may be prescribed, to perform the functions and discharge the duties assigned to it and to assist the respective Nodal Agency.

**Administrative and technical support to Nodal Department for Scheduled Castes Sub-Plan/Tribal Sub-Plan.**

21. The departments as identified by the State Council may establish a Sub-Plan Support Unit, as may be prescribed to manage the respective Scheduled Castes Sub-Plan and Tribal Sub-Plan.

**Department level Sub-Plan Support Unit.**

22. (1) The Government shall constitute a District Monitoring Committee in each district with the District Collector as its Chairman, which shall be responsible for implementation of the Scheduled Castes Sub-Plan/Tribal Sub-Plan in the district.

**Unimplementation of Scheduled Castes Sub-Plan/Tribal Sub-Plan schemes in the districts.**

(2) The District Planning Committees of each district shall review the implementation of Scheduled Castes Sub-Plan/Tribal Sub-Plan periodically.

23. The respective departments of Government shall take such measures as may be necessary for institutional strengthening of State, District and Sub-District units by providing necessary guidelines, staff and training to the staff in the manner prescribed, for effective implementation and monitoring.

**Institutional strengthening for effective implementation and monitoring.**

## CHAPTER-VI

### TRANSPARENCY AND ACCOUNTABILITY IN THE IMPLEMENTATION OF SCHEDULED CASTES SUB-PLAN/TRIBAL SUB-PLAN

24. (1) Each department shall ensure transparency and accountability at all levels in the implementation of Scheduled Castes Sub-Plan and Tribal Sub-Plan schemes.

**Transparency and accountability.**

(2) Each department shall, host the documents, as may be prescribed in public domain.

25. Government shall formulate and appropriate scheme, to award incentives for commendable performance and disincentives for proven negligence and lack of due diligence, in discharge of responsibilities under this Act by any functionary or official concerned:

**Incentives and penalties.**

Provided that disciplinary action shall be governed by the relevant service/disciplinary rules applicable to the Government officials and functionaries.

26. The Nodal agency shall place before the State Legislature, an Annual Report on outcome of implementation of Scheduled Castes Sub-Plan/Tribal Sub-Plan containing department-wise achievements and the un-utilized funds during the financial year under report. The report on TSP to the extent of scheduled areas shall form part of the Report regarding the administration of scheduled areas to be submitted to Governor in consultation with A.P. Tribes Advisory Council.

**Annual Report to be placed before State Legislature.**

27. (1) Subject to the other provisions of this Act. The Government may, by notification, make rules for carrying out all or any of the purposes of this Act.

**Power to make Rules.**

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:

(a) Determination of gaps in development of Scheduled Castes and Schedule Tribes under section 2;

(b) Earmarking Scheduled Castes Sub-Plan/Tribal Sub-Plan Funds from the plan outlays under section 3;

(c) Identification of Scheduled Castes Sub-Plan/Tribal Sub-Plan Schemes and preparation of Sub-Plans by the departments under section 8;

(d) Preparation of budget proposal of Scheduled Castes Sub-Plan/Tribal Sub-Plan for appraisal by the Nodal Departments under section 9;



- (e) Strengthen the Finance Department for monitoring expenditures under the Scheduled Castes Sub-Plan and Tribal Sub-Plan under section 14;
  - (f) Constitution of, and transaction of business in the State Council for development of Scheduled Castes and Scheduled Tribes; the qualification, disqualification and other allowances to the non-official members of the State Council under section 16;
  - (g) Constitution of Nodal Agencies for Scheduled Castes Sub-Plan and Tribal Sub-Plan under section 18;
  - (h) Maintenance of a web portal by the Nodal Agency under section 19;
  - (i) Constitution of Administrative and Technical Support Unit in respective Nodal Department for Scheduled Castes Sub-Plan/Tribal Sub-Plan under section 20;
  - (j) Constitution of Sub-Plan Support Unit at department level under section 21;
  - (k) Constitution of District Monitoring Committees and the connected matters under section 22;
  - (l) Institutional strengthening at State, district and sub-district level for ensuring effective implementation, awareness, mass contact programme, social audit and monitoring of Scheduled Castes Sub-Plan and Tribal Sub-Plan under section 23; and
  - (m) Procedures for ensuring transparency and accountability in the implementation of Scheduled Castes Sub-Plan and Tribal Sub-Plan under section 24.
- (3) Every rule made under this Act shall, immediately after it is made, be laid before the Legislature of the State, if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions and if, before the expiration of the session in which it is so laid or the session immediately following the Legislature agrees in making any modification in the rule or in the annulment of the rule,

