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### CONCURRENT MONITORING AS A MEANS TO IDENTIFY THE STRUCTURAL AND PROCEDURAL GAPS IN PLANNING : THE RECORD OF KERALA DEVELOPMENT PROGRAMME

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#### ABSTRACT

Concurrent monitoring of projects taken up by the Panchayati Raj Institutions (PRI) in a Block Panchayat area from Kerala is an attempt not undertaken in the State so far. Review of the decentralised planning programmes reveals that the major thrust of the exercise revolves around the 'polymix' of the programme themselves. No serious effort to understand the 'very grammar of decentralised planning' was made in the State. Concurrent monitoring of projects under Kerala Development Programme (KDP), has its unique place

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This paper is based on a study titled 'Concurrent Monitoring of Projects under Kerala Development Programme in Wadakkancherry Block (Thrissur District) during 2003-04'. The study was entrusted to the Centre for Rural Management, Kottayam by the Kerala Institute of Local Administration (KILA), Thrissur. We sincerely acknowledge KILA and the State Planning Board (SPB), Government of Kerala, Thiruvananthapuram for providing us an opportunity to carry out the study.

The authors are also thankful to M.S.John, Department of Gandhian Thought and Development Studies, M.G.University, Kottayam, Kerala, Joy Elamon, Chief Programme Coordinator, SDC-CapDecK, Thiruvananthapuram, Kerala and two subject experts, who reviewed the paper, for their valuable comments on the earlier version of the paper. in the administration of decentralised planning in Kerala. The methodology, approach and findings of the concurrent monitoring of projects during KDP may be used as a powerful tool towards identifying, understanding and analysing the problem areas and gaps in decentralised planning and administration of projects in the State. The paper emphasises that there is an urgent need to revisit the 'syntax and semantics of decentralised planning' itself, in order to add more teeth to its operationalisation in the State.

#### Introduction

The Government of Kerala initiated a unique strategy for the planning process in the State, by launching the 'People's Plan Campaign (PPC)' in August 1996. The successive Government continued the programme in the State redesignating it as 'Kerala Development Programme (KDP)' with some changes. Concurrent monitoring of projects under the KDP is a novel attempt initiated by the State Planning Board (SPB), Government of Kerala.<sup>1</sup> Though several attempts were made at the national and international levels to study the decentralised planning (Narayanan, 1997; Valsan, 1999; Issac and Franke, 2000; Franke and Chasin, 2000; Gurukkal, 2001; Chathukulam and John, 2002; Patnaik, 2004; Tharakan, 2004; Tornquist, 2004; Prakash, 2005; George, 2005), no attempt has been made so far towards analysing the administrative and technical issues, causes of delay and their effects during the implementation of on-going projects in the State.

Since there were no administrative provisions and institutional arrangements for taking up concurrent monitoring of projects as part of PPC and KDP, the State Planning Board decided to involve external agencies for this pilot task. As a part of the review of KDP, the State Planning Board, launched five major studies in different parts of the State. Centre for Rural Management (CRM) was entrusted to carry out the study at Wadakkancherry

block in Thrissur district. This paper is based on the concurrent monitoring of projects taken up by the Panchayati Raj Institutions (PRI) in Wadakkancherry block of Thrissur district under KDP by the CRM. All the projects of the district Panchayat, the block Panchayat and nine Gram Panchayats being implemented in Wadakkancherry block area, were brought under scan.<sup>2</sup>

#### Objectives

The broad objective of this paper is to analyse the operationalisation of various projects taken up during 2003-04 by PRIs in Wadakkancherry block, Thrissur district, under KDP.

The specific objectives are:

- (a) To ascertain the stations/stages at which delay occurs during the operationalisation of the projects.
- (b) To find out the availability of funds with the local bodies and its flow during the implementation of the projects.
- (c) To analyse the pattern of expenditure and bunching of works during project implementation.
- (d) To carry out a category-wise and sector-wise analysis of the projects undertaken.

#### **Study Area**

Wadakkancherry block is situated on the northern part of Thrissur district. It consists of nine Gram Panchayats, namely, Desamangalam, Erumapetty, Kadangode, Mulloorkkara, Mundathikode, Thekkumkara, Varavoor, Veloor and Wadakkancherry. The block has a total population of 2.26 lakhs. Population density of the area is 810 per sq.km., which is lower than the district figures (981) and the State figures (819). Sex ratio in the block is placed at 1096, which is higher than the district (1092) and State figures (1058). Percentage of SC population in the block is 14.22, which is higher than the district (11.91 per cent) and State (9.81 per cent). ST population has only a minor presence

in the block area (0.04 per cent), which is lower than the district (0.14 per cent) and State (1.14 per cent). Hindus constitute majority of the population. A significant size of Muslim population is also found in the area. Good number of Christians live in certain pockets of the region majority of them migrants from the southern parts of the State.

The region is predominantly agrarian in nature, with paddy, cocompepper, plantain, vegetables and rubber being the major products. The region has an active presence of all major political parties and class and magor organisations affiliated to them. A thin line of political polarisation exists the region between the Left Democratic Front (LDF) and the United Democratic Front (UDF), with the Bharatiya Janata Party (BJP) also having a marginal presence.<sup>3</sup> The region has a good number of traditional and modern association and considerable stocks of social capital (both traditional and modern formal tis observed that vertical associational life is stronger in the area compared to horizontal. However, this has not resulted in the emergence of a vibration of the centre, with a number of cottage and small-scale industries and a few markets. The region is well connected the district capital and other nearby villages/towns by road and rail.

