

**Consultation on “Gram Panchayat Development Plan – Opportunities and Challenges in India”  
Western Region**

**organized by SETU Learning Lab, SETU Abhiyan, Kutch, Gujarat,  
at Ahmedabad Management Association (AMA), Ahmedabad  
on 28<sup>th</sup> and 29<sup>th</sup> Sept 2018**

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**Background**

The devolution of untied funds to Gram Panchayats (GPs) under the Fourteenth Finance Commission and the implications for the empowerment of Gram Panchayats is considered a breakthrough towards strengthening local governance. The process of empowering local governments and bridging the gap between citizens and local governments has triggered efforts of GPs towards preparation of the participatory Gram Panchayat Development Plan (GPDP) across the country. It is expected that the process of plan development involves the citizens and Gram Sabha to identify, prioritize and implement development initiatives relevant to the lives of the villagers.

While the plans are being developed, and many implemented, the experience of GPDP across the country varies in the scope, achievements, process challenges and limitations, as also the institutional structures and implications on linkages of GPs with Block and District Panchayats and various departments which engage at the GP level.

The Learning Lab for Local Governance (SETU-LL), SETU Abhiyan, Kutch, is an incubator of ideas and initiatives to strengthen the value of local governance in the public domain. It undertakes and facilitates documentation, research and learning events in partnership with local governance institutions, civil society organizations and academia. The SETU- LL with its aim to contribute to the overall local governance discourse is organizing a series of regional consultations on “GPDP – Opportunities and Challenges”. The first of these consultations was for the five states of the Western Region, on 28th and 29th September 2018.

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**GPDP – An assessment**

Following recommendations of the 14<sup>th</sup> Finance Commission, the GPDP process was rolled out in 2015 with State specific government orders, local norms and guidelines and activation of Panchayati Raj Departments. A majority of Gram Panchayats have prepared and uploaded plans. In addition to the Southern states which have traditionally been proactive, states like Sikkim, Assam, Jharkhand, Andhra Pradesh and West Bengal have been proactive in taking GPDP forward. Uttar Pradesh where PRIs have traditionally lagged behind has also taken significant strides.

While its early days, the experience over the past two to three years gives some insights into what the process is turning out to be. GPDP should be characterized by inclusiveness and address the needs of different sections of the population. However, there are concerns about participation and inclusion in the GPDP process. Local Governance Institutions including Gram Sabha, GP level committees, GP body, etc faced difficulty in coming together on the agenda of planning and Sarpanch and GP Secretaries played major role in planning.

Consolidated plans for the village, considering needs of all sections of the community, and not plans driven by departmental schemes and funds, are the exception rather than the rule.

Capacities, however needed hand holding, especially for preparing action-oriented plans linked with the situation analysis. The provision of Technical Support Group/ Voluntary Technical Core needs to be effectively leveraged. The integration of IT in the process without adequate support mechanisms are limiting the transparency envisaged.

GPDP has become synchronous with the Fourteenth Finance Commission, so much so that GPDP plans often limit themselves to the funds and activity basket envisaged by the FFC. The opportunity for convergence with MNREGA is conspicuous, however, administrative systems and mechanisms for monitoring and trouble-shooting need to be adequate while accountability systems particularly social audits need more efficiency.

It is emphasized that funds should not be the pivotal for GPDP, it should not be bound by directives from the top, and should include all activities which needs funds and which do not need funds but needs negotiations and dialogue in the village and regulation by the Local Government. There are scopes for vibrant engagement of elected members for participatory planning and involvement of District Collector and Development Commissioner.

### **Opportunities**

The Government of India has announced a People's Plan Campaign to take forward the GPDP process, and this is a powerful signal. The partnership between Panchayati Raj and Rural Development at Gol level augurs well. The process of involvement of SHGs is being encouraged, which can help harness participation and strengthen local democracy. The People's Plan Campaign can therefore kickstart GPDP and address issues which have been flagged.

The Sumit Bose Committee Report made several recommendations which will strengthen the GPDP process. As India is a vital participant in the United Nations, synergizing with and localizing SDGs is another opportunity which can be harnessed. The NIRD-PR is geared to support states in the process, working with 100 clusters, addressing about 500 GPs in a hub and spoke model in doing GPDP as it should be done. There is also growing engagement from NGOs.