the rule shall, from the date on which the modification or annulment is notified, have effect only in such modified form or shall stand annulled as the case may be so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

28. (1) If any difficulty arises in giving effect to the provisions of the Act, the Government may, by order, make such provisions or give such directions not inconsistent with the provisions of the Act as may appear to it to be necessary or expedient for the removal of the difficulty:

**Power to remove difficulties.**

Provided that no such power shall be exercised after the expiry of a period of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as it is made, before each House of the State Legislature.

**R.DAMODAR,**  
Secretary to Government,  
Legislative Affairs & Justice (FAC),  
Law Department

**Annexure VII**  
**Principles laid down by the Ministry of Panchayati Raj for “Activity Mapping”**



## **ACTIVITY MAPPING** **(Ministry of Panchayati Raj)**

### **1. Why Activity Mapping?**

- 1.1. Two of the problems plaguing delivery of public services in rural areas are **first**, the confused, overlapping and incomplete responsibilities of different tiers of government, which undermine accountability to rural people, and **second**, underdeveloped and ineffective systems for service providers to provide these services, regardless of whether these are operated by Panchayats or other bodies.
- 1.2. The questions that have to be answered are, **first**, which level of government should be responsible for what and, **second**, which arrangements between governments are likely to work for better service delivery. These questions are relevant for a number of sectors that have been (or are to be) devolved to Panchayats, namely, rural education (basic, continuing and literacy), rural health (curative, immunization, nutrition, vector control, pre-natal care, etc.), the primary sector (agriculture, fishery, horticulture, forestry, sericulture, animal husbandry, watershed management), water and sanitation; and anti-poverty programs (SGSY and SGRY).
- 1.3. A cornerstone of well-designed multi-level governance is that there ought to be clearly defined activities assigned to each level of government. Role clarity between levels of government is essential both for efficient delivery of services as also for people to hold the different levels of governments accountable for their performance. A precept particularly relevant at the local level is that when local governments are assigned clear tasks, devolved funds and made accountable for their performance of these newly assigned responsibilities, they have a big incentive to demand the capacity required for effective performance. Thus role clarity catalyses capacity building from being supply driven to being demand driven, which is a huge benefit. Empowered Panchayats with clear roles assigned through activity mapping would begin to also demand the staff required for effective performance. Therefore Activity Mapping can spur appropriate placement of functionaries for better service delivery.

### **2. What ought to be avoided in Activity Mapping:**

- 2.1. However, to work well, Activity Mapping has to conform to certain objective principles. Poorly designed Activity Mapping could be worse than lack of role clarity – it could leave local governments both confused and ill equipped to perform functions, and leave them open to criticism both from higher level governments and the people. Before describing a process of good activity mapping, it is therefore necessary to list out what is to be avoided, as follows:
  - Activity Mapping does not mean that subjects are devolved wholesale – they need to be unbundled into activities and assigned to different levels of government at the level of such dis-aggregation.
  - Activity Mapping ought not to be unduly influenced by the way budget items or schemes are arranged. Schemes may specifically relate to one activity or sub-activities, or might comprise of several activities, but Activity Mapping must be undertaken in accordance with an objective standard.
  - Certain activities, such as beneficiary selection, can span different budget line items. Different yardsticks cannot be applied to the assignment of the same activity on a scheme-wise basis.
  - There is no gain or loss of power through Activity Mapping; just role clarity. Activity Mapping can actually increase the role of higher level governments, though they would not be doing the same things that they were doing before.

