

## Abbreviations

|        |   |
|--------|---|
| A&N    | Andaman & Nicobar   |
| AE     | Assistant Engineer  |
| ARCS   | Assistant Registrar Co-operative Society                                |
| BDO    | Block Development Officer   |
| BDPO   | Block Development and Planning Officer                                  |
| BPL    | Below Poverty Line  |
| BSY    | Balika Samridhi Yojana  |
| CAG    | Comptroller and Auditor General   |
| CEO    | Chief Executive Officer   |
| CFC    | Central Finance Commission  |
| CRRID  | Centre for Research in Rural and Industrial Development                 |
| CSS    | Centrally Sponsored Scheme  |
| D&D    | Daman and Diu   |
| DDC    | District Development Council  |
| DNH    | Dadra and Nagar Haveli  |
| DP     | District Panchayat  |
| DPC    | District Planning Committee   |
| DPPC   | District Planning Coordination Council                                  |
| DRDA   | District Rural Development Agency                                       |
| EE     | Executive Engineer  |
| EFC    | Eleventh Finance Commission   |
| GBM    | General Body Meeting  |
| GIA    | Grant-in-Aid  |
| GP     | Gram Panchayat  |
| IAY    | Indira Awaas Yojana   |
| ICSSR  | Indian Council of Social Science Research                               |
| JE     | Junior Engineer   |
| JRY    | Jawahar Rozgar Yojana   |
| KILA   | Kerala Institute of Local Administration                                |
| KPRA   | Karnataka Panchayati Raj Act  |
| LFA    | Local Fund Audit  |
| LPR    | Lakshadweep Panchayat Regulation  |
| MB     | Measurement Book  |
| MHA    | Ministry of Home Affairs  |
| MORD   | Ministry of Rural Development   |
| MPLADS | Members of Parliament Local Areas Development Schemes                   |
| NCT    | National Capital Territory  |
| NFBS   | National Family Benefit Scheme  |
| NGO    | Non-Governmental Organisation   |
| NOAPS  | National Old Age Pension Scheme   |
| NMBS   | National Maternity Benefit Scheme                                       |
| OSR    | Own Source Revenue  |
| PESA   | The Provisions of the Panchayats (Extension to the Scheduled Areas) Act |
| PMGSY  | Pradhan Mantri Gram Sadak Yojana  |
| PMGY   | Pradhan Mantri Gramodaya Yojana   |
| PPC    | People's Plan Campaign  |
| PRIs   | Panchayati Raj Institutions   |
| PS     | Panchayat Samiti  |
| PWD    | Public Works Department   |

|        |                                       |
|--------|---------------------------------------|
| RIDF   | Rural Infrastructure Development Fund |
| SCP    | Special Component Plan                |
| SCs    | Scheduled Castes                      |
| SDE    | Sub Divisional Engineer               |
| SDO    | Sub-Divisional Officer                |
| SE     | Superintend Engineer                  |
| SFC    | State Finance Commission              |
| SGRY   | Sampoorna Grameen Rozgar Yojana       |
| SGSY   | Swaranjayanti Gram Swarozgar Yojana   |
| SRR    | Service Recruitment Rules             |
| STs    | Scheduled Tribes                      |
| TAC    | Technical Advisory Committee          |
| TDB    | Taluk Development Board               |
| TP     | Taluk Panchayat                       |
| TR     | Technical Report                      |
| TSP    | Tribal Sub Plan                       |
| UC     | Utilization Certificate               |
| UT     | Union Territory                       |
| VDP    | Village Dweep Panchayat               |
| VP     | Village Panchayat                     |
| WBPRRA | West Bengal Panchayat Raj Act         |
| ZP     | Zilla Parishad / Zilla Panchayat      |



# CONTENTS

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## *CHAPTER 1*

|                           |            |
|---------------------------|------------|
| <b>Introduction .....</b> | <b>1-9</b> |
|---------------------------|------------|

## *CHAPTER 2*

|   |              |
|---|--------------|
| <b>Functioning of PRIs System in Five Union Territories: Issues and Prospects .....</b> | <b>10-13</b> |
|---|--------------|

|                                   |       |
|-----------------------------------|-------|
| ANDAMAN AND NICOBAR ISLANDS ..... | 14-28 |
|-----------------------------------|-------|

|                  |       |
|------------------|-------|
| CHANDIGARH ..... | 29-41 |
|------------------|-------|

|                              |       |
|------------------------------|-------|
| DADRA AND NAGAR HAVELI ..... | 42-51 |
|------------------------------|-------|

|                    |       |
|--------------------|-------|
| DAMAN AND DIU..... | 52-61 |
|--------------------|-------|

|                  |       |
|------------------|-------|
| LAKSHADWEEP..... | 62-72 |
|------------------|-------|

## *CHAPTER 3*

|  |              |
|--|--------------|
| <b>Role of PRIs in Executing Plans Schemes:<br/>A Review of Select States.....</b> | <b>73-98</b> |
|--|--------------|

## *CHAPTER 4*

|  |               |
|--|---------------|
| <b>Implementation of Plan Schemes: Applicability of PRI System in Karnataka, Kerala and West Bengal to UTs without Legislature .....</b> | <b>99-109</b> |
|--|---------------|

## *CHAPTER 5*

|   |                |
|---|----------------|
| <b>Conclusions and Recommendations.....</b> | <b>110-125</b> |
|---|----------------|

|                  |         |
|------------------|---------|
| REFERENCES ..... | 126-127 |
|------------------|---------|

|                |         |
|----------------|---------|
| ANNEXURE ..... | 129-179 |
|----------------|---------|

|                    |         |
|--------------------|---------|
| QUESTIONNAIRE..... | 180-198 |
|--------------------|---------|

## **INTRODUCTION**

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**P**anchayats are seen as the “third tier” of government broadening the democratic base of the Indian polity. The Constitution (Seventy-third Amendment) Act 1992 and Constitution (Seventy-fourth Amendment) Act 1992 made drastic changes in the domain of local government and India’s federal system. The structural change brought about by the new panchayats is an important feature of India’s federal system. The country has now become a multilevel federation with elected bodies at the district, intermediate and village levels.

### **Historical Overview of Panchayats in India**

The present form of panchayat system was evolved through various phases. The council of Lord Mayo, the viceroy passed the resolution in 1870 for decentralization of power to bring about administrative efficiency and improve the finances (Venkatarangaiya and Pattabhiram, 1969:97). However, the structural evolution of a local government system in India can be traced back to viceroyalty of Lord Ripon. The government resolution of 18 May 1882 during his governance provided local boards consisting of a majority of elected non-official members and presided over by a non-official chairperson, can be considered as a landmark in the history of local democracy in the country (Mathew, 2000: 4). Another important phase in the evolution of panchayats was the inauguration of provincial autonomy under the Government of India Act 1935. The position as regards local self-government remained unchanged till August 1947 when the country attained independence.

Gandhiji’s idea of gram swaraj was not considered in the planning of India’s development in early fifties. A committee on plan projects constituted a team headed by Balwantray Mehta, (Member of Parliament) in 1957 to suggest an institutional set-up to secure people’s participation in the Community Development and National Extension Service Programmes. The recommendations of the study team favored decentralization of power and the constitution of panchayati raj institutions (PRIs) in all the states

(Majumdar, et.al, 1997). The PRI system was introduced in most parts of the country as a result of the Balwantray Mehta Report. Rajasthan was the first state to introduce Panchayat Raj in 1959, Andhra Pradesh being the second. Indeed, most of the states had passed the Panchayat Acts by 1959. However, it did not develop the requisite democratic momentum and failed to cater adequately to the needs of rural development due to various reasons. These included political and bureaucratic resistance at the state level to sharing of power and resources with the local level institutions and the absence of political will of the panchayat leaders.

The Mehta Committee was followed by the K. Santhanam Committee (1963) which specifically focused on panchayat finances and fiscal decentralisation. Special powers to levy tax on land revenues and house tax, consolidation of all grants at the state level and transfer to PRIs and setting up of a Panchayati Raj Finance Corporation were some of the main recommendations of this committee.

The Ashok Mehta Committee was appointed in 1978 to address the weaknesses of PRIs. The Committee made extensive recommendations towards a more democratic and decentralized process. Although not many states accepted it, West Bengal in 1978 and Karnataka in the mid 1980s were two states that led the way to democratic decentralization. Although the LM Singhvi Committee (1986) recommended the constitutional recognition of local government, it was a sub-committee of the consultative committee of parliament for Ministry of Rural Development under the chairmanship of P.K.Thungon in 1988, that made specific recommendations for constitutional recognition of PRIs and strengthening them (Rao, N.R., 1992).

Indeed, it was the 73<sup>rd</sup> Amendment, which we may call the 'Panchayat amendment' that set in motion the evolution of a transformative politics in rural India. The 73<sup>rd</sup> Amendment in Part IX (Panchayats) of the Constitution is central to the development of Panchayati Raj in India. It ushered in a new era whereby it became mandatory for States and Union Territories to legislate on. The essential features of the 73<sup>rd</sup> Amendment included the establishment of a three-tier/ two tier panchayat system with a fixed tenure of five years, setting up of an independent State Election Commission by the states for panchayat elections and reservation for people belonging to Scheduled Castes (SCs) and Scheduled Tribes (STs) and women at all levels (including the post of President) based on the population. The most path-breaking feature of the Amendment was granting 33 percent reservation to SC/ STs and women, at a time when women's reservation in state and central legislatures was being discussed and debated in the parliament without

conclusion. Much has been achieved in the last 13 years. Almost all States and Union Territories in India have set up either a two or three tier panchayati raj system. There has been renewed vigour and activity towards actualizing the goals of Panchayati Raj.

However, after more than a decade of the passage of the 73<sup>rd</sup> and 74<sup>th</sup> Amendments, a lot of ground has to be covered. Much remains to be done in the field of devolution of financial and administrative powers to the panchayats. While some states have devolved powers to the panchayats, others still have to make a beginning. Most states after devolving responsibilities have not transferred staff and funds. There is a need to revamp election machinery, audit machinery and the finance commissions of each state to align them with their counterparts at the Centre. The gram sabhas have to be vested with the task of supervision, and monitoring the functions of the gram panchayats (GPs). Many members of both the houses of parliament shared these concerns during the two days debate that took place on 24<sup>th</sup> and 25<sup>th</sup> July 2003 to mark the completion of ten years of implementation of 73<sup>rd</sup> Amendment Act (Rajya Sabha debates – July 24, 2003). During the debate Shri Annasaheb M. K. Patil said,

*We have been reviewing the progress made in the implementation of the 73<sup>rd</sup> Amendment Act from time to time and have had the benefit of stock taking of the implementation of the 73<sup>rd</sup> Amendment Act at the all India Panchayat Adhyakshas Sammelan which was inaugurated by Hon. Prime Minister and attended by the Hon. Leader of the Opposition. This sammelan was followed by national level reviews with the Panchayat Raj Ministers from various States. These meetings confirm our belief that the PR Institutions need to be strengthened further (Parliamentary Debates, Rajya Sabha Official Report, 25 July 2003) .*

It is fact that PRIs need to be strengthened for achieving development through decentralized planning. In this regard, the present study attempts to examine the role of PRIs in execution and implementation of plan projects in Union Territories without Legislature viz; Andaman Nicobar & Islands, Chandigarh, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep.

### **Framework of Study**

Basic parameters of the present study involve three key features: Panchayati Raj Institutions (PRIs) , plan projects and the significance of the above in Union Territories without Legislatures (*hereafter referred to as UTs only*). At the very outset the key concepts need to be outlined. Working of panchayats in implementing and executing plan projects cannot be understood in isolation from other related factors, which

necessitates an understanding of the fiscal system in India with specific reference to panchayats.

PRI are local level bodies to identify, formulate, implement and monitor development and welfare programmes. One of the major functions of the panchayats according to the 73<sup>rd</sup> Amendment is to prepare plans for economic development and social justice and to implement these schemes (Article 243 G). Decentralized planning with district planning committee is an important component of this amendment (Article 243 ZD). This project examines how far the five UTs have been performing these constitutional obligations. The state governments are required to pass necessary laws for the creation of PRIs and endow them with financial powers and responsibilities (NIRD, 1998:18). Articles 243(I) and 243(Y) recommend transfer of financial resources from the state governments to these local bodies in various forms – tax shares, Grants-in-Aid (GIA), tax assignments and other ways to improve their financial position.

#### **A. Problems Addressed:**

The following questions are addressed in this study:

*Resources of PRIs in UTs:* According to Article 243 (G) of the Indian Constitution, PRIs are given the responsibility to prepare plans for economic development and social justice and its implementation with regard to 29 items in the eleventh schedule. The three Fs — funds, functions and functionaries have to be devolved for planning and implementation of schemes. Within this framework, we need to look into the different aspects of PRI system in the UTs. Union Home Ministry prepares the budget for these five UTs and gets passed the budgetary allocation from the Consolidated Fund of Government of India in the Parliament. Once the budget is passed, the UT administrator can spend the fund. In practice, these UT administrators have more administrative freedom in spending the fund compared to the States.

The significant aspect of intergovernmental transfer in India is the existence of multiple channels of transfer from the Centre to the UTs as in the case of States. These are transfers as per the recommendation of Central Finance Commission (CFC), transfer to state plan schemes by the Planning Commission, and Centrally sponsored schemes by various central ministries. The Planning Commission is a major dispenser of funds to States and Union Territories by way of grants and loans to meet their plan requirements. The fund is distributed according to a formula finalized in the National Development

Council. About 22 percent of the total transfer is transfer to state plan (Rao, 2003). Due to the increasing emphasis on development planning, the scope of the Finance Commission is limited to meeting their non-plan requirements in the current (revenue) account.

According to the 12<sup>th</sup> Finance Commission, the following are the main sources of revenue of PRIs in states:

- (i) Own tax
- (ii) Own non-tax
- (iii) Assignment plus Devolution
- (iv) Grants in aid (based on recommendations of the CFCs)
- (v) Others

PRIs receive funds mainly from three sources:

1. Consolidated fund of the state as per the recommendations of the State Finance Commission (SFC)
2. Central Government through Centrally Sponsored Schemes (CSSs)
3. Grants-in-aid (GIA) as per the Central Finance Commission (CFC) award.

Recommendations of the SFCs can be divided into three categories:

- (i) Assignment of taxes, duties, levies and tolls to local bodies
- (ii) Sharing of revenue proceeds
- (iii) Transfers on account of GIAs and other financial assistance

The Planning Commission of India provides funds for development purposes for plan projects. As the programme implementation reflects the needs and aspirations of the local people, the PRIs as the third tier of government are being given an increasing role in implementation of the plan projects. As a step toward decentralization of the planning process and implementation of the programmes, strengthening of the PRIs has been envisaged through the Constitutional (73rd) Amendment Act, 1992. With the passage of this Act, constitutional status has been provided to the Panchayati Raj Institutions (PRIs). Therefore, under most of the rural development programmes, a crucial role has been assigned to PRIs for programme implementation. Sustained efforts are being made by several states to strengthen local governance, institutionalizing people's participation and empowering women



through PRIs. In the spirit of the Constitutional (73rd) Amendment Act, 1992 the State governments are being pursued by the Union government for delegation of adequate administrative and financial powers to PRIs and a significant change has been noticed in this regard.

## **B. Objectives of the study**

1. Review the technical, financial and administrative powers delegated by the five UTs to PRIs for the execution of the plan schemes in the background of select state governments, which have a better functioning PRI system.
2. Study the rules and procedures followed by PRIs in the implementation and execution of plan schemes in the five UTs in the background of select state governments.
3. Examine the applicability of the better functioning PRI system in select State Governments to those five UTs.
4. With a view to (a) minimize procedural delays and enabling speedy implementation of works, and (b) maximize the role of PRIs for implementation and execution of plan schemes recommend suitable technical, financial and administrative delegation of powers by the UTs to their PRIs within the existing financial, legal and constitutional framework and the corresponding rules and procedures to be followed by PRIs.

## **C. Methodology**

On the basis of readings of secondary sources and field experience, relevant research questions and issues pertinent to the study objectives were identified. A detailed methodology was prepared for the study.

### **(i) Research Design**

The study involves a review of PRIs in five UTs. There is considerable variation among these UTs in terms of total area; population; geographical location; socio-economic indicators; and the development and functioning of PRIs. Keeping the above factors in view, a comparative case study design was adopted. Each UT was studied as a separate case study, keeping in view the individual dimensions.

**(ii) Sampling**

As per the objectives and research design, all the five UTs were covered in the field study. Within each UT, the different layers of PRIs were studied. Purposive sampling was undertaken to identify village panchayats in each UT based on the following criteria:

- a. Geographical location and accessibility of panchayat: Attention was given to include different geographical locations. There were difficulties in reaching some of the panchayats due to the remoteness and inaccessibility.
- b. Representation of women in the panchayat (preferably woman Sarpanch): Some panchayats, which have woman Sarpanches were taken to examine their relative performance, compared to the male counterparts.
- c. Annual budget of panchayat: Panchayats with low, medium and large size of budget were covered in the sample.
- d. Availability of data in panchayat office: Panchayats which could not provide data were avoided from the sample.
- e. Total population of panchayat: Panchayats with large, medium and small size of population were included in the sample.

TABLE: 1.1: SAMPLE OF PANCHAYATS SELECTED FROM UTs

| Union Territory           | Area (in Sq.Km) | Total Population | District Panchayat/Zilla Parishad |          | Block Panchayat/ Panchayat Samiti |          | Village Panchayat/Gram Panchayats |          |
|---------------------------|-----------------|------------------|-----------------------------------|----------|-----------------------------------|----------|-----------------------------------|----------|
|                           |                 |                  | Total                             | Selected | Total                             | Selected | Total                             | Selected |
| Andaman & Nicobar Islands | 8249            | 356152           | 1                                 | 1        | 7                                 | 4        | 67                                | 6        |
| Chandigarh                | 114             | 900635           | 1                                 | 1        | 1                                 | 1        | 17                                | 5        |
| Daman and Diu             | 112             | 158204           | 1                                 | 1        | -                                 | -        | 14                                | 7        |
| Dadra & Nagar Haveli      | 491             | 220490           | 1                                 | 1        | -                                 | -        | 11                                | 5        |
| Lakshadweep               | 32              | 60650            | 1                                 | 1        | -                                 | -        | 10                                | 5        |
| Total                     |                 |                  | 5                                 | 5        | 8                                 | 5        | 125                               | 28       |

**(iii) Area and Focus of Study**

The study covers the five UTs: (i) Andaman and Nicobar Islands, (ii) Chandigarh, (iii) Daman and Diu, (iv) Dadra and Nagar Haveli and, (v) Lakshadweep. There is considerable social, cultural, economic and political diversity among the five UTs. The focus of this research is to understand the functioning of the PRI system in UTs. The interactions of PRIs with government, bureaucracy, district administration, civil society and political parties have also been considered within the study, so as to comprehend the

dynamics of power struggle. The study also seeks to understand the interplay, inter-linkages and conflict between these actors.

#### **(iv) Data Collection and Analysis**

Both primary and secondary data was used for this study. Four categories of interview schedules were used for collecting data from (1) elected representatives of PRIs (2) officials of PRIs and UT administrations (3) NGOs/voluntary organisations and (4) local residents respectively. Data was collected through individual interviews and discussions and focus group interviews with:

- fifteen officials of the five UTs administrations which included secretary dealing with local government and Director in charge of Panchayats;
- fifty officials of the different tiers of panchayats in the five UTs including administrative heads of village, intermediate and district panchayats and engineers in charge dealing with the technical aspects of public works;
- ninety two elected members of panchayats;
- twelve activists of NGOs/ voluntary organizations; and
- twenty local residents

Different categories of information were sought from them and they are as follows:

- Profile of different tiers of panchayat.
- Functions of gram sabha: the issues discussed in the gram sabha meetings, etc.
- Devolution of funds, functions and functionaries: out of 29 subjects how many of them are devolved to the panchayats at different levels namely, gram panchayats, panchayat samitis, zilla parishads; activity mapping
- Monitoring of the financial management of the PRIs by UT administrations: the responsibilities of the elected representatives and officials in financial matters.
- Budget of different tiers of panchayat, annual income, grants, revenue mobilization, own source of revenue, taxes collected by the panchayats, etc.
- Execution of plan projects, micro level planning, DPCs, planning of projects at village and district level: administrative approval and technical approval of projects: role of standing committees, involvement of voluntary organizations in the planning and execution of projects.
- Training of PRIs: frequency and training modules.
- Political Participation: election to different tiers of panchayat, regularity of elections, role of political parties, reservation to women and weaker sections.
- The development activities undertaken by the different tiers of panchayat: focus and priorities.

The researchers also prepared case notes on the basis of their findings relevant to issues and objectives of the research. Though the effort was made to record quantitative data, qualitative data was also collected through observation – obtrusive and unobtrusive and

casual interaction with local residents and detailed discussions beyond the interview schedule.

Secondary data was collected from Ministry of Rural Development, Planning Commission and published material in various books and journals. Statistical Package for Social Sciences (SPSS software) was used for data analysis.

### **Limitations in Conducting Field Research:**

*Lack of Awareness:* The first and the most serious problem was the lack of awareness among respondents. Most of the members of panchayats were unaware of many of the basic pillars of the Panchayati Raj system itself – District Planning Committee for instance. The choice was to delete these questions from the schedule or to retain them and see if there was a response from any respondent.

*Inadequate database:* Some Gram Panchayats do not maintain a proper database of where the resources come from; their income, expenditure, and activities performed during the year and budget for the following year.

*Geographical inaccessibility:* Some areas were geographically inaccessible for the researcher especially some parts of Andaman and Lakshadweep. Unfriendly weather conditions confounded the problem. This was faced particularly in the case of Andaman and Nicobar Islands.



## **FUNCTIONING OF PRIs IN FIVE UNION TERRITORIES: ISSUES AND PROSPECTS**

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**G**eographically all the five UTs are located across the country, from Chandigarh in the north to Lakshadweep in the south. The five UTs under investigation present variation in terms of geographical area. But the variance in population is not very stark except Lakshadweep, which has a population of only 60,650. Despite the fact that Andaman and Nicobar Islands covers an area of 8249 sq kilometers (which is phenomenally higher than the other UTs), the population is not equally high. This can be explained by the fact that a large number of the islands in Andaman are uninhabited. The literacy rate in all the UTs varies between 78 to 88 per cent (approximately) except Dadra and Nagar Haveli where the literacy rate is a dismal 57.6 per cent. Among the five UTs, Daman and Diu has the lowest sex ratio.

TABLE 2.1: SOCIO-PHYSICAL PROFILE

| <b>Union Territory</b> | <b>Area (in sq km)</b> | <b>Total Population</b> | <b>Sex Ratio</b> | <b>Literacy (%)</b> |
|------------------------|------------------------|-------------------------|------------------|---------------------|
| Andaman & Nicobar      | 8249                   | 356152                  | 846              | 81.3                |
| Chandigarh             | 114                    | 900635                  | 777              | 81.9                |
| Daman & Diu            | 112                    | 158204                  | 710              | 78.2                |
| Dadra & Nagar Haveli   | 491                    | 220490                  | 812              | 57.6                |
| Lakshadweep            | 32                     | 60650                   | 948              | 86.7                |

*Source:* UT Administrations of A&N Islands, Chandigarh, Daman & Diu, Dadra and Nagar Haveli and Lakshadweep

Daman and Diu, Dadra and Nagar Haveli and Lakshadweep have two-tier panchayati raj system while Chandigarh and Andaman and Nicobar islands have three tiers. Keeping the population criteria in mind, a two-tier system is applicable in all the five UTs.

TABLE 2.2: UTs: STRUCTURE OF PRI SYSTEM

| Union Territory      | PRI system | No. of Zilla Parishad/<br>District Panchayats | No. of Panchayat Samitis | No. of Village Panchayats |
|----------------------|------------|---|--------------------------|---------------------------|
| Andaman & Nicobar    | Three tier | 1   | 7                        | 67                        |
| Chandigarh           | Three tier | 1   | 1                        | 17                        |
| Daman & Diu          | Two tier   | 1   | -                        | 14                        |
| Dadra & Nagar Haveli | Two tier   | 1   | -                        | 11                        |
| Lakshadweep          | Two tier   | 1   | -                        | 10                        |

Source: UT Administrations of A&N Islands, Chandigarh, Daman & Diu, Dadra and Nagar Haveli and Lakshadweep

A three tier PRI system was applied in Chandigarh, because the Punjab Panchayati Raj Act, 1994 was adopted without change and the panchayat samiti (PS) is proposed to be eliminated by next year. Similarly, there has been a strong view among experts and citizens that the intermediate panchayat in A&N Islands is redundant. The Second Finance Commission (SFC) for the UT of A&N Islands recommended the abolition of PS and the distribution of PRIs fund in the ratio of 75:25 for village panchayat (VP) and zilla panchayat (ZP).

TABLE 2.3: DEVOLUTION OF SUBJECTS\*

| Union Territory      | Number of Subjects partially/fully devolved |
|----------------------|---|
| Andaman & Nicobar    | 5   |
| Chandigarh           | 0   |
| Daman and Diu        | 16  |
| Dadra & Nagar Haveli | 17  |
| Lakshadweep          | 8   |

Source: UT Administrations of A&N Islands, Chandigarh, Daman & Diu, Dadra and Nagar Haveli and Lakshadweep

- This data is as per the official records of UT Administrations. It does not show the real picture.

Devolution of subjects is the cornerstone of a thriving local democracy. It indicates the range and level of powers of the local bodies. The number of subject devolved either partially or fully according to the records of the respective UT administrations is given in the table 2.3. It reveals that while five subjects are devolved in the A&N Islands, seventeen are devolved in the Dadra and Nagar Haveli. In fact, the number of subjects devolved does not explain the complete picture. There are two things

that need to be understood: (i) the funds and functionaries devolved, and (ii) the projects that the PRIs are dealing with. Andaman and Nicobar islands is a case at hand. Considering these aspects, despite the fact that there are only five subjects devolved but in practice it has comparatively active PRI system among the five UTs. The field study shows that among the PRIs of five UTs, it is A&N Islands has a strong PRI system with more funds, functions and functionaries. The large size of funds and projects handled by the PRIs in A&N Islands is clear evidence for the relatively better PRI system.

It should be noted that among the five subjects transferred include public works, which gives greater role to PRIs in the development activities. The PRI system in Dadra & Nagar Haveli and Daman & Diu are more or less similar in nature and are relatively better functioning compared to the other two i.e., Lakshadweep and Chandigarh. In fact, Lakshadweep has a weak PRI system as most of the major activities that are transferred to the PRI system are still carried out by the line departments. The case of Chandigarh is the extreme one, not a single subject is devolved to PRIs in the UT.

TABLE 2.4: ELECTIONS TO PRIs IN UTs

| Union Territory      | Gram Panchayat | Panchayat Samiti | District Panchayat |
|----------------------|----------------|------------------|--------------------|
| Andaman & Nicobar    | 1995           | 1995             | 1995               |
|                      | 2000           | 2000             | 2000               |
| Chandigarh           | 2002           | 2001             | 2005               |
| Daman & Diu          | 1995           | -                | 1995               |
|                      | 2000           |                  | 2000               |
|                      | 2005           |                  | 2005               |
| Dadra & Nagar Haveli | 1995           | -                | 1995               |
|                      | 2000           |                  | 2000               |
|                      | 2005           |                  | 2005               |
| Lakshadweep          | 1997           | -                | 1997               |
|                      | 2002           |                  | 2002               |

*Source:* UT Administrations of A&N Islands, Chandigarh, Daman & Diu, Dadra and Nagar Haveli and Lakshadweep.

Elections are yet another indicator of functioning local democracy. All the UTs have had regular elections since 1995 and the reservation for women; SCs and STs have been adequately implemented. Except a few individual cases, the overall situation of marginalized sections has not improved even in villages where there is a Dalit Sarpanch or a woman Sarpanch. The overall situation is far too overwhelming to counter the situation. However, it is definitely a first step towards it.

### Status of District Planning Committees in Five UTs

Status of the District Planning Committees (DPCs) in the different UTs is an indication of how well the planning process is functioning. The DPC in Chandigarh has not been constituted yet whereas it has been constituted in other UTs. The effectiveness of DPCs in the other UTs in the planning process is varied. In the UTs where more funds, functions and functionaries are transferred to PRIs, the DPCs are playing greater role in the planning process. Among the UTs, in A&N Islands, DPC has a greater role in the planning process. However, in all the UTs as the final approval of the plan is required from UT administration, the freedom of DPC is limited.

TABLE 2.5: STATUS OF DISTRICT PLANNING COMMITTEE IN FIVE UTs, 2005

| Union Territory      | Status of DPC   | Chairman of DPC  |
|----------------------|-----------------|--|
| Andaman & Nicobar    | Constituted     | Chairman of District Panchayat   |
| Chandigarh           | Not Constituted | -  |
| Daman & Diu          | Constituted     | Chairman of District Panchayat   |
| Dadra & Nagar Haveli | Constituted     | Chairman of District Panchayat   |
| Lakshadweep          | Constituted     | Administrator or such officer designated by him. Currently Secretary (Pay & Accounts), UT Administration |

*Source:* UT Administrations of A&N Islands, Chandigarh, Daman & Diu, Dadra and Nagar Haveli and Lakshadweep

This chapter discusses individually the various aspects of PRIs in the five UTs: (i) Andaman and Nicobar Islands; (ii) Chandigarh; (iii) Dadra and Nagar Haveli; (iv) Daman and Diu; and (v) Lakshadweep.





# ANDAMAN & NICOBAR ISLANDS

## I. INTRODUCTION

**T**wo island groups in the eastern Bay of Bengal; Andaman and Nicobar Islands form a Union Territory of India and the UT has an area of 8,249 square kilometers. The capital, Port Blair, is in the Andaman Islands. The Andaman Islands, a group of 204 islands which lies 120 kilometres north of the Nicobar group and are hilly, and most of them are covered with dense forests. Apart from growing rice, plywood, hardwood, cane, resin, gum, coconut and rubber are also available in the Andaman region. Some of the Andaman tribes have little contact with the outside world. Most islanders follow their own religious and tribal customs, although many Nicobarese have been converted to Christianity.

## II. PRI SYSTEM

### (i) Evolution

Prior to the 73<sup>rd</sup> Constitutional Amendment, Andaman & Nicobar Islands had Village Panchayats, Village Councils and an indirectly elected Council viz., A&N Pradesh Council, consisting of 30 members. The Pradesh Council comprised of the Administrator; the Member of Parliament (Lok Sabha), A&N Islands; the Chairman, Municipal Council; 25 members elected by Panchayats/Village Councils; one ST member representing the Andamanese/ Onges/ Shompens; and one woman member nominated by the Administrator.

When the Pradesh Council was an Apex Body, there were 44 Gram Panchayats (42 from Andaman group of islands and 2 from Great Nicobar group of Islands) under this apex body. The tenure of the Pradesh Council and Panchayats expired in April 1994 and the A&N Islands (Administration) Regulation 1979, provided for repeal of the Pradesh Council from 23<sup>rd</sup> May 1994. After the promulgation of the Andaman & Nicobar Islands (Panchayats) Regulation, 1994, various rules have been framed for effective implementation of the provision contained in the Regulation. The rules framed so far are as follows:

- The Andaman & Nicobar Islands (Panchayat) Preparation of Electoral Rolls and Conduct of Elections Rules, 1995.

- The Andaman & Nicobar Islands (Grant-in-aid) to Panchayati Raj Institutions Rules, 1996
- The Andaman & Nicobar Islands (Panchayat Accounts & Finance) Rules, 1997
- The Andaman & Nicobar Islands (Panchayats Administration) Rules, 1997
- The Andaman & Nicobar Islands (Procedure for communication and service of demand notice for recovery of the dues of the Gram Panchayats, Panchayat Samitis and the Zilla Parishad) Rules, 2002.
- The Andaman & Nicobar Islands Panchayat Samitis (Levy, assessment, collection and appropriation of taxes, duties, cess, tolls and fees) Rules, 2002.
- The Andaman & Nicobar Islands Panchayats (Levy, assessment, collection and appropriation of taxes, duties and fees by the Zilla Parishad) Rules, 2002.
- The A&N Islands (Grant-in-aid to PRIs) (Amendment) Rules, 2005, enhancing the financial powers of competent authorities of PRIs to accord Administrative Approval & Expenditure Sanction and award of works to cooperative societies.

**(ii) Structure of PRI System**

- *Different tiers*

The union territory has two districts: Andaman and Nicobar. The PRI system exists only in Andaman whereas Nicobar has Tribal Council that does not come under PRIs. A three-tier PRI system consisting of: Gram Panchayat (GP), PS and Zilla Parishad (ZP) is prevalent in Andaman Islands. A total of 67 GPs, 7 PS and 1 ZP started functioning since October 1995. The people directly elect Pradhan while elected representatives elect Up-Pradhan indirectly. In the 67 GPs, there are 759 members in total, including 67 directly elected Pradhans.

TABLE 2.6: POPULATION COVERED BY PANCHAYAT SAMITI

| Tehsil/Block   | No. of Gram Panchayat | Population (2001) |
|----------------|-----------------------|-------------------|
| Diglipur       | 13                    | 31913             |
| Mayabunder     | 08                    | 21148             |
| Rangat         | 14                    | 35110             |
| Ferrargunj     | 15                    | 46536             |
| Port Blair     | 10                    | 41275             |
| Little Andaman | 4                     | 14767             |
| Campbell bay   | 3                     | 6769              |
| Total          | 67                    | 195517            |

Source: Zilla Parishad, Port Blair

In the 7 PS, there are 67 elected members, with each constituency electing one member. Besides, a proportion of Pradhans of GPs, by rotation for a prescribed period are represented in the PS. Representation of Pradhans in the 7 PSs has been prescribed as 22 each in three spells. Each spell is for a period of 20 months and thus all the Pradhans get an opportunity to be represented in PS during their tenure of five years. Member of Parliament representing the UT is a member of each PS. All these members have voting rights. The Pramukhs and the Up-Pramukhs of the PS are elected from amongst the elected members. The tenure of Panchayats, Pradhans, Pramukhs and Up-Pramukhs is five years. Unlike other UTs, elected representatives in Andaman & Nicobar Islands are receiving honorarium. The amount of honorarium is quite reasonable (Annexure II.1).