#### Methodology

Concurrent monitoring of programmes was introduced at the national level in the late eighties by the Ministry of Rural Development, Government of India. The main objective of the exercise was to identify the effective of programme implementation of the anti-poverty programmes. In additional to this, concurrent monitoring enabled to generate a large volume of feelevel data and to identify the gaps for taking effective corrective measures Following this, a number of state governments and third sector organisation initiated similar exercises.

A critical understanding of the nature and content of the programme appreciation preceduisite for concurrent monitoring. Methodology, tools and techniques a concurrent monitoring have to be evolved from participatory stakeholder

consultations and wide ranging deliberations. A thin line of workable intimacy needs to be developed with the stakeholders and programme managers, with due thrust on professional objectivity. Effective administration of concurrent monitoring of programmes can only be possible in a democratic framework with due space for deliberations and expression of dissents.

A typical flow chart for concurrent monitoring of programmes starts with the critical understanding of the programme. Setting of methodology, developing tools for monitoring, administration of tools, collection of data, analysis and report preparation are the major steps involved. It is pertinent to note that from each step, there is a provision for feedback to the programme managers and other stakeholders.

During the field study, the following tools were used.

- A schedule for collection of various details from Panchayat offices.
- \* An interview schedule for elected members of PRIs.
- \* An interview schedule for beneficiaries of the projects.

In addition, a checklist for verifying the quality of assets created during the implementation of the projects was also used.

A systematic effort was made to design a methodology for analysing the progress in execution of works taken up by the local bodies and to identify the stages of delay, its extent and causes. This was a pioneering attempt in the monitoring of projects of this kind. The performance of each local body with regard to the implementation of various projects with a view to understanding various related issues and assessing their efficiency in dealing with them has also been undertaken.

#### **Administration of Tools**

Concurrent monitoring of projects began in the first week of March 2004 after discussion with the presidents, members, secretaries and other concerned staff of the local government systems (Gram Panchayat, Block Panchayat

and District Panchayat). After the discussions, the monitoring team noted down the sector-wise and project-wise details from the registers and records of the local bodies. The team visited the project sites, physically verified the assets created and received first-hand information from the intended beneficiaries of the projects. The data collected from the registers and records of the local bodies, along with the discussions with the elected representatives and officials of the local bodies, and the beneficiaries of the projects, enabled the team to arrive at the following findings and conclusions.

#### **Time and Human Resources**

The exercise for carrying out the concurrent monitoring of projects in Wadakkancherry block consumed four months starting from March 2004. An inter-disciplinary team of three researchers were involved in the task for the entire period.

#### Findings of the Study

(a) Flow of Funds : With the advent of the PPC, about one-third of the plan funds of the State Government were allocated to the three-tier PRIs. The release of funds to the PRIs is made through the Departments of Panchayats and Rural Department.<sup>4</sup> It is noted that release of funds to the PRIs generally follows a uniform pattern throughout the State.

Fund flow of a sample Gram Panchayat from the study area (Kadangode GP) during the year 2003-04 is given in Table 1.

Column 2 (actual receipts in the month) indicate receipt of funds from the Deputy Director of Panchayats on a monthly basis. In the beginning of PPC, the fund was provided in four instalments during the year. Now it is made on a monthly basis and the ratio between receipt of funds every month and the expected funds are indicated for better understanding.

At the end of financial year, unutilised funds should be returned to the treasury as part of the financial code prevailing in the State. As a result incomplete works from the year (spill-over works) continue with zero

Month	Actual receipt in the month (Rs. in lakh) <sup>5</sup>	Cumulative receipt (Rs. in lakh)	Actual expenditure in the month (Rs. in lakh)	Cumulative expenditure (Rs. in lakh)	Cash balance at the end of the month (Rs. in lakh)			
April 03		10.24						
May 03								
June 03								
July 03								
August 03	29.63 (30.01)	29.63	Nil	Nil	29.63			
September 03	24.10 (24.41)	53.73	7.2	7.42	46.31			
October 03	12.05 (12.21)	65.78	Nil	7.42	58.36			
November 03	12.05 (12.21)	77.83	Nil	7.42	70.41			
December 03	12.05 (12.21)	89.88	24.17	31.59	58.29			
fanuary 04	7.41 (7.51)	97.29	5.42	37.01	60.29			
February 04	Nil	97.29	10.97	47.97	49.32			
March 04	1.43 (1.45)	98.72	38.53	86.50	12.22			

#### Table I : Inflow and Outflow of Funds - Kadangode Gram Panchayat

Source: Field survey and verification of documents at the Kadangode GP.

Note : Figures given in parentheses indicate the percentage of receipt of funds with respect to the expected fund flow.

funds. Funds for the spill-over works have to be met from the financial allocations of the coming year. It means that the PRIs do not possess any funds to execute the spill-over works. It is observed that the period from April to August/September is a 'Plan holiday' for the local bodies. In reasense, during this period, no development work is taking place in the PRIs.