A rapid stock taking in the form of a '*People's Report on GPDP*' will yield areas for improvement. The MoPR could focus on GPDP in the State of Panchayat Reports, from which a national picture will emerge. Local learnings can be incorporated to make the national framework more robust. At the state level efforts have to be made to specify and detail processes, streams of resources and implementation support to Gram Panchayats.

A situation analysis at the local level is a vital starting point. Data can be drawn from SECC data and other participatory sources. It is important to have a voluntary technical core (core or committee) (VTC) involving academicians, NGOs, retired officials, ex-panchayat functionaries, at the Block level if possible or at the district level to support panchayats in the GPDP process.

Within the state powers, social and administrative context, there needs to be a statement of what Panchayats can do for poverty, economic development, ecological development, human development, inclusion, service development. Panchayats can do lot of development without spending money as "costless development", just by using services reach beneficiaries, leveraging technologies, exercising its regulatory powers, etc.

Good local governance automatically leads to development. Participation, transparency, grievance redressal, service delivery will itself lead to performance. Gram kachheri, where all officials come together on a particular day, symbolically raises status of Gram Panchayat.

About 50,000 GPs do not have their own buildings. NREGA allows Panchayat Ghar as a permissible activity and this and other resources need to be drawn to ensure that the close to 20% GPs which do not have their own building soon have one.

Resource clusters need to be selected all over India to achieve coverage in a hub and spoke model for effectively making GPDP happen over 3 years.

High quality reports advocating on benefits of devolving funds to Local Governments needs to be placed before 15<sup>th</sup> FC. The People's Plan Campaign should be made a priority in the 2019 elections.

The decennial census does not take GPs as a unit. Data collected GP wise, using the GP directory, will help in streamlining information. GPDP should be a system forever.

The main purpose of Panchayats is to plan and implement programmes for economic development and social justice. Once this was started, circulars were issued by Gol that development plans must be drawn by GPs and reach Blocks and District Planning Committee. However, the key issue was the lack of resources to develop and implement the plans. There was no data to feed into plans, and adequate capacities were not there. The 14th Finance Commission is a great opportunity, where clearly funds have been allocated. This is an opportunity which should not be missed.

The GP should become the institutions of governance at the local level, something which really matters to the people in the Gram Panchayat. All officials of the local government should converge in the Gram Panchayat office. This will make it truly an institution of local governance. GPDP is an opportunity to make the GP important in the life of the citizen.

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### **Thematic Session- I: Overview of the status of GPDP in five states of Western India**

Presentations were made on the status of GPDP in the states of Rajasthan, Madhya Pradesh, Gujarat, Goa and Maharashtra. While there are variances in structures and processes across the States, there were issues that were common to all States:

- If powers are transferred to the Gram Panchayats, do the GPs realize the powers? Does the system provide that enabling structure for them to practice it? If each of the concerned departments are asked to incorporate GP related rules into their mandate, then GP's decisions may be binding on them. The five-year plan is not a plan as plans can only happen annually related to an annual budget. Hence, other departments' planning will not be complete if the activities from GPDP are not incorporated in them. Social audit provisions have been made and orders and manuals must also have these mentioned. The provisions for positive discrimination, in terms of gender budgeting etc need to be considered and civil society needs to enter into these technical details, understand them and lobby for them.
- The role of state and district planning committees need to be redefined; will DPC strengthening help or not needs to be reconsidered
- The SIRDs' role and their activities may be relooked at and aligned with the State's orders and the actual requirements. Civil societies need to bring a push in here.
- All transactions are becoming digitized and there emerges a need to check whether the people are also changing in pace with the digital change.