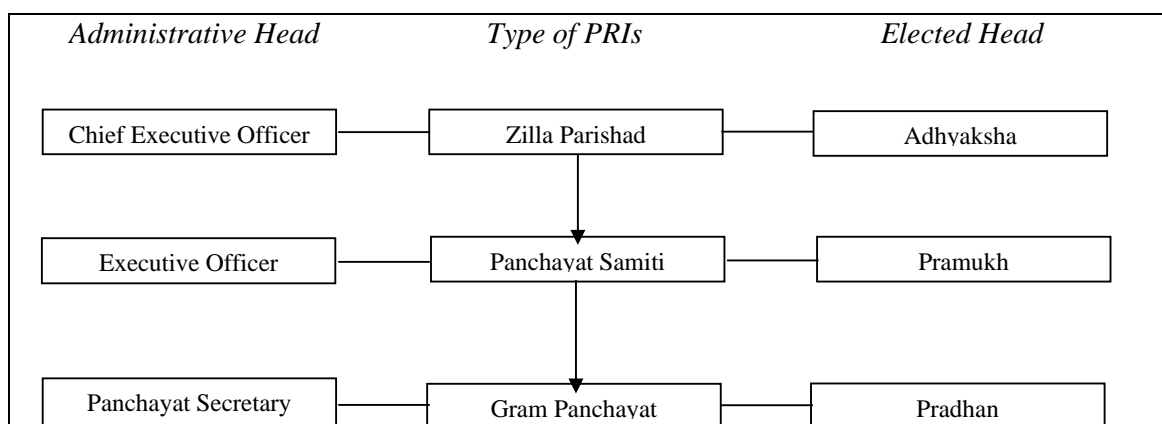
TABLE: 2.7: PROFILE OF PRI SYSTEM IN A&N ISLANDS

| Tier             | Total No. of Seats | No. of Panchayat |
|------------------|--------------------|------------------|
| Zilla Parishad   | 30                 | 1                |
| Panchayat Samiti | 67                 | 7                |
| Gram Panchayat   | 692                | 67               |

Source: Zilla Parishad, Port Blair

In the ZP, there are 30 elected members- one each from the 30 constituencies, and one Pramukh each from the 7 PS and all members have voting rights. The Adhyaksha and the Up-Adhyaksha of the ZP are to be elected from amongst its elected members for the duration of one financial year. The seat of the Adhyaksha, ZP for the first and third year is reserved for women and the fifth year in favour of the member if any belonging to ST. A chart depicting the nomenclatures of administrative and elected heads of different tiers of panchayat are given (Chart 2.1).

CHART: 2.1: PRI SYSTEM: ANDAMAN & NICOBAR ISLANDS



- *Nyaya Panchayat*

Section 53 (1) of the A&N Islands (Panchayat) Regulation, 1994 provides for every village a Nyaya Panchayat. Accordingly, a Nyaya Panchayat was formed for every Gram (village), which comprised of five persons elected by the members of the GP from amongst themselves. The Nyaya Panchayat takes cognizance of suits for:

- money due or contract not affecting any interest in immovable property,
- recovery of movable property or for its value,
- compensation for wrongfully taking or injuring movable property,
- damage caused to standing crops by cattle trespass, provided the value of claim does not exceed Rs.100.

The decision of Nyaya Panchayat is based on majority decision.

- *Gram Sabha (GS)*

Gram Sabha, the village assembly is a functional body in A&N Islands. According to 60 per cent of the interviewed elected representatives and officials, gram sabha meetings are held twice a year in A&N Islands. The level of participation is more than 200 while women are equally active in attendance. According to 50 per cent of respondents reported in the survey that the participation of lower caste is lesser than the upper caste. About 80 per cent of respondents revealed that GS meeting are generally peaceful

The public is informed of the GS to be held via radio, newspapers, notice boards, wallpapers and public announcement system. Expenditure for convening Gram Sabha is met from the untied funds. An attractive picture of PRI system in A&N Islands is the crucial role played by gram sabha in the planning process. Any project needs to be approved by gram sabha which holds the sanctioning authority.

**(iii) Institutional Framework**

- *Election Commission and Elections held*

Election Commission is constituted for the UT and conduct elections regularly. The first time election was held in September 1995 after that panchayat institutions were constituted as provided for in Article 243B of the Constitution. The second election was held in the year 2000. The latest election for 666 seats in 67 GPs, 67 seats in seven PS

and 30 seats in the ZP in the UT were held in September 2005. Election is held purely on political party basis. However, there is no provision to prevent defection to other parties. About 85 per cent of respondents reported that there are several instances of defections by elected representatives from one party to other. The results of the study revealed that public and political parties have been showing keen interest in the participation in the election process.

- *No-Confidence Motion*

Section 117 of A&N Islands (Panchayat) Regulation, 1994 Act provides for no-confidence motion against Pradhan of GP, Pramukh of PS and Adhyaksh of ZP. There are few instances of removing them through no-confidence motion. Ninety per cent of respondents reported in the field study that this provisions is quite effective in maintaining the responsibility and commitment of elected heads of all the three tiers of panchayats. It is reported that in January 2004, Smt. Bimala Suitar, Pramukh Mayabunder PS was removed through a no-confidence motion.

- *Auditing System*

In terms of the notification issued under the Andaman and Nicobar Islands (Panchayat Accounts and Finance) Rules, 1997, the Local Fund Audit Department of the Administration has been authorized to conduct the audit of panchayati raj bodies of all the three tiers. Local Fund Audit (LFA) audits the accounts of all the PRIs every year.

Panchayati raj institutions are required to maintain transparency by displaying the accounts on notice boards in conspicuous places in the GP wherein information on the availability of funds with the PRIs and how they are being spent should be displayed. The first item of discussion in the GS is the works in hand and their accounts. If any villager expresses a desire to have copies of minutes of the meeting, accounts of any work, list of beneficiaries selected for grants of loans, subsidy, pension or any other benefit, copies of the required document can be obtained on the payment of rupees two per page. As the GS has sanctioning authority, it has been functioning as per the requirement given in the Panchayati Raj Act.

PRIs have been given instructions to make the villagers aware of their right to seek information on the programmes and schemes, the expenditure incurred on each scheme or work, and so on. The villagers have the right to get information without

payment. In addition to the audit of LFA, audit to select panchayat is done by Central AG Audit.

**(iv) Devolution of Powers**

Under A&N Islands Panchayat Regulation, 1994, powers have been delegated to PRIs for implementing schemes of economic development and social justice. The Regulation endows the PRIs with powers and authority as may be necessary to enable them to function as institutions of self-government. The Regulation further authorizes the Panchayats to levy, collect and appropriate such taxes, duties, tolls and fees as are specified.

The Administration has issued notification under the provisions of A&N Islands Panchayat Regulation, 1994 specifying the powers of all the three tiers of PRIs (ZP, PS and GP) in relation to matters listed in various schedules which includes activities in the sphere of sanitation, health education, agriculture, animal husbandry, social welfare, minor irrigation, cooperation, women welfare, village industries, relief etc.

Out of 29 subjects, five subjects are transferred partially to panchayats. These subjects are:

1. Agriculture
2. Public Works
3. Fisheries
4. Road Development
5. Electricity

In actual practice, activities related to rural road and rural water supply, which were under Public Works Department (PWD) have been transferred. Even though these activities of PWD have been transferred, funds and functionaries required for the proper upkeep and maintenance of the transferred assets is yet to be provided. The transferred roads (182 kms) are in very bad shape and require huge amount for its repair and maintenance. At present, the repair and maintenance of transferred road is done by the PRIs from GIA released by the Administration for other developmental works in the Road Sector.

In respect of other departments of agriculture, electricity, fisheries and rural development, the UT administration has specified the functions to be transferred to the PRIs. However, during the field survey it is revealed that UT administration is following

a gradualist approach delaying the execution of these orders in its true letter and spirit. The agriculture department has transferred a few numbers of unserviceable tractors to the PRIs that remain unutilized due to non-availability of funds. Similarly, the services of some of the officers and supporting staff of agriculture and fisheries department were placed under the PRIs, but due to some administrative reasons the control of these transferred staff still remains with the concerned departments.

Another significant feature of PRI system in the UT is the activity mapping prepared by the UT administration. This activity mapping is prepared based on the subsidiarity principle demarcating the functions of each tier of panchayat. (Annexure-II.2).

The Administration had also initiated action for transfer of activities in the field of education, small scale industries, farm forestry, social welfare, public distribution, health and sanitation but orders in this regard are yet to be issued by the Administration.

### **III. PANCHAYAT FINANCE**

The A&N Regulation 1994 authorizes a panchayat to levy, collect and appropriate specified taxes, duties, tolls and fees. Grants-in-aid are also provided to panchayats from the government. The Regulation contemplates constitution of a Finance Commission (a) to review the financial position of the panchayats and (b) to make recommendations as to the distribution between the state and panchayats of the net proceeds of the taxes, duties, tolls and fees which may then be assigned to or appropriated by the Panchayats and the requisite amount of Grant-In-Aid be given to them.

- *Finance Commission*

The first finance commission for Andaman & Nicobar Islands was constituted on 8 September 1995. This was a common finance commission for the four UTs, namely, Andaman and Nicobar Islands, Lakshadweep, Daman and Diu and Dadra and Nagar Haveli. This was set up according to the Article 243-I and 243-L of Constitution of India. The commission submitted its report on 28 August 1998. Subsequently, the second finance commission was also constituted and submitted its report. The commission made several recommendations for improving the financial base of PRIs through relying on tax and non-tax resources in A& N Islands. The commission emphasized the need for imposing tax on professions and trade. The Commission was of the view that PRIs are

not equipped to implement and enforce a complex tax like property tax. The determination of tax base is a difficult exercise and so PRIs need to be provided expertise. About 95 per cent of respondents reported that most of the recommendations of these two finance commissions are not yet implemented in Andaman & Nicobar Islands.

- *Receipt and Expenditure Pattern*

PRIs in Andaman & Nicobar Islands receive funds mainly from government as Grant-in-aid and centrally sponsored programmes. Own source of revenue forms an insignificant part of the total funds of PRIs in the UT. The Administration releases Grant-In-Aid for general and sectoral schemes and matching grants to the PRIs from time to time.

Table 2.8 displays total fund received and utilized by all the three tiers of PRIs in the UT during 2001-04. The opening balance available to PRIs witnessed a consistent increase while current year's receipt register a declining trend. On the other hand, the total fund available has consistently been increasing. These figures substantiate the fact that the utilization of funds by PRIs, by and large, is quite low. This is again proved by the high percentage of unspent balance to the total fund available as well as the high percentage of unspent balance to the current year's receipt.

TABLE: 2.8: PRI'S FUNDS: RECEIPT & EXPENDITURE

(Rs. in Lakh)

| Year    | Opening Balance | Receipt  | Total Available | Expenditure | Closing Balance | % of unspent balance to the total available | Difference between current year's receipt & expenditure | % of unspent balance (of the current year's revenue) |
|---------|-----------------|----------|-----------------|-------------|-----------------|---|---|--|
| 2001-02 | 1748.69         | 6228.48  | 7977.17         | 1296.67     | 6680.5          | 83.74                                       | 4931.81   | 79.18  |
| 2002-03 | 6680.5          | 6177.39  | 12857.89        | 2772.48     | 10085.41        | 78.43                                       | 3404.91   | 55.11  |
| 2003-04 | 10039.97        | 4903.09  | 14943.06        | 3787.46     | 11155.6         | 74.65                                       | 115.63  | 22.75  |
| Total   |                 | 17308.96 | 35778.12        | 7856.61     |                 | 78.04                                       |   |  |

Source: Pay and Account Department, Zilla Parishad, Port Blair

In order to analyse the fund utilization by different tiers of PRIs, tier-wise receipt and expenditure pattern have been studied.



### Zilla Parishad

The pattern of revenue and expenditure of ZP reveals that it handles a huge amount of fund (see table: 2.9). During 2001-02, a total of Rs. 40.18 crores was available with them and out of this only Rs.2.42 crores was spent. However, the huge balance is carried forward for the next year. In the next year, it spent Rs.11.55 crores leaving a huge unspent balance of Rs. 49.38 lakh. During 2003-04, the expenditure has gone up to Rs.17.06 crores while the unspent balance is Rs. Rs.49.07 crores.

TABLE: 2.9: RECEIPTS AND EXPENDITURE INCURRED BY THE ZILLA PARISHAD ANDAMAN & NICOBAR

(In Rs.)

| Year    | Opening Balance | Receipt   | Total     | Expenditure | Closing Balance |
|---------|-----------------|-----------|-----------|-------------|-----------------|
| 2001-02 | 51061717        | 350814091 | 401875808 | 24213586    | 377662222       |
| 2002-03 | 377662222       | 231734692 | 609396914 | 115557784   | 493839130       |
| 2003-04 | 493840780       | 167471600 | 661312380 | 170629793   | 490682587       |

Source: Pay and Account Department, Zilla Parishad, Port Blair

During 2001-02, the expenditure incurred for honorarium by ZP was more than the funds released whereas only 5.7% of the funds released for rural roads were utilized. Minimal importance was given to the setting up of the educational institutions and the funds released under PMGY, PMGSY and rural water sector remained unspent during 2001-02.

The total expenditure incurred by ZP during 2002-03 was 50% of the funds released. The expenditure on rural roads, rural water and education increased during 2002-03 as compared to 2001-02. Moreover, in next year the total expenditure was greater than the funds released.

### Panchayat Samiti

As shown in the table 2.10, PS spent Rs. 3.32 crores against the available fund of Rs.15.45 crores in 2001-02. The funds received by the PS during 2002-03 increased by 13.7% as compared to 2001-02. It spent Rs.5.58 crores in 2002-03 while the available fund was Rs.26.29 crores. In 2003-04, the trend is more or less similar as the expenditure is Rs.7.64 crores leaving a huge unspent balance of Rs.23.22 crores. During 2001-04, PS spent a large proportion of the total expenditure on rural roads. It is found in the field

survey that the most important activity performed in the last five years is related to rural roads.

TABLE: 2.10: RECEIPTS AND EXPENDITURE INCURRED BY THE PANCHAYAT SAMITI, ANDAMAN & NICOBAR

(In Rs.)

| Year    | Opening Balance | Receipt   | Total     | Expenditure | Closing Balance |
|---------|-----------------|-----------|-----------|-------------|-----------------|
| 2001-02 | 29915827        | 124579280 | 154495107 | 33222746    | 121272361       |
| 2002-03 | 121272361       | 141673783 | 262946144 | 55860086    | 207086058       |
| 2003-04 | 207254549       | 101471507 | 308726056 | 76489666    | 232236390       |

Source: Pay and Account Department, Zilla Parishad, Port Blair

### Gram Panchayat

The data on receipts and expenditure incurred by the GP reveals that unspent balance is quite high in all the three years as in the case of the other two tiers (table: 2.11). In 2001-02, 2002-03 and 2003-04 the unspent was Rs.16.91 crores, Rs.30, 76 crores, Rs.39.26 crores respectively for the GP in the UT.

TABLE: 2.11: RECEIPTS AND EXPENDITURE INCURRED BY THE GRAM PANCHAYAT ANDAMAN & NICOBAR

(In Rs.)

| Year    | Opening Balance | Receipt   | Total     | Expenditure | Closing Balance |
|---------|-----------------|-----------|-----------|-------------|-----------------|
| 2001-02 | 93892331        | 147454635 | 241346966 | 72231228    | 169115738       |
| 2002-03 | 169115738       | 244330657 | 413446395 | 105830164   | 307616231       |
| 2003-04 | 302902482       | 221366276 | 413446395 | 131627097   | 392641661       |

Source: Pay and Account Department, Zilla Parishad, Port Blair

The results of field survey show that the major activities of GP are road construction and water supply. In fact, this is clearly depicted in the expenditure pattern of GPs as well.

## IV. EXECUTION OF PLAN PROJECTS

*Planning and Approval:* The Regulation provides for devolution of powers and responsibilities to panchayats at the appropriate level, with respect to the preparation of plans for economic development & social justice and the implementation of schemes. Gram sabhas are essentially held twice a year. It is a statutory requirement for all the projects to be approved in GS. These approved projects are to be taken up by GP, PS or

ZP, according to the size of the project. Generally, Gram Panchayat takes up smaller projects while bigger projects are taken up either by PS or ZP.

The budget of GP is approved by PS while ZP approve the budget of PS. DPC approve the project proposals for all the three tiers of Panchayat. As explained earlier, there is vertical distribution of finances between the three tiers of Panchayats and untied grant is distributed among ZP, PS and GP on 15:15:70 basis while tied grant is distributed in equal proportion among three tiers.

A planning wing under Chief planning officer and an accounting wing under Chief Account officer is operating at ZP level to facilitate all these process. The integrated work plan of all the three tiers should be cleared by DPC, which is chaired by Adhyaksha of ZP.

DPC has been created through the A&N Islands (Municipal Council) Regulation, 1994 to deal with the grass root level planning, i.e., to consolidate the plans prepared by the Panchayats, Municipalities and the Tribal Administrative Bodies in the reserved areas and to prepare a consolidated draft development plan for the UT.

The members of DPC comprises of Adhyaksha, ZP as Chairperson; Chairperson of Port Blair Municipal Council; Member of Parliament; 4/5<sup>th</sup> of the total members of Zilla Parishad & Municipality (in proportion to population ratio), six persons from tribal residents in Car Nicobar Tehsil, four persons from tribal residents in Nancowry Tehsil, one person from primitive tribe viz. Andamanese, Onges or Shompens, Secretary (Panning), Secretary (Finance), Secretary (LSG), A&N Administration as members and Chief Executive Officer of Zilla Parishad as Ex-Officio Secretary.

The DPC meeting is convened every year to discuss and finalise the consolidated plan of PRIs including the plan of development departments before submission to the Administration for discussion in the Planning Commission.

The process of implementation of public work project involves different stages. These are administrative sanction by the concerned authorities, preparation of cost estimates, technical sanction by engineers, contracting/ assigning the work for the execution, supervision, monitoring and evaluation and finally the payment.

Presently the PRIs in A&N Islands executes development projects in the field of water supply, rural sanitation, village roads, lighting, footpath, culvert, education, minor irrigation, etc. Major projects undertaken in various sectors by PRIs include construction of bridges, auditorium, mini stadium, anganwadies, community hall, markets, shopping complex, bus shelter, drainage, retaining wall and footpaths at various places. Work has

been taken up to provide connectivity by constructing new roads, bridges, culverts, footpaths etc. Under water sector, the PRIs implement various projects to augment drinking water supply in the rural areas. Installation of reverse osmosis plants is undertaken at different places. Augmentation of water supply, construction of ring well and minor irrigation ponds are now being undertaken in the interior rural areas by all the three tiers of PRIs. To provide quality education in the rural area, Zilla Parishad has established Vivekananda Kendra Vidyalaya upto primary level at Chouldari, Pahalgaoon, Basantipur, Kadamtala and Diglipur. It is required to examine the technical, financial and administrative powers delegated to PRIs in executing these projects. Estimate of each work needs to be prepared by the engineering wing and technical sanction is an essential requirement for any work.

As it is said earlier, work plan of all three tiers should be approved by the DPC. Pradhan of GP can award the work upto the amount of Rs.2 lakh without tender. While Pramukh of PS can award the work upto the amount of Rs.4 lakh and Adhyaksha of ZP can award the work upto the amount of Rs.6 lakh without tender. Engineering wing has to provide the technical approval. Currently, there is one Assistant Engineer for every 10 GPs and seven Junior Engineers for every 15 GPs. The engineering wing should prepare estimate of each work. Shortage of the engineering wing has been causing delay in the project approval. Technical sanction upto the work of Rs.60,000 can be given by the Junior Engineer with PS and for the amount exceeding Rs.60,000 should be sanctioned by the Executive Engineer. Technical sanction is an essential requirement for any work. The entire engineering wing is under the supervision of ZP.

*Role of Civil Society Organisations (CSOs):* According to 80 per cent of respondents CSOs do not play any role in the planning of projects and activities. It is found during the field study that the rate of unemployment among the youth has been growing. After various forms of representations from this segment of society seeking role in the development works being undertaken by local bodies, UT administration has taken certain measures to encourage the formation of voluntary organizations of youth. Labour contract societies and unemployed labour societies are examples of such a voluntary organizations. All the three tiers of PRIs are encouraged to give civil works to these societies on contract basis (Annexure-II.3).

CHART 2.2

Several such societies are now formed in A&N Islands and all the three tiers of panchayats are giving works to them on contract basis. The members of these societies include youth from both technical and non-technical backgrounds. Even experienced engineers are also members of such societies. It is found that some of these societies have completed several projects, though many of them are small projects. According to 75 per cent of CSO respondents, 60 per cent of elected representatives respondents and 65 per cent of official respondents this has been successful in creating employment opportunities for the unemployed youth.

*Training for PRIs:* Elected representatives in Andaman & Nicobar Islands are not receiving any training on planning and execution of projects. According to 80 per cent of respondents covered in the field study training is given to PRIs on irregular basis. The frequency of training is once in two years and the training modules are not really focused on project planning and execution.

## **V. ISSUES**

As the balance amount with PRIs can be carried forward to the next year, the balance is accumulating in real terms for all the three tiers of PRIs in A&N Islands. Therefore, the reported unspent balance is quite realistic. It is interesting to note that the percentage of utilization of funds by GP and PS has been quite low while expenditure pattern of ZP reveals that its fund utilisation is comparatively better. Ninety per cent of respondents reported in the survey that as there is a separate engineering wing for ZP, it has not been facing the problem of delay in getting technical approval for the projects. Moreover, they have better trained and technically qualified staff and a good office infrastructure.

Based on the detailed discussions with elected representatives and officials of PRIs, it has been found that several problems have led to the situation. First, there has been undue delay in getting administrative and technical approvals for the projects. According to 80 per cent of respondents reported in the survey that the delay in receiving technical sanction is mainly due to the shortage of technical staff.

Shortage of trained staff in non-technical sectors of PRIs is also a major constraint. Secondly, the elected representatives of PRIs have not yet been provided adequate training and orientation in handling projects. Despite, gram sabha has the authority to approve the work adequate expertise in the preparation of its plan is a major constraint.

Another serious problem is the climatic condition in A&N, due to incessant rain for almost eight months, construction can be undertaken only for four months. About 95 per cent of respondents reported that the committee system - works committee, estimate committee and finance committee - are not functional in almost all the panchayats. This is another constraint as PRIs in UT have been handling a large size of projects, which can be facilitated by well functioning committee system.

It is quite significant to note that the accumulated unspent balance with PRIs has made an adverse effect on mobilization of own source of revenue. In fact, the Second Finance Commission for the UT of Andaman & Nicobar Islands, Dadra and Nagar Haveli, Daman & Diu and Lakshadweep has identified various sources of tax and non-tax revenues. It says, "Local government should learn to take hard and unpopular decisions also so as to become fiscally healthy. They should not feel shy in taxing the beneficiaries. They have to levy taxes in order to finance the subsidies paid in respect of local positive externalities, local merit goods, and local public goods. These taxes may fall on (i) property and income and (ii) commodities and services'. It is true that PRIs do not face any compulsion to mobilise own sources of revenue in view of accumulating unspent balances.

Although elections are held regularly there is no provision to prevent defection of elected representatives to other parties after the election. As a result, there are several instances of defections by elected representatives from one party to other. In many cases such defections are linked to corruption and vested interests.



# CHANDIGARH

## I. INTRODUCTION

Chandigarh is like a city-state that has the rare characteristic of being the capital of two states – Punjab and Haryana as well as a union territory. It became a union territory in 1966, before which it was the capital of Punjab. The UT covers an area of 114 sq kilometers. The city of Chandigarh itself occupies around 80 sq kilometers and around 90 per cent of the population lives in the urban area. There are 18 villages namely: Kaimbwala, Khuda Alisher, Khuda Jassu, Khuda Lahora, Sarangpur, Dhanas, Dadumara, Maloya, Palsora, Kajheri, Hallomajra, Behlana, Raipur Khurd, Raipur Kalan, Makhanmajra, Daria, Mauli Jagran and Kishangarh. All these villages are situated within a radius of 8 kilometers of Chandigarh city and cover only 36 per cent of the total area of the UT. In the past, efforts were made for providing the civic amenities at par with Chandigarh city in all the UT villages, which are situated in the immediate visibility of Capital Project of the erstwhile State of Punjab. As a result, these villages enjoy all modern facilities such as connectivity with metalled roads, proper drinking water supply, 100 per cent electrification, sewerage system, street lighting, and education facility from Primary to Senior Secondary level and civil dispensaries. Circular roads of all villages have been metalled, almost all the streets have been paved and flush type latrines have been provided. Chandigarh is a fast developing city in the field of information technology. There are ‘e-Sampark’ centers in various parts of the city and surrounding areas. There is a proposal to launch jan-sampark and expand the above service, to provide one sampark centre in each sector and each village of Chandigarh UT.

The complexion of the villages is fast changing with rapid acquisition of land for the development of Chandigarh city. At present, almost all the land in 10 villages namely Kajheri, Hallomajra, Behlana, Raipur Khurd, Mauli Jagran, Daria, Kishangarh, Dhanas, Dadumajra and Palsora has been acquired and minimum agricultural area is left there. With the acquisition of land at a rapid pace, the remaining agricultural area might be acquired in the coming five years.



## **II. PRI SYSTEM**

### **(i) Evolution**

Panchayats in Chandigarh operated under the Punjab Panchayat Act of 1912, and later, of 1921. The Punjab Village Panchayat Act 1939, followed, consolidating the laws relating to the panchayat and enlarging the scope of their administrative and judicial functions. The Punjab Gram Panchayat Act, 1952 replaced this (Mathew, 2000). After independence, the Gram Panchayat Act, 1952 was formulated keeping in view the spirit of Article 40 of the Constitution of India. The Punjab Panchayat Samiti and Zilla Parishad Act, 1961 provides for two more tiers to the panchayat system namely the Panchayat Samiti and the Zilla Parishad. The 1961 Act was later extended to Chandigarh when it became a union territory. After the 73<sup>rd</sup> Amendment to the Constitution, Punjab enacted the Punjab Panchayati Raj Act. The same Act was extended to Chandigarh with modifications by the Union Home Ministry notification of 23 April 1994.

### **(ii) Structure of PRI system**

In accordance with the Constitution (73<sup>rd</sup> Amendment) Act, 1992, to strengthen the Panchayati Raj in the UT, the Punjab Panchayati Raj Act, 1994 was adopted in Chandigarh with effect from 23 April 1994. Accordingly, numerous functions have been assigned to panchayats for carrying out their duties and functions in their area to implement and fulfill the requirement of various provisions of the Constitution (73<sup>rd</sup> Amendment) Act.

- *Different Tiers*

There is a three-tier Panchayati Raj System in the UT of Chandigarh, which includes 17 GPs at the village level; one PS at the intermediate level; and one ZP at the district level. One-third of the total seats are reserved for women and the reservation for scheduled caste is in proportion to their population in the area. The current status of the elected representatives of the different tiers of PRIs in the UT reveals that the number of members of village panchayats is in the range of seven to fourteen members (Table: 2.12). A chart showing the nomenclatures of administrative and elected heads of different tiers of panchayat are given (Chart 2.3).

CHART 2.3: PRI SYSTEM: CHANDIGARH

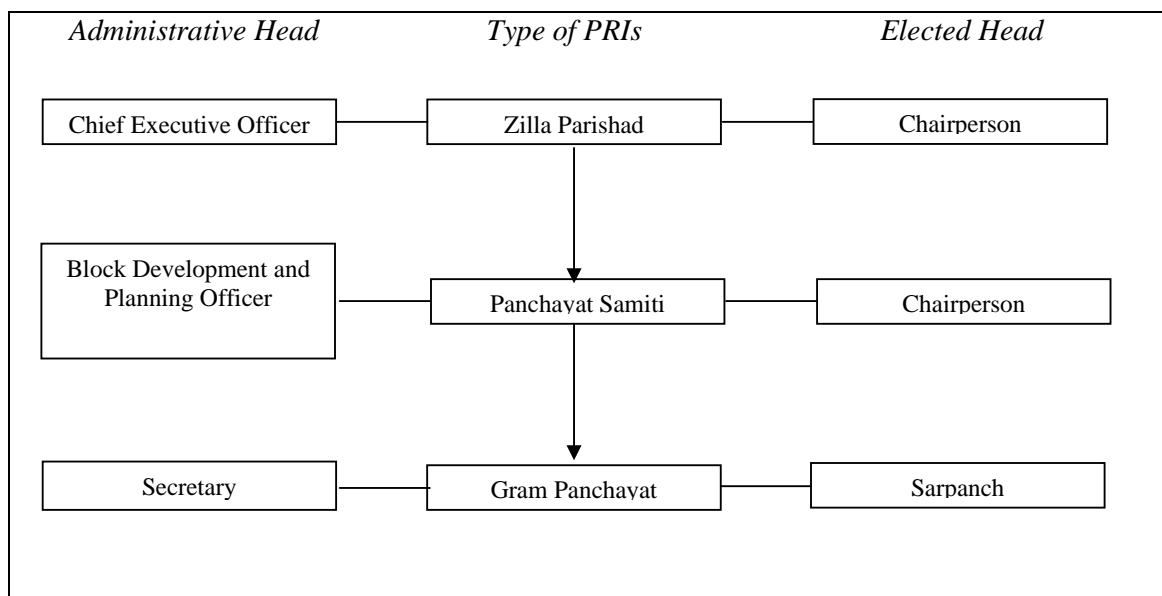


TABLE 2.12: CURRENT STATUS OF ELECTED REPRESENTATIVES: CHANDIGARH

| Name of Panchayat | Members Village Panchayat | Members Panchayat Samiti | Members District Panchayat |
|-------------------|---------------------------|--------------------------|----------------------------|
| Kaimbwala         | 08                        | 1                        | 1                          |
| Khuda Alisher     | 10                        | 1                        |                            |
| Khuda Jassu       | 07                        | -                        |                            |
| Khuda Lahora      | 10                        | 1                        | 1                          |
| Sarangpur         | 08                        | 1                        |                            |
| Dhanas            | 08                        | 1                        | 1                          |
| Dadumajra         | 10                        | 1                        |                            |
| Maloya            | 10                        | 1                        | 1                          |
| Palsora           | 14                        | 1                        | 1                          |
| Kajheri           | 12                        | 1                        | 1                          |
| Hollomajra        | 12                        | 1                        | 1                          |
| Behlana           | 10                        | 1                        | 1                          |
| Raipur Khurd      | 08                        | 1                        |                            |
| Raipur Kalan      | 08                        | -                        | 1                          |
| Daria             | 10                        | 1                        |                            |
| Mauli Jagran      | 09                        | 1                        | 1                          |
| Kishangarh        | 08                        | 1                        |                            |
|                   | <b>162</b>                | <b>15</b>                | <b>10</b>                  |

Source: UT Administration, Chandigarh

- *Gram Sabha*

The Gram Sabha is held twice in a year i.e. one in the month of December after the harvesting of *Sawni* crop and the other in the month of June after the harvesting of *Hari* crop on such dates as fixed by the Sarpanch. There are no ward sabhas. Officials and elected representatives reported that the notice of gram sabha meeting gets circulated well in time but the level of people's participation is less than 100. Gram sabha meetings are by and large peaceful. Issues discussed in the Gram Sabhas relate to water and sanitation, ration cards, old age certificates, BPL cards and other day-to-day issues concerning the village.

**(iii) Institutional Framework**

- *EC and Elections held*

The State Election Commission of National Capital Territory of Delhi has been assigned the task of conducting elections of PRIs in Chandigarh. Elections are held regularly at a gap of five years. After the Punjab Panchayati Raj 1994 came into effect, elections to the GPs were held for the first time in 1999 and then again in December 2003. Elections to the PS were held in 1996, but due to some issues the Samiti was not constituted and elections were held in 2001. In case of the ZP, elections were held in the year 2000 and again in 2005. Unlike Andaman & Nicobar Islands, elections are not held on political party basis. Moreover, women and SC/ST do not get elected from open seats. There is a provision in the regulation for moving no confidence motion against the president or sarpanch, but it has not been used in the last 10 years in the panchayat surveyed under this study.

- *Audit and Social Audit*

The Examiner, Local Fund, who is the prescribed authority, conducts the audit of accounts of the Panchayats at all the three levels. However, audits are not done on time. In some of the VPs, audit is pending for the last 7-8 years and 90 per cent of the elected representatives interviewed said that the reason for this delay is administrative lacuna. On receipt of communication from the Govt. of India, seeking the opinion of the ZP, it had informed the Chandigarh Administration that there is no objection if the audit of accounts of the panchayats is entrusted to the CAG. However, no change has been

effected so far. The system of social audit has not yet been introduced in PRI system of Chandigarh.

▪ *Devolution of Powers*

In pursuance to the Constitution (73<sup>rd</sup> Amendment Act, 1992), which provides for giving more powers, funds, functions and functionaries to the Panchayats at all the three tiers of Panchayati Raj system, the Punjab Panchayati Raj Act, 1994 has been extended to UT, Chandigarh. The main difficulty faced by the Panchayats in UT, Chandigarh in performing these functions at their own level is the meager sources of income. In a meeting held on 25 April 2003, the then Advisor to the Administrator stressed on the panchayats to find out the taxes and levies which they can impose in their area because no institution can run without finances of its own, depending on the Government forever. However, no panchayat came forward with any proposal in this regard.