A close scrutiny of the inflow and outflow of funds to Kadange GP reveals certain interesting aspects. From the Table we can see the local body started receiving funds from August only, i.e., after a **delay** 4 to 5 months from the beginning of the financial year. The intervent period, virtually a plan holiday, has a number of implications for the **pros** administration of the PRIs. By restricting the time available for taking projects, it leads to rush of activities. This leads to a number of **proceed** short-cuts, rush of expenditure towards the year end, undue dependence contractors, inadequate supervision and poor work quality as reflected **dens** the field visits.

We can also see that often projects belonging to all three sectors production, service and infrastructure - have seasonal implications as For example, a project for school education should ideally synchronise the school calendar. On similar lines, a project for anganwadis should from the very first day of its functioning in the year. Many projects agriculture sector should start before the onset of monsoon in May-June our experience shows that a number of projects under different sectors not be taken up in time or implemented due to the plan holiday caused delays in completing the planning process and releasing of funds. John Chathukulam (2003), in a case study, show that failure to ensure timely of subsidy is one of the major reasons for the poor performance production sector, and the root cause of the untimely release of subsidy to plan holiday. Our field observations in this regard reveal that 'the synchronize of plan holiday' could not be addressed properly even after many perdecentralised planning in the State.

From Table 1, we can see that the GP does not have any because carried forward from the previous year. Even when opening because

Month	Actual receipt in the month (Rs. in lakh)	CumulativeActual Expenditurereceiptin the month(Rs. in lakh)(Rs. in lakh)		Cumulative Expenditure (Rs. in lakh)	Cash Balance at the end of the month (Rs. in lakh)	
April 03						
May 03						
June 03						
July 03						
August 03	49.91	49.91	Nil	Nil	49.91	
September 03	12.48	62.39	14.40	14.40	47.99	
October 03	17.62	80.01	Nil	14.40	65.61	
November 03	35.23	115.24	Nil	14.40	100.84	
December 03	Nil	115.24	29.26	43.66	71.58	
January 04	17.62	132.86	13.29	56.95	75.91	
February 04	Nil	132.86	24.61	81.56	51.29	
March 04	20.00	152.86	63.98	145.55	7.31	

Table 2 : Inflow and Outflow of Funds - Wadakkancherry Block Panchayat

Source: Field survey and verification of documents at the Wadakkancherry block Panchayat.

available, unless the preliminary stages of work regarding the project administration are completed, no sanction can be received for making expenditure.

Regarding expenditure, we can see that no expense was made by the GP till September 2003. This is because the GP was involved in the preparatory works for initiating the projects from April to September. Preparatory works for initiating projects generally takes a duration of four to six months starting from April with the announcement of plan guidelines by the State Government. In certain years, announcement of the plan guidelines have taken place even in May. The plan preparation includes formation of working groups, preparation of development report, convening of Gram Sabha at ward levels, conduct of development seminar at the Panchayat level, detailed project preparations, vetting of projects, approval of projects by District Planning Committee (DPC) and selection of beneficiaries by Gram Sabha. It is placed on record that this has not borne out any perspective plan and an exercise taken up each year. Hence the preparation and use of shelf of projects has little relevance in the entire exercise.

Fund flow of Wadakkancherry block Panchayat during the year 2003-04 is given in Table 2.

From the Table, we can see that the inflow of funds to the Block Panchayat (BP) started in August 2003 and the spending began in September 2003 only suggesting that almost similar pattern of fund flow exists in Block Panchayat also.

(b) Pattern of Expenditure and Bunching of Works : Receipt of funds and breakdown of expenditure on spill-over and new works are illustrated in Table 3.

Table 3 indicates that majority of the funds received (88.86 per cent) during the year 2003-04 were utilised by the local bodies. According to any criteria of monitoring, a satisfactory rate of utilisation of funds can be noted here. We can see that the quantum of unspent fund varies from 0 to 37 per cent in the PRIs. However, when we turn to the actual process of

utilisation, we may identify various pressures on the local bodies to achieve this level of expenditure. The high level of expenditure may be a reflection of pressures exerted due to plan holiday, criticism from political parties, pressure from the people, criticism from bureaucracy and the press.<sup>6</sup> We have noted that this is an 'expenditure by pressure' rather than 'expenditure by economic rationality/need'. We can also see that only less than half (48.85 per cent) of the expenses were incurred on new works taken up during the year and major share of the money (51.15 per cent) was utilised for carrying out spill-over works. Each year, expenditure on projects is made under pressure due to plan holiday. Without any hesitation, one can substantiate that, roughly half of the expenditure is made under pressure. Apparently one may argue that expenditure on spill-over works is 'expenditure by economic rationality'. No doubt, spill-over works are started by pressure in the previous year, and they are forced to be taken up and continued in the coming year. Being a continuous process, it may be viewed as 'expenditure by economic rationality', but the reality is different.

Table 4 reveals another interesting aspect regarding expenditure pattern of new works. Bunching of expenditure patterns on current works at the fag end of the year, more precisely during the last month, has been practised by all the local bodies. On an average, it is observed that 62 per cent of the total expenses was incurred in the month of March 2004 by the local bodies.<sup>7</sup> Prakash (2005) also has come out with similar observations in a study of 36 Gram Panchayats in Kerala.