### **Thematic Session II: GPDP across three tiers of Panchayati Raj System: experiences of District and Block panchayat representatives from 3 States**

The three states Gujarat, Maharashtra and Rajasthan bring three stories. All of them depicted exactly what is happening at the grass root. are realistic, and reflect what is happening. The first story has the Block Panchayat telling GP what their priority should be. The second story has the Block and District panchayat saying that they should have more control and coordination and they want to be with GPs. The third story is that GP coordination and administration are with the with Block and District administration. Panchayati Raj institutions imply a three-tier system involving coordination, linkages, role specifications and dynamics across all levels. The first story talked about difficulties, coordinating with at GP level, but not about difficulties coordinating with District level. So, there should be a focus on the entire system and not just a part of it.

Planning pre-supposes an assignment of responsibilities. The State, District, Block or Gram Panchayat prepares plans for a given geographical area having formal control. depending on the area you have been given some formal control. The next question is what is resource envelope, and this includes funds that can be used as per discretion including own funds and State Finance Commission funds. A large amount of discretion comes from NREGA and 14th FC. Beyond that, some States have schematic funds and some State support for the GP plan. So a plan is prepared only for that. There can be two kinds of

plans: (a) perspective plan, which can include everything, all desires; and (b) annual plan which is tied to a given amount of resource and plans are made for that. It is a political decision on how to split the perspective plan against resource availability and make an annual plan.

The priorities for the GP should be decided by the people. These should emerge from the situation analysis, even if it is very basic and needs assessment. From that whatever emerges, departments provide technical support such that they find the best way to implement it. Similarly, higher level panchayats Block or district should not impose plans on the GP. The process involves bottom up planning and staggered planning. Planning discussions should happen at various levels, to understand all sides and all tiers and avoid conflict or duplication.

A practical solution for GPs is that the more resources that the GP can muster by themselves, and the more their own funds increase, the more autonomy they get. Things are going to remain the same if they are solely dependent on grant funds.

### **Thematic Session III: Capacity building initiatives on GPDP**

Experiences were shared from Maharashtra, Goa, Rajasthan and Madhya Pradesh in terms of capacity building initiatives that are in place under GPDP. Resources have been set aside for capacity building and the respective SIRD of the States have been mandated to organise trainings.

While there are elaborate training modules, and much spoken about the capacity building of ERs, but what about relevant training for officials? The new office bearers should also be equally equipped. Often facilitators are trained over one-time three-day training with no follow-up. The Technical Support Group at the lowest level receives little or no training.

Elected Representatives need to take the SIRD trainings seriously. The needs of CB for men and women are different and how can these be addressed need to be considered; how CB modules are prepared and delivered more effectively need to be relooked at. There is a lot of technical information as well. How can it be made more practical and connected to real situations?

In several line departments, recruitment needs to happen as per the need. They are understaffed. The PR Act provides for a Secretary in every GP, however, one Secretary handles 4-5 GPs. This needs to be reconsidered for effective GPDP planning and drafting the GPDP document. Timely and official invitations to the GPs about training programmes need to be considered.

There appears to be confusion in terminology, confusing between Capacity Building and Training. NGOs and SIRDs are expected to build capacities. People have some capacities, but they have to deliver something else. Capacity building is about bridging the gap between the two. Capacity building is needed not just for Elected Representatives and officials, but maybe even gram sabha members. The CB needs may be different for GP presidents, women, SC/ST. It may even be identifying champions to take the programme forward and giving them some skills. So, the question is who needs what capacity. Otherwise, it becomes only a training programme, with neither the trainer nor the trainee showing any interest

The difference between planning and budgeting needs to be understood. Planning comes first, without consideration of funds available, but determining what are the things needed in the village, seasonal, priority, etc. The common mistake is that we put the resource first. When the demand is less than the resource, then there is no problem, but if the demand is more than the available resource, then there should be prioritization in terms of what can be done this month, this year and what can be done later. This needs to be conveyed well in the Capacity Building process, in terms of telling people how you need to first plan and prioritize. Even if a GP has a plan and no money, they can approach the block and district authorities and convey that they wish to do something and request assistance.

GPDP guidelines are just guidelines. It is not a rule because the requirements are different and the situation is different across States. So, it does not make sense to think that everyone's need for capacity building will be the same. Guidelines are to guide and can be modified depending on the need / context. By getting guidelines, one should not stop applying the mind.