### **3. How to undertake Activity Mapping:**

3.1. The next question is as to how activity mapping ought to be approached and responsibilities allocated across levels of government, including Panchayats at the district, intermediate and village levels. The following steps logically address the issue:

#### **3.2. First, each function ought to be unbundled into activities.**

The first step would be to unbundle each functional sectors to a level of disaggregation that is consistent with devolution. For instance, basic education, could be unbundled to sub activities such as monitoring teacher attendance, repairing schools, procuring equipment, recruiting or firing teachers, etc. Horticulture, might be unbundled into seed supply, nurseries production, technical assistance, pest control, providing price and marketing information and post harvesting support etc. These unbundled activities can be classified under five categories of activities as follows:

- Setting standards,
- Planning,
- Asset creation,
- Implementation & Management,
- Monitoring and evaluation

3.3. Second, certain 'public finance' characteristics of these activities described above, need to be understood. Each of these are described below:

#### **3.3.1. Economies of scale & scope:**

Economies of scale can determine where a particular activity needs to be positioned. Economies of scale tend to push the service towards higher levels of government. Conversely, if some activity is scale neutral in implementation, it may be preferable to push it down to the lowest level for implementation. Closely related is the issue of economies of scope. Some services may be linked in ways that makes it more efficient for one tier of government to provide all of them more efficiently, when bundled together. A good example in multivillage water supply projects, which can be managed by higher level local governments (such as ZPs in Maharashtra) or undertaken by associations of local governments (such as in the proposal to run multivillage water supply through Gram Panchayat associations in Karnataka) or contracting out to regional providers.

#### **3.3.2. Externalities:**

This means the extent of external effect of a particular activity. If the undertaking of a particular activity in a particular jurisdiction has a wide ranging effect on other jurisdictions, (i.e., spillover externalities), then such activities ought to be undertaken at a higher level. For instance, culling poultry to contain bird flu has to be managed at a higher level than Gram Panchayats, because the vector does not respect Gram Panchayat boundaries.

#### **3.3.3. Equity:**

Sometimes a particular activity can be indeed undertaken efficiently at the local level, and has no externalities, but in the interests of equity, a uniform growth pattern across jurisdictions is desirable. Such activities, for the purposes of equity, have to be dealt with at a higher level.

#### **3.3.4. Heterogeneity:**

The more heterogenous the nuances of the activity, the lower down it ought to be performed. For instance, the constitution of midday meals varies widely across states, because of local food habits. Therefore, it is better performed at the lowest level

3.4. The third set of principles that guide where an activity ought to be slotted, are those of public accountability. The following questions would arise in this regard:

- **Is the activity discretionary?** If so, it is best performed lower down, to enable transparency.
- **Is it transaction intensive?** If so, again it is best performed lower down.
- **Who can best judge performance?** If performance appraisal requires technical skills, then it could be pushed higher up.

#### 4. Creating a logical framework for analysis of activities and undertaking activity mapping:

4.1. With the above criteria, one can create a logical framework for unbundling and analyzing each activity with a view to devolving it to an appropriate level of government. It is also not ruled out that some activities tested by this criteria are suited for being placed below the Panchayat, provided that the entire system functions as a harmonious whole. The grid is described below in Tables 1 & 2:

**Table 1: Grid for assigning activity based on the category of function and the public finance principles that apply.**

Activity	Unbundled category	Principles of public finance			
		Economies Scale	Externalities	Equity	Heterogeneity
	Setting standards State	State			
	Planning				
	Asset creation				
	Operation				
	Monitoring and evaluation				

**Table 2: Analysing activities against principles of accountability:**

Activity	Unbundled category	Principles of public finance		
		Discretionary?	Transaction Intensive	Technical
	Setting standards State			
	Planning			
	Asset creation			
	Operation			
	Monitoring and evaluation			

Using these tables, one can work out as to which is the level, judged through objective yardsticks, at which a particular function can be better placed. One worked out example in respect to primary school education is placed below to better illustrate the above approach.