As regards, the transfer of funds, functions and functionaries of the other departments to the PRIs, the issue has been engaging the attention of the Chandigarh Administration since long. With a view to arrive at a decision regarding the level and extend of powers to be devolved on each tier of Panchayati Raj i.e. GP, PS and ZP, a series of meetings were held. The Chandigarh Administration also constituted a Committee on 5 December 2002 to work out the modalities of devolution. This Committee submitted the report, but a final decision could not be arrived at.

In the meantime, the Punjab government transferred the functions, funds and functionaries of the following department to the PRIs by issuing notification:

- i) Department of Social Security and Women & Child Development.
- ii) Department of Health and Family Welfare.
- iii) Department of Education
- iv) Department of Welfare of SCs /BCs.
- v) Department of Rural Development & Panchayats
- vi) Department of Public Health

In order to give effect to similar transfer of functions, funds and functionaries on Punjab pattern, the issue was discussed with the Secretaries and Heads of these departments in the meeting held on 28 September 2004 under the Chairmanship of the Advisor to the Administrator. However, it was felt that the population of UT villages is very small as compared to urban population and that with the fast pace of urbanization taking place, devolution of powers would only be an interim measure. The UT

Administration has plans for acquiring the remaining parcels of vacant land in villages for planned development and ultimately all these villages will have to become a part of the Municipal Corporation and hence, the devolution of powers to PRIs in UT is not at all comparable with that in Punjab. It was, therefore, observed that it would be appropriate that the steps taken by the Governments of UT of Delhi be looked at for study and subsequent action, in this regard. In pursuance to this decision, the Joint Director (RD) visited Delhi to study the system, and found that elected bodies of Panchayati Raj in UT of Delhi stood superceded in 1990 and all functions are being looked after by the Deputy Commissioner. Therefore, the situation prevailing in UT of Delhi did not offer any guidelines. During the 4<sup>th</sup> Round Table Conference of the Ministers in charge of Panchayati Raj of States/UTs held from 7-8 Oct 2004 at Chandigarh, it was suggested that Chandigarh should emulate the example set by Daman & Diu and Dadra & Nagar Haveli in regard to the activity mapping for PRIs.

However, the result of the joint exercise has not been received as yet. Activity mapping is a part of the resolutions adopted in the first Round Table Conference held at Kolkata on 24-25 July 2004 is still under consideration in UT, Chandigarh.

The progress in respect of activity mapping, which is the key level issue, is far from satisfactory. The main reason behind it is that most of the activities in the urban as well as rural area are common in Chandigarh. The schools and civil dispensaries are examples in this regard because they cater to both the rural and the urban areas. Similarly, the tubewell stands installed in the rural area are feeding the urban area also. In fact, the villages of Chandigarh are semi-urban in nature and have lost the typical characteristics of villages. Another notable feature is the change in the employment pattern of people. With urbanization in their close proximity, the residents of the villages have changed their professions. Agriculture activities, dairying, piggery etc. have almost disappeared from these villages. In the available space with their residence, the villagers have constructed rooms, which they are renting out, and earning rent. The Chandigarh Administration is going to provide a number of bigger projects, including green belts around the Chandigarh, which will function as lungs for the city. The acquisition of land for all these projects will naturally affect the rural activities. Further, there is also an action plan of the Chandigarh Administration, which proposes to bring all the villages in the UT Chandigarh under the Municipal Corporation. As a result, it seems that the PRIs will cease to exist in UT. The department has also requested the Secretary, Urban

Development to convey the decision on this issue, so that further action could be taken in the direction of activity mapping and devolution of financial powers.

### **III. PANCHAYAT FINANCES**

- *Finance Commission*

The State Finance Commission for NCT of Delhi is also functioning as State Finance Commission (SFC) for UT, Chandigarh. So far, it has submitted two reports. In the Second Report, it has recommended one per cent share of the total revenue of Chandigarh Administration to the Panchayats, which would further be distributed among the ZP, PS and the GP in the ratio of 1:2:7. About 90 per cent of respondents reported during the survey that no action has been taken on this recommendation.

- *Sources of income*

The Punjab Panchayati Raj Act of 1994 defines the sources of funds for the three tiers of panchayat. The ZP receives Grant-in-Aid by the UT Administration and also Plan and Non-Plan Grants. The ZP does not receive any scheme-wise funds. It is imperative to note that there is no fixed ratio of funds received by the three tiers of Panchayat in Chandigarh. However, the funds received by the ZP are released to the PS and the GP according to the respective requirements. About 75 per cent of the officials of PRIs covered in the field study in Chandigarh disclosed that there is no vertical distribution of finances among the three tiers of panchayat. The allocation of funds by the ZP to the PS and the GP can be broadly classified in three components. First is the Grant-in-aid to the PS for various projects and activities such as infrastructure building, training of the PRI members and other developmental works. The second component of the funds is given to the GP. However, it is found that about 32 per cent of the grant of the PS has gone to the Panchayats during 2000 - 2005. The third component of the fund remains with the ZP for some miscellaneous activities. According to elected representatives and officials there are no untied grants. Though elected representatives revealed that budget is discussed in detail in panchayat meetings, 30 per cent of them are unaware of the budget of the respective panchayat.

There is also a component of own source generated by panchayats themselves. Though GPs are obliged to levy the taxes such as taxes on lands and buildings, professions, trades, entertainment and stamp duty, at present house tax is the only tax that is levied. Even the collection this tax by the GPs is quite irregular. On the other

hand the PS can also levy certain fees and taxes. It includes toll on vehicles using roads or bridges, fee on the registration of the vehicles, license for market, for providing sanitary arrangements at places of worship, water tax and electricity tax. However, the collection of taxes at the level of PS is not taking place.

TABLE: 2.13: RECEIPT AND EXPENDITURE  
ZILLA PARISHAD, CHANDIGARH

(In Rs)

| Year    | Opening Balance | Receipts |          | Total     | Expenditure | Closing Balance |
|---------|-----------------|----------|----------|-----------|-------------|-----------------|
|         |                 | Plan     | Non-Plan |           |             |                 |
| 2000-01 | 2712193         | 200000   | 245258   | 3157451   | 664110      | 2493341         |
| 2001-02 | 2493341         | 1100000  | 4725738  | 8319079   | 530557      | 7788523         |
| 2002-03 | 7788523         | 5080000  | 2018162  | 14886685  | 4504427     | 10382258        |
| 2003-04 | 10382258        | 7625000  | 5173901  | 23181159  | 9441006     | 13740153        |
| 2004-05 | 13740153        | 9900000  | 5802791  | 29442944  | 12134696    | 17308248        |
| Total   | 54424716        | 32205000 | 23465850 | 110095566 | 53864796    | 56230771        |

Source: Zilla Parishad, Chandigarh

The receipt and expenditure of ZP Chandigarh show that since 2000-01 the opening balances have been increasing (table 2.13). This is obvious as the receipts have been increasing but the functions of the ZP are very limited. Over the years, there has been a continuous increase in the plan and non-plan income of the ZP. Though the total expenditure of the ZP has increased from 2001 to 2005 but the amount spent with respect to the funds available, has been dismally low. In 2000-01, just 21 percent of the funds were used. Similarly, in 2002-03 and 2004-05, merely 30.2 percent and 41.2 percent of the funds were utilized. As the ZP of the Chandigarh is not active, most of the major projects and activities are shared between the PS and the GP. The activities of the PS are-

- Infrastructure building.
- Developmental Works.
- Health and Sanitation.
- Sports and Cultural Programme.
- Training of the PRI members.

Though the resources of the PS run in Crores every year, huge amount is left as unspent balances. This is primarily due to the lack of functions and the functionaries.

TABLE 2.14: EXPENDITURE OF PANCHAYAT SAMITI, CHANDIGARH

| Head of Account  | 2000-01  | 2001-02 | 2002-03 | 2003-04 | 2004-05  |
|--|----------|---------|---------|---------|----------|
| Establishment  | 1223197  | 1127300 | 1803259 | 986708  | 1166997  |
| Development work in U.T. villages                      | 10727766 | 5284340 | 6055517 | 2828950 | 9806125  |
| Misc.  | 428677   | 372121  | 640440  | 475099  | 493630   |
| Law Charges  | 41000    | 0       | 0       | 0       | 0        |
| Sports   | 50000    | 11000   | 108000  | 31000   | 41000    |
| Return of Grant under Indira Mahila Yojana             | 0        | 0       | 610000  | 0       | 0        |
| Repair of Karuna Sadan Building, Sector-11, Chandigarh | 0        | 0       | 0       | 58255   | 0        |
| Total  | 12470640 | 6794761 | 9217216 | 4380012 | 11507752 |

Source: Panchayat Samiti, Chandigarh

#### IV. EXECUTION OF PLAN PROJECTS

*Planning and Approval:* GP is not an effective body in the UT, Chandigarh. Gram Sabha is being convened as a statutory requirement. It primarily discusses issues related to water and sanitation, ration cards, BPL cards and old age certificates. It should be noted that projects are not discussed at Gram Sabha level at all. Instead, the project is initiated by the GP, PS or ZP. The proposal is then put up in the meeting of the ZP where it is discussed and approved and also decided whether the project will be implemented by the GP, PS or ZP. Even though there is no fixed criterion for the division of projects among the three tiers of Panchayat, by and large it depends on the magnitude and coverage of the project. All the officials interviewed responded that panchayats do not have freedom to set their own priorities in performing core functions. Also panchayats are not empowered to receive the help of experts in various fields in framing projects and programmes.

The functions mentioned in eleventh schedule are still to be devolved by carrying out the activity mapping. No district plan has been prepared. DPC has not been constituted in Chandigarh. It is a small territory and constitutes only one district in which the major local authority is the Municipal Corporation, which accounts for nearly all the population and most of the area. The villages, which are only 18 in number, account for less than 10 percent population of Chandigarh. Therefore, the Planning functions can practically be carried out at the administration level for the whole territory as well as at the district level and the UT administration does not see the relevance of constituting a District Planning Committee. The Chandigarh administration has already requested for an exemption in this regard from the Ministry of Home Affairs way back in the year 1997. In the absence of DPC, planning process both at village and district level has not been functioning properly. There is no agency to consolidate the plans of PS and ZP at district level.





The procedure for the execution of projects is nearly the same for the three tiers of PRIs in Chandigarh. In Chandigarh, the PS executes most projects; sometimes the ZP undertakes projects, but not the GPs. It needs both administrative and technical approval. The projects get approved at the ZP level.

The Sub-divisional Engineer (SDE) affiliated to the ZP makes the estimate for the project. The project report with the estimate is sent to the Executive Engineer in the Engineering department of the UT administration. The Executive Engineer scrutinizes the project focusing on its feasibility and the estimate. Finally, technical sanction is given by the Executive Engineer. The Block Development and Planning Officer (BDPO), after the technical sanction sends it to the Director, Rural Development and Planning who is an IAS officer holding the charge of panchayats in the union territory of Chandigarh for the final clearance. If the project cost is estimated up to Rs.50, 000, work order is given without tender and if the project estimate exceeds this amount, work is tendered and the lowest bidder gets the contract. The Sub-Divisional Officer (SDO) of the UT Administration monitor the execution of project.

*Role of Civil Society Organizations:* The Centre for Research in Rural and Industrial Development (CRRID) is an autonomous research institute in the UT of Chandigarh. The organization specifically covers Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Uttarranchal, western Uttar Pradesh and UT of Chandigarh. It is among the 27 research institutes in the country supported by the Indian Council of Social Science Research (ICSSR), New Delhi.

Some of the key areas in which the center functions are: agrarian structure and change, civil society and governance, panchayati raj and rural development, population, education, health and family welfare. With this basic thrust, CRRID organizes a training programme for elected representatives and officials of PRIs in Punjab, Haryana and Chandigarh. It is a mandatory course, which is part of the budget of the ZP, Chandigarh.

CRRID draws people from various sectors- NGO trainers, bureaucrats, professionals, environment experts, and legal experts to conduct the course. The mode is more interactive and participatory rather than instructive. A course manual is also prepared in English and Gurmukhi script and given to the participants as reference material. The manual includes information on the history of PRIs, the importance of the panchayati raj system, various subjects that come under the purview of panchayats and health and environment issues etc. The course is conducted for 15 days in the CRRID

campus, Chandigarh. The entire lot of elected representatives and officials are divided into batches for the training programme for two days each to avoid over-crowding. Officials and elected representatives said that the training had helped them understand various issues of health, environment and PRI system. According to faculty of the center, the union territory of Chandigarh presented a peculiar situation in the sense that though development was high, PRIs had little or no role to play because the UT administration was not clear about whether to leave the semi-rural enclaves in the union territory or incorporate it in Chandigarh city.

It is reported in the survey that PRIs are not seeking any help of voluntary organizations in activities related to planning and execution of projects.

*Training for PRIs:* ERs or officials do not receive any training on regular basis. About 95 per cent of respondents reported during the field survey that so far no training programme is conducted on planning or execution of projects and schemes through PRIs.

## V. ISSUES

- There has been no devolution of funds, functions or functionaries to Panchayati Raj Institutions in Chandigarh. The issue has been engaging the attention of the Chandigarh Administration since long. It is a matter of serious concern that a final decision could not be arrived at even after a series meetings and submission of the report of a Committee constituted to work out the modalities of devolution.
- One of the basic structural issues is the three-tier system itself. Since the Punjab Panchayati Raj Act has been adopted in Chandigarh, the three-tier system is adopted here. In fact, a three-tier system is not suitable to a small UT, considering the size of population. The intermediate panchayat, i.e. the PS is a redundant one.
- There is a proposal of the UT administration to acquire the land of the villages and bring it under Chandigarh city. Due to this PRIs have not been active and absolutely no devolution has taken place so far.
- Though, the GS are held regularly, there is much scope for improvement in their functioning. Since the PRIs including GP are so marginally functional, GS is also not effective.
- Elected representatives of PRIs are not receiving honorarium. According to 85 per cent of officials and 100 per cent of ERs reported in the survey that the lack

of honorarium has dampened the spirit of many elected representatives in the UT and their level of involvement in the development activities of the panchayat is not satisfactory.

- Shortage of functionaries is a serious issue. There are four panchayat secretaries for 17 GPs while other UTs like Daman and Diu and Dadra and Nagar Haveli there is one secretary for each GP. It should be noted that in Chandigarh there is one secretary who is in charge of more than four GPs on an average.
- Adequate funds are not made available to GP. In fact, funds are allotted to them just for basic maintenance of the office. Moreover, the own sources of revenue of the GP are not mobilized. House Tax is the only one, which is levied, and it is also a negligible amount.
- There has been a huge unspent balance remained with ZP every year. This situation is mainly due to the lack of devolution of powers to PRIs and activity mapping.
- Audits are not done on a regular basis even though an exclusive authority, the Examiner, Local Fund, is made. About 70 per cent of the respondents reported in the survey that irregular audit leads to various forms of inefficiencies in the utilization of fund.
- Social audit, an efficient system for supplementing the formal audit, is not yet introduced in the UT. The system of audit by involving gram sabhas or citizen committee can enhance the efficient utilization of funds by improving accountability and transparency.
- The availability of infrastructure to the offices of gram panchayat is not adequate. Nearly 68 per cent of respondents reported in the survey that their offices do not have own building. About 52 per cent of respondents reported that IT infrastructure such as computer and e-mail is not available to their gram panchayat offices.



# **DADRA AND NAGAR HAVELI**

## **I. INTRODUCTION**

**T**he area comprising Dadra and Nagar Haveli constituted 72 villages, which the Marathas had assigned to the Portuguese in 1779 as compensation to ensure their friendship and the group of 72 villages came to be known as Dadra and Nagar Haveli. The Portuguese ruled this territory until its liberation on 2<sup>nd</sup> August 1954. After that a local body known as the Free Dadra and Nagar Haveli Administration carried on the administration till its merger with the Indian Union on 11th August 1961. Under the 10th Amendment of the Constitution, the territories of Dadra and Nagar Haveli became a centrally administered UT under the Ministry of Home Affairs. It covers an area of 491 sq. km. and comprises of two enclaves, viz. (1) Dadra and (2) Nagar Haveli. Dadra is surrounded by the state of Gujarat, and Nagar Haveli lies on the borders of Maharashtra and Gujarat. Gujarati and Hindi are the languages spoken in the territory.

According to the 2001 Census, Dadra and Nagar Haveli has a population of 2,20,490 persons. Out of the total population, SC and ST population is 4104 (1.86%) and 137225 (62.24%) respectively. The sex ratio is 812 and literacy rate is 57.6 per cent. Agriculture is their main occupation and they produce mainly rice, ragi, pulses and fruits.

## **II. PRI SYSTEM**

### **(i) Evolution**

The UT of Dadra and Nagar Haveli was governed by the provisions of the Dadra & Nagar Haveli Panchayat Regulation 1965. After the 73<sup>rd</sup> Amendment to the Constitution of India, it was replaced by the Dadra & Nagar Haveli VP (Amendment) Regulation 1994 (DNHAR 1994). DNHAR 1994 provides for a two-tier PRI system in the UT with effect from November 1995.

### **(ii) Structure of PRI system**

Dadra and Nagar Haveli is a two-tier PRI system; has one DP at an apex level and eleven VPs at the bottom level.

The VP consists of one sarpanch, one Up-sarpanch and other elected members. Altogether there are 124 elected members in the VPs. The sarpanch and Up-sarpanch are indirectly elected, i.e., by and from amongst the members of the VP. Reservation

for Scheduled Tribes and Women in membership as well as in positions of Chairperson have been ensured in accordance with the Constitutional (73<sup>rd</sup> Amendment) Act, 1992.

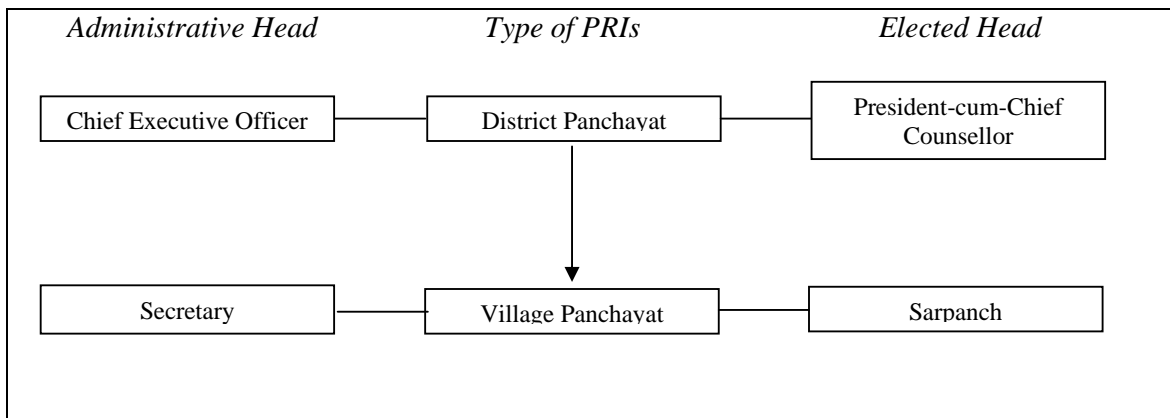
TABLE 2.15: ELECTED REPRESENTATIVES OF VILLAGE PANCHAYAT, 2000

| Village Panchayat | Elected members | Male | Female | % of women members |
|-------------------|-----------------|------|--------|--------------------|
| Dadra             | 05              | 03   | 02     | 40                 |
| Naroli            | 13              | 07   | 06     | 46.15              |
| Randha            | 07              | 03   | 04     | 57.14              |
| Kilvani           | 12              | 08   | 04     | 33.33              |
| Silvassa          | 20              | 15   | 05     | 25                 |
| Rakholi           | 10              | 06   | 04     | 40                 |
| Dapada            | 14              | 09   | 05     | 35.72              |
| Amboli            | 13              | 08   | 05     | 38.46              |
| Khanvel           | 11              | 07   | 04     | 36.36              |
| Mandoni           | 10              | 06   | 04     | 40                 |
| Dudhani           | 09              | 06   | 03     | 33.33              |
| Total             | 124             | 78   | 46     | 37.91              |

Source: UT Administration, Dadra and Nagar Haveli

The DP consists of 12 elected representatives, 11 chairpersons of the respective Panchayats and one Member of Parliament. A President-cum-Chief Counsellor is the head of DP and is elected from amongst the directly elected members. The post of President is exclusively reserved for STs and should alternate between man and woman.

CHART 2.5: PRI SYSTEM: DADRA & NAGAR HAVELI



### **Gram Sabha**

The GS meetings are usually held two to four times in a year. It is the sarpanch who convenes GS. The results of the field survey reveals that the attendance of people is very less. However, according to 60 per cent of respondents the participation of people from lower caste is higher than the upper caste. The low level of participation in GS is due to preoccupations in their own work, search for their livelihood and wage employment. Sometimes, date and timings of the GS meeting also does not suit them. GS selects beneficiaries, approves plans and programmes, and issues the utilization certificates. Moreover, income and expenditure statements are presented in the GS.

#### **(iii) Institutional Framework**

- *Election Commission and elections held*

The Election Commission directs, supervises and controls the whole election process. As per the provisions of the Regulations, the first and second elections to panchayats in the UT were held in November 1995 and 2000 respectively and election is recently held in November 2005. Elections are held on political party basis. About 80 per cent of ERs revealed in the field survey that there are many cases of manipulations, money and muscle power and even booth capturing during elections.

As per the provision made in the Regulation, 33.33 per cent of the total seat is reserved for women in Panchayat. Seats for women are reserved by the rotation so that each constituency may get a chance of getting their women representation on Panchayat. It is found that women occupy seats more than reserved seats.

- *Audit and Social Audit*

The accounts of every panchayat are audited annually by local audit department, Assistant Registrar Cooperative Society (ARCS).

At present, there is no provision for a CAG audit in the UT of DNH. Income and expenditure statements are presented in the GS and details of projects are displayed on the notice boards of the panchayat for public information (Collectorate, Silvassa 2004).

#### **(iv) Devolution of Powers**

In Dadra & Nagar Haveli, the administration has transferred seventeen subjects, while many of them are partially (Annexure II.4). It includes the transfer of the following functions to the Panchayats:

1. P.W.D. Irrigation Division to execute all works related to roads drinking water, irrigation and construction of buildings.
2. Primary education along with all associated schemes.
3. Department of Rural Development along with its schemes and programmes and implementation of all poverty alleviation programmes of Central Government.

The departments of primary education and rural development and P.W.D. Division No. III (Irrigation) have been fully placed under the DP. These departments are given along with officials and infrastructure. Other important schemes like distribution of agriculture inputs and rural electrification have been placed with DP.

In order to carry out the above functions, functionaries consisting of technical and non-technical are transferred to the panchayat on deputation basis and the disciplinary authority vests with the Administration. However, they are totally placed under the supervision of elected authority and officials.

The funds, staff and schemes are transferred by the UT administration in different phases as given below:

- Vide notification dated 16-2-96, responsibilities and powers given to VPs for preparation of plans and implementation of schemes for development and social justice.
- Vide order dated 18-08-2001, various schemes of community development, agriculture, animal husbandry and education along with officials specified in the annexed schedule transferred to DP.
- Vide order dated 18-09-2001, officials, tools, plants and machinery and village, roads as specified in the schedule transferred to DP.
- PWD transferred schemes, assets, machinery and stores, vide order dated 17-09-2001.
- Vide order dated 27-09-2001, a District Planning Committee is constituted. This committee is supposed to prepare the draft development plan incorporating different schemes and works with respect to the 29 items/subject as contained in the 11<sup>th</sup> Schedule of the constitution and with respect to the subjects transferred to them, in accordance with the panchayat Regulation.
- All the BPL schemes, IAY, SGRY, PMGY, PMGSY, other schedules like distribution of Mangalorean tiles, are being implemented through DP.
- MPLAD scheme implemented through DP.
- Mid-day meal scheme and Sarva Shiksha Abhiyan implemented through DP.



- In other beneficiary oriented schemes like National Old Age Pension Scheme, National Maternity Benefit Scheme, Balika Samridhi Yojana etc., beneficiaries are selected through panchayats only.

According to the Panchayat Regulation of the UT, VPs have been assigned jurisdiction over subjects like sanitation and public health, public works, planning and development, social welfare and education and culture. DP has jurisdiction over four subjects, non-conventional energy, poverty alleviation, welfare of the weaker sections and maintenance of community assets. In addition, the DP has jurisdiction over all matters in Schedule II, where two or more VPs are involved.

A noteworthy feature of PRI system in the UT is the activity mapping carried out based on the subsidiarity principle demarcating the functions of each tier of Panchayat. (Annexure II.5). It should be noted that the existing Schedule II and III of the panchayat regulation, do not cover five out of the 29 subjects mentioned in the eleventh schedule of the Constitution.

These five subjects are land improvement & implementation of land reforms, fisheries, fuel & fodder, minor forest produce & non-formal education

### **III PANCHAYAT FINANCE**

- *Finance Commission*

As discussed earlier, two finance commissions were set up for Dadra & Nagar Haveli along with Daman & Diu, Andaman & Nicobar Islands and Lakshadweep. About 95 per cent of respondents reported during the survey that the recommendations of the finance commission are not yet implemented.

- *Source of Income*

VPs have their own source of income through the house tax, professional tax, market fee etc. They have been found to rely mainly upon house tax and profession tax. According to 90 per cent of ER respondents, tax assessment is not undertaken regularly. In addition to this, each Panchayat receives grant in aid from the government to the tune of Rs. 3 lakh annually. A few VPs have shown receipts by way of fairs/festival tax. VPs receive tied grants to be used for specific purposes. The Land Revenue Grant is a regular form of annual receipt for the VPs. The entire land revenue collected from villages under the jurisdiction of a VP is returned to the respective VP by way of this grant.

The DP has no source of income of its own except the fund allocated by the UT Administration in the form of plan and non-plan allocation including the grants-in-aid. It is granted ten lakh rupees per annum, as an untied fund. It should be noted that DP does not have the taxation powers.

▪ *Income and Expenditure Pattern*

Budget is prepared either by secretary along or both sarpanch and secretary. Around 31 per cent of the ERs reported in the survey that budget is not discussed in detail in VP meeting. During 2003-2005, a total of Rs. 326 lakhs was received by the DP against which an expenditure of Rs. 217.45 lakhs was incurred (table: 2.16). There is an unspent balance of Rs.214.71 lakhs.

TABLE 2.16: RECEIPTS AND EXPENDITURE INCURRED BY THE DISTRICT PANCHAYAT, DADRA & NAGAR HAVELI

(Rs. In Lakhs)

| Year      | Opening Balance | Receipt | Total  | Expenditure | Closing Balance |
|-----------|-----------------|---------|--------|-------------|-----------------|
| 2003-2004 | -               | 211     | 211    | 104.84      | 106.16          |
| 2004-2005 | 106.16          | 115     | 221.16 | 112.61      | 108.55          |
| Total     |                 | 326     | 432.16 | 217.45      | 214.71          |

Source: District Panchayat, Dadra & Nagar Haveli

Expenditure of PRIs has been essentially on provision of services and administrative expenses like staff salary, office maintenance and stationery, among others. Services include expenses generally clubbed under 'developmental expenses.' Developmental expenditure largely consists of expenses on repairs and maintenance of streetlights, water pumps and payment towards water charges and bills. The relatively disadvantaged VPs tend to spend a larger share of their resources on administrative items and those with a stronger resource base on upkeep and maintenance of civic amenities. Repair and maintenance of streetlights appears to be the single largest item of expenditure. Expenditure on construction of village roads, drainage and culverts is primarily incurred from grants received under JRY. Since some of the major requirements even in the sphere of drinking water, roads and street lighting are shouldered by the UT administration, the VPs have only to look after the occasional

repairs and maintenance. The VP of Silvassa has quite a few assets and, therefore, maintenance and administration of these assets is a major item of expenditure for this panchayat. The source of funds for the panchayat in the UT include GIA and Centrally sponsored programme (table 2.17).

TABLE 2.17: FUNDS WITH THE PANCHAYATS IN DNH: 2004-05

(Rs. in Lakhs )

| Grant-In-Aid (GIA) | Other than GIA | Sarva Shiksha Abhiyan | Receipts of Panchayats | Funds under CSS | Total   |
|--------------------|----------------|-----------------------|------------------------|-----------------|---------|
| 1181.5             | 1056.00        | 887.00                | 507.49                 | 692.30          | 4324.29 |

Source: UT Administration, DNH

- GIA is increased Rs. 1520 lakh later.

#### IV. EXECUTION OF PLAN PROJECTS

*Planning and Approval:* It is the GS, which discuss and approve plans and programmes. VPs have powers and responsibilities with respect to the preparation of plans and its implementation. The projects are identified by VP and subsequently DP include these projects in its annual plan for implementation.

A District Planning Committee has been constituted in 2001 for preparing the draft development plan of the DP.

The District Planning Committee comprises of:

1. President, District Panchayat Chairman
2. Vice President, District Panchayat Vice Chairman
3. Member of Parliament Member
4. Five members to be elected by District Panchayat from amongst the elected Sarpanches of Group VPs Members
5. Five Members to be elected by and from amongst the elected members of District Panchayat Members
6. Development and Planning Officer Member
7. Assistant Accounts Officer, DP Member
8. Chief Executive Officer, DP Member-Secretary

The DPC approves the plan of the DP and VPs.

DP has constituted three committees on education, works, and finance to look into their area and business, and guide the DP to take appropriate decisions. In addition to these committees, there is a general body of the DP who meets as per provision of the Act and decides each and every work to be undertaken by the DP so that transparency is observed and confirmation of the people through participating members is sought.

All the works proposed and consented by the respective GSs are placed before the Works Committee and Education Committee as per their area and then before Finance Committee to approve as per probable fund availability and then placed before the DP for approval.

The UT administration also started various steps to identify both plan and centrally sponsored schemes, which could be transferred to panchayat bodies. For this purpose schemes were divided into three categories:

- (a) Schemes exclusively for the DP
- (b) Schemes exclusively for the VP
- (c) Schemes, which may be divided into two tier of district and VP as per the division of tasks.

A team of engineers consisting of Executive Engineer, Deputy Engineer, Assistant Engineers and Junior Engineers deals with the technical aspects of the projects. Deputy Engineer, Assistant Engineer and Junior Engineer prepare the estimate of each work. The final technical sanction is given by the Superintendent Engineer attached to UT administration. After the technical approval of projects, the execution works of the project are given to qualified contractors on the basis of tender. However, projects at VP level are small in size and those are not given on tender basis. All the tenders are given in newspapers and work is given to the lowest bidder. The engineering wing monitors the execution of projects. The financial power of President-cum-Chief Counsellor, Vice President-Cum-Chief Counsellor and Chief Executive Officer is clearly specified through an office order of the DP on 18 October 2001. Accordingly, President-cum-Chief Counsellor has the financial power upto Rs.30 Lakhs, while that of Vice President-Cum-Chief Counsellor and Chief Executive Officer is Rs. 15 lakhs.



*Role of Civil Society Organisations:* In the planning and execution of public works or schemes NGOs / CSOs do not play any role in Dadra & Nagar Haveli. The results of the field study reveal that such organizations are not active. Rural Development Foundation is identified as the only NGO having presence in the UT. It has been working in the area of sanitation, entrepreneurship training, etc.

*Training for PRIs:* ERs and officials are not receiving any training, especially on planning and execution of projects. About 95 per cent ER respondents reported that system of training is quite irregular and its frequency is once in two years. The topic of such training covers general aspects of PRI system.

## V. ISSUES

The existing Panchayat Regulations of Daman & Diu and Dadra & Nagar Haveli do not cover all the 29 subjects of the XIth Schedule of the Constitution. The regulations need to be suitably amended to enable further devolution.

Effective devolution of functionaries would require finalization of Service Rules for the Panchayat and necessary actions are to be taken by Ministry of Home Affairs. The Panchayat Regulations needs to be amended in accordance with approved activity mapping. After the finalization of Service Rules, a separate service cadre for Panchayats is required to be created leading to effective devolution of functionaries.

Most of the staff under PRIs is working on deputation basis to the panchayat and maintaining their cadre with the UT administration. PRI system in the UT do not have own cadre of staff. As a result there has been severe shortage of staff to the Panchayats.

The elected members of local government are not receiving either honorarium or sitting allowance to attend the meetings of VP. Unless they are paid a reasonable amount of honorarium, their full participation cannot be expected. According to 85 per cent of respondents the issue of honorarium is acting as a dampener in the efficient functioning of PRI system.

The participation of people in the GSs is very low mainly due to preoccupations of their own work. The people, by and large, are not aware about the significance of GS. About 92 per cent of respondents reported in the survey that they are unaware of the GS at all.



# DAMAN AND DIU

## I. INTRODUCTION

The Union territory of Daman and Diu consists of two districts Daman, located between Gujarat and Maharashtra and Diu, an island south of the Gujarat coast. Together these two islands cover an area of 112 square kilometers. The sex ratio is 709 for the UT. However, there is a sharp difference in the sex ratio between Daman (591) and Diu (1117).

The population is largely Hindu, with a small percentage of Muslims, Christians, Buddhists, Jains and Sikhs. Patels (traders, business class) and Tandel (fishers) are the two dominant castes in the UT. Both are upper/ middle castes, but have managed to get OBC status. People are mostly Gujarati speaking, but a small population is of Portuguese descent and still speaks Portuguese.

The Daman Ganga estuary divides Daman district into two parts: Moti (big) Daman where all the government offices are located and Nani (small) Daman, which is the residential area and commercial centre. Earlier there was a bridge connecting the two parts of Daman. But it collapsed twice in the last three years – once in 2003 and again after it was restored in June 2004, it collapsed within forty-five days. Since then, most of the people have been commuting by fishing boats and ferries between the two parts of Daman.