Guidelines are often issued as GRs, and people tend to look at it as the rule and it eventually it becomes binding. The best way for GPs is to create a table and note down all the demands. And on the top note

down all sources of finance (NREGS, 14th FC, SFC, etc). Now classify which can be done under which scheme. If there are some activities that does not fit into any of these programmes, then these can be kept for MLA/MP LAD fund, CSR fund, etc. This is how institutions have to be built.

SIRDs are facilitating institutions and need to be strengthened. SIRD needs better recruitments from Universities professors, training organizations, open market, etc. There should be demand-driven training programmes and not supply-driven. It should be need-based.

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## **Developing an understanding of the way forward**

Based on the issues shared from the states by different questions, there is an emerging understanding of how GPDP plays out on the ground.

Starting with fundamental questions : What is GPDP? Is it a program? Is it for SDGs? Is it a process where village comes together to design what they feel accurate? Part of the planning? Keeping in consideration all the necessities of the village?

GPDP clearly is not a scheme or a central govt. plan. This is a GP development plan. There is often the worry about what comes first - Budget or Plan, but it is clear that plan comes first. All these years when GPs didn't have money, they didn't have the confidence to make plans. The funds, especially from the Fourteenth Finance Commission gave them the confidence that it is their right to plan for themselves.

Even before that a vision or a dream is necessary. This money is your right, that understanding is necessary. Planning has to be done with perspective, and capacity building with perspective and understanding. If something is planned with details then one would know where money is required.

Knowing one's legal rights and knowing about what needs to be done and how and to question everything is important. We are the owners of this plan. The role of technical support needs to be emphasised.

The process of inviting the Gram Sabha members has become trivialised. One must not forget that Gram Sabha can only be called by the Gram Panchayat, when there is a specific purpose, and with adequate notice. We all have a history of being traditionally democratic, as was seen in the case of Goa, and this is important to keep in mind. In Maharashtra there was an important example of plans being divided across departments. Departmental rules need to be made so that they accept GP plans and incorporate them. Communal harmony and peace and maintaining that should also be part of GPDP.

There is also a question of legitimising and accepting the plan. There is also a need to understand that training and capacity building is not the same thing. There was also a question that should capacity building be carried out separately for women. This should be addressed carefully. Initially they may need a separate space so that they build confidence to participate in the common spaces. But planning everything separately for women and looking at women's issues separately for GPDP can be isolating and counterproductive.

If we list things that give us happiness and if we list what we consider development, do the two lists match? *Can we see governance, development and happiness as three interconnected pillars which we need to focus on?*

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## **Recommendations for improving and strengthening GPDP**

Four parallel groups deliberated on different aspects of the GPDP and made recommendations in light of the issues faced in practice. These are listed below.

### ***1. Process of participatory planning and convergence***

- Informed participation is an essential precondition for effective GPDP. Basic constraints need to be overcome

- Quality and participation of Gram Sabha – Three rounds – In the first round all departments share schemes, budgets; before next GS they make the plan as per their requirement and share with departments; Third GS it can be approved
- Different groups should meet and discuss and make plans and their plans should be incorporated before Gram Sabha
- There should be convergence in plans and funding cycles, and fund flow mechanisms should be transparent
- Tracking system to ensure that quality work is effectively done on time

## ***II. Capacity development and supporting mechanisms for GPDP***

- 'Whose capacity building' is important to map out. In addition to the groups that are typically involved, capacity building should also include local civil society organizations, as well as the administration/ government officials from bottom to top and also local resource persons.
- Needs assessment, careful identification of participants and trainer skills are vital for effective capacity building. In addition to modules, the material should be locally contextualised.
- Feedback and review process are vital so that trainings evolve.
- Mentoring is important to plan and implement. Experiential learning and reflection on experiences are vital to internalise.
- Fora for Elected Representatives are essential for peer learning and as support mechanisms. ERs should also be open for peer reviews.