We can see from the Table that congregation of expenditure during the last month of the financial year showed varying patterns in the PRIs, the variation ranging from 47 to 78 per cent. One may see the bunching of expenditure during the last month of the financial year as an indicator to measure the level of performance of the local body in planning and execution of projects. However, it does not always reflect fully the performance of the local body, as many other external factors are also involved in the run up to such a situation. It is the result of a mix of both internal and external factors, with more weightage to the external factors.

Name of the Panchayat	Total funds received during 2003-04	Expenditure during the year		Expenditure on spill-over works from previous years		Expenditure on works of current year 2003-04	
	Rs.(in lakh)	Rs.(in lakh)	%	Rs.(in lakh)	%	Rs.(in lakh)	%
Desamangalam	69.58	69.58	100	44.39	64	25.19	36
Erumapetty	100.37	90.89	91	53.95	59	36.96	41
Kadangode	98.72	86.50	88	53.55	62	32.95	38
Mulloorkkara	72.56	60.59	84	20.69	34	39.91	66
Mundathikode	74.23	73.92	99	31.84	43	42.08	57
Thekkumkara	100.56	93.03	93	38.24	41	54.78	59
Varavoor	81.44	78.21	96	33.42	43	44.79	57
Veloor	80.36	50.71	63	25.26	50	25.46	50
Wadakkancherry	90.53	69.57	77	33.78	49	35.79	51
Wadakkancherry Block	152.86	145.55	95	83.47	57	62.08	43
Total	921.21	818.60	88.86	418.59	51.15	399.99	48.85

Table 3 : Flow of Funds - 2003 - 04, Work of Current Year 2003-04 Plus Spill-over Works from Previous Years

Source : Field survey and verification of documents at the PRIs.

Name of the Panchayat	Expenditure on works of current year 2003-04	Expenditure in the period - fro to Februar (Cumulative	curred during m April 2003 ry 2004) expenses)	Expenditure incurred in March 2004		
	Rs. (in lakh)	Expenditure in Rs.(in lakh)	As a percentage in the year	Expenditure in Rs.(in lakh)	As a percentage in the year	
Desamangalam	25.19	5.52	22	19.67	78	
Erumapetty	36.96	13.68	37	23.28	63	
Kadangode	32.95	17.51	53	15.45	47	
Mulloorkkara	39.91	21.14	53	18.76	47	
Mundathikode	42.08	14.61	35	27.47	65	
Thekkumkara	54.78	21.50	39	33.28	61	
Varavoor	53.63	16.51	37	28.28	63	
Veloor	25.46	5.68	22	19.77	78	
Wadakkancherry	35.79	9.23	26	26.56	74	
Wadakkancherry Block	62.08	26.88	43	35.19	57	
Total	399.99	152.26	38.07	247.71	61.93	

Table 4 : Progress in Expenditure Works of Current Year 2003-04

Source : Field survey and verification of documents at the PRIs.

(c) Analysis of Expenditure Patterns on Gender and Dalits : Analysis of the expenditure patterns in the works carried out by the local bodies revealed a lot of information among the different categories and sectors.

The analysis brought out significant differences regarding the expenditure patterns in the works carried out for intended population groups like, namely, general, SC, ST and women.<sup>8</sup> Table 5 provides an illustration about the allocation and expenditure as a percentage of allocation regarding each group for the PRIs.

Name of the Panchayat	Description	All groups	General population	SC	ST	Women
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Desamangalam	Allocation (Rs. in lakh)	50.03	33.34	16.69		6.87
	Expenditure as a % of allocation	50	66	20	and the second	Nil
Erumapetty	Allocation (Rs. in lakh)	102.23	63.66	38.57		21.23
	Expenditure as a % of allocation	37	44	24	1 couper	6
Kadangode	Allocation (Rs. in lakh)	71.69	59.98	11.72	Name of	3.74
	Expenditure as a % of allocation	51	41	69		90
Mulloorkkara	Allocation (Rs. in lakh)	67.08	61.53	5.54	-	7.10
	Expenditure as a % of allocation	63	62	29	And Sum	35

# Table 5 : Pattern of Expenditure by Intended Population – All Groups Works of Current Year 2003-04

(Contd.)

(1)	(2)	(2)	(4)	(5)	10	
(1)	(2)	(3)	(4)	(5)	(6)	(/)
Mundathikode	Allocation (Rs. in lakh)	154.57	138.34	16.23	22 ( <del>17</del>	9.15
ed fourbies and	Expenditure as a % of allocation	30	28	19	orien priideo orient	48
Thekkumkara	Allocation (Rs. in lakh)	97.79	81.99	8.98	0.22	9.19
	Expenditure as a % of allocation	60	60	64	67	39
Varavoor	Allocation (Rs. in lakh)	95.59	84.94	13.66	otib <del>es</del> i ciolli	24.58
	Expenditure as a % of allocation	56	45	49	ney <del>lan</del> 1 sec th	36
Veloor	Allocation (Rs. in lakh)	72.89	57.88	15.01	05- <u>90</u> 1613:	5.35
	Expenditure as a % of allocation	35	35	37	, catalia gala <del>ir</del> a lo adi	3
Wadakkancherry	Allocation . (Rs. in lakh)	114.61	91.80	22.81	alla <mark>d b</mark> alla s no ce	5.43
	Expenditure as a % of allocation	32	34	18	or the <mark>REFERC</mark>	19
Wadakkancherry Block	Allocation (Rs. in lakh)	187.78	117.64	70.02	0.12	43.36
	Expenditure as a % of allocation	40	30	39	Nil	30

Table 5 : (Contd.)