## II PRI SYSTEM

### (i) Evolution

Panchayats were in existence in Daman and Diu since 1962 under the Goa, Daman and Diu VP Regulation, 1962. After the 73<sup>rd</sup> amendment, panchayat regulations were amended in 1994 to provide for a two-tier Panchayati Raj system. As per the Daman and Diu VPs (Amendment) Regulation, 1994 (DDAR 1994), the two-tier panchayat system came into effect in Daman and Diu in 1995. The DP was created thereafter.

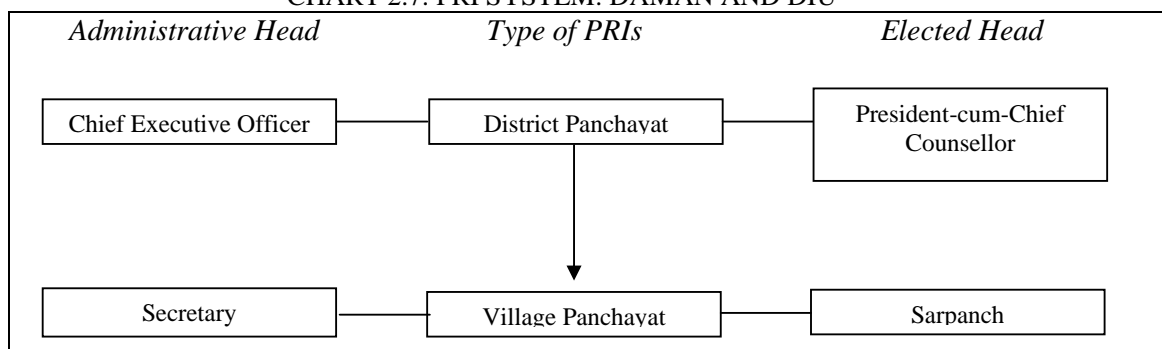
### (ii) Structure of PRI system

- *Different Tiers*

There are 14 village panchayats and 1 district panchayats in Daman and Diu. The VPs have been divided into wards. Each ward elects one member to the VP. Seats have been

reserved for women and SC/ST members as per Panchayat regulations. The members of VP elect Sarpanch and deputy Sarpanch of the VP from amongst themselves.

CHART 2.7: PRI SYSTEM: DAMAN AND DIU



The DP has also been divided into wards, which elect its members. The Chief Executive Officer (CEO) is the head of the DP and has only one Class I Officer attached to the panchayat. The DP elects the President-cum-chief councilor from Daman and the Vice President who is normally from Diu.

TABLE 2.18 CURRENT STATUS OF ELECTED REPRESENTATIVES IN DAMAN & DIU: 2005

| Name of Village Panchayat | Members Village Panchayat | Members District Panchayat |
|---------------------------|---------------------------|----------------------------|
| Marwad                    | 6                         | 2                          |
| Kadiaya                   | 5                         | 1                          |
| Bhimpore                  | 5                         | 1                          |
| Varkund                   | 6                         | 2                          |
| Dabhel                    | 7                         | 2                          |
| Kachigam                  | 5                         | 1                          |
| Patlara                   | 5                         | 1                          |
| Magarwada                 | 5                         | 2                          |
| Damanwada                 | 5                         | 1                          |
| Pariyari                  | 5                         | 1                          |
| Vanakbara                 | 9                         | 2                          |
| Bucharwada                | 5                         | 1                          |
| Zolawadi                  | 5                         | 1                          |
| Sandwadi                  | 5                         | 1                          |
| <b>Total</b>              | <b>78</b>                 | <b>19</b>                  |

Source: UT Administration, Daman & Diu

- *Gram Sabha*

According to ERs gram sabha is held twice a year where as officials say that it is held four or more times. Women attend GS but the level of participation in the proceedings is



quite low. The attendance of village people is moderate. Local issues like construction or repair of buildings, village roads or any other infrastructure work are discussed in the GS. For old age pension and other schemes, the GS also selects beneficiaries, if approached.

**(iii) Institutional Framework**

▪ *EC and elections*

The Election Commission directs, supervises and controls the whole election process. As per the provisions of the Regulations, elections to panchayats in the UT have been held thrice in 1995 and 2000 and the most recently in September 2005. Elections to the VP and DP are held together. Each village is divided into wards on the basis of population and each ward sends its representative to the VP. The elected members from among themselves elect the Sarpanch. Even though reservations are made women SC and ST they get elected from open seats also. According to 89 per cent ERs women are equally efficient than male counterparts.

▪ *Audit*

The accounts of every panchayat are audited annually by Examiner, Local Fund on regular basis. After the audit, income and expenditure statements are presented in the gram sabha and details of projects are displayed on the notice boards of the panchayat for public information.

**(iv) Devolution of Powers**

The Daman & Diu a total of 16 subjects are transferred either fully or partially to PRIs. The UT administration has identified the funds, functions and functionaries to be devolved and these points were adequately incorporated in the draft regulation. The UT administration has done comprehensive activity mapping identifying all the 29 subjects for devolution to the two tiers. (Annexure II.6). In view of the activity mapping carried out, the schedule I & II of the Panchayat Regulation will have to be amended accordingly. Reference to this, effect has been made to the central government to whet the activity map.

The DP prepares action plan for schemes, review progress and assist the VPs in implementing the schemes.

Example: For all the schemes under the subject agriculture, the DP would:

- (i) Coordinate all the activities of the VP for listed schemes.
- (ii) Prepare action plan for the whole year and send to the agriculture department.
- (iii) Hold monthly meetings of the monitoring committee
- (iv) Create awareness and organize demonstration programmes through NGOs and state agencies.
- (v) Propagate improved methods of cultivation
- (vi) Promote cultivation and marketing of vegetables, fruits and flowers
- (vii) Arrange training of farmers and extension activities
- (viii) Promote measures to increase agricultural production and to popularize the use of improved agricultural practices
- (ix) Conduct agricultural fairs and exhibitions
- (x) Participate in training farmers

Schedule II and III of the Panchayat Regulation define the functions of the VP and DP. VPs have been given jurisdiction over subjects like sanitation and public health; public works; planning and development; social welfare and education; and culture. DP has jurisdiction over four subjects namely: non-conventional energy; poverty alleviation; welfare of the weaker sections; and maintenance of community assets. In addition, the DP has control over all matters in which more than two panchayats are involved.

The President-cum-Chief Counsellor of the DP has consultative role on the following: small-scale industries; UT level educational institutions; rural electrification and public distribution system as per Schedule IV of the existing Panchayat regulation.

Schedules II and III do not cover five of the 29 subjects mentioned in eleventh schedule of the Constitution of India. They are: Land improvement and implementation of land reforms; Fisheries; Fuel and fodder; Minor forest produce; and Non-formal education.

The UT administration has prepared a draft regulation, 2002 incorporating all the subjects mentioned in the eleventh schedule with a view to facilitate more powers to VP and DP. It should be noted that the activity mapping, identifying all the 29 subjects for devolution to the two tiers, done by the UT administration is referred as a role model at

the round table conference on PRI system organised by Panchayati Raj Ministry in Chandigarh in October 2004.

At present, there is no separate cadre of staff PRIs in Daman & Diu as all officials are working on deputation from UT administration. There are no separate service rules. The draft service rules have been sent to the Ministry of Home Affairs (MHA) for approval. Posts have not been created in the panchayat. Following the pattern of Gujarat and Maharashtra, the neighbouring states, the UT administration has proposed the constitution of the Service Selection Board (SSB) for recruiting officials of the panchayat cadre.

### III. PANCHAYAT FINANCE

#### ▪ *Finance Commission*

So far, two Finance Commissions for Daman & Diu have submitted reports. Both the commissions made a review of the financial position of PRIs and provided concrete suggestions for its improvement. About 93 per cent of the respondents reported in the survey that these recommendations are not yet implemented.

#### ▪ *Sources of Income*

The funds with the panchayats in Daman & Diu include Grant-in-Aid (GIA) and funds under centrally sponsored programme (table 2.19). The income mobilized from the house tax, professional tax, market fee etc is an important source of income for VP. According to officials tax assessment is undertaken quite regularly i.e. once in four years. In addition to this, it receives Rs. 3 lakh as GIA. In addition, a special grant of Rs. 4 lakh was given to the VP during 2002-2003 (Annexure II.7).

As in the case of other UTs, the DP in Daman and Diu also does not have taxation powers. It receives Rs. 10 lakhs per annum as untied grant.

TABLE 2.19: FUNDS WITH THE PANCHAYATS IN DAMAN & DIU: 2004-05

(in lakhs)

| Grant-In-Aid | Other than GIA | Receipts of Panchayats | Funds under CSS | Total   |
|--------------|----------------|------------------------|-----------------|---------|
| 476.98       | 359.92         | 171.20                 | 456.13          | 1464.23 |

Source: UT Administration, Daman and Diu

\* GIA is increased to Rs. 612 lakh, later.

- *Receipt and Expenditure Pattern*

The revenue and expenditure pattern of DP shows that there has been a consistent increase in both during the three-year period from 2001-04 (Table 2.20). While revenue has increased from Rs. 9.29 crores in 2001-02 to Rs.12.74 crores in 2003-04, expenditure has gone up from Rs. 24.88 lakh to Rs. 2.27 crores during the same period. However, it needs to be noted that a significant amount is left unspent in 2003-04.

TABLE 2.20: RECEIPTS AND EXPENDITURE INCURRED  
BY THE DISTRICT PANCHAYAT, DAMAN & DIU

(In Rs.)

| Year    | Opening Balance | Receipts |          | Total     | Expenditure | Balance   |
|---------|-----------------|----------|----------|-----------|-------------|-----------|
|         |                 | Plan     | Non-Plan |           |             |           |
| 2001-02 | 14184547        | 76688896 | 2050000  | 92923443  | 2487900     | 90435543  |
| 2002-03 | 90435543        | 17999000 | 2200000  | 110634543 | 19959499    | 90675044  |
| 2003-04 | 90675044        | 34750000 | 1950000  | 127375044 | 22686850    | 104688194 |

Source: District Panchayat, Daman & Diu

During 2001-02, the highest amount was spent under the head namely; “other Development Programmes- Panchayati Raj”, out of the total funds received by the DP. Only 20 percent of the funds received by DP for roads and bridges were utilized whereas GIA received under PMGSY & PMGY- DRDA for roads and bridges were not spent at all. Moreover, the funds allotted for general education, public health, minor irrigation, crop husbandry and animal husbandry remained unutilized during 2001-02.

During 2002-04, a large proportion of total expenditure was spent on roads and bridges. For water supply and sanitation the expenditure incurred was 10% of the funds received during 2002-04. In the UT, the system of public health is very good, therefore, the spending under this budgetary head was very less.

However, VPs incur expenditure mainly on developments works like sanitation, social welfare, construction, education and cultural activities (Annexure II.8a & b).

#### IV. EXECUTION OF PLAN PROJECTS

*Planning and Approval:* A development project proposal is discussed first in the monthly meeting of the VP. All such project proposals are discussed in the GS within the next six months and a resolution approving the projects to be taken up is passed. Once passed, the

Sarpanch and Secretary of the Panchayat survey the area where project is to be implemented and a listing is done on that basis. Listing means the exact point-to-point location of the project to be implemented. The details of the project are finalized at this point. A resolution is passed in the monthly meeting of the VP. This is then sent to the Block Development Officer (BDO) for the approval.

Projects could be initiated by one or more VPs. In that case the Sarpanch of a particular village proposes the project. A project proposal may come from the DP. Once a project is proposed, the General Body Meeting (GBM) of the DP approves it. GBM is held twice a year. The President-cum- councilor of the DP gives administrative approval for the project.

The consolidation of plan prepared by VP is done at the DP level. The DP will recommend inter panchayat and intersectoral allocations in the DPC. District Planning Committee was constituted on January 12, 1996 in Daman and Diu.

The District Planning Committee comprises of:.

- |    |  |                  |
|----|--|------------------|
| 1. | President, District Panchayat  | Chairman         |
| 2. | Vice President, District Panchayat   | Vice Chairman    |
| 3. | Member of Parliament   | Member           |
| 4. | Five members to be elected by District Panchayat from amongst the elected Sarpanches of Village Panchayats | Members          |
| 5. | Five Members to be elected by and from Amongst the elected members of District Panchayat                   | Members          |
| 6. | Development and Planning Officer   | Member           |
| 7. | Assistant Accounts Officer, DP   | Member           |
| 8. | Chief Executive Officer, DP  | Member-Secretary |

The District Planning Committee approves the plan of the DP and VPs.

As discussed earlier, President-cum- councilor of the DP gives administrative approval for the projects to be implemented. For technical approval of projects at the village level, the Extension Officer, Rural Engineering who is a Public Works Department (PWD) engineer of the Junior Engineer (JE) level examine the project technically. The technical report (TR) is prepared on this basis which includes various aspects of the project covering estimated cost and technical feasibility.

The technical report is sent to the Assistant Engineer (AE) who is the technical officer of the DP. Once the AE approves the project, it is sent once again to the VP. If the project is for less than 50,000 rupees, the work is given based on limited quotations i.e. panchayat secretary informs two-three people about the project and invites quotations. But if the project is for more than 50,000 rupees then it is tendered. The VP advertises in local newspapers inviting tenders. The Panchayat Secretary makes a comparative statement of the three lowest bidders and the lowest one is chosen. After this, the sanction is given to the contractor to execute the project.

Once the project is underway, the JE inspects the site and prepares the Measurement Book (MB). The contractor prepares the bill on the basis of the MB and finally the voucher is made.

The PWD division of the administration makes the estimate for the project at DP level. If the project is estimated upto Rs 10 lakhs, then it is sent to Executive Engineer for sanction, if it is for more than Rs10 lakhs, the Superintendent engineer is, the sanctioning authority. The project is technically scrutinized and the proper estimates are prepared. After receiving technical sanction, the project is sent to the president who gives the administrative approval.

If the project is for Rs. 2 lakhs or less, then limited quotations are invited, if it exceeds 2 lakhs, then tenders are invited. If the tendered amount is for more than 5 per cent of the estimate, then it is sent to the Works Advisory Committee. After getting clearance, the work is given to the lowest bidder.

During and after the completion of project, the Executive Engineer, DP, oversees the implementation of the work. He prepares the completion certificate and the Measurement Book (MB). The utilization certificate (UC) is prepared and submitted to the Secretary Panchayat, Development Commissioner – an IAS Officer of the UT administration. Submission of utilization certificate is necessary to get clearance for further projects.



*Role of Civil Society Organisations:* It is found during the survey that PRIs are not seeking the help of voluntary organization in any activities related to planning and execution of projects. About 83 per cent of ERs and 95 per cent of officials have reported in the survey that CSOs are not active in Daman and Diu.

*Training for PRIs:* Eighty-five per cent of respondents are reported in the survey that ERs or officials are not adequately trained in regard to the planning and execution of programmes and projects. There is no institute in the UT providing training to PRIs.

## V. ISSUES

- Devolution of powers – funds, functions and functionaries – are not yet transferred to PRIs either fully or partially.
- The existing panchayat regulation of Daman and Diu does not cover all the 29 subjects of the 11<sup>th</sup> Schedule of the constitution. The regulations need to be suitably amended to enable further devolution.
- Effective devolution of functionaries would require finalization of service rules for the panchayat.
- Most departments in the UT have meager staff. The number of functionaries has increased from 481 to 628. Even this staff is on deputation basis from UTA.
- There has been discontent among people in Diu regarding the allocation of funds between Daman and Diu as Diu is relatively undeveloped. This complaint is more in the case of allocation of funds of the DP.
- The availability of infrastructure in village panchayat offices is poor. About 35 per cent of respondents reported in the survey that these offices do not have IT infrastructure such as computer, e-mail, etc.





# LAKSHADWEEP

## I. INTRODUCTION

Lakshadweep, formerly known as Laccadive, Minicoy and Amindivi Island in the Arabian Sea, is the smallest and single district UT of India. It is made up of a group of 36 tiny coral islands, only 10 of which are inhabited and 26 uninhabited (17 uninhabited island attached islets, 4 newly formed islets and 5 submerged reefs.). The inhabited islands are Kavaratti, Agatti, Amini, Kadamat, Kiltan, Chetlat, Bitra, Andrott, Kalpeni and Minicoy. The islands are scattered in the Arabian Sea and are situated about 200 to 400 kilometers off the Kerala coast and at distances varying from 10 to 400 kilometers from each other. The population of Lakshadweep is 60650 and literacy rate is 86.7 per cent as per the 2001 provisional census data. The main occupation of the people is fishing, coconut cultivation and coir twisting. Tourism is an emerging industry in Lakshadweep. Malayalam is spoken in all the islands except Minicoy where people speak Mahl, which is written in Divehi script and is spoken in Maldives also. The entire indigenous population, because of their economic and social backwardness has been classified as Scheduled Tribes. According to the Scheduled Castes and Scheduled Tribes list (modification orders), 1956, the inhabitants of Lakshadweep who are born and both of whose parents are born in these islands are considered Scheduled Tribes. There are no Scheduled Castes in this UT.

## II. PRI SYSTEM

### (i) Evolution

Prior to the introduction of Panchayati Raj in the territory, there existed Citizen Councils in the islands and a Citizen Committee for the entire region. There was an Advisory Council set up to aid and advise the Administrator in carrying out daily administration. Representatives from all the 10 islands were members. The Lakshadweep Island Councils Regulation, 1988 and the Lakshadweep (Administration) Regulation, 1988 under which the Island Councils and Pradesh Councils were set up, have been repealed under Section 88 of Lakshadweep Panchayat Regulation, 1994, promulgated by the President of India on 23<sup>rd</sup> April 1994 consequent to the Constitution (73<sup>rd</sup> Amendment) Act, 1992. Following the enactment of the Constitution (73<sup>rd</sup> Amendment) Act, 1992, Lakshadweep Panchayats Regulation, 1994 was promulgated by the President of India

on 23 April 1994. Accordingly a full-fledged department of panchayat and rural development has been established by the administration of the UT of Lakshadweep to look after the affairs of the panchayats in the territory and to coordinate the rural development activities in the area

**(ii) Structure of PRI system**

▪ *Different Tiers*

According to the Regulation, a two-tier PRI system has been set up in Lakshadweep at village and district level. Ten inhabited islands have the ten VPs. The DP has its headquarters at Kavaratti. There are 79 seats in the VP; out of which 75 seats are reserved for candidates belonging to the Scheduled Tribes and 30 seats for women including women belonging to Scheduled Tribes. There is a Chairperson and a Vice Chairperson in the VP.

As per Section 8(1) of the LPR 1994, Village (Dweep) Panchayat is constituted in each of the islands of Chetlat, Bitra, Kiltan, Kadmat, Amini, Andrott, Agatti, Kavaratti, Kalpeni and Minicoy as specified in the First Schedule. The number of seats in the panchayat fixed according to population range are given in table 2.21.

TABLE: 2.21: ELECTED REPRESENTATIVES OF LAKSHADWEEP PANCHAYATS: 2005

| Islands   | Number of Members in Village (Dweep) Panchayat | Number of Woman Members in Village (Dweep) Panchayat | Number of Members in the District Panchayat | Number of Women Members in the District Panchayat |
|-----------|--|--|---|---|
| Agatti    | 8  | 3  | 2   | 0   |
| Amini     | 10   | 4  | 3   | 1   |
| Andrott   | 10   | 3  | 4   | 2   |
| Bitra     | 3  | 2  | 1   | 1   |
| Chetlat   | 6  | 2  | 1   | 0   |
| Kadmat    | 8  | 3  | 2   | 1   |
| Kalpeni   | 8  | 3  | 2   | 2   |
| Kavaratti | 10   | 3  | 3   | 0   |
| Kiltan    | 6  | 2  | 1   | 0   |
| Minicoy   | 10   | 3  | 3   | 1   |
| Total     | 79   | 28   | 22  | 8   |

Source: UT Administration, Lakshadweep

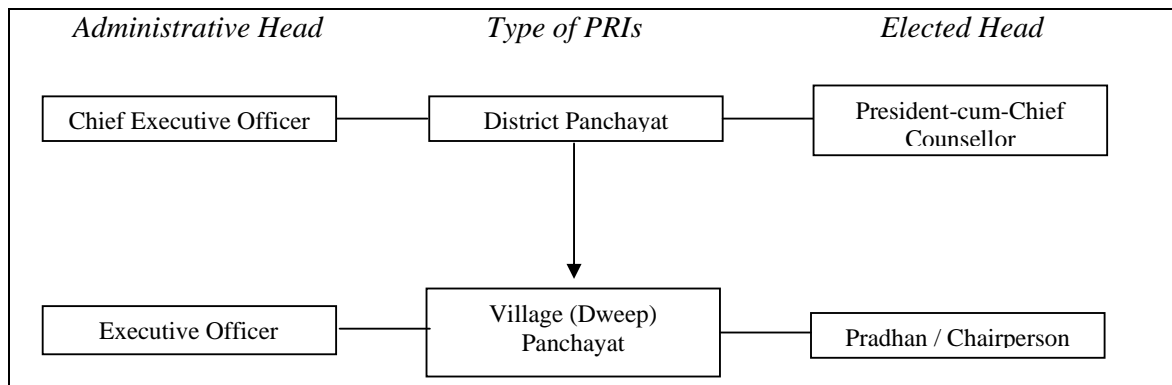
NB: The present village panchayats and the district panchayat were constituted in December 2002 and January 2003 respectively.

Section 46 of the Regulation entrust to the VP the execution, maintenance or repair of any work including implementation of schemes of economic development and social justice and place the management of an institution at the disposal of the Panchayat.

Section 8(1) of the LPR, 1994, provides for the constitution of a DP for the entire UT. The DP consists of directly elected members from territorial constituencies (determined by the Election Commission) at the rate of one for every two thousand five hundred of population of a VP and if the remainder is more than one thousand two hundred and fifty, then the number of such seats shall be raised by one. However, at least one seat has been allotted to a VP to facilitate the representation of smaller VPs such as Chetlat and Bitra in the DP. The Pradhans of the VPs and the Member of the Lok Sabha representing the UT are members of the DP with voting rights. Reservations for Scheduled Tribes and Women in membership as well as in positions of President-cum-Chief Counsellor have been made in conformity with the Constitutional (Seventy-third Amendment) Act, 1992.

As per section 24 of the LPR 1994, the President-cum-Chief Counsellor and two Vice Presidents-cum-Counsellors shall be elected from amongst the directly elected members, by these members and Pradhans of the VPs, who are the ex-officio members of the DP. The DP is implementing various developmental schemes formulated by it as well as those transferred from the developmental departments of the Lakshadweep Administration. The DP also prepares its projects separately and submits to the District Planning Committee (DPC).

CHART 2.9: PRI SYSTEM: LAKSHADWEEP



- *Gram Sabha*

As per the Lakshdweep Panchayats Regulation (LPR) 1994, the GS shall consist of persons registered in the electoral rolls relating to an island or group of islands comprising the area of the VP. According to the LPR 1994, the GS in its meetings suggests and reviews various developmental activities undertaken by the VP. In addition, circulars and orders related to the GS are read out. The beneficiaries are to be selected by the panchayat under various schemes of assistance from Government of India, panchayat, etc. The list of beneficiaries has to be presented and approved in the GS meetings.

About 98 per cent of respondents in the field study reported that the GS in all the villages are not operational. Only in Kalpeni, the Gram Sabha meetings were held twice during the last two years.

**(iii) Institutional Framework**

- *Election Commission*

For the superintendence, direction and control of the preparation of electoral rolls and for the conduct of all elections to the Panchayats in the UT of Lakshadweep, the Election Commission is constituted. There is a common election commission for Lakshadweep and Andaman & Nicobar Islands. There have been two general elections to the DP and VP in Lakshadweep. The first general election was held in December 1997 and the next in October 2002. Many of the candidates for these elections were affiliated to major political parties of the island viz. Indian National Congress, Samata Party and BJP while some candidates have fought the elections as independent candidates. Candidates fought mainly on party basis in 2002 elections.

- *Audit and social audit*

The accounts of local government of the UT are not audited regularly. In fact, there is no local fund audit department for Lakshadweep and at present CAG is entrusted the work. About 85 per cent of respondents in the survey reported that CAG, Thiruvanthapuram, Kerala that is assigned the task of audit, has not done the same for quite some time. It is found that there has been an undue delay in the audit of local government in the UT. Moreover, the system of social audit or performance audit is not yet introduced.

**(iv) Devolution of Powers**

The significant feature of PRI system in the UT is the inadequate power given to the system. Section 44(4) of the LPR 1994 says:

“The Administrator may, from time to time, consult the President-cum-Chief Counsellor or the Vice-President-cum-Counsellor on any matter relating to the administration of the UT, as specified in the Fifth Schedule, and any views expressed by the President-cum-Chief Counsellor or the Vice-President-cum-Counsellor on such matters shall be recommendatory in nature”.

Section 44(2) of the Lakshadweep Panchayat Regulation, 1994 (LPR) provides for the transfer of schemes from time to time along with funds, if any, and personnel, by the Administrator.

These are the schemes under any of the subjects incorporated in the 3<sup>rd</sup> or 4<sup>th</sup> Schedule under sub-Section (1) and are the matters within the jurisdiction of VP and DP. In exercise of the powers, the Administrator has transferred 34 schemes and 1025 employees to the local bodies in 1998. During the year 2001, the administration transferred 15 additional schemes to the Panchayats. The grant-in-aid required for the implementation of these schemes and the salary of staff transferred, is given to the local bodies on receipt of utilization certificate from the Panchayats. The schemes transferred to PRIs are from the following departments:

- Agriculture
- Fisheries
- Industries
- Social Justice Empowerment and Culture
- Education
- Medical and Health Services:
- Animal Husbandry
- Department of Electricity
- General Administration
- Labour and Employment

These schemes are from eight subjects listed in the XI Schedule (Annexure II.9a & b). Activity mapping demarcating functions between VP and DP is not yet done.

According to UT administration, the scope for further devolution of powers in the UT is limited. There is no clear demarcation between district administration and UT administration in this uni- district UT. The directors and the department heads are also the district level officers assisting the administrator in taking policy level decisions. In this situation, UT administration believes that transfer of all schemes to the panchayats would reduce their role to that of an agency receiving developmental grants from government and releasing to the PRIs. However, the UT administration feel that further devolution of powers can be considered after conducting a detailed study of this peculiar situation by an expert committee.

### III. PANCHAYAT FINANCE

- *Finance Commission*

Two Finance Commissions constituted under Section 86 of Lakshadweep Panchayats Regulation, 1994 made several recommendations to the Administrator regarding the measures needed to improve the financial position of the panchayats. As in the case of other UTs about 97 per cent of respondents reported in survey that recommendations of both commissions are not yet implemented.

- *Sources of Income*

The Lakshadweep Administration, in addition to transferring the developmental schemes to the Panchayats along with staff and funds, provide Rs. 5 lakhs each to the VP and a sum of Rs. 20 lakh as untied grant to the developmental schemes prepared by the VP and DP.

Section 51 of the Lakshadweep Panchayats Regulation, 1994 empowers the Panchayats to levy taxes and fees on the items indicated therein. The Administrator, in exercise of powers conferred to him under Section 81 of the Regulation formulated the Lakshadweep Panchayats (Taxation and Appeal) Rules, 1997. As per the provisions, the rate at which and the date from which the taxes and fees is to be levied must be fixed by the Panchayats through specific resolutions. Based on the recommendations of the Finance Commission for UT, a Joint Committee under the chairmanship of the President-cum-Chief Counsellor, DP was constituted to recommend a proper taxation proposal to the Panchayats. The Committee has already submitted its report to the Administrator. The Administrator *inter-alia* has notified the rates and subjects on which a uniform rate of tax is to be imposed by the panchayats. The panchayats have not yet started collection of most these taxes and fees. However, since the panchayat so far could not collect the fees and taxes sufficient to run the developmental activities, the administration has introduced a scheme to encourage resource mobilization. The Finance Commission has also recommended making such a provision.

- i) A matching grant of 75 per cent of the revenue collected by the panchayats is proposed to be released annually to the panchayats for taking up developmental programmes;

- ii) Where a Panchayat has a total human population less than five hundred and is affected by a disability of the nature of very small economic base, the department proposes to provide a “disability grant” of minimum Rs.50,000 per annum in place of matching grant.

As the untied grant of Rs.5 lakh to each VP per annum to formulate schemes on the subjects under their jurisdiction is very limited, it has been facing severe financial crunch.

Moreover, the taxation system of the local government is not in place. This has compelled each VP to develop certain small projects suitable to the local conditions to generate funds. Some examples of such project are jaggary and vinegar making, pickle making, sale of vegetables, broiler chicken and plastic bags, renting of furniture and other items for marriages, etc. Details of revenue collected by Kavaratti panchayat during April 2003-2005 are given in the table 2.22.

TABLE 2.22: REVENUE COLLECTION: KAVARATTI VILLAGE PANCHAYAT

(Amount in Rs.)

| Items                | Year    |         |
|----------------------|---------|---------|
|                      | 2003-04 | 2004-05 |
| Stray Cattle         | 97410   | 70325   |
| Clearance            | 19200   | 15433   |
| NOC                  | 23175   | 6200    |
| Stage Rent           | 9000    | 10000   |
| Sale of Vegetable    | 21628   | 29772   |
| Sale of Broiler      | 95661   | 59276   |
| Chair Rent           | 4585    | 4128    |
| Photocopier          | 16541   | 11018   |
| Interest Collection  | 82822   | 23833   |
| Sale of Plastic Bags | 1514    | 2729    |
| Rent of Sofa Set     | 500     | 0       |
| Entry Permit         | 0       | 0       |
| Octroi               | 0       | 11514   |
| Bus                  | 0       | 31643   |
| Tax Collection       | 0       | 705     |
| Sales Counter        | 0       | 39511   |
| Total                | 372036  | 316087  |

Source: Kavaratti Village Panchayat

The income and expenditure pattern of Kavaratti VP shows that it spent Rs. 44.98 lakh and Rs. 36.92 lakh during 2003-04 and 2004-05 respectively (Annexure II.10). It should be noted that major share of this amount is spent by the various departments which are transferred to PRIs. These include agriculture, medical services and social justice empowerment and culture. In fact as these departments are functioning almost independently, VP does not have much role in the fund utilization. For the years 2002-

03 and 2003-04, the budget estimates of the DP are Rs. 12.72 crores and Rs. 13.81 crores respectively. As in the case of VP, DP is also not playing much role in handling large fund.

#### **IV. EXECUTION OF PLAN PROJECTS**

*Planning and Approval:* Against the untied grant received from the administration, each VP prepares project proposals. As GS is not properly functional and its meetings are not regularly held, these proposals are not discussed in GS. All the proposals developed by VP needs to be finally approved by the UT administrator. It is evident from the following order of UT administration issued on 17<sup>th</sup> July 1998 (F.No. 4/2/97/-DOP (2)): “All proposals of the Village (Dweep) Panchayats, which require the approval, and sanction of the Secretary (Panchayats) and the Administrator, UT of Lakshadweep should be submitted to the Director of Panchayat, UT of Lakshadweep. As soon as, may be after the receipt of such proposals from the Panchayats, the Director of Panchayat shall process these proposals and submit for the approval of the Administrator through the Secretary (Panchayats) and through Secretaries of General Administration and Services and Finance wherever the proposal of the Panchayats relates to service matters and financial sanctions”.

Section 85(1) of the Regulation empowers the Administrator to constitute a DPC to consolidate the plans prepared by the VP and the DP and to prepare a draft development plan for the UT as a whole. The DPC consist of the Member of Parliament representing the UT, the President-cum-Chief Counsellor of the DP and such numbers of persons elected by and from amongst the elected members of the DP. The Administrator or such other officer as may be designated by him to be its ex-officio Chairman. Accordingly DPC has been constituted in the UT and the current District Planning Committee comprises of:

1. Chairman – Secretary (Pay & Accounts)
2. Member Secretary – Director of Panchayats & RP
3. Members, which include President and Vice President DP and DP members from all VPs.
4. Permanent invitees: Assistant Director (Planning) and Manager, Syndicate Bank
5. Special invitees: CEO, DP; Chairperson and Executive officers of VP.





The DPC consolidate the plans prepared by the VP and the DP to prepare a draft of development plan for the entire territory as a whole. The DPC while preparing the development plan takes into account (i) matters of common interest among the Panchayats including spatial planning and other physical and natural resources, the integrated development of infrastructure and environment conservation; (ii) the extent and type of resources available whether financial or otherwise; (iii) consult such institutions and organizations which the Administrator desires. The list of proposals cleared by the DPC is submitted to the administrator for its final approval.

The projects that are executed by both VP and DP are small and non-technical in nature. Maintenance of community assets such as wells and ponds are the examples of works undertaken by the DP. Major construction works are still under Public Works Department and not yet transferred to PRIs. In this set up, PRIs need not deal with technical aspects of any projects. PRIs in the UT of Lakshadweep do not have any engineering wing. These projects are implemented through nominees of the panchayat under the supervision of VP committee.

*Role of Civil Society Organisation:* In this UT voluntary organizations are not involved in the planning and execution of projects. According to 72 per cent of the respondents there are few voluntary organizations who are actively interested in the development activities. However, UT administrations and PRIs are not showing keen interest in availing their services.

*Training for PRIs:* ERs and officials are not provided training on planning and execution of projects. Moreover there has not been a regular and systematic training programme for PRIs.

## V. ISSUES

- Adequate powers and functions are not transferred to PRIs. According to UT administration, the panchayats in Lakshadweep are young entities and hence transfer of all schemes being implemented by the administration can be done only in a phased manner, as they would gradually attain maturity and expertise in the implementation of schemes. Even though some schemes and departments are transferred PRIs this not done in real spirit. After the transfer of department to the panchayat, the concerned department continues to work as before. The operation of these departments is still independent of the panchayats as they report to the concerned department heads and UT administration. The only difference is that

salary and benefits are disbursed through panchayat accounts. Panchayat does not hold any role in the operation of departments or supervision of staff.