## ***III. Implementation arrangements for GPDP***

- All departmental/ sectoral planning and scheme-based planning should be integrated into GPDP. During GP's planning process, all line departments and other authorities have to be present at the Gram Sabha so that multi-sectoral planning and budgeting takes place. Like shared in the other group, this should happen at three different points, before, interim and for finalizing.
- Planning calendar should be made such that the plans for all departments and levels (Block, District, line departments, State, etc) should all be in a single calendar. There should be one plan on one calendar which aligns with all the different bodies.
- The resource support group for GPDP planning should be accessible to the GPs easily.
- It would be useful to conduct a governance audit rather than a social audit. The social audit will only be schematic, and may even reinforce the idea of GPDP becoming a scheme. Also, it will not say anything about the state of governance in the GP, which is crucial to track.
- Many processes are outsourced (training, internet access, common service Centres, etc) and for these funds for GPDP are being diverted.

## ***IV. Resource Envelope and Fund flow mechanism***

- There are over 22 sources of funds which can be accessed by GPs. Regular training and information and good practices need to be shared. Panchayats should be incentivised to generate their own revenue
- The Gram Sabha should also know their complete resource envelope and Policy directives on this should be clear.
- All elected representatives, and resource persons must have a comprehensive understanding of the various funds that can be harnessed to build the Resource Envelope and how creative ways and new ideas can increase available resources.
- For effective resource flows the three Fs – Funds, Functions and Functionaries must be devolved in spirit.

- There should be transparency regarding the utilization of different sources of funding. This is crucial to sustain interest of the Gram Sabha.

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## Summing up and Conclusion

Key conclusions from the two days of consultation, key take-aways, suggestions to the relevant Stakeholders to strengthen GPDP, and what is the way forward after this consultation.

- GPDP has to be understood as a vehicle to make a comprehensive plan for Strengthening Governance and Development. Different streams of resources can be leveraged but compromises should not be made when funds are tied.
- GPDP is a means, to strengthen the planning process and towards strengthening governance and development. People need to take responsibility for their Gram Panchayat and recognise that it is their resource, their tradition, their context, opportunities and conflicts they face that need to be addressed.
- Convergence and coordination across departments and local institutions at the three levels (GP, Block and District) needs to be done.
- Needs emerging from resource mapping situation analysis should feed into contextual planning towards the GPDP. Effective participation is needed for this. However, political pronouncements and information asymmetry often compromise the position of election representatives at the local level, and undermines the seriousness of participation and process of GPDP.
- Information should be available in a timely manner and Gram Sabha for GPDP should happen in stages/ phases. Timely information and adequate time to plan in different stages as well as mechanisms of information flow upwards and downwards. Right now, information flow is one way – from gram panchayat upwards. Often information asymmetry disrupts processes.
- There are practical problems of panchayat leaders which are not addressed in convening multiple cycles and processes of planning, and a planning fatigue. Often there is no clarity on past plans and this hinders the process of convening and mobilizing people for fresh cycles of planning.
- Quality of planning process needs to be appreciated rather than the final plan alone. Local people can make this judgement at the cluster and block level. There should be provision for appreciation to those who are doing good planning processes and also provision for penalties.
- Process of planning is not the responsibility of the GP alone. There are various CBOs and local NGOs and other institutions who should be involved in the planning process and whose role needs to be clarified.
- Resource should not be just linked to 14th FC, and the resource base needs to be enlarged. An understanding of what is the larger resource base and clarity on departments and institutions involved and development codes for different revenue/ activity streams. District level resources (mining/ markets/ etc.) need to be mapped and converged. Information and backstopping support are crucial ingredients.
- Capacity building is needed at various levels, capacities of those facilitating the trainings (NGOs or govt) and capacities of local governance institutions. What is not given adequate attention to is the capacity of the facilitator and his/ her understanding of governance
- One-time training is happening but there is no mechanism for ongoing support in terms of feedback, clarifications, grievance redressal, etc. This is needed at cluster or block level. There should be clear directives to all departments to participate in the planning process.
- Technical resource group and support group, be it government or NGOs, should be sensitive to the needs of the people. They should have the humility to contextualise to the local needs and capacities.

- Emerging good practices need to be collated and shared as “evidence for advocacy” and for “inspiring change” or continuing/ strengthening the decentralized planning.

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Following the Western Region Consultation, other consultations are also being planned, which will eventually be synthesised at the National level.