Source: Field survey and verification of documents at the PRIs.

A minimum of 10 per cent of total budget allocations of each local body is to be made under Women Component Plan (WCP). Similarly, specific allocations are made under Special Component Plan (SCP) and Tribal Sub-Plan (TSP) considering the population of SC and ST community in each PRI.

Regarding the distribution of expenses of all the local bodies, the general category accounted for 81 per cent of the total expenses incurred for the current year works among all the categories. An average of 18 per cent of the new works of all the local bodies was targeted for scheduled castes. A nominal amount was spent for the works for scheduled tribes (by one Gram Panchayat only). Regarding the expenses incurred for women component, nine per cent of the total expenses incurred in the current year works have directly benefited the women, which is below the minimum prescribed level.<sup>9</sup> The ratio between the expenditure incurred on specific projects for SC, ST and women with respect to the allocation has been separately indicated in the Table.

Analysing the expenditure pattern of the different groups during the year, we can see that the ratio of expenditure to the allocation in new works taken up during 2003-04 in general category is 41 per cent only. The corresponding figure is lower for SC (34 per cent) and women (28 per cent). This indicates that there is still a 'retardation effect' regarding the works taken up for SC and women categories in the PRIs. This retardation effect may also contribute to nullify the efforts taken by decentralised planning in addressing historically evolved patterns of deprivation of the SC/ST. Tharakan (2004) confirms that there is no evidence to show that decentralised planning led to any significant gains for the traditionally deprived sections. We wish to highlight two points in this regard. The low performances in executing the schemes with regard to all sections, no doubt, reflect a lack of capacity of the major actors and the system. The lag in performance regarding the works taken up for SC and women categories in the PRIs is reflective of the larger socio-economic context with the social attitudes in general being not favourably disposed to the prioritisation of the needs of these sections.

While allocating the resources for marginalised sections and women, specific guidelines are followed only for mechanically adhering to them rather than protecting the interests of the respective sections. Adherence to the

guidelines is necessary because it is strictly monitored during the preparation, vetting and approval of plan for the local body. The preparation of projects for such categories, it has been found, do not generally reflect the felt needs. This impression was drawn from the discussions carried out with the members of the marginalised sections during the field interventions. Poor reflection of felt needs in the projects initiated for these sections has resulted in lack of initiative and ownership by these sections and cumbersome nature of the projects. Absence of further monitoring of these projects at a later stage regarding the expenditure pattern by the local bodies does not make any effort to take appropriate corrective measures by them. Practice of 'gender and dalit budgeting' may be a workable strategy to address these issues by the local bodies.<sup>10</sup>

Table 6 provides an illustration about the allocation and expenditure as a percentage of allocation regarding each sector for the PRIs.

			and the second second		
Name of the Panchayat	Description	All Sectors	Productive Sector	Service Sector	Infrastructure Sector
(1)	(2)	(3)	(4)	(5)	(6)
Desamangalam	Allocation (Rs. in lakh)	50.03	15.87	29.66	4.50
	Expenditure as a % of allocation	50	48	52	49
Erumapetty	Allocation (Rs. in lakh)	102.23	25.57	49.97	26.69
dir.	Expenditure as a % of allocation	37	10	26	84
Kadangode	Allocation (Rs. in lakh)	71.69	11.50	44.78	15.42
	Expenditure as a % of allocation	51	28	46	60

Table 6 : Patterns of Expenditure by Investment Sectors – All Sectors Works of Current Year 2003-04

(Contd.)

	Tab	le 6 : (Con	td.)		
	(2)	(3)	(4)	(5)	
Mulloorkkara	Allocation (Rs. in lakh)	67.08	24.88	31.60	H.
	Expenditure as a % of allocation	60	50	69	1
Mundathikode	Allocation (Rs. in lakh)	154.57	69.37	58.89	24
	Expenditure as a % of allocation	30	7	37	11-5
Thekkumkara	Allocation (Rs. in lakh)	97.79	24.28	45.51	25
	Expenditure as a % of allocation	60	30	71	2 18
Varavoor	Allocation (Rs. in lakh)	95.59	48.19	32.70	14
	Expenditure as a % of allocation	56	25	60	(1) 5 157
Veloor	Allocation (Rs. in lakh)	72.89	10.70	29.28	32
	Expenditure as a % of allocation	35	6	41	an an
Wadakkancherry	Allocation (Rs. in lakh)	114.61	38.29	45.57	30.
	Expenditure as a % of allocation	32	18	60	tu
Wadakkancherry Block	Allocation (Rs. in lakh)	187.78	34.11	77.33	763
on held alloca	Expenditure as a % of allocation	40	11 11	45	3

Source : Field survey and verification of documents at the PRIs.