- Gram Sabha is not functional. All the VPs barring one are not convening meetings as required under the provisions of the Regulation. In principle, the Gram Sabha should convene its meetings at least twice in a financial year. Gram Sabha meetings are held only Kalpeni.
- Gram Sabha has not been assigned any specific functions in the Regulation. It does not have any role in the preparation of plan for the village.
- Accounts of PRIs are not audited on regular basis. About 84 per cent of officials interviewed reported that delay in the audit varies from 3-5 years. Local fund audit department is not yet constituted. Social audit by the Gram Sabha or citizen committee, etc. is also not considered.
- Section 44(1) of the LPR provides that “it shall be the duty of every Village (Dweep) Panchayat and of the DP so far as its funds allow to make reasonable provision within its jurisdiction in regard to the matters specified in the 3<sup>rd</sup> Schedule in case of Village (Dweep) Panchayat and in regard to the matters specified in the 4<sup>th</sup> Schedule in case of DP”. It will be seen in the schedules that all the 29 subjects enumerated in the Schedule XI of the constitution has been incorporated. Thus, the PRIs are free but duty bound to formulate schemes in respect of subjects mentioned in the schedule 3 and 4. This, however, needs mobilization of revenue by the PRIs for which the Panchayats in Lakshadweep have not made adequate efforts till now. However, the Panchayats have not started to impose the taxes as prescribed.
- Most of the village panchayat offices are not provided adequate infrastructure facilities. Nearly 40 per cent of respondents reported in the survey that the village panchayat offices are operating from hired buildings. About 98 per cent of the respondents reported that the village panchayat offices do not have any IT infrastructure such as computer, e-mail, etc.



## **REVIEW OF PRI SYSTEM IN SELECT STATES OF INDIA**

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**T**his chapter evaluates and analyses the performance of the PRI system in three of the front-running states in India, namely Karnataka, Kerala, and West Bengal. This would give a perspective to understand the best practices in the performance of PRIs in the country. It would also help to construct a model or framework that can be applied to the UTs, in order to strengthen their PRI systems.

### **KARNATAKA**

**K**arnataka is considered one of the most active and innovative PRI systems in the country. It had made progress in devolving powers to local bodies even before it became mandatory after the 73<sup>rd</sup> amendment in 1992. Following the recommendations of the Balwantray Mehta Committee report in 1957, Karnataka adopted a three-tier PRI system in 1959. It consisted of VPs at the lower level, Taluk Development Board (TDB) at the intermediary level and District Development Council (DDC) at the apex level (Aziz, 1998). Later, the Karnataka Panchayati Raj Act 1983 provided for a directly elected body along the model suggested by the Ashok Mehta Committee. ZP and TP members were directly elected with 25 percent reservation for women and also proportional reservation for scheduled castes and scheduled tribes. One of the most positive aspects of PRI system in Karnataka was the linkage of development projects with local governance (Aziz *et al*, 2002). Immediately after the 73<sup>rd</sup> Constitutional Amendment, the state passed the Karnataka Panchayat Raj Act (KPRA), transferring all the 29 functions to panchayats. A new impetus was given to Panchayati Raj from 2001 onwards, when a number of measures, both legislative and executive were undertaken. Important amendments were made in October 2003 to the KPRA to foster peoples' participation and make panchayats more accountable to them.

## **STRUCTURE OF PRI SYSTEM**

The Karnataka Panchayat Raj Act 1993 provides for an elected three-tier system at the village (Gram Panchayat), taluk (Taluk panchayat) and district (Zilla Panchayat) level. There are 5650 GPs, 176 TPs and 27 ZPs in Karnataka. The PRIs have sufficient powers within their approved budget and plans for implementing the programmes. All the three levels are vested with executive authority and are expected to be independent of one another. In actual practice, however, administrative regulations, supervision and reporting requirements and capacity differences have resulted in a hierarchical structure. In effect, TPs have a supervisory role over GPs and ZPs supervise both GPs and TPs.

### *Gram Panchayat*

Every village or group of villages having a population in the range of 5000 to 7000 have a gram panchayat with one member for every 400 population. The gram panchayat has powers to levy taxes and fees.

### *Taluk Panchayat*

One member is elected for a population of ten thousand in each taluk panchayat. They have no power to raise resources through taxation. Government can also make discretionary grants for specific purposes. TPs prepare annual action plans and are also required to include the plans prepared by the GPs under JRY as well as other government schemes.

### *Zilla Panchayat*

ZP receives its resources from the state and central government as grants for implementing various development programmes. ZPs are required to prepare annual plans in respect of programmes assigned to them under various sectors and also incorporate into their plans, the plans prepared by the TPs in the district.

## **Gram Sabha**

At the base of the Panchayati Raj structure is the GS, consisting of all the registered voters in the village. Through legislation GS has got powerful position. For instance, in regard to beneficiary selection, the list prepared by GS cannot be changed at any level of the government. This puts beyond the pale of doubt its supremacy. GS meets twice in a

year. NGOs play significant role in mobilizing people to participate actively in GS and creating awareness about its significance.

Mandatory approval of development plans, preparation of project proposals and prioritization of schemes have been included in the powers of the GS. The GS is a very important forum in which the annual statement of accounts, report of administration and the development works undertaken by the gram panchayat are reviewed.

### **Ward Sabha**

For each constituency in the gram panchayat, ward sabha is formed. Preparation of project proposals, priority list of projects and identification of beneficiaries for various development schemes at each constituency level are the functions of ward sabha.

### **DEVOLUTION OF POWERS**

Regarding the devolution of 29 subjects among the three levels of PR system, it is evident that the gram panchayat is concerned only with the part of poverty alleviation programmes by performing roles such as the identification of beneficiaries for poverty alleviation programmes. Taluk Panchayat deals with the implementation of poverty alleviation programmes relating to roads and women and child development. All the remaining subjects are with the ZP whereas the subjects such as rural housing, public distribution system, rural electrification, maintenance of community assets, libraries, cultural activities and technical and vocational education are outside the purview of PRIs.

The schedules of the Act of 1993 set out the functions of the three tiers of Panchayati Raj only in general terms and there is no clear division of responsibility. The state government, based on the reports given by a working group in March 2002 cleared activity mapping framework in August 2003. According to the activity-mapping framework, the zilla and taluk panchayat are planners, facilitators and managers of common executive machinery. GPs are to provide local services whereas GS and ward sabha are instruments of downward accountability.

In order to strengthen PRIs through delegation of more funds, functions and functionaries, certain concrete steps are taken by Karnataka during 2003-05. The number of line items in the panchayat sector of the budget has been reduced from 658 to about 330, simplifying the district sector fund transfer mechanism. Tiny schemes were merged into larger ones, giving greater flexibility to Panchayats to address their priorities.

All state sector schemes and funds dealing with functions devolved to panchayats are transferred to the district sector, with effect from the 2005-06 budgets. The table 3.1 reveals the impact of those changes.

TABLE 3.1: SIZE OF THE STATE AND CENTRAL SHARES IN THE DISTRICT SECTOR PLAN

(Rs. Crores)

| 2004-05 |        |       | 2005-06 |        |       | Percentage increase |        |       |
|---------|--------|-------|---------|--------|-------|---------------------|--------|-------|
| State   | Centre | Total | State   | Centre | Total | State               | Centre | Total |
| 1013    | 657    | 1670  | 2003    | 877    | 2880  | 97.7                | 33.5   | 72.5  |

Source: Rural Development and Panchayat Raj Department, Government of Karnataka, <http://www.kar.nic.in/rdpr>.

With this, the average budget for a GP in Karnataka has increased to Rs. 35 lakhs (Government of Karnataka, <http://www.kar.nic.in/rdpr>). It should be noted that the population of gram panchayat is around 6000 to 8000 in the state. According to the PR Act 1993 Chapter III see 4 (population of GP) it is mentioned that; “Declaration of Panchayat Area and establishment of Gram Panchayat – (1) Subject to the general or special orders of the Government, the Deputy Commissioner, if, in his opinion, it is expedient to declare any area comprising a village or group of villages having a population of (not less than five thousand and not more than seven thousand) to be a panchayat area, may, after previous publication, declare such area as a panchayat area for purposes of his Act and also specify its headquarter”.

## INSTITUTIONAL FRAMEWORK

### Standing Committees

There are standing committees at all three tiers of the panchayat. Production committee, social justice committee and amenities committee are provided for executing the developmental programmes at GP level. At the TP level also, there are three standing committees viz. general standing committee, finance, audit & planning committee and social justice committee.

Five standing committees - general standing committee, finance, audit and planning committee, social justice committee, education and health committee, and agriculture and industries committee - are functioning to implement the developmental programmes effectively at ZP level.

### **State Panchayat Council**

A State Panchayat Council has been constituted to act as a forum for ERs to express their opinions and offer their suggestions to improve the PRI system and make it more responsive to the peoples' needs. It consists of the Chief Minister as Chairman, the Minister for Rural Development and Panchayat Raj as Vice-Chairman and five other Ministers as members. The State Panchayat Council shall consist of;

- (i) The Chief Minister as Chairman
- (ii) The Minister for Rural Development and Panchayati Raj as Vice-Chairman
- (iii) Five other ministers nominated by the Government as Members
- (iv) All the Adhyakshas of the Zilla Panchayats, as Members, and
- (v) Secretary, Department of Rural Development and Panchayati Raj as Member-Secretary.

### **District Planning Committee**

DPC is responsible to consolidate the plans prepared by panchayats and to prepare a draft development plan for the district as a whole. The ZP Adhyakshya is the Chairman and the mayor of the municipal corporation is its vice-chairman.

### **Election**

The state government constituted a state election commission system in 1993. The first election to GPs was held on December 29, 1993 on non-political party basis and to taluk panchayat and ZP, in March 1995 on political party basis. The second round of election for village panchayat took place in February 2000 and that of TP and ZP in June 2000. The third round of elections to GPs were held in February – March 2005. As many as 15,189 candidates were declared unopposed by the State Election Commission. The presidents of all the tiers of panchayats are elected from among the elected members.

The 1994 Act stipulates that elections to GPs should not be on political party basis. All the three panchayats are directly elected bodies. It has provided reservation for members as well as for executive positions like Adhyaksha and Up-Adhyakshya. Due to this, the vulnerable groups have taken the reigns of local democracy. This in fact, has widened the social base of the panchayat system and thereby paved the way for promoting social interaction between the citizens and the panchayats.



## **Training**

In order to sharpen the knowledge and skills of the elected members of the panchayats, the state government has been holding training programmes for members of all the three levels of panchayats. Regular training programmes are conducted for both ERs and officials. Here, training programme is a mix of satellite communication technology and participatory training methodologies. Institutes are set up for providing training. For instance, Abdul Nazir Sab State Institute of Rural Development, Mysore provides training through video and audio linkages. Greater networking among panchayats has been facilitated as a result of training.

## **PANCHAYAT FINANCES**

### **Sources of Income**

Financial resources of GPs consist of proceeds from tax on building, entertainment, vehicle, advertisement, hoarding, levy on water, market fee, fee on bus stands and on grazing cattle. They also collect cess on land revenue, property, education, health, library, beggary etc. Besides, this panchayats receive grant from government also. During 2003-04, tax revisions are carried out by all GPs and the tax demand, including user charges and cesses, increased from Rs. 85 crores to Rs. 199 crores. The tax collection for 2004-05 is increased to Rs. 116 crores in 2004-05. (Government of Karnataka, <http://www.kar.nic.in/rdpr>).

The ZP and TPs by and large depend considerably on the annual grant devolved by the state government for both maintenance and developmental activities.

### **State Finance Commission (SFC)**

The Karnataka Panchayat Act requires the state government to constitute a SFC once in five years to review the financial position of ZPs, TPs and GPs. SFC makes recommendations on the sharing of the proceeds from state taxes between the state government and the panchayats; the assignment of revenues to panchayats and the grants to be paid to them from the consolidated fund of the state government.

### **Audit System**

Chief accounts officer from the State accounts department is the overall in charge of the financial management of the PRI bodies. Apart from this, there is a provision of internal audit system for proper checks and controls. Detailed budget heads have been developed

on the similar lines of the state level finance department for proper accounting. Link document is prepared at state level showing the district wise ZPs' outlays, which is being voted with the state level budget by state legislature. Plan and non-plan provisions are made in the ZP budgets also.

## **EXECUTION OF PLAN PROJECTS**

### **Planning and Approval**

In principle, the process of planning and budgeting is expected to start at the GP level. The GS is to meet at least twice a year, and the local people to review the accounts and the performance of the current year, consider development programmes for the ensuing year, and identify beneficiaries for poverty alleviation and other programmes.

The planning at the village level is confined to allocating the available funds for spillover works; transfers are generally estimated on the basis of the previous year's receipts. The prepared budget is approved by the GS and sent to the taluk panchayat for scrutiny and consolidation. Finance department of the state government indicates the total grant to be given to the District plan division. This is allocated to 23 major heads by the ZPs after consulting the heads of line department in the ZPs. They in turn, consult the officials at the taluk level.

The Finance and Planning Committee consolidate the plan proposals submitted by different departments within the ZP. Next, the draft annual plan is placed before the governing body of the ZP. Finally, after approval by the planning department of the state, the proposals are included in the "Link Document". The next step is to prepare the action plan.

### **Developmental Works**

Preparation of action plan for next financial year begins somewhere in October/November of the current year. The Government in planning department indicates a tentative outlay to each of the ZP for ensuing financial year. Then, ZP gives tentative outlay to the district heads of the developmental departments. The district heads of development departments hold a discussion with their taluk heads and scheme wise requirements are finalized. However, the district heads of development departments have to adhere to the technical guidelines for fixing the unit cost issued by their head of the department. Later, the district head of the development department

prepares the scheme wise action plan (along with physical and financial targets) and submits to the ZP.

The ZP consolidates action plans of all the departments and submits it to the Planning Department. The Planning Department convenes series of meetings district wise. In this meeting, the action plan of each department is discussed in depth and approved. Later, the department wise/scheme wise details along with the outlay are brought out in the form of link document. The budgetary provision indicated in the link document is final. The 29 subjects viz., the outlay indicated in the link documents have not been percolated to GP level. The funds stop at TP level only. However, the gram panchayat play a role in selection of beneficiaries for the schemes of various developmental departments. The beneficiaries are being selected in the GS and recommended to the respective departments.

Gram panchayat plan and implement development projects out of the grants received from the government.

- a) At first, the standing committee discusses the project to be taken up and then the GP members suggest the works to be taken up in the respective wards. The panchayat committee finally prepares the list of projects.
- b) On receipt of the priority list, one Junior Engineer in the GP prepares the estimate by making spot inspection. The estimates are prepared on the basis of Public Works Department's Schedule of Rates. These estimates are placed before the works committee for approval and send it on to ZP for approval of technical and administrative committee.
- c) The ZP sends each work estimate separately to its engineering section for detailed technical scrutiny. The Assistant Executive Engineer/Executive Engineer, after detailed scrutiny accord technical sanction.
- d) On the basis of technical sanction, the ZP gives administrative sanction for each work separately. Finally, both the technical and administrative sanction orders along with the counter signed estimate is returned to the gram panchayat for execution of works. GP tender the works to the government approved contractors.
- e) The Junior Engineer inspects the works from time to time and record measurements in the Measurement Book.
- f) The contractor on completion of the works, submit the item wise bill as prescribed by the department. The Junior Engineer makes a thorough

scrutiny with the original estimate and submit recommendation for approval of the bill. This is then discussed in the works committee and with the approval of GP Chairman, the bill is passed and payments are made to contractor. In regard to provide technical approval, Karnataka was facing the problem of shortage of engineers. After the recent increase in the budget of the panchayats there has been a rising demand from the panchayats for more technical assistance, particularly of engineers. The law has now been amended to provide for GPs to outsource engineers from a panel maintained by the state University of Engineering. In addition, all the engineers of the rural engineering department and the junior engineers with the TP have been merged into one division, namely, the Panchayat Engineering Division and the engineers re-deployed, so that they are specifically assigned to the GPs. Now every three or four GPs share the services of one engineer, who is accountable to them for their works.



## KERALA

**K**erala is one among the states where the implementation of the Panchayati Raj Act has been successfully done. In 1994, the Kerala government enacted the Panchayati Raj Act 1994, in conformity with 73<sup>rd</sup> and 74<sup>th</sup> Amendment of the Indian Constitution. In 1996, Government of Kerala through Peoples Planning Programme revamped its decentralization process with a series of drastic measures. After the implementation of the decentralized planning, the status of Kerala villages has improved drastically.

### **STRUCTURE OF PRI SYSTEM**

Kerala's PRI system has been working within a strong legal framework after the 73<sup>rd</sup> and 74<sup>th</sup> Amendment of the Constitution. Kerala Panchayat Act, 1994 provided a strong legal framework for decentralized governance. There is a three tier Panchayati Raj system in Kerala with VP at village level, BP at intermediate level and District Panchayat at district level. There are 991 village panchayats, 152 BPs and 14 district panchayats in Kerala (SDC, Capdeck, 2005).

The elected bodies are the executive authority and officials are its Secretaries. Functions are clearly demarcated among VPs, BPs and DPs. Full control over staff is given to PRIs and absolute right to information is given to the general public.

### **Gram Sabha**

The GPs in Kerala are very large, having population on an average of over 20,000. Hence, it created GS (village assembly) at the level of each ward of the VP, so that the people are able to participate in decision-making process. The quorum of the GS is 10 per cent of the number of voters in the area.

The GS formulates the proposals, prepares a list of beneficiaries and submits it to the village panchayat. The panchayat cannot change the list of the beneficiaries given by the GS. The priority list prepared by the village panchayat after inviting applications for the selection of the beneficiaries and conducting inquiries on the applications received, is scrutinized in the meeting of GS.

The GS has the right to know about the budgetary provisions, the details of the plan outlay, item-wise allocation of funds and details of the estimates and cost of materials of work executed within the area of the GS. The audit report placed for the

consideration of the GS is discussed in the meeting and its views, suggestions and recommendations are communicated to the concerned village panchayat.

The GS may appoint, elect or constitute general or special sub-committees for the detailed discussion on any issue or programme and for the effective implementation of the schemes and its decisions.

### **Ward Sabha**

Ward Sabha, the body comprises of all the registered electorates of a constituency of a village panchayat has an important role. In the meetings of ward sabha, various development issues and matters related to selection of beneficiaries from the constituency are discussed.

### **DEVOLUTION OF POWERS**

The bedrock of the process of setting up local government involves devolution of functions, funds and administrative autonomy to local bodies (Oommen, M.A., 2004). Mainly the transfer of institutions and functions to local bodies can measure the extent of decentralization. In Kerala all 29 subjects mentioned in the Eleventh Schedule of the Constitution have been transferred to the PRIs and their functions are clearly demarcated among the three tiers. The local governments in Kerala are given most of the institutions and functions relating to social and human development.

- a. *Institutions in Health Sector:* All the institutions barring medical colleges and big regional hospitals have been transferred to the local government.
- b. *Institutions in Education Sector:* High schools and upper primary schools have been transferred to the DPs while the primary schools have been transferred to the VPs.
- c. *Centrally Sponsored Programme:* Centrally sponsored poverty alleviation programmes are implemented through PRIs.
- d. *Social Welfare Pensions:* Functions related to social welfare including pensions are given to local governments.
- e. *Programmes in Agriculture and allied Sectors:* Functions related to agriculture including farmer-oriented support for increasing production and productivity are transferred to PRIs. Watershed management and minor irrigation, dairy development, Animal husbandry including veterinary care and inland fisheries are also placed under PRIs.

- f. *Road Connectivity*: Barring highways and major district roads, all road-connected activities are given to the local government.
- g. *Water and Sanitation*: Rural water supply and sanitation activities are given to the local government.
- h. Promotion of tiny, cottage and small industries is mostly with local governments.

## **INSTITUTIONAL FRAMEWORK**

### **Standing Committees**

Every village and BP has three standing committees on the following subjects: - (1) Finance, (2) Welfare and (3) Development. Whereas, in addition to the general standing committee, the district panchayat has five committees for the following subjects: - (1) Finance, (2) Welfare, (3) Development, (4) Public Works and (5) Education. The standing committees are constituted in such a way that every member of the panchayat gets a chance to function in one standing committee or the other. Each standing committee is assigned certain subjects and these committees are expected to go into the subject both at the planning and implementation stage in great deal.

In addition to the above, the following independent institutions were created through the legislative process to deal with various aspects of local government functioning:

#### a) *Ombudsman for Local Governments*

This is a high power institution that has been given vast powers to check malaise and malevolence in local governments in the discharge of developmental functions (Issac and Vijayanand, 2000).

#### b) *Appellate Tribunals*

At the regional / district level, Appellate Tribunals take care of appeals by citizens against decisions of the local government taken in the exercise of their regulatory role like issue of license, grant of permit etc.

#### c) *State Development Council*

It is to formulate policies and to sort out operational issues. While the Chief Minister is the head of the council, the members include Cabinet members, Leader of opposition in the legislative assembly, Vice-Chairman of the State Planning Board, the Chief Secretary, all the presidents of DP, Chairperson of DPC and representatives of other tiers of local government.

*d) District Planning Committee*

In Kerala Panchayati Raj Act 1994, there is a provision for the constitution of a 15 member planning committee at the district level. The DPCs have been constituted in all the 14 districts of Kerala as a part of the decentralization efforts of the state. Of the 15 members, 12 are elected members of the District Panchayat and the Municipalities in the District from among them proportionate to the population in the rural and urban areas in the District. The members of the DPC shall be elected under the guidance and supervision of the State Election Commission. The chairman of the DPC is the District Panchayat President, the convener is the District Collector and the Joint Convener is the District Planning Officer.

The DPC takes initiative and render help to panchayats in the preparation of their annual plans, long term plans and their implementation.

**Elections**

The panchayat elections are held in every five years. Till now three rounds of the panchayat elections have been accomplished. The first elections to the new three-tier Panchayat Raj set-up were held in September 1995 and the panchayats came into being on 2<sup>nd</sup> October. The second round took place in September 2000 and the third round has been completed in September 2005.

There is a separate Act viz., Kerala Local Self Government Act dealing with defections in local governments. Defection is punishable by termination of membership of a local government and barring from contesting election for next six years. The State Election Commission is the authority to decide on such disqualification. The State Election Commission has ample powers for the conduct of elections.

**Training**

Several capacity-building programmes are organized for elected representatives and officials of PRIs in Kerala. Under both People's Plan Campaign and Kerala Development Programme, several resource persons were identified for giving training to PRIs. These resource persons are identified at state, district and block levels. SIRD, Kottarakkara conducts training programme for PRIs on regular basis. Kerala Institute of Local Administration (KILA), an autonomous institution under the Ministry of Local Administration, Government of Kerala, is also providing training and consultancy for Local Self Government Institutions. Apart from training and policy oriented research



activities, KILA organizes seminars, workshops and discussions on various issues of local governance and development. It has become the regional resource centre for local governments in south Indian states.

## **PANCHAYAT FINANCE**

### **Sources of income**

Only the VP is given the power of taxation. A non-plan Grant-in-Aid from the government meets the establishment cost of the block and district panchayats. The major taxes levied by VP are property tax, profession tax, entertainment tax and advertisement tax. The assigned tax by the state government consists of land revenue (basic tax) and surcharge on stamp duty. The motor vehicle tax is the shared tax.

The VPs have a very strong and broad tax base. The Act also provides for levy of user charges and also availing of institutional finance by PRIs.

Though Finance Commission recommended 1% of the net revenue of the state to be devolved to the local governments, the government went far beyond and decided to devolve 35-40 per cent of the Plan funds to the local governments. The VPs get 70 per cent of the total grants whereas the district panchayat and the BPs share the remaining 30 per cent almost equally (Mathew (ed.), 2000).

### **Sectoral Allocation**

Total plan Grant-in-aid includes funds under general sector, special component plan and tribal sub plan. General sector funds include the normal share, eleventh finance commission (EFC) grant and rural infrastructure development fund (RIDF). EFC grant is given only to VPs and urban local governments whereas RIDF is given only to DPs and BPs. While calculating sectoral ceilings in the General sector allotments under normal share, EFC grant and RIDF have to be taken together (Government of Kerala, 2004).

The mandatory minimum amount and ceiling under general sector (i.e. normal share, EFC and RIDF taken together) is:

|                               |                    |
|-------------------------------|--------------------|
| <i>a. Village Panchayat</i>   | <i>Ceiling (%)</i> |
| Productive sector             | 30 minimum         |
| Infrastructure sector         | 30 maximum         |
| <br><i>b. Block Panchayat</i> |                    |
| Productive sector             | 30 minimum         |
| Infrastructure sector         | 30 maximum         |

*c. District Panchayat*

|                       |            |
|-----------------------|------------|
| Productive sector     | 25 minimum |
| Infrastructure sector | 30 maximum |

*Productive Sector:* By productive sector, it meant projects relating to agriculture, animal husbandry, dairy development, fisheries, integrated watershed management including soil and water harvesting, traditional tiny and small industries, production of electricity, non-conventional energy projects and construction activities related to fish markets, and other traditional markets. Manufacturing of manure from solid waste can also be included under this component (Government of Kerala, 2004).

*Service Sector:* For the service sector, the local government is free to set apart any amount after providing the amount required for the productive sector and other mandatory allocations. Local governments may take up improvement of playgrounds, construction of stadium, and sports-related activities under this sector. Construction of buildings for hospitals, schools, Anganwadies, libraries, extension of electricity lines etc. also comes under this sector.

*Infrastructure Sector:* The projects for providing office facilities, furniture etc. to the transferred institutions may be classified under this sector.

**Women Component Plan**

Women Component Plan should get at least 10% of the total plan allocation, including general sector, SCP and TSP. Assistance to Kudumbashree programmes can be taken up under this plan.

**Anti-Poverty Sub Plan**

All local governments should compulsorily have an anti-poverty sub plan prepared as an independent document. As part of this anti-poverty sub plan, all PRIs have to prepare a plan for development of destitute. The mode of preparing the anti-poverty sub plan and the destitute plan is given separately.

This shows the freedom to plan and prepare the projects according to the local priorities for which a huge Grant-in-Aid practically untied, is devolved to the PRIs. The only restriction on the PRI is that they have to spend at least 40% on the productive sector meaning agriculture and allied activities, industries, self-employment etc and not

more than 30% on infrastructure. Ten percent of the funds have to be spent on the women development project.

### **State Finance Commission (SFC)**

The first State Finance Commission was constituted in April 1994. The commission has a commendable work to analyze the resource mobilization aspect in local government, suggest fundamental changes to ensure rationalization and control tax evasion. Three State Finance Commissions have been constituted so far. In accordance with the relevant provisions of the Kerala Panchayat and Municipal Acts, the Government of Kerala appointed the Third Finance Commission on 22<sup>nd</sup> October 2004.

### **Audit System**

*Local Fund Audit:* State Government's existing Local Fund Audit Department undertakes regular audit of the accounts of local government. In order to improve the quality of the audit, it has been strengthened with the technical support of the Accountant General, Audit of Government of India.

*Performance Audit:* In addition to local fund audit, performance audit is conducted twice a year in all the local governments. Surplus staff from the Panchayat and Urban Affairs Departments headed by an Officer of the Indian Audit and Accounts Service conducts the performance audit. This performance audit acts as an online corrective mechanism helping local governments to put their systems in proper place (Oommen, M.A. 2004).

*Social Audit:* Social audit is a scrutiny and analysis of working of a public utility vis-à-vis its social relevance from the perspective of the vast majority of the people in the society. In other words, it is an independent evaluation of the performance of PRIs by the people. All members of the GS and all sections of the local bodies through their representatives can raise issues of social concern, public interest and demand explanations.

## **EXECUTION OF PLAN PROJECTS**

### **Planning and Approval**

The planning process constitutes various steps. The planning process was initiated in a campaign mode popularly called People's Plan Campaign (PPC). Subsequently, it was

refined and changed to the currently undergoing Kerala Development Programme. The local level planning has been used as the engine of harnessing public action in favor of decentralization. In the process, a methodology has been developed for participatory local level planning. This methodology is given in the modified guidelines published by Government of Kerala (Government of Kerala, 2004). The salient features of the methodology are described as under: -

*Need identification:* Through a meeting of the GS, the felt needs of the community are identified. The GS meeting is held in a semi-structured manner with plenary sessions and sub-group sessions dealing with specific developmental issues. The decisions are minuted and forwarded to the VPs.

*Situation analysis:* Based on the demands emanating from the GS and developmental data, both primary and secondary, exhaustive development reports are prepared and printed in the case of every PRIs in the state. These reports describe the status in each sector of development with reference to available data, analyze the problems and point out broad strategies for further development.

*Strategy setting through development seminars:* Based on the feedback given by the GS and the development report, a one- day seminar is held at the PRI level in which participation of experts, elected members, representatives nominated by GS and practitioners from among the public is ensured. The development seminars decide the broad priorities and general direction of developmental projects to be taken up for a particular year.

*Project preparation:* The ideas thrown up by the above three stages are translated in the form of projects by task forces dealing with different sectors of development. Each task force is headed by an elected member and is convened by the concerned government official. The vice- chairman of the task force is normally a non- government expert in the sector. The projects are prepared in the suggested format describing the objectives, benefits, funding and the mode of execution.

*Plan finalization:* From among the projects based on the allocation communicated, the concern PRIs finalize its plan for the year and this plan is submitted to the DPC through the expert committees.

*Plan vetting by expert committee:* The expert committees at the Block and District level vet the projects for their technical viability and in consonance with the government guidelines on planning and costing and forward them to the DPC.

*Plan approval by DPC:* The DPC gives the formal approval to the plans after which the PRIs can start implementation. It is to be noted that the DPC cannot change the priority of the PRIs. This is to affirm the autonomy of the local bodies. It can only ensure that the government guidelines are followed. Administrative approval for the implementation is given project wise by the PRIs. Every PRI has unlimited powers of administrative sanction subject only to the limits of its financial resources.

The annual plan document submitted to the DPC for approval consist of the development scenario of the local government, thrust areas identified in the district plan, strategic vision of the local government and summary of sector wise schemes and in each sector giving the existing scenario. After the final approval by the DPC, the projects are tendered.

### **Execution**

Once the plans are finally approved by the DPC, each project is taken up for execution. All public works need technical approvals. The District collector constitutes the technical committees at the three levels of the panchayat. For VP, block level technical committee is to be constituted. Both BP and DP have district level technical committees. The members of these committees consist of serving engineers, retired engineers, engineers from government and private academic institutions and engineers from NGOs. The conveners of these committees are engineers from government or public sector service. It is the responsibility of the committees to ensure the soundness of the estimates of the work and technical viability of the project. All the works with an estimated cost above Rs.25, 000 should be contracted out, based on public tender. However, the works up to Rs.25,000, if not involve technical aspect, can get executed through “Beneficiary Committee”. Such works need not require any technical sanction. Works are given to the lowest bidder and a monitoring committee monitors the execution of the works.



## WEST BENGAL

Panchayati Raj has been dynamic in West Bengal since 1978, even before the implementation of the 73<sup>rd</sup> amendment of 1992. Initially, the West Bengal Panchayat Act was enacted in 1956, which was subsequently modified, and the West Bengal Panchayat Act 1957 and Zilla Parishad Act of 1963 came into existence. The Act provided for a four-tier structure consisting of Zilla Parishad, Anchalik Parishad, Anchal Panchayat and Gram Panchayat. This Act further underwent change during 1973 when a consolidated legislation called “West Bengal Panchayat Act” was enacted. The Act provided for a three-tier Panchayati Raj system as in the case of other states in line with national model. But the new Act remained ineffective till 1978 when the election for all the three tiers was held. Since then regular elections are being held uninterruptedly every five years (NIRD: p.265). After the 73<sup>rd</sup> constitutional amendment, state law was brought in conformity with the amendment.

### **STRUCTURE OF PRI SYSTEM**

A three-tier Panchayati Raj system exists in West Bengal with Gram Panchayat at village level, Panchayat Samiti at block level and Zilla Parishad at the district level.

#### *Gram Sabha*

The GS has been given several powers, including identification of schemes that are to be taken on priority basis for economic development of a village. It can also record its objection to any action of the Pradhan or any other member of the gram panchayat for failure to implement any development scheme properly or without active participation of the people.

#### *Gram Sansad and Gram Unnayan Samiti*

A noteworthy feature of PRI system in the state is the role of Gram Sansad. It is a body comprised of all the registered electorates of a constituency of a Gram Panchayat. The institution of Gram Sansad or village council ensures accountability and transparency in the functioning of panchayats and actually transforming panchayat bodies as responsive and effective units of self-governance (Jena: p. 8). The Gram Unnayan Samiti acts like a standing committee of the Gram Sansad and is accountable for its functions and

decisions to the Gram Sansad. It was formed as a result of 2003 amendment to the WBPRRA, and has the responsibility of ensuring active participation of the people in implementation; maintenance and equitable distribution of benefits on prescribed subjects (Government of West Bengal). The Gram Sansad has now entrusted Gram Unnayan Samiti, the task of preparing village level plans of the Gram Sansad, which would form the basis of the Gram Panchayat Plan.

#### *Block Sansad*

A significant feature of the West Bengal PRI system is the creation of the institutions of Block Sansad and Zilla Sansad at the intermediate and district level respectively. This was made through incorporation of West Bengal Panchayat (Amendment) Act, 2003 in the State Panchayati Raj Act. The absence of a GS to act as an instrument of public accountability was an issue of concern to the intermediate and district panchayats for quite some time. At present, each Panchayat Samiti (Intermediate Panchayat in West Bengal) has a Block Sansad consisting of all members of the Gram Panchayat pertaining to the Block and all members of that Panchayat Samiti. One half-yearly and one annual meeting of the Block Sansad are held every year. A 10 per cent quorum is fixed. The Block Sansad has powers to guide and advise the Panchayat Samiti for all the matters relating to development including preparation of annual plans, budget, and implementation of development programmes for economic development and ensuring social justice. The deliberations, recommendations and observations passed in the meeting of the Block Sansad is considered in the meeting of the Panchayat Samiti within one month from the meeting of the Block Sansad.