**5. Example 1: Assigning responsibilities under education programmes:**
**Step 1: Unbundling function into activities:**
**Table 4:**

Activity	Unbundled category	Principles of public finance			
		Economies Scale	Externalities	Equity	Heterogeneity
Syllabus setting	Setting standards	N.A.	High	Important	Low
Medium of instruction	Setting standards	N.A.	High	Important	A little
Examination system	Monitoring and evaluation	N.A.	High	Important	High
Textbook choice	Setting standards	N.A.	High	Important	A little
Setting School timings	Planning	N.A.	Reasonable	Important	A little more
Printing textbooks	Operation and management	High	Low	N.A.	A little more
Supplying notebooks	Operation and management	High	Low	N.A.	Low
Stitching and supplying uniforms	Operation and management	High(?)	Low	N.A.	Low
Deciding in which village the School ought to be	Planning	N.A.	Medium	Important	N.A.
Deciding where in the village the School ought to be	Planning	N.A.	Low	Important	N.A.
School building construction	Asset creation & maintenance	Low	Low	Not so important	Low
School building maintenance	Asset creation & maintenance	Low	Low	Not so important	Low
Appointment of teachers	Operation and management	Low(?)	Low	Important	High
Training of teachers	Setting standards	N.A.	High	Important	Low
Attendance of Teachers	Operation and management	N.A.	Low	Important	High
Leave sanction of teachers	Operation and management	N.A.	Low	Important	High
Purchase of equipment	Asset creation & maintenance	High	Low	N.A.	High
Evaluation of attainment of educational standards	Monitoring and evaluation	N.A.	High	Important	Low
School sanitation	Asset creation & maintenance	Low	Very Low	N.A.	High



Maintenance of playgrounds	Asset creation & maintenance	Low	Very Low	N.A.	High
Provision of sports equipment	Asset creation & maintenance	Medium	Very Low	High	High
Ensuring attendance of children in schools	Operation and management	Low	Very Low	High	High
Provision of mid day meals at schools	Operation and management	Medium	Very Low	High	High

**These activities can be tested against the principles of accountability as follows:**

**Table 5:**

Activity	Unbundled category	Principles of public finance		
		Discretionary?	Transaction Intensive	Technical
Syllabus setting	Setting standards	High	No	Yes
Medium of instruction	Setting standards	Low	No	No
Examination system	Monitoring and evaluation	High	No	Yes
Textbook choice	Setting standards	High	No	Yes
Setting School timings	Planning	High	Medium	No
Printing textbooks	Operation and management	Low	Yes	No
Supplying notebooks	Operation and management	Low	Yes	No
Stitching and supplying uniforms	Operation and management	Low	Yes	No
Deciding in which village the School ought to be	Planning	High.	Medium	A little
Deciding where in the village the School ought to be	Planning	High.	Low	A little
School building construction	Asset creation & maintenance	Low	Low	A little
School building maintenance	Asset creation & maintenance	Low	Low	A little
Appointment of teachers	Operation and management	Yes	Yes	Yes
Training of teachers	Setting standards	No	Yes	Yes
Attendance of Teachers	Operation and management	No	Yes	No
Leave sanction of teachers	Operation and management	No	Yes	No
Purchase of equipment	Asset creation & maintenance	Yes	Yes	A little
Evaluation of attainment of educational standards	Monitoring and evaluation	Yes.	Yes	Yes
School sanitation	Asset creation & maintenance	No	Yes	A little
Maintenance of playgrounds	Asset creation & maintenance	No	Yes	A little
Provision of sports equipment	Asset creation & maintenance	No	Yes	A little
Ensuring attendance of children in schools	Operation and management	No	Yes	No
Provision of midday meals at schools	Operation and management	No	Yes	A little

Through the above analysis a fair idea would emerge as to which activities are better suited for devolution to various levels of government. Adopting the same, the following draft activity mapping can be designed for activities pertaining to primary education.