State Government guidelines are in force towards earmarking specific allocations under production, service and infrastructure sectors, while making the budget proposals by the local body. Productive sector projects include any project which can generate employment and income directly. For example, agriculture, animal husbandry, fisheries, industries, etc. Projects to address the growth and well-being of the society and citizens are generally included in the service sector. Projects for education, health, housing, sanitation, social welfare, etc., are included here. Infrastructure sector projects facilitate goods and services like electricity, road connectivity, communication, etc. As per the existing guidelines, not less than 30 per cent of the total budget allocations of each local body need to be earmarked under the productive sector; not more than 40 per cent under the service sector; and not more than 30 per cent of the total budget allocations under the infrastructure sector.

Regarding the distribution of expenses among the three sectors, the service sector accounted for more than half (51 per cent) of the total expenses incurred in the new works taken up by the local bodies, followed by infrastructure sector (35 per cent) and productive sector (14 per cent). Conventional pattern, soft nature, direct focus on welfare schemes, more space for patronage distribution and less effort to implement the schemes could be the possible reasons for executing more projects in the service sector. More visibility to the works taken up, presence of contractor system to implement the works, etc., could be cited as the reasons for execution of schemes under infrastructure sector in large numbers. But the schemes taken up for execution under productive sector have a number of handicaps like non-availability of resources with the intended population, non-conventional nature of the projects, inability to take up the projects as per the time plan, inability to execute the project as per the seasonal demands, absence of synergy between the state and the society, lack of control on market economy, absence of co-production between market and planning, reluctance to recognise the potentials of market and private entrepreneurs, technology related issues, etc. The lack of control on market economy, most seriously affect the projects planned under production sector. Larger questions of political economy are also involved here. It needs altogether a different political economy,

methodology, approach, tools and techniques of decentralised plane to address this lacuna. So far, no attempt has been made to address issues in the practice of decentralised planning and administration.

The distribution of sector-wise expenditure at each PRI in the study is given in Table 7.

Name of the Panchayat	All Sectors (Rs. in lakh)	Productive Sector%	Service Sector%	Infrastructu Sector
Desamangalam	25.19	30.4	60.7	bod Ic 8.8
Erumapetty	38.17	6.6	34.7	58.7
Kadangode	36.32	8.8	65.6	25.6
Mulloorkkara	42.41	29.4	57.2	13.4
Mundathikode	46.52	10.5	56.8	32.7
Thekkumkara	58.33	16.4	57.7	25.9
Varavoor	53.63	37.9	38.2	23.8
Veloor	25.63	2.5	47.9	49.6
Wadakkancherry	36.81	19.2	76.7	4.2
Wadakkancherry Block	74.95	4.9	63.3	31.9
somessi jo villiduliuv.	Average	16.66	55.88	27.45

#### Table 7 : Percentage Distribution of Expenditure by Sectors

Source : Field survey and verification of documents at the PRIs.

Table 7 reveals that there is a wide gap between adhering to the instrucof sector-wise provisions of the plan proposals and the expenditure pattern the different sectors. Service sector accounted for majority (55 cent) of the total expenses incurred in the new works taken up local bodies, followed by infrastructure sector (27.46 per cent) productive sector (16.66 per cent).

(d) Progress in Execution of Works : A methodology was designed for analysing the progress in execution of works taken up by the local bodies. Separate milestones were marked right from the step of Administrative Sanction (AS) of the project by the local body till completion of the work. The following milestones were used for analysing the progress in execution of works.

- \* Administrative Sanction (AS).11
- \* District Planning Committee (DPC) Clearance.<sup>12</sup>
- \* Technical Sanction (TS).<sup>13</sup>
- <sup>k</sup> Commencement of work.
- \* Completion of work.

During the data analysis, the time lapse between the adjacent milestones on every project was recorded. The time lapse was recorded in terms of average number of days taken for better analysis of the available data. In this regard, the data were analysed separately, category-wise and sector-wise, for better results. This enabled us to identify the stage and period of delay and the possible causes.

Sta	ge Milestone	Category
No	).	General SC
Ι	Time lapse between AS & DPC clearance	43 35
П	Time lapse between DPC clearance and TS	109 101
Ш	Time lapse between receipt of TS and commencement of work	166 186
IV	Time lapse between commencement of work and completion of work	50 42
Source Note	<ul> <li>e: Field survey and verification of documents at the PRIs.</li> <li>1: Women category has been merged with General for contract of the second secon</li></ul>	nvenience.

Table 8 : Stage and Period of Delay - Category-wise (Average No. of days)16

Going through Table 8, we can see that the delay has been more significant at stages II and III, which can be seen as the preparatory stages of project implementation. Even at stage I, the delay is more than a month. Since there is no proper justification for such a huge delay during the post-project approval stage, one may conclude that this is caused due to deliberate negligence. A serious analysis into the problem gives an impression that apart from deliberate negligence, factors like processes and procedures of the system also cause the delay. A deeper analysis of these causes is not taken up here as they fall outside the orbit of the paper. The more important question is whether the negligence is caused due to internal or external factors. We have noted that it is a result of mainly external factors, which are outside the control of the local body. As Chathukulam and John (2002) confirm, one can see that genuine decentralisation is a pre-requisite to decentralised planning. In this context, one may argue that absence of 'genuine decentralisation' at the local bodies could be a major reason for such a state, which may have led to more dependence on external factors.<sup>15</sup> But Prakash (2005) holds a different view by pointing at the local bodies for the lapse without indicating any role for the external factors. The local bodies are generally accused for their inability to take up the projects in time. The major challenge to the administration of decentralised planning is to minimise the existing delays during the pre-implementation stage to the extent of at least one-fourth of the present state.