#### *Zilla Sansad*

Zilla Sansad is comprised of pradhans of all the GPs in the district, presidents, vice presidents and chairpersons of standing committees of all the panchayat samitis. It has the power to guide and advise the zilla parishad for all the matters relating to development as in the case of Block Sansad. In fact, the functions of Zilla Sansad and Block Sansad are similar in nature.

## **DEVOLUTION OF POWERS**

West Bengal has devolved through legislation all 29 subjects mentioned in the Eleventh Schedule of the Constitution to the panchayats. This functional transfer is being further clarified through an Activity Mapping exercise, which has been completed for several matters such as agriculture, agriculture marketing, animal resources development, cottage and small scale industries, forestry, health and family welfare, fisheries, food and civil supplies, mass education extension, backward classes welfare, women and child development and social welfare, and information and cultural affairs. Even though the panchayats of West Bengal have been engaged in various development activities covering almost all the subjects of the eleventh schedule, they do not enjoy autonomy over any of these subjects. They are functioning practically as agents of the state government. In November, 2005, an executive order has been issued transferring specific activities under each of the 29 functions of the eleventh schedule to the different tiers of panchayati raj institutions. The respective line departments have been advised to issue matching orders to enable panchayats to discharge their responsibilities in respect of the activities transferred to them. The effect of this order on expanding the autonomous jurisdiction of panchayats needs to be watched.

## **INSTITUTIONAL FRAMEWORK**

### **Standing Committee System**

At all the levels of panchayat, the state has a system of standing committees. These committees ensure that all decisions are taken collectively and in council. Standing Committees have a wide range of powers. This includes preparing proposals for execution of a scheme within the budgetary provisions of the GP. The Pradhan cannot sanction any fund for any scheme, programme or project, without considering the views of the members of the Upa-Samiti. In fact, the GP with respect to such schemes has delegated powers to the Upa-samiti. The Standing Committees can call for information; inspect immovable property of the GP or any work in progress. Each Standing Committee is being given a separate indication of a budget with effect from 2005-06.

The details of the Standing Committees established at the district and intermediate levels are as follows:

1. Finance, Development and Planning Standing Committees
2. Public Health and Environment Standing Committee



3. Public Works and Transport Standing Committee
4. Agriculture, Irrigation and Cooperation Standing Committee
5. Education, Culture, Information and Court matters Standing Committee
6. Women and Child Development,
7. Social Welfare, Relief and Rehabilitation Standing Committee
8. Forest, Land and Land Reforms Standing Committee
9. Fisheries and Animal Husbandry Standing Committee
10. Small Industries, Infrastructure, Power and Non-conventional Energy Standing Committee

### **Elections**

West Bengal was the first state to usher in 'Political Panchayats' permitting political parties to contest elections at all the tiers openly. The participation of political parties brought in its trail, the unethical practice of defections, which has quite often disturbed the fabric of parliamentary democracy in this country. As per constitutional provisions, West Bengal has set up State Election Commission to supervise panchayat and municipal elections.

The elections to all levels of panchayats is on political party basis. In order to keep a check on partisan decision-making, the leaders of the opposition and the members in opposition have been assigned greater responsibility in the functioning of the Zilla Parishad and Panchayat Samiti. These reforms have been legislated into the law through Amendments made in 2003. The leader of the opposition is made an ex-office member of the Finance and Planning Standing Committees. Other opposition members shall be mandatorily included in each of the nine other standing Committees in the Zilla Parishad or Panchayat Samiti.

### **Training**

Training is provided to the elected representatives and officials of PRIs through established institutes on regular basis. SIRD has been undertaking training, research and consultancy assignments in Rural Development Sector and Panchayati Raj System. The training programmes are intended to create knowledge base, develop skills and understanding of various dimensions of rural transformation. Also, Administrative Training Institute provides quality training to elected representatives of panchayats and their training methodology lay emphasis on interactive and participatory approach.

## PANCHAYAT FINANCE

### Sources of Income

The major sources of income of panchayat consist of grants-in aid, tax and non-tax revenue, and shared assigned revenue. The taxes and fees levied by GPs include land tax (non-agricultural), house building tax, vehicle tax, tax on profession, tax on fair and other entertainment, tax on advertisement, lump sum levy on factories, special tax on construction and public works etc. Apart from these, the panchayats receive schematic funds such as JRY scheme etc. The allocation of the State revenue between the DP, PS and VP is according to SFC on 30:20:50 basis.

The mobilization of revenue is a major area of concern for panchayats in the state of West Bengal. In 2003, the government took steps to remove certain statutory obstacles to enable the panchayats to levy rates, fees and tolls. The panchayats are also encouraged to step up efforts to increase the generation of local resources by utilizing their fiscal powers. This initiative has made some positive impacts on the resource mobilization by the PRIs in West Bengal. The table 3.2 reveals that there has been substantial improvement in the revenue collection during 2003-05.

TABLE 3.2  
REVENUE MOBILISATION BY PRIs IN WEST BENGAL

(In Rs. Lakhs)

| Year    | Gram Panchayat | Panchayat Samiti | Zilla Parishad | Total Collection | Per capita |
|---------|----------------|------------------|----------------|------------------|------------|
| 2003-04 | 2491           | 666              | 961            | 4118             | 7.13       |
| 2004-05 | 3017           | 825              | 1008           | 4850             | 8.40       |

Source: Panchayat and Rural Development Department, Government of West Bengal, <http://kolkata.wb.nic.in/prd>.

### State Finance Commission

The first SFC submitted its report in November 1995. Its main recommendation was sharing of 16 percent of the net proceeds of all the taxes collected by the state in a year with rural and urban local bodies. The second Finance Commission endorsed the view of the first SFC regarding sharing of 16 per cent of state revenue. The recommendation has been accepted on principle. However, the state government has in the current financial year released 8 per cent of the net proceeds of taxes to the panchayats as untied grants. Even though the constitution of the third SFC is due, it has not yet been constituted.

### **Panchayat Finance Commission**

The state has constituted Panchayat Finance Commission, which makes recommendations that govern distribution of resources between state and PR bodies at different levels. It monitors allocation among panchayats at all levels regarding the share of proceeds and determines the taxes/duties, tolls and fees which may be assigned to or apportioned by the panchayats from consolidated fund of the State government.

### **Accounts and Audit**

West Bengal PRI has a well-defined audit and account system. With effect from April 1, 2003 all ZP and PS in the state maintain accounts in the double entry system. This new system has been introduced under the West Bengal Panchayat (Zilla Parishad and Panchayat Samiti) Accounts and Financial Rules 2003. Another significant aspect is that in the half yearly meeting of the Gram Sansad, the formal audit report is made available for detailed deliberations. Gram Sansad can make various suggestions on the audit report. While the formal report of the Panchayat Samiti is discussed in the meetings of the Block Sansad, the report of the Zilla Parishad is deliberated in Zilla Sansad. Such an audit system enhances transparency and accountability.

Moreover, West Bengal has put in place a computerized system that is capable of tracking transfers of funds to panchayats on a pilot basis, which will be expanded in due course.

### **EXECUTION OF PLAN PROJECTS**

The planning process has been decentralized in West Bengal. The planning process begins at the village level. All the plans and projects are discussed in Gram Sansad and a priority list of projects is prepared and this list is sent to GP. In one GP, there are around 15 Gram Sansads on an average. The priority list of projects is discussed in GS. The GS has only one yearly meeting in the month of December every year. However, gram panchayat cannot change the priority list approved by Gram Sansad. Thus, the Gram Sansad guide and advise the GPs in regard to the schemes of economic development of the village. Also, they identify the beneficiaries and constitute beneficiary committees, for ensuring active participation of the people in planning, implementation, maintenance and equitable distribution of benefits. The GP prepares plan for various schemes and submits it to the PS and ZP for information.

At Panchayat Samiti level, the planning body is termed as Block Planning Committee. The Block Planning Committee is constituted for the integration of the annual plan prepared by GPs. Block Planning Committees are not presently functioning. However, the line departments are consulted when panchayat samiti prepares its plans.

At district level, there are two coordinating bodies viz., District Planning and Coordination Council and District Planning Committee. For planning purposes, the DPC directs different sectoral heads to prepare plan and estimate for schemes of different blocks. It consolidates the plans of panchayats and municipalities. In fact DPCs are not functioning effectively.

There is also a District Planning and Co-ordination Council (DPCC) constituted for every district. All district plans and programmes formulated by the DPC are required to be placed before the DPCC for discussion and approval. It meets at least twice every year. Schemes of higher value require the approval of State Planning Board. Annual Budget is prepared by gram panchayat and approved by its General Body independently. Similarly, the intermediate panchayat and district panchayat prepare their own budgets separately.

Technical Approval of the projects is to be given before the implementation of the project. The engineering wing involved in the process of technical approval consists of “*nirman sahakari*” (diploma holding engineers), Junior Engineers (JE), Executive Engineers (EE) and Superintendent Engineers (SE). Engineers are available at all the tiers of the panchayat. *Nirman sahakari* is attached to each GP while junior engineer who is a senior diploma holder is available to Panchayat Samiti. Besides, PS utilizes the services of Sub-Assistant Engineers who are diploma holders under the block. At district panchayat level, two Executive Engineers, two Assistant Engineers and several *nirman sahakari* are placed.

Specific financial powers are given to engineers at each tier of the panchayats. At GP level, *nirman sahakari* can give technical approval to projects upto Rs.50,000 and the project amount exceeding this limit is sent to Panchayat Samiti. *Nirman sahakari* can give approval to projects upto one lakh rupees at Panchayat Samiti level. Executive Engineer at district panchayat can give technical approval upto 25 lakh rupees. For the amount beyond Rs. 25 lakh, it is the Superintendent Engineer who is supposed to give the technical approval. Once the technical approval is over, the project is contracted out based on the tender. Tenders are invited from approved list of contractors. For the project upto 2 lakh, gram panchayat tender the work and Panchayat Samiti tenders the work for

the amount between 2 to 5 lakhs. District Panchayat tender the work for the amount of 5 lakh rupees.

The implementation of projects and expenditure assignments are based on certain norms. If the estimate for a public work is within the prescribed financial limit, its implementation can be done only by a particular tier of panchayat. At present, gram panchayat alone can take up the work estimated at an expenditure level below two lakhs rupees. It is for the Panchayat Samiti to undertake works with an estimated outlay in the range of Rs. 2 lakhs to Rs.10 lakhs. ZP executes the projects that are estimated at above ten lakh rupees. It is quite interesting to note that even if a work is sanctioned by zilla parishad at an estimated cost below its floor limit, the task of execution have to be transferred to the appropriate tier of panchayat. Under this system, higher levels of panchayats are discouraged to sanction large number of smaller projects, which can be taken up by the appropriate tier.

In brief, PRI system in West Bengal has some key features which can be emulated by other states /UTs. Village constituency meetings are another unique feature of PRIs in West Bengal. Here, elected members of the VPs interact with voters and are accountable for development projects initiated by the panchayats. Merger of DRDA with local government in West Bengal has brought a large number of rural development schemes under the domain of local bodies. Selection of beneficiaries has been most effective because the entire selection process is entrusted to the panchayats.



## **IMPLEMENTATION OF PLAN SCHEMES: APPLICABILITY OF PRI SYSTEM TO UNION TERRITORIES WITHOUT LEGISLATURE**

Consequent to the 73rd Constitutional Amendment, progress made on political decentralization in India has been mixed, leading to variations among States and Union Territories. The process of devolution of powers – funds, functions and functionaries – has differentials across states as well as Union Territories.

Some of the state initiatives have become an example for other states for effective devolution of powers to the PRIs. As it has been discussed in the previous chapter, Karnataka, Kerala and West Bengal have gone much farther than any other State/Union Territories in strengthening PRIs. Kerala and Karnataka have transferred all 29 subjects listed in the eleventh schedule of the Constitution to PRIs with funds and functionaries. For effective functioning of PRI system in UTs, appropriate steps need to be taken to strengthen panchayats in line with the successful models of PRI system adopted by states like Karnataka, Kerala and West Bengal. Considering the peculiar situation in the respective UTs, it is necessary to review the different aspects of the successful model and examine the applicability of each component to each of the five UTs.

### **Devolution of Powers**

Article 243G of the Constitution refers to the devolution of powers to the panchayats. It says, “subject to the provisions of this Constitution, the legislature of a state may, by law, endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon panchayats at the appropriate level, subject to such conditions as may be specified therein, 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 in the eleventh schedule”.

It is noteworthy that the 73<sup>rd</sup> amendment mandates that the states must endow the panchayats with powers and authority to enable them to function as institutions of self government. It allowed the setting up of mechanisms for consolidating and coordinating planning and development initiatives and action plans of panchayats (Bibek and Kaushik, 2005).

“Devolution in the context of the panchayats means that when the authority in respect of a specific activity is transferred from the state to the local governments, the latter should have the prerogative of taking decisions in respect of planning and implementation of such activity. In fact functions, funds and functionaries are complementary to one another in the process of devolution of responsibilities and powers upon the panchayats” (Oommen, 2005). Kerala is the only state, which transferred functions, powers and resources at one go in 1995 and 1996. This step has been highlighted as a “big bang approach” against the traditional paradigm of gradualist transfer of powers. In UTs, such a big bang approach can be adopted. When a subject or an activity is transferred, it should be done along with funds and functionaries. While devolution must eventually comprise 29 subjects provided for in the Constitution, UTs may prioritize their devolution programme with a definite time frame.

In respect of the 29 subjects given in the eleventh schedule, it is required to clearly specify what the three tiers of panchayats should do. In determining the tier of the Panchayati Raj System to which any given activity is to be assigned, the principle of subsidiarity must be followed. Subsidiarity is an essential principle governing devolution. According to some scholars local governments can meet local preferences much better. As per the principle of subsidiarity, any activity that can be undertaken at a lower level must be undertaken at that level in preference to being undertaken at any higher level. This demarcation determining the devolution of functionaries and finances to each of the three tiers of the system is called ‘activity mapping’.

Panchayat-level planning and the distribution of finances between different tiers of the system can be facilitated through the devolution of finances based on transparent activity mapping between the two or three tiers. Absence of activity mapping of PRIs is an impediment to devolution of power and funds. Activity mapping should essentially avoid overlapping between tiers in respect of any given activity. In Kerala, for instance,

functions of PRIs are clearly demarcated among village panchayat, block panchayat and district panchayat. Among the five UTs, the UT administrations of Andaman & Nicobar Islands, Daman and Diu and Dadra & Nagar Haveli have done comprehensive activity mapping identifying all the 29 subjects for devolution to the two/three tiers giving an account of functionaries and funds as well. In Lakshadweep and Chandigarh, such demarcation of activities has not been done. In these UTs, functions are required to be devolved through a transparent form of activity mapping so that each tier of the Panchayati Raj system knows which activity, relating to which function, has been devolved to that particular tier.

### **Gram Sabha**

Article 243 of the Constitution of India defines gram sabha as a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of panchayat at the village level.

Further Article 243A of the Constitution provides the role of the gram sabha, by saying “A gram sabha may exercise such powers and perform such functions at the village level as the Legislature of a state may by law, provide”.

Gram sabha, the pillar of the PRI system, is the only institution that can strengthen the people's participation. It has been observed that most of the Acts of States/ Union Territories have not spelt the powers of gram sabhas nor have any procedures been laid down for the functioning of these bodies. For instance, the regulation in UT of A&N Islands has prescribed at least two meetings of the gram sabha in a year. Unfortunately, the minimum has been interpreted as a maximum. Also, the provision of doing away with the need for quorum for adjourned meetings of the gram sabha has reinforced the tendency to view gram sabha meetings as a mere formality.

In Kerala, gram sabha plays a significant role in the functioning of Panchayati Raj system. Gram sabha /ward sabha selects all beneficiaries of various programmes. Moreover, gram sabha is involved in needs identification and project formulation at micro level planning. The strength of the gram sabha in Kerala can be recognized from the fact that the accounts of village panchayats, municipalities and corporations are to be presented and queries replied to in gram sabha. Social audit through people's participation is a unique feature of panchayats of Kerala. Another body cannot alter the recommendations of the gram sabha. Similarly in West Bengal, gram sabha is given adequate powers including identification of schemes that are to be taken up. Both gram



sabha and gram sansad have been playing an important role in local level planning. Similarly in Karnataka, identification and prioritization of development projects and its mandatory approval are the powers given to gram sabha.

In the UTs, the level of people's participation in gram sabha meetings is abysmally low. Empowerment of gram sabhas would require efforts at mobilization of the village community for mass participation in meetings of the gram sabha. It is important that every socio-economic section is properly represented. It points out the need for circulating notices of gram sabha/ward sabha meetings well in time. In addition, awareness generation regarding the significance and role of gram sabha among citizens is required for greater participation.

The institution of gram sabha should be made an essential part of PRI system in UTs. Gram sabha is required to approve the plans, programmes and projects for social and economic development before they are taken up for implementation by the village panchayat. This will make the gram sabha a powerful body. Certain provisions given in PESA can also be made applicable to these UTs. For instance, the gram sabha ought to be consulted before acquisition of land under the Land Acquisition Act. The gram sabha in UTs can also be devolved other powers by the Union Government such as to enforce prohibition on regulate sale of intoxicants, ownership of minor forest produce, management of village markets and to exercise control over institution and officials in the social sector (Bibek and Kaushik, 2005). The gram sabha could also be vested control over common property resources (CPRs) for the management of natural resources. Another noteworthy feature can be its involvement in social audit of development schemes and projects under them.

### **Planning of Projects**

People's involvement in directing and controlling the process of development is essential for the development to take place. Participatory local planning can be highlighted as a significant element for the successful functioning of PRIs as the third tier of government.

With respect to the role of people in planning at local level, state of Kerala can be taken as a model for UTs. Various governments in Kerala have given due recognition to the planning process with people's participation either in the "People's Plan Campaign" or "Kerala Development Programme". A system of local level planning constituting the following major elements of Kerala's model is well suited to all the five UTs.

- (i) *Identification of people's needs:* The gram sabha is the primary forum for needs identification and project formulation. The preparation of a priority list of projects that are to be taken up in the village is its significant output. It will be quite appropriate if gram sabha is vested with the sanctioning authority, which states that without its clearance no project can be taken up by any tier of panchayat.
- (ii) *Development Seminars and Task Forces:* This would be another mechanism for preparation and implementation of micro plans. Development seminars could be organised at panchayat level. The seminar could be attended by elected members, representatives from gram sabha, experts and other citizens. Subsequent to the seminar, various task forces should be constituted to finalise the preparation of the projects with the help of subject expert. Each subject could have a separate task force.
- (iii) *Sectoral Allocation:* While the fund available to the panchayat is applied and assigned to different sectors, certain norms are to be followed to maintain the balance. Under each of these sectors, resources should be allocated in a fixed proportion. Projects in the productive sector, for instance, are in area of agriculture, animal husbandry, dairy development, fisheries, integrated watershed management, electricity production, etc. The service sector activities include improvement of playgrounds, construction of stadium, buildings for hospitals, schools, etc. Infrastructure sector projects are related to construction of road, bridges, etc.
 

In Kerala, for village and block panchayats, a minimum limit of 30% is fixed for grant-in-aid to be utilized in productive sector whereas for district panchayat, it is 25 per cent. In the infrastructure sector, the ceiling for GIA fund utilization is maximum 30% for all the three tiers (Government of Kerala, 2004). Similar system of sectoral allocation of funds to PRIs can be adopted in the UTs . For each sector the mandatory minimum and maximum limit can be set for PRIs.
- (iv) *Women Component Plan:* As in the case of states like Kerala, it is desirable to introduce a system of reserving some percentage of the total plan allocation for projects relating to women's welfare, focusing on gender needs of women specially below poverty line. The Women's Plan may focus on building sustainable programmes for women like creation of micro-enterprises through self help groups (SHGs).

- (v) *Plan vetting*: An expert committee at district level can be given the task of vetting the plan of the panchayat to ensure technical soundness and viability of the projects. Thus, the village panchayat can finalise the annual development plans based on the clearly prescribed guidelines.

### **Resource Mobilisation**

*“The autonomy of a government depends on the magnitude of own source of revenue it commands and the freedom it enjoys to raise and operate them.”* (Oommen, 2004)

Article 243H refers to the powers to impose taxes, by and funds of, the panchayats. It states: “the Legislature of a state may, by law-

- (a) authorize a panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;
- (b) assign to panchayat such taxes, duties, tolls and fees levied and collected by the state government for such purposes and subject to such conditions and limits;
- (c) provide for making such grants in aid to the panchayats from the consolidated fund of the state; and
- (d) provide for constitution of such funds for crediting all moneys received, respectively by or on behalf of the panchayats and also for the withdrawal of such moneys there from, as may be specified in the law”.

In terms of Article 243H(a) of the Constitution of India, the panchayats should be vested with powers to generate their own financial resources by levying taxes, duties, tolls and fees particularly by levying property tax, entertainment tax, profession tax and advertisement tax. This would make the panchayats financially self-reliant and increase their resource base, which can be utilized in the development programmes.

In UTs, no attention has been paid towards the generation of own source revenue. For instance, Kavratti village panchayat in Lakshadweep collects revenue only through non-tax revenue sources whereas tax revenue potential remains totally untapped. In the five UTs, PRI system has neither expertise nor the will to administer and enforce even a modicum of a tax regime.

The goal of becoming institutions of self-government will not be achieved by the panchayats if they do not raise their own resources. The panchayats of

these UTs should learn from the experience of States like Kerala where own source revenue generated by panchayats is not only used in meeting the basic needs but also generating surplus for development. Therefore, it is desirable on the part of panchayats of these UTs to increase own source revenue by mobilizing revenue from existing taxes and levying new taxes.

The Second Finance Commission for the UTs of A&N Island, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep has recommended that the local government should learn to take hard and unpopular decisions so as to become fiscally healthy. The commission has recommended various ways to raise own source of revenue through tax and non-tax sources. It is of the view that the statutorily provided spectrum of local taxation is quite wide and local governments can pick and choose depending on their local circumstances. Also, by bringing more services under user charges, fees and fines can widen the range of non-tax sources.

In order to increase own source of revenue of panchayats, the UT Administrations can play a productive role by rendering help and guidance to village panchayats in administering and enforcing tax, user charges etc. Though panchayats at the district and intermediate level do not have any revenue raising powers, steps can be taken to generate non-tax revenue. For instance, they can construct industrial estates, market sheds, slaughter houses, shopping complexes, community halls, etc., for which they can borrow funds from the government or banks. These assets can be leased out by the panchayats to earn additional revenue.

### **Fund Utilization**

It is desirable to set some norms in allocating funds among different panchayats to facilitate balanced development. In Kerala, while allocating the plan grant to local bodies, proper weightage is given to population, area, poverty and backwardness. Presently in UTs, a flat amount of untied grant is being given to the panchayats. Therefore, it would be quite useful for all the five UTs to apply these criteria for allocating grants in order to achieve the broader objective of poverty alleviation and equality. As discussed earlier, such balance can be maintained between various sectors also through fixing certain norms.

## **Audit**

Article 243J of the Constitution of India, provides for audit of accounts of panchayats. It says “The Legislature of a State may by law, make provisions with respect to the maintenance of accounts by the panchayats and the auditing of such accounts”.

In accordance with the recommendations of the Eleventh Finance Commission, guidelines is issued by the Government of India that the CAG shall be responsible for exercising control and supervision over proper maintenance of accounts of all the three tiers of PRIs and their audit. It is also stipulated that the Director, Local Fund Audit, or any other agency made responsible for audit of accounts of the local bodies shall work under the technical supervision and advice of the CAG. In addition, the formats for the budget, accounts and a database on finances are to be prescribed by the CAG.

“Local authorities like any major business organization must keep a meticulous record of its finances in accounts kept for its departments and sections of department” (Chandler, 1996). Annual Local Fund audit is to scrutinize the accounts of local government and report on their legality and accuracy in order to root out any unlawful or fraudulent practice. Hence, local fund audit can be given adequate powers to ascertain whether local authorities are providing value for money and comment extensively on the management of local finances.

In Kerala, state government’s existing Local Fund Audit Department undertakes regular audit of the accounts of local government. On the other hand, in UTs bulk of finance for panchayats comes from the government but there is no satisfactory arrangement for its audit. These UTs have not yet been brought within the purview of usual control system of the Government of India such as audit, accounting, monitoring etc. as is being done in respect of other states.

A local fund audit system can be made applicable to all the five UTs. PRIs in the UTs are handling large amount of funds and such a regular audit mechanism can ensure accountability, transparency and efficiency in fund utilization.

Participatory Appraisal system can also be made applicable in UTs. The village panchayats in the meetings of GS can invite people to participate in discussions regarding the implementation of development programmes, current status of works and budget. Maintaining a statutory suggestion book in the gram sabha meetings is a feature of participatory appraisal system.

In addition to local fund audit, performance audit can be conducted twice a year in all the local governments of UTs for better financial management and planning.

Performance audit is a special concurrent audit system, which is done in parallel with regular audits and acts as a mechanism, which can detect deviations and suggest corrective measures during the execution of projects. Surplus staff from the panchayat headed by an officer of the Indian Audit and Accounts Service can conduct the performance audit.

A system of social audit that was successfully introduced in states like Kerala is suitable to UTs also. The gram sabhas in the five UTs can be given powers and responsibilities by the Panchayati Raj Acts to examine the functioning of panchayats and their annual statement of accounts. Social audit enhances transparency by enforcing the right to information in the planning and implementation of development projects. Social audit will, no doubt, prevent corruption in the areas of public works.

### **Committee System**

Functional committees are important instrument to allocate responsibilities for specific functions of panchayats. These committees consist of both members of panchayat and others who are interested in public welfare and who are nominated by the panchayat. As discussed in the previous chapter, the functional committees have been quite successful in states like Karnataka, Kerala and West Bengal.

Every panchayat at the appropriate level in UTs could constitute functional committee for different subjects which have been devolved to the panchayats, like agriculture, health, education, sanitation, social welfare etc, for effective planning of various activities and projects. It is also desirable to constitute standing committees as in Kerala at the appropriate level of panchayats for (1) “finance and planning”, to deal with finance, planning, establishment and remaining miscellaneous matters; (2) “development” to deal with agriculture, animal husbandry and dairy development, minor irrigation, small scale industries; (3) “welfare” to deal with education, fishing, social welfare, welfare of scheduled castes-scheduled tribes, poverty eradication/rural development, public distribution system, and (4) “public works” to deal with housing, water supply, public works (Jose C., 2000).

### **Structure of PRI**

Article 243B of 73<sup>rd</sup> Constitutional Amendment states:

- (1) There shall be constituted in every State, Panchayats at the village, intermediate and district levels in accordance with the provisions of this Part.

- (2) Notwithstanding anything in clause (1), Panchayats at the intermediate level may not be constituted in a State having a population not exceeding twenty lakhs.

The structure of Panchayati Raj system in UTs of Andaman & Nicobar Islands and Chandigarh is not in conformity with Article 243B. The three tier PRI systems in Karnataka, Kerala and West Bengal are created in accordance with this provision. In West Bengal, gram panchayats are large, each having population of about fourteen thousand on an average. Each panchayat samiti covers about ten to twelve gram panchayats. In Lakshadweep, Daman & Diu and Dadra & Nagar Haveli, the total number of village panchayats is same as covered by one panchayat samiti in West Bengal and so it can be safely concluded that a two-tier PRI system is suitable to all the five UTs.

### **Ombudsman for Grievances Redressal**

As in the case of Kerala, UT administrations can appoint an Ombudsman who would look into allegations of financial irregularities in execution of development programmes and status of development programmes being undertaken. The ombudsman can hear complaints from people as well as panchayats. This could be an innovative institution to safeguard public interest and ensure transparency of the panchayats.

### **Transparency Measures**

Each panchayat office can adopt transparency measures such as publicizing the details of fund utilization of programmes and services available to the citizens. Displaying notice board by panchayat office to publicize such details can be a good step. This makes the public become aware of ongoing development schemes and programmes, utilization and availability of funds and services available to citizens in the village.

### **Training Institute for Local Government**

Training of elected representatives and officials of panchayat is a significant component of a successful PRI system. Without developing management skills among the office bearers, devolution of powers to panchayat cannot take place. In states like Karnataka, Kerala and West Bengal regular training is given at the level of district, intermediate and village panchayat. Giving training to the newly elected representatives of PRIs within 3 months of their entry is extremely important, as they need to carry out their responsibilities in the key areas, such as panchayat finance, nutrition, health, sanitation,

education, employment and economic development. A regular system of training on planning and execution of projects needs special attention.

In Karnataka, Kerala and West Bengal training institutes are providing regular training. In Kerala SIRD, Kottarakkara provides regular training to elected representatives and officials of PRIs. In addition, Kerala Institute of Local Administration (KILA), an autonomous institution under the Ministry of Local Self Government, Government of Kerala also conducts training programme, research and consultancy for PRIs. Apart from training and policy oriented research activities, KILA organizes seminars, workshops and discussions on various issues of local governance and development.

It is important to organize such training programme in all five UTs to facilitate the functioning of third tier of governance. But, it would not be appropriate to establish a separate institution in each UT because the area covered, population, number of panchayats and panchayat members are quite less as compared to States. Instead, training programmes can be organized in these UTs in association with the institutes in the neighboring states on a regular basis.

Such institutions can play a major role in wider dissemination of information by organizing seminars, workshops, discussions and exchange and exposure visits. But, there must be representation of panchayat members in the team of those who will cater to the training needs of UT. Trained members can become resource persons for further training of panchayat representatives. Peer to peer learning through regional tie-ups would help to do away with the need for organizing training programmes separately. UTs can move towards the formation of training networks to share experiences to learn and access material from each other. Moreover, innovative ways must be used to provide training to the members of PRIs. A satellite-based training programme conducted by Abdul Nazir Sab State Institute of Rural Development, Mysore, trained over 18,000 members of the 1,310 gram panchayats in 44 taluks of Karnataka. The institute made use of films, documentaries, etc. as an attractive medium for gram panchayat members. Benefits of such programmes can be made available to PRIs in the UTs.

To sum up, most of the essential features of PRI system of the three front running states can be adopted by UTs. However, it is not desirable to follow them blindly in UTs. Necessary changes are required to be made by each UT according to the local conditions and requirements.





## **CONCLUSIONS AND RECOMMENDATIONS**

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**T**he situation in the five UTs presents a diverse picture in terms of the functioning and performance of Panchayati Raj Institutions (PRIs). Keeping the variance in view, the suggestions for each of the UTs would also be discussed separately. Some of the characteristics and issues, which emerged from the analysis, are quite similar in nature and in such cases few recommendations common to all the five UTs are also made. The essential feature of PRIs in UTs is their dependence on bureaucracy due to the absence of legislature. Though individual cases differ, there are certain general features in all the five UTs, which emerge from the study.

Among five UTs covered under the study, Daman and Diu, Dadra and Nagar Haveli and Lakshadweep have two-tier PRI system while Chandigarh and Andaman and Nicobar islands have three tiers.

### **ANDAMAN & NICOBAR ISLANDS**

A three-tier PRI system in Andaman Islands consists of gram panchayat, panchayat samiti and zilla parishad. Out of 29 subjects in eleventh schedule, five subjects are partially transferred to panchayats in A&N Islands. These subjects are: agriculture, public works, fisheries, road development and electricity. The UT Administration prepared activity mapping, demarcating the functions of the three tiers of PRIs based on the subsidiarity principle. Though steps are initiated for transferring activities in the field of education, small-scale industries, farm forestry, social welfare, public distribution, health and sanitation, its implementations are delayed. PRIs in Andaman & Nicobar Islands receive funds mainly from government as grant-in-aid and centrally sponsored programmes.

On the other hand, the total fund available with them has consistently been increasing, as utilization of funds by PRIs, by and large, is quite low. As the unspent

balance can be carried forward to the next year its percentage to the total available fund is much higher.

An attractive picture of PRI system in A&N Islands is the crucial role played by gram sabha in the approval of projects. Results of the field study reveal that the level of participation in GS is more than 200 people while women are also equally participating. It is a statutory requirement that all the projects should be approved by gram sabha and these projects are to be taken up by gram panchayat, panchayat samiti or zilla parishad, according to the size of the project for the execution. Generally, gram panchayat takes up smaller projects while bigger projects are taken up either by panchayat samiti or zilla parishad. The DPC meeting is convened every year to discuss and finalise the consolidated plan of PRIs including the plan of development departments before submission to the UT Administration for final clearance.

Pradhan of gram panchayat, Pramukh of panchayat samiti and Adhyaksha of zilla parishad have the power to award public works subject to a ceiling of certain amount. Pradhan, Pramukh and Adhyaksha can award work up to the amount of Rs. 2 lakhs, Rs. 4 lakhs and Rs. 6 lakhs respectively without tender. The engineering wing gives technical approval, which is under the supervision of zilla parishad. The percentage of utilization of funds by PRIs, especially gram panchayats and panchayat samitis has been quite low. The field study reveals that the high level of unutilisation of funds by PRIs is mainly due to the delay in receiving technical approvals of projects. According to the 80 percent respondents of the survey, this delay is mainly due to the shortage of technical staff. Shortage of trained staff in non-technical sectors of PRIs is also a major constraint to PRIs in executing projects. The elected representatives of PRIs have not yet been provided adequate training and orientation in handling development projects. About 80 per cent of respondents reported in the field study that training is not given to PRIs on regular basis and its frequency is once in two years an average. Despite gram sabha having the authority to approve the work, lack of expertise in the preparation of its plan is a major constraint. Another serious bottleneck is the climatic condition prevailing in A&N Islands. Due to the incessant rain for almost eight months, construction work like road, bridges, etc. can be undertaken only for four months. About 95 percent of the respondents reported that committee system -works committee, estimate committee and finance committee, is not functional in almost all the panchayats.