**Table 6:**

Activity	Unbundled category	Principles of public finance					
		Centre	State	District Pan chayath	Intermedate Panchayat	Village Pan chayath	Gram/Ward Sabha
Syllabus setting	Setting standards	Yes	Yes				
Medium of instruction	Setting standards	Yes	Yes				
Examination system	Monitoring and evaluation	Yes	Yes				
Textbook choice	Setting standards	Yes	Yes				
Setting School timings	Planning			Yes			
Printing textbooks	Operation and management	Yes	Yes				
Supplying notebooks	Operation and management		Yes	Yes	Yes(?)		
Stitching and supplying uniforms	Operation and management			Yes			
Deciding in which village the School ought to be	Planning			Yes			
Deciding where in the village the School ought to be	Planning					Yes	
School building construction	Asset creation & maintenance					Yes	
School building maintenance	Asset creation & maintenance						Yes
Appointment of teachers	Operation and management				Yes		
Training of teachers	Setting standards		Yes	Yes			
Attendance of Teachers	Operation and management						Yes
Leave sanction of teachers	Operation and management						Yes
Purchase of equipment	Asset creation & maintenance				Yes		
Evaluation of attainment of educational standards	Monitoring and evaluation	Yes	Yes	Yes			
School sanitation	Asset creation & maintenance					Yes	Yes
Maintenance of playgrounds	Asset creation & maintenance						Yes
Provision of sports equipment	Asset creation & maintenance				Yes	Yes	Yes
Ensuring attendance of children in schools	Operation and management					Yes	Yes
Provision of midday meals at schools	Operation and management					Yes	Yes

The above means of approaching Activity Mapping aids in objectively slotting activities to each level. However, even so, some level of concurrency in performance of activities can be seen in the table above. This has been left so as to allow some discretion at the local level in assignment of activities, depending on the scale and size of each of the levels of government as well as an assessment of local capacities.

**Annexure VIII**  
**Entitlement available in Rajasthan, the Act and Rules**



**LAW (LEGISLATIVE DRAFTING) DEPARTMENT  
(GROUP-II)**

**NOTIFICATION**

**Jaipur, May 22, 2012**

**No. F. 2 (32) Vidhi/2/2012.**—In pursuance of Clause (3) of Article 348 of the Constitution of India, the Governor is pleased to authorize the publication in the Rajasthan Gazette of the following translation in the English language of the Rajasthan Sunwai ka Adhikar Adhiniyam, 2012 (2012 Ka Adhiniyam Sankhyank 22):—

**(Authorized English Translation)**

**THE RAJASTHAN RIGHT TO HEARING ACT, 2012**

**(Act No. 22 of 2012)**

[Received the assent of the Governor on the 21<sup>st</sup> day of May, 2012]

*An*

*Act*

*to provide the right of hearing to the people within stipulated time limits and to provide for the matters connected therewith and incidental thereto.*

Be enacted by the Rajasthan State Legislature in the Sixty-third Year of the Republic of India, as follows:—

**1. Short title, extent and commencement.** - (1) This Act may be called the Rajasthan Right to Hearing Act, 2012.

(2) It shall extend to the whole of the State of Rajasthan.

(3) It shall come into force on such date, as the State Government may, by notification in Official Gazette, appoint.

**2. Definition.-** In this Act, unless the context otherwise requires,-

- (a) "complaint" means any application made by a citizen or a group of citizens to a Public Hearing Officer for seeking any benefit or relief relating to any policy, programme or scheme run in the State by the State Government or the Central Government, or in respect of failure or delay in providing such benefit or relief, or regarding any matter arising out of failure in the functioning of, or violation of any law, policy, order, programme or scheme in force in the State by, a public authority but does not include grievance relating to the service matters of a public servant, whether serving or retired, or relating to any matter in which any Court or Tribunal has jurisdiction or relating to any matter under Right to Information Act, 2005(Central Act No. 22 of 2005) or services notified under the Rajasthan Guaranteed Delivery of Public Services Act, 2011 (Act No. 23 of 2011);
- (b) "right to hearing" means an opportunity of hearing provided to the citizens on a complaint within the stipulated time limit and right to get information about the decision made in the hearing on the complaint ;
- (c) "Public Hearing Officer" means a Public Hearing Officer notified under section 3;
- (d) "Information and Facilitation Centre" means an Information and Facilitation Centre, including customer care centre, call centre, help desk and people's support centre established under section 5;
- (e) "public authority" means the State Government and its departments and includes any authority or

body or institution established or constituted by or under any law made by the State Legislature and owned, controlled or substantially financed, directly or indirectly, by the funds provided by the State Government;