It is noted that the delay between DPC clearance and receipt of TS was more or less uniform for both general population and SCs. But the delay between receipt of TS and commencement of work has been more unfavourable to SC than general population. This assumes special significance in the context that more projects were taken up for the general population than for the SCs by the local bodies. This further reiterates our earlier position that there is a retardation effect regarding the works taken up for SC categories in the PRIs. Of course, our earlier argument that the retardation effect is caused due to various societal issues in addition to the lack of capacity of the local body and other stakeholders holds good here as well.

Stage No. Milestone		Category				
1	and related. Onancial constraints has	Production	Service	Infrastructure		
I	Time lapse between AS and DPC clearance	37	41	31		
П	Time lapse between DPC clearance and TS	68	129	132		
ш	Time lapse between receipt of TS and commencement of work	181	164	u un la mini ada 176 gana		
IV	Time lapse between commencemen of work and completion of work	1t 21	28	. 70		

Table 9 : Stage and Period of Delay - Sector-wise (Average No. of days)

Source : Field survey and verification of documents at the PRIs.

From Table 9, we can see that the delay has been more significant at stages II and III. During stage II, the delay has been more visible in taking up projects under service and infrastructure sectors. One of the reasons could be that more number of projects were taken up in service and infrastructure sectors compared to production sector. Another reason is that lesser number of projects in production sector required TS. Thus, it could be surmised that there is no significant difference between the delays at this stage among the different sectors. The delay caused at stage III has been more or less uniform in all the sectors. It is noted that these delays have been caused due to technical scrutiny and financial constraints. A few works required technical sanction for their implementation; there was a delay of few months after obtaining clearance from DPC and the receipt of TS for the projects. But another source of delay in taking up the work in time is delayed and inadequate release of funds to the panchayat.

The delay at stage IV has been more significant for projects taken up under infrastructure sector than other sectors. This could be due to the issues like non-availability of raw materials in time, need for curing time between different stages of work, labour-related issues, etc. It is assumed

that majority of projects in the infrastructure sector were road works, which are liable to be delayed if not taken up at the right time due to seasonal changes. This gets more complicated due to the delayed and untimely release of funds to the local body and related financial constraints.

It is noted that the delay caused between the administrative sanction by the local body and DPC clearance has been more or less equal in all sectors. The project management should see that every effort is made to reduce the delay between the commencement and completion of work in the infrastructure sector, by taking up the projects so as to accommodate seasonal changes, availability of raw materials, labour and finance.

#### **Certain Observations and Suggestions**

Panchayats are faced with the problem of executing a large number of projects with inadequate and belated release of funds. During the year 2003-04, many projects cleared by District Planning Committee (DPC) were not taken on hand immediately. The unutilised funds of the previous year (2002-03) came in handy to complete the spill-over works of the previous year. Most of the works sanctioned for the year 2003-04 were kept on hold until funds were released to the Panchayat. As a result, there was rush of works and bunching of expenditure at the fag end of the financial year, specifically in March 2004. Besides this, the release of the funds was often erratic and inadequate. Many of the sanctioned projects were kept in abeyance for the next financial year. Some of the projects, where work was started in right earnest, were interrupted for lack of funds.

The conventional cycle of compressing the project into one financial year does not seem to be realistic at least in the case of larger infrastructure projects. They need longer gestation period. For example, projects for establishing connectivity may involve different stages of work involving both work quantity and cost estimate. In such cases, the proclaimed pattern of one financial year may not be practical. Hence, there is a need for preparing the budgets and work plans into different phases and rescheduling of the budget and physical targets for each phase.

Some thinking is necessary for prioritising the works. In order to ensure smooth implementing of the projects, monitoring should be based on performance measured against specific physical and financial targets at quarterly intervals. Budget and work plan for each panchayat must be drawn up well in advance before the commencement of the financial year.

For projects of engineering nature, which require technical sanction from expert groups, the chain of command must be kept short. A mechanism must be put in place so that processing of estimates for technical soundness is done fast.

#### Conclusion

Local bodies are generally blamed for all the delays in taking up and completing the projects in time. During PPC and KDP, a series of allegations were raised about the delay in taking up the projects, lapse of funds during the plan implementation and about the mal-administration of the projects, though most of them were not based on any empirical evidence or ground reality. Our study in the area revealed that most of the delays in the project administration during the preparatory stages of the project are caused mainly by external factors, outside the control of the local body. These externalities can be addressed only with the support of a strong structure made out of genuine decentralisation. It is also seen that only negligible share of internal factors come into play, in causing the delay during the preparatory stages.

Another general complaint regarding PRIs is that collection of appropriate data from the local bodies is a very difficult exercise. But our experience shows that by using appropriate techniques, methodology, dynamism and professionalism, we can elicit adequate information from the PRIs.

We have seen that the efficiency level of the local bodies is not too bad regarding the administration of the projects under KDP. This aspect is to be viewed in the context of the variety and number of projects undertaken. While considering the complexities under which these projects are executed, we can see that the efficiency level of the local bodies is above comparable bureaucratic channels. The major challenge lies in

reducing the huge delays during the preparatory stages of the projects, by streamlining the system and process of project administration.