## CHANDIGARH

The three-tier Panchayati Raj System in the UT of Chandigarh includes 17 gram panchayats at the village level, one panchayat samiti at the intermediate level, and one zilla parishad at the district level. Powers are not yet devolved to PRIs in Chandigarh. The functions mentioned in the eleventh schedule are not yet transferred. Activity mapping has not been carried out. Though the issue of the transfer of funds, functions and functionaries of the other departments to the PRIs has been engaging the attention of the Chandigarh Administration for quite sometime, no concrete steps have been taken so far. UT administration feels that as the population of UT villages is very small as compared to urban population and urbanization process is taking place fast, devolution of powers can only be an interim measure. It is a fact that most of the activities in the urban as well as rural area are common in Chandigarh and villages are semi-urban in nature. There is a visible change in the employment pattern of people and agriculture activities, dairying, piggery etc. have almost disappeared from these villages. As the zilla parishad of the Chandigarh is not playing a significant role in handling development works, major projects and activities are shared between the panchayat samiti and gram panchayats. The activities of the panchayat samitis are mainly in the area of infrastructure building, developmental works, health and sanitation, sports and cultural programme and training of the PRI members.

An important feature of fund utilization of panchayat samitis is that a huge amount remains unspent every year primarily due to the lack of functions and functionaries. About 75 per cent of the officials of PRIs covered in the field study in Chandigarh disclosed that there is no vertical distribution of finances among the three tiers of panchayat. Though gram sabha is being convened as a statutory requirement, it is not an effective body in the UT of Chandigarh. It mainly discusses issues related to water and sanitation, ration cards, and BPL cards while development projects are not dealt with at all. Instead, the project is initiated by the gram panchayat, panchayat samiti or zilla parishad. The proposal is then put up in the meeting of the zilla parishad where it is discussed and approved and also decided whether the project will be implemented by the gram panchayat, panchayat samiti or zilla parishad.

District plan is not prepared and DPC has not been constituted in UT. For the execution of projects both administrative and technical approvals are required. The

projects get approved at the zilla parishad level. The Sub-divisional Engineer (SDE) affiliated to the ZP makes the estimate for the project and technical sanction is given by the Executive Engineer. The Director, Rural Development and Planning holding the charge of panchayats in the UT of Chandigarh, gives the final clearance.

One of the basic structural issues related to PRI system in Chandigarh is the three-tier system itself, which is the result of the adoption of the Punjab Panchayati Raj Act in Chandigarh. In fact, a three-tier system is not suitable to a small UT, considering the size of population of the UT. While PRIs including gram panchayats are so marginally functional, gram sabha is quite ineffective. Shortage of functionaries is another matter of concern. There are four panchayat secretaries for seventeen gram panchayats while other UTs like Daman and Diu and Dadra and Nagar Haveli are having one secretary for each gram panchayat. It is found in the field study that at present, on an average one secretary is in charge of minimum four gram panchayats. Adequate funds are not made available to gram panchayat as funds allotted to them are just for basic maintenance of the office. The infrastructure available to gram panchayat is quite poor. Moreover, the own sources of revenue of the gram panchayat are not mobilized. On the other hand, there is huge unspent balance with zilla parishad mainly because of the issues related to the devolution of powers to PRIs.

#### DADRA AND NAGAR HAVELI

Dadra and Nagar Haveli has a two-tier Panchayati Raj system; at an apex level the district panchayat and eleven village panchayats at the bottom level. The UT administration has transferred seventeen subjects, though seven of them partially. The functions transferred to the panchayats include P.W.D. irrigation division to execute all works of roads, drinking water, irrigation and construction of buildings related to panchayats. Primary education along with all associated schemes and department of rural development along with its schemes and programmes and implementation of all poverty alleviation programmes of Central Government are the other transferred functions.

The village panchayats collect revenue through house tax, professional tax, market fee etc. Nearly 95 per cent of respondents reported in the survey that the recommendations of two Finance Commissions for improving the finance of PRIs are not yet implemented. Each panchayat receives grant-in-aid from the government to the tune of Rs. 3 lakh annually. Around 31 per cent of elected representatives reported in

the field survey that budget of panchayat that is prepared by Sarpanch and Secretary is not discussed in detail in the meeting of village panchayat. The district panchayat gets the grant of Rs.10 lakh per annum, as an untied fund. Plans are prepared by village panchayat and approved by gram sabha. All the works proposed and consented by the respective gram sabhas are placed before the Works Committee and Education Committee as per their area and then before Finance Committee to approve as per probable fund availability and then placed before the district panchayat for approval. The approval of the plan of both the district panchayat and village panchayats is given by the DPC. A team of engineers consisting of Executive Engineer, Deputy Engineer, Assistant Engineers and Junior Engineers deals with the technical aspects of the projects.

The results of the field survey reveal that the participation of people in the gram sabhas is very low mainly due to preoccupations of their own work. The people, by and large, are not aware of the significance of gram sabha. Elected representatives and officials are not receiving any training on planning and execution of projects. About 95 per cent of elected representatives reported in the field survey that the system of training for PRIs is quite irregular in Dadra & Nagar Haveli. The existing Panchayat Regulations of both Daman & Diu and Dadra & Nagar Haveli do not cover five out of 29 subjects of the eleventh schedule of the Constitution. Adequate powers are not yet devolved to PRIs to execute projects and programmes. The regulations are not suitably amended to enable further devolution while effective transfer of functionaries requires finalization of service rules for the panchayat for which actions are to be taken by Ministry of Home Affairs. Most of the staff under PRIs is working on deputation basis to the panchayat by maintaining their cadre with the UT administration. As PRI system in Dadra and Nagar Haveli do not have own cadre of staff, there has been severe shortage of personnel. According to 85 per cent of respondents the unavailability of honorarium to elected representatives is acting as a dampener in the efficient functioning of PRI system.

#### DAMAN AND DIU

The UT of Daman and Diu has a two-tier PRI system with fourteen village panchayats and one district panchayat. A total of sixteen subjects are transferred to them while the UT administration has done comprehensive activity mapping for devolution to the two

tiers. The income mobilized from the house tax, professional tax and market fee is a significant source of income for a village panchayat.

In addition, it receives Rs. 3 lakh as Grant-in-Aid (GIA). As in the case of other UTs, the district panchayat in Daman and Diu also does not have taxation powers, though it receives Rs. 10 lakh per annum as untied grant. Two Finance Commissions for Daman & Diu provided concrete suggestions for improving the finance of PRIs. About 93 per cent of the respondents reported in the survey that these recommendations are not yet implemented.

A development project proposal is discussed first in the monthly meeting of the village panchayat. All such project proposals are to be approved in the gram sabha within the next six months. The list of the project is then finalized and approved through a resolution passed in the monthly meeting of the village panchayat. Subsequently, project is sent to the Block Development Officer (BDO) for the approval. Project proposals from the district panchayat are approved in its general body meeting. The consolidation of plan prepared by village panchayat is done at the district panchayat level. The district panchayat recommends inter panchayat and inter sectoral allocations in the DPC that approves the plan of the district panchayat and village panchayats. President-cum- councilor of the district panchayat gives administrative approval for the projects to be implemented. For technical approval of projects at the village level, the Extension Officer, Rural Engineering who is a Public Works Department (PWD) engineer examine the project technically. The PWD division of the administration makes the estimate for the project at district panchayat level and the Superintendent engineer gives the technical sanction according to the size of the project.

Issues confronted by PRIs in UT of Daman & Diu are quite similar to that of Dadra and Nagar Haveli. Devolution of powers and shortage of staff are the major areas of concern. In Daman & Diu also, staff is working for PRIs on deputation basis.

#### LAKSHADWEEP

Lakshadweep has a two-tier PRI system, at village level and district level. Ten inhabited islands have one village panchayat and the district panchayat has its headquarters at Kavaratti. The UT Administrator has transferred 34 schemes in 1998 and another 15 additional schemes in 2001 to the panchayats. These schemes are from eight subjects in eleventh schedule. It is found in the field study that though these schemes and employees

are transferred to PRIs, most of the departments are still working independently and employees are reporting to their parent departments. In fact, PRIs are not playing any significant role in the functioning of these schemes except the expenditure is shown under the PRI heads.

Project proposals, prepared by both village panchayat and district panchayat are considered in the meeting of DPC. The list of proposals cleared by the DPC is submitted to the administrator for its final approval. It is found in the field study that gram sabhas are not operational in any village panchayat except Kalpeni village, where gram sabha meetings were held twice during the last two years period. According to the Panchayat Regulation, the gram sabha should convene its meetings at least twice in a financial year. The Panchayat Regulation has not assigned any specific functions to gram sabhas. It does not have any role in the preparation of plan for the village. About 98 per cent of respondent reported in the field study that gram sabhas are not operational. PRIs in Lakshadweep have not made adequate efforts in mobilizing own source of revenue. They have not started to impose the taxes as prescribed. According to 97 per cent of respondents covered in the field study recommendations of two finance commissions for Lakshadweep for improving the finance of PRIs are not yet implemented. The accounts of PRIs are not yet audited properly and local fund audit is not constituted. About 85 per cent of respondent reported that Comptroller and Auditor General that is assigned the task of audit has not done it for quite some time. The projects that are executed by both village panchayat and district panchayat are small and non-technical in nature. While major construction works are still under Public Works Department, only minor works like maintenance of community assets are undertaken by the district panchayat. PRIs do not deal with technical aspects of any project and they do not have any engineering wing.

The analysis of the PRI system in all the five UTs reveals that adequate powers are not devolved to them both in letter and spirit. In order to provide concrete suggestions and help construct a model or framework that can be applied for strengthening the PRIs in UTs, a review of three front-running Indian states have been made. In the three states - Karnataka, Kerala and West Bengal - adequate administrative, financial and technical powers are devolved to PRIs for the execution of plan projects. In regard to the devolution of powers in UTs, a big bang approach of transferring all powers at one go can be adopted. The success of local self-government depends on the number of functions being performed by the third tier of government and on how well they are

performed. While devolution must eventually comprise 29 subjects provided for in the Constitution, UTs may prioritize their devolution programme but it needs to be completed in a time bound manner.

The institution of gram sabha should be made an essential part of PRI system in UTs. The gram sabha is required to approve the plans, programmes and projects for social and economic development before the village panchayat takes them up for implementation.

A system of local level planning taking the major elements of Kerala's model can be applied to all the five UTs. Various components like identification of projects through gram sabhas, development seminars and task forces for preparing the projects and guidelines on sectoral allocation are quite suitable to UTs as well.

In line with the reviewed states, PRIs of these UTs can augment their source of revenue by improving productivity of the existing sources of income and getting additional funds through levy of new taxes by local bodies. In Kerala, while allocating the plan grant to local bodies, proper weightage is given to population, area, poverty and backwardness. In UTs, a flat amount of grant is being given to all the panchayats. Therefore, it would be quite relevant for all the five UTs to use these criteria for allocating grants to panchayat in order to achieve the broader objective of poverty alleviation and equality.

A system of formal local fund audit and social audit on regular basis also suit to them. A well functioning standing committee system can also be applied to the five UTs. A system of regular training programme for elected representatives and officials is essential. Training programmes can be organized for elected representatives and officials on a regular basis in all the UTs.



## RECOMMENDATIONS

**W**ith a view to maximize the role of PRIs in the execution of plan schemes and other development projects and to enable their speedy implementation, the following measures are recommended.

### **I Delegation of Administrative Financial and Technical Powers to PRIs: Recommendations for all the five UTs**

- *Transfer of 3Fs:* All the 29 subjects mentioned under the eleventh schedule of Constitution are to be transferred to PRIs in letter and spirit. In this process all the functions, funds and functionaries (3Fs) need to be transferred to PRIs.
- *Committees:* Provisions for standing committees are made in Panchayati Raj Regulation of UTs. UT Administrators should provide adequate budgetary support to PRIs to have activate committees such as *work committee, estimate committee and finance committee* in all the three tiers of PRIs. These committees should be assigned the specific subjects and effective functioning of these committees will strengthen participatory planning and development.
- *Administrative Control Over Staff:* UT Administration should give administrative control over staff assigned to PRIs. Irrespective of the difference between the directly recruited staff, staff on deputation and staff of the transferred institutions, the panchayats should have full managerial and disciplinary control over them. Administrative or elected heads of the panchayat should be able to assign any work to the staff, review their performance and recommend promotions, etc.
- *Separate Cadre of Staff for PRIs:* Necessary powers and financial supports may be given to PRIs for the creation of a separate cadre of staff for panchayat. Moreover, framing of panchayat service rules can be taken up.
- *Social Audit:* UT Administration should introduce a system of Social Audit in all the village panchayats to keep a check on the functioning of panchayats and examine the annual statement of accounts. Proper social audit would help in ensuring transparency of the fund spent on each project as well as viability and efficient implementation of projects. In effect, social auditing can create a positive impact upon governance. Gram Sabhas should be given adequate power to undertake the social audit on regular basis.
- *Preparation of projects at village level:* UT administration should give financial powers to PRIs to use experts available in each village in the identification and preparation of development projects. It is desirable to organize seminars to discuss various aspects of development projects to be implemented before the finalization of plan. It can be organized at village panchayat, panchayat samiti or District Panchayat level. The participation of specialists from different sectors, officials and experienced citizens in development seminar is required. This step is quite essential for grassroots level planning.

- *Training for Local Government functionaries:* UT Administration should allocate adequate budgets for conducting capacity building programme for elected representatives and functionaries of PRIs. In fact, through regular training and capacity building programmes, officials and elected representatives of PRIs can present better performance in their functioning especially in the field of administration and financial discipline.
- *Technical Approval:* UT administrations should give more powers to PRIs to strengthen their technical wings to reduce the delay in providing the technical approval of projects. Adequate technical personnel should be given to each tier of panchayats.

## **II Delegation of Administrative Financial and Technical Powers in all the five UTs: UT specific recommendations**

### ANDAMAN AND NICOBAR ISLANDS

- ❖ *District Planning Committee:* UT Administration should give the full powers and freedom to the District Planning Committee in approving the projects consolidated with district plan. At present UT Administration has the final authority to clear the district plan and the committee should have final say in the finalization of this district plan.
- ❖ *Outsourcing of Engineering staff:* Preparation of cost estimates and technical sanction by engineers are significant and time consuming stages of the execution of development projects. There has been severe shortage of technical staff in Andaman & Nicobar Islands causing undue delay in receiving technical approval for the projects. As in the case of states like Karnataka, PRIs should be given powers to outsource engineers from universities, etc to meet the requirement of technical staff.

### CHANDIGARH

- ❖ *Setting up of DPC:* As the UT does not have District Planning Committee, UT administration should constitute this Committee under the chairmanship of Zilla Parishad. District Planning Committee should be given powers to consolidate the plans prepared by panchayats and to prepare a development plan for the district as a whole.
- ❖ *Functions of gram sabha:* A strong system of Gram Sabhas is the indispensable foundation of good governance through Panchayati Raj; (GOI, op cit: 5). So UT Administration should provide powers to Gram Sabha in regard to approval of development projects. Gram sabha should be given the sanctioning authority in regard to the projects to be undertaken in the villages. All the development projects need to be approved by the gram sabha before its execution. Gram sabha can also be given the powers and responsibilities to examine the functioning of panchayats and their annual statement of accounts. This system of social audit will prevent corruption and enhance transparencies.

- ❖ *Financial support to Gram Sabha:* UT administration should give financial powers to Gram Panchayat for utilizing funds for convening gram Sabha. Adequate financial support is essential to make a gram sabha functional. Without sufficient funds gram sabhas can not function.
- ❖ *Honorarium to Elected Representatives:* PRIs in Chandigarh should be given power and finance to provide a reasonable amount of honorarium to elected representatives of PRIs. This can enhance the commitment and involvement of elected representatives in the planning and execution of development projects.
- ❖ *Staff to Gram Panchayat:* UT administration should allocate adequate funds to gram panchayats to appoint minimum number of staff to function. At least one secretary and one gram sewak should be provided for the functioning for each gram panchayat.

*Technical approval of projects:* Separate engineering wing should be set up with all the three tiers of panchayat for the speedy technical approval of projects

#### *DADRA AND NAGAR HAVELI & DAMAN AND DIU*

- ❖ *Functions of gram sabha:* UT Administration should it mandatory for all the development projects to get it approved by gram sabha before its implementation. Adequate financial powers may be given to gram panchayat for utilizing funds for the proper functioning of gram sabhas. Moreover, adequate powers and responsibilities should be given to gram sabha to examine the functioning of panchayats and their annual statement of accounts. This system of social audit will prevent corruption and enhance transparencies.
- ❖ *Honorarium to Elected Representatives:* PRIs in Dadra and Nagar Haveli should be given a reasonable amount of honorarium to elected representatives of PRIs.
- ❖ *Local Fund Audit:* The regular local fund audit is crucial for the efficient utilization of funds. There is an urgent need for strengthening audit of accounts of PRIs by local fund department in each UT.
- ❖ *Technical approval of projects:* UT administration should take action for setting up a separate engineering wing with all the three tiers of panchayat for the speedy technical approval of projects .

#### *LAKSHADWEEP*

- ❖ *Powers to gram sabha:* The Lakshadweep Panchayat Regulation has not assigned any specific function to the gram sabha. As such it remains a mere recommendatory body. UT administration should take necessary steps to provide power to gram sabha in approving development projects, list of beneficiaries and accounts of the panchayats.

- ❖ *Financial support for Gram sabha:* There is no fund available to panchayat for convening gram sabha. As gram sabha is significant for local planning and development, panchayat should be given a separate financial grant for convening gram sabha.
- ❖ *Social Audit:* Gram sabha can be given the powers and responsibilities to examine the functioning of panchayats and their annual statement of accounts through the system of social audit. This system will prevent corruption and enhance transparencies.
- ❖ *Honorarium to Elected Representatives:* PRIs in Lakshadweep should be given a reasonable amount of honorarium to elected representatives of PRIs .
- ❖ *Local Fund Audit:* The regular local fund audit is crucial for the efficient utilization of funds. There is an urgent need for strengthening audit of accounts of PRIs by local fund department in each UT.
- ❖ *Transfer of bigger projects:* In Lakshadweep projects, which are major and technical in nature, needs to be transferred to both tiers of PRIs. Subsequently, a technical team of experts including engineers needs to be created for both district and village panchayats.

### **III Delegation of Powers: Specific Action Plan for all the UTs**

UT administrations in all the five UTs may formulate the following action plan in regard to the delegation of administrative, technical and finances powers to PRIs:

- ❖ Fix a time frame of 3 years period for the transfer of functions or subjects mentioned in the eleventh schedule of Constitution to PRIs.
- ❖ Along with the functions, adequate funds and functionaries need to be transferred in each year of the fixed time frame of 3 years period.
- ❖ Elected representatives of PRIs may be given training and orientation programme to build up their capacity so that they can carry out the responsibilities an effective and efficient manner.
- ❖ UTA officials and Elected Representatives of PRIs may visit some front running states like Kerala and Karnataka to study the functioning of PRIs. It may be noted that in the state of Kerala all the 29 subjects mentioned under the eleventh schedule of Constitution are transferred in a big bang approach.
- ❖ A separate work manual suitable to the PRIs for executing project may be introduced.

### **IV Utilisation of Resources: Specific Action Plan**

As a significant share of the available funds remains unutilized in UTs of Andaman & Nicobar Islands and Chandigarh, administrations in these two UTs in cooperation with Zilla Parishads may formulate the following action plans for the complete utilization of resources:

*Andaman & Nicobar Islands*

- a. More viable development projects needs to be identified and prepared at village panchayat level.
- b. Orientation should be given to members of gram sabha in developing viable projects by using the expertise of experienced people.
- c. Adequate number of experts should be made available to PRIs to deal with the technical aspects of the development projects. As there is a severe shortage of technical experts, PRIs should be allowed to outsource engineers from universities, etc.

*Chandigarh*

- a. As PRI system in the UT is quite weak compared to other UTs more powers, funds and functionaries need to be transferred to PRIs to enable them to prepare and execute development projects.
- b. Viable development projects are required to be developed at village panchayat level.
- c. The gram sabhas need to be revived since they are not functioning adequately. Gram sabhas should look beyond routine issues and be proactive in involving local population towards the planning of time-bound development programmes.
- d. All the development programmes should get approved by the gram sabha before the implementation
- e. Technical team of experts should be made available to PRIs to deal with the technical aspects of the development projects
- f. In order to avoid any shortage of technical experts PRIs should be allowed to outsource engineers from the necessities, etc.

Even though UTs of Daman & Diu, Dadra and Nagar Haveli and Lakshadweep have not been facing the problem of unutilization of available resources at present, the above-mentioned recommendations can be made applicable to them as well so that such problems would not arise in future.

**V Other Recommendations****A. FOR ALL UTs**

*A smaller unit of gram sabhas:* UT Administration should take appropriate steps to carryout necessary amendments to the Panchayat Regulations / Panchayati Raj Act for creating small units of gram sabhas, say ward sabhas or gram sansads. As gram sabhas

are not actively functioning in all the five UTs, a smaller unit of gram sabha needs to be created. The smaller units of gram sabhas can encourage more people to participate and facilitate active and fruitful discussions. Alternatively, a group of two or three ward sabhas can be formed as lower unit of gram sabha. The first round table of Ministers in charge of Panchayati Raj has also made similar recommendation as follows:

The need for constituting Sabhas below the Gram level (such as Gram Sansad, Upa-Gram Sabha or Ward Sabha, by whatever name called) with the aim of ensuring that the adult population in each ward is given the opportunity of conveying to the Gram Sabha their views on issues coming up for consideration as also holding the elected Ward representative responsible to the adult population in each Ward. (GOI, op.cit: 5).

*Setting up of Ombudsman in all the UTs:* UT Administration should create an institution similar to that of Ombudsman in Kerala to deal with grievances related to various functions and functionaries in the PRI system. It can give suitable remedies to a party affected by the order of a panchayat.

*Legal Assistance to PRIs:* It is desirable to provide legal assistance and jurisprudential clarifications of the existing law to elected representatives and officials of PRIs. The fourth round table of Ministers in-charge of Panchayati Raj recommended:

UT administrations may appoint legal officers or provide, by other means, legal assistance to PRIs to enable them to secure jurisprudential clarifications of the existing law and recorded judgements in interpreting any ambiguity in the law they may experience.

*Infrastructure to offices of Village Panchayats:* Adequate infrastructure including own building should be made available to the offices of village panchayats. It is quite essential to build up IT infrastructure, which include computers and e-mails in each office in order to introduce e-governance at local government level.

*Budget of PRI:* The budget of PRI needs to be linked to the budget of each Union Territory. The inclusion of PRI component in the budget of each UT should be made based on activity mapping.

## *B. UT SPECIFIC*

### **Andaman and Nicobar Islands**

*Abolition of the Panchayat Samiti:* UT Administration should take suitable action to abolish Panchayat samiti, which is really redundant in the present PRI system. The second finance commission for the UTs has also made this suggestion.

### **Chandigarh**

*Preparation of Activity Mapping:* As there is an urgent need for demarcating powers between different tiers of PRIs. UT administration should take necessary administrative steps for the preparation of “activity mapping”. Through the mapping of activities, it is required to clearly specify what each tier of panchayat should do in respect of 29 subjects given in the eleventh schedule. In the “activity mapping” there should be a clear demarcation determining the devolution of functionaries and finance to each of the three tiers of the system. Activity mapping should be based on subsidiarity principle which state that any activity that can be undertaken at a lower level must be undertaken at that level in preference to being undertaken at any higher level.

*Abolition of panchayat samiti:* There is no practical relevance of having a panchayat samiti in UT Chandigarh because the population is less than a million. UTA should take suitable administrative steps for the abolition of panchayat samiti. The powers and functions of the panchayat samiti could be divided between the zilla parishad and gram panchayat.

### **Dadra and Nagar Haveli & Daman and Diu**

*Amendment in Regulation:* UT Administrations should take suitable steps for suitably amending the regulation to include the missing five subjects covered under the eleventh schedule of the Constitution. The five subjects (1) Land improvement and implementation of land reforms; (2) fisheries; (3) fuel and fodder; (4) minor forest produce; and (5) non- formal education are to be included in the Regulation

### **Lakshadweep**

*Preparation of activity mapping:* Activity mapping demarcating the functions of different tiers of PRIs based on the subsidiarity principle needs to be prepared for Lakshadweep also. UT administration may take necessary administrative steps for the preparation of activity mapping and provision of powers accordingly.

*Release of grant to village panchayats:* All the village panchayats are being given a grant of Rs.5 lakh on flat basis irrespective of their population or performance. A suitable criterion should be formulated for the release of grant based on certain parameters such as population or performance. This needs to be rationalized.





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# *ANNEXURES*

**Annexure II.1****HONORARIUM TO THE ELECTED REPRESENTATIVES OF PRIs: A&N**

Andaman and Nicobar Administration  
Secretariat  
Port Blair, dated 10<sup>th</sup> April 2001

Order No. 1663

The Lieutenant Governor (Administrator), Andaman and Nicobar Islands has been pleased to revise the honorarium of the elected members of the Panchayati Raj Institutions with effect from 1-4-2001 as under:

| S.No. | Dignitary                    | Amount of Honorarium per month (Rs.) |
|-------|------------------------------|--------------------------------------|
| I     | Zilla Parishad               |                                      |
| 1     | Adhyaksh                     | 4125.00                              |
| 2     | Up-Adhyaksh                  | 3375.00                              |
| 3     | Chairman, Sub-Committee      | 3150.00                              |
| 4     | Members of Zilla Parishad    | 2475.00                              |
| II    | Panchayat Samitis            |                                      |
| 5     | Pramukh                      | 3150.00                              |
| 6     | Up-Pramukh                   | 2475.00                              |
| 7     | Chairman Sub-Committee       | 2250.00                              |
| 8     | Members of Panchayat Samitis | 1875.00                              |
| III   | Gram Panchayats              |                                      |
| 9     | Pradhans                     | 2400.00                              |
| 10    | Up-Pradhans                  | 1950.00                              |
| 11    | Sarpanch                     | 1950.00                              |
| 12    | Up-Sarpanch                  | 1800.00                              |

The rate of honorarium being paid at present was fixed as per Administration's Order No.2804 dated 25<sup>th</sup>/26<sup>th</sup> August, 1998.

(M.K.Biswas)  
Assistant Secretary (Panchayat)  
(F.No. 3-29/98-PR)

**Annexure II.2**

Schedule - I

**ACTIVITY MAPPING AMONG THE THREE TIERS OF PRIs IN A&N ISLANDS**

**Agriculture Department**

| Activity   | Distribution of Functions   |  |   |
|--|---|--|---|
|  | Zilla Parishad  | Panchayat Samiti   | Gram Panchayat  |
| 1. Increasing agricultural production/horticulture production/vegetable production | i). To develop necessary agricultural infrastructure<br>ii). To prepare comprehensive crop plan<br>iii). To develop and maintain data base for cropping pattern, land use and inputs use for planning<br>iv). To maintain inventory of technological options<br>v). To propagate adoption of new technologies<br>vi). To organize Kisan Melas, Fairs and Exhibitions<br>vii). To arrange awards to best progressive farmers<br>viii). To protect bio-diversity and promote profitable crop technologies | i). To help in crop yield estimation through maintaining link with various agencies and GPs/farmers<br>ii). To advise suitable cropping system based on location specific characteristics.<br>iii). To assist DP in organizing farmers fairs, Kisan mela, etc.<br>iv). To organize on farm verification trials and demonstration of new technologies<br>v). Reporting and initiating action plan for different items<br>vi). To coordinate activities of field level extension workers and officials<br>vii). To act as a link between DP and GPs for transfer of knowledge and technologies | i). Estimation of crop yield and maintain data base<br>ii). To assist in preparation of crop plan<br>iii). To assist in advising farmers about remunerative crop activities and crop diversification<br>iv). To assist in identifying progressive farmers for adoption and diffusion of new technologies<br>v). To help in providing custom hiring services for plant protection equipment and farm implements<br>vi). To generate awareness in use of organic vermiculture, etc. |
| 2. Assessment and distribution of Inputs   | i). To prepare consolidated plan for input requirement.<br>ii). To acquire and arrange distribution of inputs   | i). Assessing inputs needs for GPs and forwarding consolidated request to DPs<br>ii). Ensuring timely availability or  | i). To assist in assessing needs of various inputs such as seeds, fertilizers, pesticides.  |

| Activity                   | Distribution of Functions   |   |   |
|----------------------------|---|---|---|
|                            | Zilla Parishad  | Panchayat Samiti  | Gram Panchayat  |
|                            | <p>in time</p> <p>iii). To improve adequate storage facilities for inputs</p> <p>iv). To monitor distribution of quality inputs</p>   | <p>required inputs to GPs</p> <p>iii). Arranging storage and transport facilities for inputs</p> <p>iv). Close monitoring of inputs delivery system</p>   | <p>ii). To assist in timely distribution of adequate inputs to farmers</p>  |
| 3. Extension support       | <p>i). To maintain linkage with research and training organizations and agriculture department</p> <p>ii). To ensure regular visits of extension staff and to help in dissemination of new technologies.</p> <p>iii). To ensure regular training of extension officials for updating their knowledge of advancements in technologies.</p> | <p>i). To monitor the visit of extension workers to the village farms.</p> <p>ii). To prepare plan for visit of extension workers and monitor their work.</p> <p>iii). To advice and identify extension officials for training.</p> <p>iv). To assist scientists in identifying in local problems for designing their research work relevant to local needs.</p> <p>v). Ensuring better linkages between farmers and extension staff.</p> | <p>i). Identifying suitable plots for conducting trials and demonstration.</p> <p>ii). Selecting farmers for participating in Kisan melas and training.</p>   |
| 4. Soil testing            | <p>i). To coordinate soil testing work</p>  | <p>i). To coordinate soil testing work</p> <p>ii). To help in identifying locations for soil testing work.</p> <p>iii). To help farmers for improvement of soil fertility as per the soil testing results.</p>  | <p>i). To assist technical experts in conducting soil tests.</p> <p>ii). To help in ensuring feed back from soil testing to farmers.</p> <p>iii). Selection of beneficiaries for relief of Natural calamities and undertaking distribution of assistance.</p> |
| 5. Post harvest management | <p>i). To establish and improve storage facilities</p> <p>ii). To develop marketing infrastructure at</p>   | <p>i). Maintenance of godowns</p> <p>ii). To organize market committees and</p>   | <p>i). To help in organizing farmers for group sale on bulk.</p>  |

| Activity             | Distribution of Functions   |  |   |
|----------------------|---|--|---|
|                      | Zilla Parishad  | Panchayat Samiti   | Gram Panchayat  |
|                      | <p>suitable locations.</p> <p>iii). Monitoring regulated marketing</p> <p>iv). To control private traders from exploiting farmers.</p> <p>v). To ensure correct weights and measures.</p> <p>vi). Supervision of crop insurance facility.</p>   | <p>maintain market yards.</p> <p>iii). Regular market charges and ensure correct weights and measures.</p> <p>iv). Ensuring quick sale of products and payment to the farmers.</p>   | <p>ii). To assist in increasing awareness about better storage facilities for seeds and food grains.</p>  |
| 6. Risk management   | <p>i). To assess losses due to natural calamities and formulate rehabilitation plan.</p> <p>ii). To monitor and supervise relief operations.</p> <p>iii). To arrange crop insurance schemes and coordination among insurance agencies.</p> <p>iv). Preparation of contingency agricultural plan.</p>  | <p>i). To estimate crop losses and report of action.</p> <p>ii). To monitor relief operations.</p> <p>iii). To help in identifying farmers for crop insurance schemes.</p> <p>iv). To assist in providing benefits from crop insurance schemes.</p>  | <p>i). Reporting of losses due to natural calamities and rehabilitation requirements.</p> <p>ii). To supervise relief operations and distributor of material</p> <p>iii). To motivate farmers for taking crop insurance schemes.</p> <p>iv). To assist in the implementation of contingency plan.</p>   |
| 7. Soil conservation | <p>i). Preparation of district plan for soil and water conservation projects. Desegregation of this plan into IP level, GP level or even lower level operable units.</p> <p>ii). Harmonization of the plan with other employment generating as well as area development plans.</p> <p>iii). Distribution of subsidies and other assistance according to the determined scales and priorities.</p> | <p>i). Coordination with the professional officials soil conservation machinery and giving assistance in its work.</p> <p>ii). Inter GP coordination for smoothly carrying out operations like creation of water channels cutting across GP boundaries and so forth.</p> <p>iii). Periodic monitoring of the work done by or at the level of GP.</p> | <p>i). Assistance to the professional/ official machinery for soil conservator work – specially in helping group action b land owners/ users involved.</p> <p>ii). Direct assistance in implementation, e.g. organizing owner labour as part of contribution of the cost of operations.</p> <p>iii). Post conservation vigilance ensure that work done is not undone once again.</p> <p>iv). Creation of public opinion in favour</p> |

| Activity   | Distribution of Functions  |   |  |
|--|--|---|--|
|  | Zilla Parishad   | Panchayat Samiti  | Gram Panchayat   |
|  | <p>iv). Overall supervision of the work in the entire district period monitoring and evaluation.</p> <p>v). Coordination with various agencies of the DP as well as the district administration who will either participate in or whose work will impinge upon the implementation of the plan.</p>   |   | <p>of use of soil only in consonance with its properties, gradients etc.</p>   |
| 8. Development of MI, delivery system, drainage system, water harvesting structures and water management | <p>i). Formulation of MI projects.</p> <p>ii). Technical appraisal of MI projects (outside IPs)</p> <p>iii). Execution of MI projects (outside IP and GP plan)</p> <p>iv). Assigning projects to IP and GP</p> <p>v). Development of drainage system in water logged areas.</p> <p>vi). Sanctioning projects for percolation tanks, check dams and land leveling.</p> <p>7. Supervision, monitoring and review of the progress and quality of works by the subject committee.</p> <p>8. Coordination between various departments/agencies funding for MI projects.</p> | <p>i). Formulation of MI projects</p> <p>ii). Technical appraisal of MI projects proposed in IP plan.</p> <p>iii). Execution of MI projects included in IP plan.</p> <p>iv). Execution of MI projects assigned by DP.</p> <p>v). Construction of percolation tanks and check dams (outside GP plan)</p> <p>vi). Selection of beneficiaries under various programmes for MI projects, sanctioning subsidy and arranging bank loan.</p> <p>7. Supervision, monitoring and review of the progress, and quality of works by the subject committee.</p> <p>8. Coordination between various line departments/agencies funding for MI projects.</p> <p>9. Submitting returns and progress reports to DP.</p> | <p>i). To assist in formulation of MI projects and approval by Gram Sabha.</p> <p>ii). Identification of location/spot for the project.</p> <p>iii). Executing community MI projects.</p> <p>iv). Executing MI projects assigned by DP and IP.</p> <p>v). Construction of percolation tanks and check dams including the projects assigned by the DP and IP.</p> <p>vi). Enforcing inter-well distance (well density) as per the prescribed norms.</p> <p>7. Identification of beneficiaries under various programmes for MI projects through Gram Sabha.</p> <p>8. Supervision, Monitoring and review of the progress, quality of work and submitting returns and progress reports to IP.</p> |



| Activity                  | Distribution of Functions  |  |  |
|---------------------------|--|--|--|
|                           | Zilla Parishad   | Panchayat Samiti   | Gram Panchayat   |
| 9. Water Management       | <ul style="list-style-type: none"> <li>i) Propagating modern water management / delivery methods</li> <li>ii) Propagating use of sprinkler and drip irrigation in drought prone / water scarce area.</li> <li>iii) Encourage formation of Pani Panchayats in GPs</li> <li>iv) Encourage on-farm development for optimum utilization of water</li> </ul>  | <ul style="list-style-type: none"> <li>i) Guidance and motivating people for modern methods of irrigation, on-farm development and proper maintenance of field channels.</li> <li>ii) Selection of beneficiaries for subsidized sprinklers, drip irrigation equipment and delivery system and supplying them, including providing technical guidance to the beneficiaries.</li> <li>iii) Organizing farm demonstration for modern water management techniques</li> </ul>   | <ul style="list-style-type: none"> <li>i) Identification of beneficiaries through Gram sabha for subsidized sprinkler and drip irrigation system.</li> <li>ii) Constituting Pani Panchayats for proper utilization of water including use for drinking purposes</li> <li>iii) Encouraging farmers for on-farm development and development of field channels / delivery system for proper utilization of water.</li> </ul>  |
| 10. Watershed development | <ul style="list-style-type: none"> <li>i) Identification, selection and approval for watershed development projects.</li> <li>ii) Promoting watershed development approach in all areas for better management of natural resources and environment development.</li> <li>iii) Coordination between various agencies / departments implementing watershed projects such as agriculture, Forestry.</li> <li>iv) Sanctioning and disbursement of funds for execution of watershed projects to the IP/GP.</li> <li>v) Supervision, Monitoring and review of the progress and quality of works.</li> <li>vi) Control and supervision of Watershed covering more than one Intermediate Panchayats</li> </ul> | <ul style="list-style-type: none"> <li>i) Preparing watershed project.</li> <li>ii) Organizing people to form work committee</li> <li>iii) To form a team of technical staff to assist Gram Panchayat in the implementation of watershed projects.</li> <li>iv) Integrating various beneficiaries oriented and area development oriented schemes to harmonise with the watershed projects.</li> <li>v) Monitoring, supervision and reporting progress.</li> <li>vi) Control and supervision of Watershed covering more than one Gram Panchayats</li> </ul> | <ul style="list-style-type: none"> <li>i) Participate in Planning and implementation of watershed projects.</li> <li>ii) Approval for land/water use plan for watershed development through Gram Sabha.</li> <li>iii) Selection of beneficiaries and providing assistance to them for executing individual works under watershed.</li> <li>iv) To assist in constituting user / beneficiary committee in the watershed for their direct participation in the execution of the project.</li> <li>v) Maintenance of the community assets created under watershed project.</li> <li>vi) Transferring of land and other common properties for development and productive use under watershed development project.</li> <li>vii) Superivising and monitoring quality</li> </ul> |

| Activity | Distribution of Functions |                  |   |
|----------|---------------------------|------------------|---|
|          | Zilla Parishad            | Panchayat Samiti | Gram Panchayat  |
|          |                           |                  | of works<br>vii) Control and supervision of Watershed Project within a Gram Panchayat |