- (f) "first appellate authority" means an officer or authority notified as such under section 3;
- (g) "second appellate authority" means an officer or authority notified as such under section 3;
- (h) "stipulated time limit" means the maximum time allowed to Public Hearing Officer for providing an opportunity of hearing on a complaint, or to the first appellate authority or the second appellate authority for deciding an appeal, or to the aforesaid authorities for informing the complainant or appellant, as the case may be, of the decision on such complaint or appeal, as the case may be;
- (i) "days" means the working days, referred to as time limit;
- (j) "decision" means a decision taken on a complaint or appeal or revision by the Public Hearing Officer or appellate authority or revision authority notified under this Act and includes the information sent to the complainant or the appellant, as the case may be;
- (k) "prescribed" means prescribed by the rules made under this Act; and
- (l) "State Government" means the Government of Rajasthan.

**3. Notification of Public Hearing Officers, first appellate authority, second appellate authority and revision authority and stipulated time limit.-** The State Government may notify from time to time, the Public Hearing Officer, first appellate authority, second appellate authority and revision authority and stipulated time limits.

**4. Right to get opportunity of hearing on complaint within the stipulated time limit.**-(1) The Public Hearing Officer shall provide an opportunity of hearing on a complaint filed under this Act within the stipulated time limit.

(2) The Public Hearing Officer may seek the assistance of any other officer or employee as he considers it necessary for the proper discharge of his duties under sub-section (1).

(3) Any officer or employee, whose assistance has been sought under sub-section (2), shall render all assistance to the Public Hearing Officer seeking his assistance and for the purposes of any contravention of the provisions of this Act, such other officer or employee, as the case may be, shall be treated a Public Hearing Officer.

(4) The stipulated time limit shall start from the date when a complaint is filed to the Public Hearing Officer or to a person authorized by him to receive the complaints. Receipt of a complaint shall be duly acknowledged.

(5) The Public Hearing Officer on receipt of a complaint under sub-section (1) shall, within the stipulated time limit, provide an opportunity of hearing to the complainant and after hearing the complainant, decide the complaint either by accepting it or by referring it to an authority competent to grant the benefit or relief sought for or by suggesting an alternative benefit or relief available under any other law, policy, order, programme or scheme or by rejecting it for the reasons to be recorded in writing and shall communicate his decision on the complaint to the complainant within the stipulated time limit.

**5. Establishment of Information and Facilitation Centre.**-(1) For the purposes of the efficient and effective redressal of grievance of the people and to receive complaints under this Act, the State Government shall establish Information and Facilitation Centers which may include establishment of



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customer care centers, call centers, help desks and people's support centers.

(2) The State Government may, by notification, make rules in relation to Information and Facilitation Centers.

(3) Every public authority shall be responsible for the development, improvement, modernization and reform in redressal of grievance system including redressal of grievance through information technology.

**6. Appeal.-** (1) Any person who is not provided an opportunity of hearing within the stipulated time limit or who is aggrieved by the decision of the Public Hearing Officer, may file an appeal to the first appellate authority within thirty days from the expiry of the stipulated time limit or from the date of the decision of the Public Hearing Officer:

Provided that the first appellate authority may admit the appeal after the expiry of the period of thirty days if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) If the Public Hearing Officer does not comply with the provision of section 4, any person aggrieved by such non-compliance may submit complaint directly to the first appellate authority which shall be disposed of in the manner of a first appeal.

(3) The first appellate authority may order the Public Hearing Officer to provide the opportunity of hearing to the complainant within the period specified by it or may reject the appeal.