A review of the decentralised planning programmes, both under PPC and KDP, reveals that the major thrust of the exercises revolves around the 'Polymix' (politically overloaded discourses, discussions, overtones, etc.) of the programme. It may be a fact that no serious attempt about the technical and other administrative aspects of the decentralised planning programmes was taken up in the State so far. In this context, concurrent monitoring of projects taken up under KDP has its unique place in the administration of decentralised planning in Kerala. The methodology, approach and findings of the concurrent monitoring of projects during KDP may be used as a powerful tool towards identifying, understanding and analysing the problem areas and gaps in decentralised planning and administration of projects in the State. Concurrent monitoring of projects should be viewed as an in-built mechanism of PPC/KDP and attempts be made to institutionalise with necessary structures and procedures. It is felt that there is an urgent need to revisit the 'syntax and semantics of decentralised planning' itself, in order to add more teeth to its operationalisation in the State. Concurrent monitoring of projects has a lead role in the present context of the paradigm shift in governance with the introduction of social audit, transparency, right to information, citizen's charter and good governance. This may be taken up with more focussed attempts on convergence of different stakeholders, role of external factors, need for similar monitoring activities and application of new public management.

#### Notes

. A number of such studies were carried out in other parts of the State during the same period. Indian Institute of Management, Kozhikode, Institute of Management in Government, Thiruvananthapuram, State Institute of Rural Development, Kottarakkara and Centre for Management Development, Thiruvananthapuram were the other agencies entrusted to carry out the studies by the SPB. These studies are available at the SPB for reference.

- Budget provisions to PRIs, resulting in bringing of projects under scan during the study.
- 3. State politics in Kerala revolves around two coalitions UDF and LDF. Generally the left parties are with the LDF coalition and non-left are with the UDF. BJP is keeping a distance from both the fronts, though they have only a marginal presence in the State.
- 4. Release of plan fund amount to the GP is channelised through the office of Deputy Director of Panchayats (DDP) under the Panchayat Department in each district. The fund provision to the BP is provided through the office of the Assistant Development Commissioner (ADC), under the Rural Development Department in each district.
- 5. This column indicates receipt of funds from the Deputy Director of Panchayats (DDP) on a monthly basis. In the beginning of PPC, it was made in four instalments during the year; but now it is made on a monthly basis.
- 6. The under-utilisation of funds is generally viewed as an indicator of poor performance of the local body. In many cases, such local bodies had to pay not only economic cost in terms of cuts in the financial allocations during the subsequent year, but also to bear social and political cost in the competitive local politics.
- 7. We have seen that the last month of financial year and the last day of the Month, i.e., 31 March, is viewed as a 'nightmare' for the local bodies, being the cut-off day for all financial transactions.
- 8. Specific provisions are to be made for different population groups while making budget allocations in the State. Adhering to the guidelines for earmarking of funds under Special Component Plan (SCP), Tribal Sub-Plan (TSP) and Women Component Plan (WCP) for the population groups like SC, ST and women are mandatory during the preparation of budget proposals. A minimum of 10 per cent of total budget allocations of each local body is to be made under WCP. Similarly, specific allocations are made under SCP and TSP considering the population of SC and ST community in each PRI.

Generally the allocations for general, SC and ST communities for each local body are passed along with the State Budget. The State Planning Board publishes the same as a document every year. During 9<sup>th</sup> Five Year Plan, the allocation under TSP was made through PRIs. But during the initial years of 10<sup>th</sup> Five Year Plan (2000-01 onwards), the funds demarcated for TSP was brought under the control of ST Department. After a thorough review, the control of 50 per cent of the funds under TSP was handed over to PRIs again (GO (M.S) 54/2003 Planning dated 31/05/2003 refers).

- Total expenses may indicate more than 100 per cent, as the expenses incurred under WCP is shown external to the expenses under general, SCP and TSP for easy interpretation.
- 10. Dalit budgeting indicates carrying out a detailed analysis of the different activities undertaken from the view point of marginalised sections of the society as to how far each activity benefited them, as in the case of methodology and tools applied for gender budgeting.
- Administrative Sanction (AS) is the sanction given by the Panchayat Committee. It denotes the administrative and financial sanction to each project in the development plan for the year by the Panchayat Committee.
- 12. The District Planning Committee (DPC) approves the development plan prepared by all local governments of the district. DPC is the planning body constituted as per the 74<sup>th</sup> Constitutional Amendment Act. DPC is headed by the President of the District Panchayat and has representatives from rural and urban local government institutions. District Collector is the member-secretary of DPC. The District Planning Office functions as the secretariat of the DPC.
- 13. Technical Sanction (TS) is given by the committee of technical experts for the projects requiring technical clearance after a detailed vetting. The primary vetting of public works projects is done before the DPC approves the Development Plan. At a later stage, detailed vetting is done and only then Technical Sanction (TS) is accorded to such projects. Generally public work projects requiring measurement, drawing, technical feasibility, etc., need TS before they are taken up for implementation.

- 14. Number of projects considered in each stage is not uniform, as some of the projects do not require TS before taken up for implementation.
- 15. Chathukulam and John (2002) also share similar opinion while reviewing a balance sheet of the five-year decentralised planning in Kerala.

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