(4) A second appeal against the decision of the first appellate authority shall lie to the second appellate authority within thirty days from the date of the decision of the first appellate authority:

Provided that the second appellate authority may admit the appeal after the expiry of the period of thirty days if it is satisfied

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that the appellant was prevented by sufficient cause from filing the appeal in time.

(5) An aggrieved person may file an appeal directly to the second appellate authority, if the Public Hearing Officer does not comply with the order of first appellate authority under sub-section (3) or the first appellate authority does not dispose of the appeal within the stipulated time limits which shall be disposed of in the manner of a second appeal.

(6) The second appellate authority may order the Public Hearing Officer or the first appellate authority to provide an opportunity of hearing to the complainant or dispose of the appeal, as the case may be, within the period specified by it or may reject the appeal.

(7) Along with the order to provide an opportunity of hearing to the complainant, the second appellate authority may impose a penalty on Public Hearing Officer in accordance with the provisions of section 7.

(8) The first appellate authority and second appellate authority shall, while deciding an appeal under this section, have the same powers as are vested in a civil court while trying a suit under the Code of Civil Procedure, 1908 (Central Act No. 5 of 1908) in respect of the following matters, namely:-

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) discovery and production of any document or other material object producible as evidence;
- (c) receiving evidence on affidavits;
- (d) requisitioning of any public record;
- (e) issuing commission for the examination of witnesses;
- (f) reviewing its decisions, directions and orders; and/or
- (g) any other matter which may be prescribed.

**7. Penalty.-** (1) Where the second appellate authority is of the opinion that the Public Hearing Officer has failed to provide an opportunity of hearing within the stipulated time limit without sufficient and reasonable cause, it may impose on him a penalty which shall not be less than five hundred rupees but which shall not exceed five thousand rupees:

Provided that before imposing any penalty under this sub-section, the person on whom penalty is proposed to be imposed shall be given a reasonable opportunity of being heard.

(2) The penalty imposed by the second appellate authority under sub-section (1) shall be recoverable from the salary of the Public Hearing Officer.

(3) The second appellate authority, if it is satisfied that the Public Hearing Officer or the first appellate authority has failed to discharge the duties assigned to him under this Act, without assigning sufficient and reasonable cause, may recommend action against him under the service rules applicable to him.

**8. Revision.-** The Public Hearing Officer or first appellate authority aggrieved by an order of the second appellate authority in respect of imposing of penalty under this Act may make an application for revision to the officer or authority nominated by the State Government within a period of sixty days from the date of that order. The nominated officer or authority shall dispose of the application in accordance with the prescribed procedure:

Provided that the officer or authority nominated by the State Government may entertain an application after the expiry of the said period of sixty days, if he is satisfied that the applicant was prevented by sufficient cause from filing the appeal in time.

**9. Protection of action taken in good faith.-** No suit, prosecution or other legal proceedings shall lie against any person

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for anything which is done or intended to be done in good faith under this Act or any rules made thereunder.

**10. Bar of jurisdiction of courts.-** No civil court shall have jurisdiction to hear, decide or deal with any question or to determine any matter which is by or under this Act required to be heard, decided or dealt with or to be determined by the Public Hearing Officer, first appellate authority, second appellate authority or the officer nominated by the State Government.

**11. Provisions to be in addition to existing laws.-** The provisions of this Act shall in addition to, and not in derogation of, any other law for the time being in force.

**12. Power to make rules.-** (1) The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) All rules made under this section shall be laid, as soon as may be, after they are so made, before the House of the State Legislature, while it is in session, for a period of not less than fourteen days, which may be comprised in one session or in two successive sessions and if before the expiry of the session in which they are so laid or of the session immediately following, the House of the State Legislature makes any modification in any such rules or resolves that any such rule should not be made, such rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done thereunder.

**13. Removal of difficulties.-** (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by an order published in the Official Gazette, do anything,

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not inconsistent with the provisions of this Act, which appears to it to be necessary or expedient for removing the difficulty:

Provided that no order under this section shall be made after the expiry of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be, after it is so made, before the House of the State Legislature.

प्रकाश गुप्ता,

**Principal Secretary to the Government.**

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**Government Central Press, Jaipur.**