Fisheries Department

| Activity            | Distribution of Functions   |  |  |
|---------------------|---|--|--|
|                     | Zilla Parishad  | Panchayat Samiti   | Gram Panchayat   |
| 1. Inland Fisheries | <ul style="list-style-type: none"> <li>i) Formulating of Projects for fisheries development.</li> <li>ii) Technical appraisal of the Projects for development of inland water bodies for fisheries and approval to the projects.</li> <li>iii) Establishment of new fish seed production farms.</li> <li>iv) Arranging training of the fishermen in modern management techniques for fish production.</li> <li>v) Procurement and supply of boats / nets and other tools for distribution among fishermen’s cooperatives and the selected beneficiaries.</li> <li>vi) Monitoring and supervision of the plan implementation activities under PRIs.</li> </ul> | <ul style="list-style-type: none"> <li>i) Execution of the fish pond / tank improvement projects.</li> <li>ii) Selection of fishermen for training.</li> <li>iii) Organizing fishermen’s cooperatives.</li> <li>iv) Distribution of boats, nets tools and other assistance to the cooperatives and the selected beneficiaries.</li> <li>v) Monitoring, supervision and reporting progress of activities undertaken by PRIs.</li> </ul> | <ul style="list-style-type: none"> <li>i) Development of village pond for fisheries</li> <li>ii) Leasing village pond to fishermen’s cooperatives / groups</li> <li>iii) Identification of beneficiaries for assistance under various programmes and assistance in organizing fishermen’s cooperatives.</li> <li>iv) Assistance to IP in the distribution of boats, nets and other materials.</li> <li>v) Supervision and reporting progress to IP.</li> </ul> |

| Activity  | Distribution of Functions   |   |   |
|---|---|---|---|
|   | Zilla Parishad  | Panchayat Samiti  | Gram Panchayat  |
| 2. Development of Marine fisheries                      | <p>i) Procurement and supply of motorized / modern boats and equipments to the selected group of beneficiaries and cooperatives.</p> <p>ii) Development of brackish water fisheries</p> <p>iii) Enforcing environmental restrictions on marine aquaculture /brackish fish production activities on private companies will be jointly implemented by the ZP and Fisheries Department.</p> <p>iv) Installing early warning system for marine fishermen.</p> | <p>i) Allotment of sites for marine aquaculture / brackish water fishing after identification by the Fisheries Department.</p> <p>ii) Organizing fishermen's cooperatives.</p> <p>iii) Distribution of boats and equipments to the selected beneficiaries and cooperatives.</p> <p>iv) Reporting the impact of marine aquaculture on environment to fisheries department of ZP.</p> | <p>i) Assistance in organizing fishermen's cooperatives.</p> <p>ii) Distribution of boats and equipments to the beneficiaries</p> <p>iii) Creating awareness for and adopting safety measures during rough weather.</p> <p>iv) Reporting the impact of Marine aquaculture on village environment and initiating control measures as well as reporting to IP/DP.</p> |
| 3. Development of Marketing / Processing infrastructure | <p>i) Encouraging private entrepreneurs to establish processing packaging and storage facilities.</p> <p>ii) Assistance in establishing other marketing infrastructure</p>  | <p>i) Organizing Training of Fishermen in processing, packaging and preservation of fish and fish products</p> <p>ii) Developing tag-up arrangements between fishermen and the processing units</p>   | <p>i) Establishing, marketing / processing infrastructure.</p>  |
| 4. Welfare Measures                                     | <p>i) Promoting group insurance scheme for the fishermen.</p> <p>ii) Sanctioning relief to the affected families during natural calamities.</p>   | <p>i) Implementation of family insurance / Group Insurance scheme for fishermen.</p> <p>ii) Distribution of relief to the families affected by natural calamity.</p>  | <p>i) Encouraging fishermen to take insurance schemes.</p> <p>ii) Assessment of loss / damage and relief requirement to the families affected by the calamity.</p> <p>iii) Selection of beneficiaries affected by natural calamity.</p>   |

## APWD

| Activity                                 | Distribution of Functions   |   |  |
|--|---|---|--|
|  | Zilla Parishad  | Panchayat Samiti  | Gram Panchayat   |
| 1. Development of Water supply system    | i) Formulation of major water supply schemes.<br><br>ii) Technical appraisal and approval to the schemes proposed by the IPs and GPs.<br>iii) Awarding contracts for the execution of major schemes (outside the IPs and GPs plans)<br><br>iv) Establishment of water testing laboratories and control of chemical and biogenic impurities, training etc. | i) Identification and prioritization of villages for drinking water schemes and locating sites / spot sources.<br>ii) Formulating projects and seeking technical approval from DP.<br>iii) Construction of schemes within the prescribed cost limits for IP.<br>iv) Collection of water sample and getting it tested at laboratories and supply of materials for water treatment. | i) Identifying schemes and locations, estimating cost and formulating projects through the involvement of Gram Sabha.<br><br>ii) Construction of wells, tanks and village water supply schemes of its own and / or assigned by the DP/IP.<br><br>iii) Periodic chlorination of open wells / water treatment and ensuring proper distribution of water to all households in the villages. |
| 2. Monitoring rural water supply schemes | i) Monitoring and supervision of the progress, quality of work and target achievement.  | i) Monitoring and supervision of progress and quality of works  | i) Reporting progress, monitoring the scheme implementation.   |

| Activity   | Distribution of Functions   |  |   |
|--|---|--|---|
|  | Zilla Parishad  | Panchayat Samiti   | Gram Panchayat  |
| 3. Development of network and accessibility, rural roads, culverts & bridges | <p>i) Survey, technical feasibility, road alignment, formulation of road development projects.</p> <p>ii) Approval, allocation and sanction of funds of roads covering more than one block including District roads.</p> <p>iii) To assist in acquiring land, assessment and of grant of compensation.</p> <p>iv) Awarding contracts, procurement of material / equipment for construction of roads and bridges.</p> <p>v) Monitoring the specifications of road / bridges and supervision of the quality of works.</p> <p>vi) To construct District roads / bridges.</p> | <p>i) To identify villages as per MNP norms inaccessible by all weather road and formulate projects for construction of link roads (connection more than one DP).</p> <p>ii) Survey, technical feasibility, approval, allocation and sanitation of funds.</p> <p>iii) Acquiring land, assessment and grant of compensation</p> <p>iv) Construction of roads covering more than one Gram Panchayat.</p> <p>v) Providing technical assistance for road construction projects proposed by GPs.</p> <p>vi) Monitoring the specifications of road/bridges and supervision of the quality of works and reporting progress to the DP.</p> | <p>i) To assist in formulating road construction projects and obtaining approval through Gram Sabha</p> <p>ii) Seeking technical advice feasibility / approval from IP (engineers), allocation and sanction of funds beyond the limit of sanctioning powers.</p> <p>iii) Construction of village link roads and village lanes through works committees and using village labour (without contractors).</p> <p>iv) Monitoring and supervision of quality of works through work committee and reporting progress to IP.</p> <p>v) Construction of culverts through work committee and using skilled labour.</p> |

| Activity  | Distribution of Functions   |  |   |
|---|---|--|---|
|   | Zilla Parishad  | Panchayat Samiti   | Gram Panchayat  |
| 4. Improvement and Maintenance of the existing rural roads / culverts and bridges | <p>i) Conducting Traffic volume survey and identifying road sections which need improvement in capacity</p> <p>ii) Conversion of ordinary District roads into black-topped roads.</p> <p>iii) Carrying annual repair and maintenance or roads, culverts and bridges.</p> <p>iv) Approval, allocation and sanction of funds for all types of improvement and annual maintenance work and awarding contracts.</p> <p>v) Monitoring and supervision of the quality of works.</p> | <p>i) Conversion of ordinary Intermediate Panchayat roads into black topped roads.</p> <p>ii) Annual repairs and maintenance of roads, culverts and bridges.</p> <p>iii) Approval, allocation and sanction of funds for improvement and maintenance of IP roads.</p> <p>iv) Monitoring and supervision of the quality of works and reporting progress.</p> | <p>i) Assessing costs of improvement, repair and annual maintenance of Village roads.</p> <p>ii) Raising funds (Government sources, own sources and donations) with the help of Gram Sabha.</p> <p>iii) Executing the works through work Committee.</p> |

## Rural Development

| Activity   | Distribution of Functions  |   |   |
|--|--|---|---|
|  | Zilla Parishad   | Panchayat Samiti  | Gram Panchayat  |
| 1. Planning and implementation of Poverty Alleviation programmes | i) Scrutiny and consolidation of IP plans for poverty alleviation programmes and approval and allocation of funds. | i) To assist the village panchayats in providing technical and managerial assistance for implementation of schemes.   | i) Identification of beneficiaries under Swarnajayanti Swarozgar Yojana and other individual beneficiary oriented schemes.  |
|  | ii) Release of funds to banks for subsidy adjustment.  | ii) Implementation of the schemes entrusted to panchayat samitis  | ii) implementation of Jawahar Gram Samridhi Yojana (JGSY) and other employment generation programmes entrusted to the village panchayats.   |
|  | iii) Coordination with other departments/agencies  | iii) Collection and distribution of data regarding development and management at the district level.  | iii) In case of individual beneficiaries oriented poverty alleviation programmes like “Swarnajayanti Swarozgar Yojana” beneficiaries will be selected by village panchayat and arrange for assistance after approval of gram sabha. |
|  | iv) Development of training infrastructure   | iv) Assist in the evaluation of schemes.  | iv) To inform the IP and DP and the concerned district level officers about the misuse of assets, grant and loan by the beneficiaries.  |
|  | v) Allocation of funds for training and stipend for trainees.  | v) Preparation of plan at the block level under Swarnajayati Swarozgar Yojana for filling up gap in technological tie-up, training, strengthening infrastructure and market facilities. Also assist village panchayats in organizing self help group and implementing cluster strategies. | v) To utilize the entire allocation under “Jawahar Gram Samridhi Yojana” for the development of infrastructure in the village panchayat.  |
|  | vi) Procurement and supply of quality assets/machinery/equipments for beneficiary schemes.                         | vi) To review the plans prepared by the village panchayats and accord technical approval and assistance.  | vi) To assist IP for the distribution of identity cards under employment assurance scheme and put up information boards about all the works taken up under employment assurance scheme.   |
|  | vii) Formulation of credit plans through banks   | vii) To draw action plans and get the technical approval and fund allocation under land development scheme.   | vii) Assisting the panchayat samiti in preparation of plans for land development schemes.   |



|                               |   |  |  |
|-------------------------------|---|--|--|
|                               | viii) Developing marketing infrastructure / marketing net work / tag up arrangements for the DWCRE products.                                  | viii) Panchayat samitis can implement the schemes with the help of village panchayats and integrate other programmes with the poverty alleviation schemes. | viii) Assisting for the finalization of schemes / works under decentralized district plan at district level.   |
|                               | ix) Prepare plan for poverty alleviation programmes at district level.  | ix) To assist in supervision of works under district decentralized plan and to furnish particulars to the district panchayats.                             | ix) identification of eligible beneficiaries under Samagra Awaas Yojana.   |
|                               | x) Assist in extending technical assistance for planning at village panchayat and intermediate panchayat level.                               | x) Planning and implementation of infrastructure development by the rural local bodies.  | x) To ensure proper utilization of funds of Central Finance Commission by the local bodies for which funds allocated.  |
|                               | xi) To supervise and review implementation of different poverty alleviation programmes.   | xi) Planning and implementation of Integrated Rural Sanitation and Water Supply Scheme.  | xi) Identification of beneficiaries under Central Rural Sanitation Programme and provision of Drinking Water schemes.  |
|                               | xii) To supervise and review development of women and children in rural areas.  |  |  |
|                               | xiii) Decentralised planning may be arranged by the district panchayat in active cooperation of intermediate and district planning committee. |  |  |
|                               | xiv) To review and supervision of schemes implemented under the grants recommended by the Central Finance Commission for local bodies.        |  |  |
|                               | xv) To review implementation of rural sanitation and water supply scheme.   |  |  |
|                               | xvi) To implement and supervise Employment Assurance Scheme.  |  |  |
|                               | xvii) To review Central Rural Sanitation Programme.   |  |  |
| 2. Wage Employment programmes | i) Preparing shelf of projects DP wise and desegregation it into IPs and GPs – wise   | i) Formulating projects with IP funds.   | i) To assist in identification of labourers in the village (s) requiring wage employment through gram sabha, listing them and providing employment cards to the beneficiaries. |
|                               | ii) Formulating projects (outside IP/GP plans).   | ii) Scrutinizing and technical approval of GPs projects.   | ii) Formulating projects and approval through Gram Sabha and seeking technical approval from IP.   |

|  |   |  |   |
|--|---|--|---|
|  | iii) Assigning projects to IPs, GPs, NGOs and various other agencies / departments for execution.                           | iii) Procurement and supply of material for projects.  | iii) Constituting works committee for execution of the works / projects.                  |
|  | iv) Approval sanctions and release of funds to IPs and GPs and other organizations for the execution of DP projects.        | iv) Technical assistance to GPs for executing projects.  | iv) To ensure employment to all in the village.   |
|  | v) To release of funds to IPs and GPs as per prescribed norms.  | v) Execution of projects (outside GPs plans).  | v) Distribution of projects / works as per guidelines.                                    |
|  | vi) Provision of funds for maintenance of the assets created under JGSY/EAS etc.  | vi) Inspection of muster rolls, quality of works and assets created, and mandays generated by projects executed by IP and GPs. | vi) Monitoring and supervision of quality of works, assets created and mandays generated. |
|  | vii) Inspection of muster rolls and reporting to the PS, quality of works and wage material ratio as per the guideline.     | vii) Submitting quarterly returns and utilization certificates to DP.  |   |
|  | viii) Monitoring and supervision of the progress of the programmes.   |  |   |
|  | ix) Submitting quarterly returns and utilization certificates to GOI and State Government for release of next installments. |  |   |
|  |   |  |   |

Source: UT Administration, Andaman & Nicobar Islands

Note: The above functions of all new schemes for poverty alleviation and wage employment programmes formulated by the Government will be handled by respective PRIs.

**Annexure II.3**

NO.4-18/ZP/98/626  
OFFICE OF THE ZILLA PARISHAD  
A & N ISLANDS, MARINE HILL  
PORT BLAIR

Dated at Port Blair the 20<sup>th</sup> August 1998

To

1. All Pramukhs, Panchayat Samiti
2. All Pradhans, Gram Panchayat

Sub: Execution of PRI works through Labour Contract Societies – Reg.

Madam/Sir,

You are aware that Hon'ble Lt. Governor has given much emphasis in solving the problem of un-employment amongst the educated youth of these Islands. The Director of Rural Development and Registrar of Co-operative Societies jointly conducted campaign to form labour Contract Societies by involving un-employed educated youths and series of meetings were organised in villages, and with their support and efforts seven societies have already been formed and a few more societies are in the process of formation. This was initiated by the departments on instruction of the Hon'ble Lt. Governor. In order to encourage such societies the Zilla Parishad has resolved to execute civil works being undertaken by the Zilla Parishad through Labour Contract Societies. In some Panchayats they have already been awarded works.

You are also, therefore, requested to execute civil works being undertaken by PRIs through the Labour Contract Societies functioning in your locality with the view to provide employment to un-employed youths.

Yours faithfully,

(Madhuri Giri)  
Adhyaksha  
Zilla Parishad

PRESENT STATUS OF DEVOLUTION OF SUBJECTS  
DADRA & NAGAR HAVELI

| Sl.No. | Subject   | Status                             |
|--------|---|------------------------------------|
| 1      | Agriculture including agriculture extension.  | Partially devolved                 |
| 2      | Land improvement, implementation of land reforms, land consolidation and soil conservation. | Not mentioned in the Regulation    |
| 3      | Minor irrigation, water management and watershed development                                | Fully devolved                     |
| 4      | Animal husbandry, dairy and poultry   | Partially devolved                 |
| 5      | Fisheries   | Miscellaneous subjects             |
| 6      | Social forestry and farm forestry   | Miscellaneous subjects             |
| 7      | Minor forest produce  | Not mentioned in the Regulation    |
| 8      | Small scale industries including food processing industries.                                | Only consultative role of the PRIs |
| 9      | Khadi village and cottage industries  | Not with UT Administration         |
| 10     | Rural Housing   | Fully devolved                     |
| 11     | Drinking water  | Fully devolved                     |
| 12     | Fuel and Fodder   | Not mentioned in the Regulation    |
| 13     | Roads, culverts, bridges, ferries, waterways and other means of communication               | Fully devolved                     |
| 14     | Rural electrification   | Partially devolved                 |
| 15     | Non conventional energy sources   | Fully devolved                     |
| 16     | Poverty alleviation programme   | Fully devolved                     |
| 17     | Education, including primary and secondary schools  | Partially devolved                 |
| 18     | Technical training and vocational education   | Only consultative role of the PRIs |
| 19     | Adult and non formal education  | Not mentioned in the Regulation    |
| 20     | Libraries   | Fully devolved                     |
| 21     | Cultural activities   | Not mentioned in the Regulation    |
| 22     | Markets and fairs   | Fully devolved                     |
| 23     | Health and sanitation, including hospitals, primary health centers and dispensaries         | Partially devolved                 |
| 24     | Family Welfare  | Partially devolved                 |
| 25     | Women and Development   | Partially devolved                 |
| 26     | Social welfare including welfare of the handicapped and mentally retarded                   | Not with the UT Administration     |
| 27     | Welfare of weaker section and in particular the SCs/STs                                     | Fully devolved                     |
| 28     | Public Distribution System (PDS)  | Only consultative role of the PRIs |
| 29     | Maintenance of community assets   | Fully devolved                     |

Source: District Panchayat Dadra & Nagar Haveli, Silvassa.

UNION TERRITORY OF DADRA AND NAGAR HAVELI  
ACTIVITY MAPPING

| Sl.No. | Subject                                      | Activities  |   |
|--------|--|---|---|
|        |  | Village Panchayat   | District Panchayat  |
| 1      | Agriculture including agriculture extension. | <p>For the following schemes the Village Panchayat would</p> <ul style="list-style-type: none"> <li>▪ Identify the beneficiaries</li> <li>▪ Co-ordinate and monitor all the schemes and submit a quarterly report to the District Panchayat and the parent department and place all the records for approval of the gram sabha.</li> <li>▪ Recover the loan amount</li> <li>▪ Up keep of accounts and records.</li> </ul> <p>Schemes</p> <ul style="list-style-type: none"> <li>▪ Establishment and maintenance of godowns.</li> <li>▪ Development and maintenance of grazing lands and preventing their unauthorized alienation and use.</li> <li>▪ Development of waste lands.</li> <li>▪ Distribution of improved seeds, manure and fertilizers.</li> </ul> <p>Maintenance of agricultural seed farms and horticultural nurseries.</p> | <p>District Panchayat will</p> <ul style="list-style-type: none"> <li>▪ Co-ordinate all the activities of the village panchayat for the five listed schemes.</li> <li>▪ Promote and develop the agriculture and horticulture activities.</li> <li>▪ Propagate the improved methods of cultivation.</li> <li>▪ Promote the cultivation and marketing of vegetables, fruits and flowers.</li> <li>▪ Will train the farmers and extension activities.</li> <li>▪ Promote the measure to increase agricultural production and to popularize the use of improved agricultural practice.</li> <li>▪ Conduct the agricultural fairs and exhibitions.</li> <li>▪ Participate in training of farmers.</li> <li>▪ Promote and use of improved Agriculture implements and making such implements easily available.</li> <li>▪ Avail loan and subsidy for fruit grafts</li> <li>▪ Grant the incentive for commercial crops to farmers.</li> <li>▪ Develop agriculture marketing centre at Duhdhani, Khanvel, Mandoni and Dadra</li> </ul> <p>The loan amount should be retained / maintain by the account head of district panchayat and retained with the panchayat.</p> |

| Sl.No. | Subject   | Activities   |  |
|--------|---|--|--|
| 2      | Land improvement, implementation of land reforms, land consolidation and soil conservation. | <p>For the scheme of individual beneficiary oriented soil conversation scheme, the village panchayat would</p> <ul style="list-style-type: none"> <li>▪ Identify the beneficiaries. Identification of 50 per cent of the beneficiaries will be done by panchayat / gram sabha with the help of agriculture assistants and will refer the cases of selected beneficiaries to district panchayat.</li> <li>▪ Panchayat would co-ordinate and monitor all the scheme and submit a quarterly report to the district panchayat and the parent department. Village panchayat will place all the record for approval of the gram sabha.</li> <li>▪ Assist the administration and district panchayat in the implementation of land improvement and soil conservation programme entrusted by the GOI/Administration.</li> </ul> | <p>District panchayat will</p> <ol style="list-style-type: none"> <li>1. Co-ordinate all the village panchayat for the schemes.</li> <li>2. Prepare the budget, action plan for the whole year and five year plan.</li> <li>3. Hold review plan and expenditure meeting the end of each quarter and the monthly progress meetings.</li> <li>4. Organise development of wastelands.</li> <li>5. Assist village panchayat in implementation of soil conservation programme.</li> </ol> |
| 3      | Minor irrigation, water management and watershed development                                | <p>The village panchayat would</p> <ol style="list-style-type: none"> <li>1. Identify the sites for the Construction of minor irrigation and maintenance of sub-canals of lift irrigation and digging of wells.</li> <li>2. Assist the district panchayat in the construction and maintenance of minor irrigation works.</li> <li>3. Assist in development of ground water resources.</li> <li>4. Place all the record for the approval of the gram sabha.</li> </ol>  | <p>District panchayat will implement</p> <ol style="list-style-type: none"> <li>1. Construction, renovation and maintenance of minor irrigation works.</li> <li>2. Watershed development programme</li> <li>3. Minor irrigation, construction and maintenance of field channels, lift irrigation, digging of wells and tanks, etc;</li> <li>4. Plan and monitor of the works carried out by the panchayat.</li> </ol>  |
| 4      | Animal husbandry, dairy and poultry   | <p>For following schemes the village panchayat would.</p> <ol style="list-style-type: none"> <li>1. Identify the beneficiaries</li> <li>2. Disburse the payment</li> <li>3. Engage in recovery (if any).</li> <li>4. Monitor the scheme and submit the quarterly report to DP and parent department it will place all the records for the approval of the</li> </ol>   | <p>District Panchayat will participate in implementation of following:</p> <ol style="list-style-type: none"> <li>1. Establishment and maintenance of market, slaughter houses and other works of public utility.</li> <li>2. Improvement of cattle and cattle breeding and general care of livestock.</li> </ol>  |

| Sl.No. | Subject                           | Activities   |   |
|--------|-----------------------------------|--|---|
|        |                                   | <p style="text-align: center;">Gram Sabha.</p> <p>Schemes are</p> <ol style="list-style-type: none"> <li>1. Promotion of dairy farming, poultry and piggery</li> <li>2. Grassland development</li> </ol>   | <ol style="list-style-type: none"> <li>3. Artificial insemination</li> <li>4. Upgrading of local breed of cattle.</li> <li>5. Estt. of broiler units.</li> <li>6. First aid veterinary centers</li> <li>7. Purchase of medicines</li> </ol> <p>Hold review plan and expenditure meeting at the end of each quarter and the monthly progress meetings.</p>   |
| 5      | Fisheries                         | <p>Village panchayat would</p> <ol style="list-style-type: none"> <li>a. Identify the beneficiaries</li> <li>b. Disburse the payment.</li> <li>c. Engage in recovery (if any)</li> <li>d. Co-ordinate and monitor all the schemes and Submit a quarterly report to the district panchayat and parent department and will place all the record for approval of the gram sabha.</li> </ol> <p>Schemes are:</p> <ol style="list-style-type: none"> <li>1. Development of fisheries in the villages.</li> <li>2. Asst. to fish capturing units.</li> <li>3. Improvement of village pond/tank.</li> </ol> | <p>District panchayat will be involved in</p> <ol style="list-style-type: none"> <li>1. Promotion of inland, brackish water and marine fish culture.</li> <li>2. Implementation of fishermen's welfare programmes.</li> <li>3. Preparation of action plan and budget for the subject.</li> <li>4. Hold review plan and expenditure meeting at the end of each quarter and the monthly progress meetings.</li> </ol> |
| 6      | Social forestry and farm forestry | <p>The village panchayat would</p> <ol style="list-style-type: none"> <li>a. Identify the beneficiaries</li> <li>b. Engage in recovery (if any)</li> <li>c. Co-ordinate and monitor all the schemes and place all the records for the approval of the Gram Sabha.</li> </ol> <p>Schemes are:</p>   | <p>District panchayat will participate in</p> <ol style="list-style-type: none"> <li>1. Preparation of action plan for the year and send to the forest department.</li> <li>2. Co-ordinating all the activity of the village panchayat.</li> <li>3. Holding monthly meeting of the monitoring committee.</li> <li>4. Promotion of social and farm forestry</li> </ol>   |

| Sl.No. | Subject  | Activities  |  |
|--------|--|---|--|
|        |  | <ol style="list-style-type: none"> <li>1. Planting and preservation of trees on the sides of roads and other public lands under its control.</li> </ol>   | <ol style="list-style-type: none"> <li>5. Development of social forestry</li> <li>6. Roadside plantation</li> <li>7. Creation of given belt in industrial area government premises and city forest around urban area.</li> <li>8. Distribution of seedlings, celebration of Van Mahotsava and Training of Tribal Farmers.</li> </ol>                   |
| 7      | Minor forest produce   | <p>Village panchayat will co ordinate and monitor the schemes. Panchayat will participate in:</p> <ol style="list-style-type: none"> <li>1. Management of minor forest produces of the forests raised in community lands.</li> <li>2. Consultation and co-ordination for promotion of joint forest management programme at village level.</li> </ol>  | <p>District panchayat will</p> <ol style="list-style-type: none"> <li>1. Assistance to village panchayat in the management of minor forest produce.</li> </ol>   |
| 8      | Small scale industries including food processing industries. | <ol style="list-style-type: none"> <li>1. Promote industries by way of providing infrastructure like roads, sanitation in their respective jurisdiction.</li> <li>2. Forward the house tax figures collected to district panchayat quarterly.</li> </ol>  | <ol style="list-style-type: none"> <li>1. Will prepare the format in which district industries centre (DIC) and labour department shall make available data relating to employment of the local people in the industries, every six months.</li> <li>2. Monitor and assist village panchayat in providing infrastructure to local industry.</li> </ol> |
| 9      | Khadi village and cottage industries                         | <ol style="list-style-type: none"> <li>1. Promotion of rural and cottage industries</li> <li>2. Co-ordination and monitoring of the schemes.</li> <li>3. Identification of beneficiaries through village panchayats.</li> </ol>   | Promotion of Khadi Village and Cottage Industries through KVIC.  |
| 10     | Rural Housing  | <p>The village panchayat would:</p> <ol style="list-style-type: none"> <li>a. Identify the beneficiaries among the BPL families and forward to rural development deptt. after its approval in gram sabha for further scrutiny and verification.</li> <li>b. Engage in recovery (if any)</li> <li>c. Monitoring the scheme and submit a quarterly report to district panchayat and the parent</li> </ol> | Monitor the schemes implemented by village panchayat.  |



| Sl.No. | Subject                   | Activities  |   |
|--------|---------------------------|---|---|
|        |                           | <p>department. Village panchayat will place all the record for approval of the gram sabha.</p> <p>Schemes:</p> <ol style="list-style-type: none"> <li>1. All community development schemes (being dealt by BDO) like renovation/repairing of housing belonging to SC/ST.</li> <li>2. Implementation of Indira Awaas Yojana for beneficiaries.</li> <li>3. Pradhan Mantri Gramodaya Yojana (Awaas) PMGY.</li> </ol>  |   |
| 11     | Drinking water            | <p>The village panchayat would identify the beneficiaries, co-ordinate and monitor the schemes:</p> <ol style="list-style-type: none"> <li>1. Identify the sites for all the irrigation related schemes after the meeting of the gram sabha.</li> <li>2. Promotion of drinking water and rural sanitation programme.</li> <li>3. Construction, repairs and maintenance of drinking water wells, tanks and ponds.</li> <li>4. Maintenance of rural water supply scheme.</li> <li>5. Deepening or otherwise improve any water course and other property.</li> </ol> | <ol style="list-style-type: none"> <li>1. Construction and maintenance of rural drinking water supply scheme.</li> <li>2. Establishment repairs and maintenance of rural water supply schemes.</li> <li>3. Plan and monitor the works carried out by panchayat.</li> <li>4. Construct water harvesting structures in all schools and government building in the rural areas.</li> <li>5. Preparation of action plan and budget for the subject.</li> <li>6. Hold review plan and expenditure meeting at the end of each quarter and the monthly progress meetings.</li> <li>7. Provide technical assistance for sanction of village panchayat related works.</li> </ol> |
| 12     | Fuel and Fodder           | <p>The village panchayat would identify the beneficiaries, co-ordinate and monitor the schemes:</p> <ol style="list-style-type: none"> <li>1. Fuel wood plantations and fodder development with the help of the community land with the help of gram sabha.</li> </ol>  | <ol style="list-style-type: none"> <li>1. Awareness building of fuel-efficient devices and improved fodder species.</li> <li>2. Fuel wood and small timber plantation.</li> </ol>   |
| 13     | Roads, culverts, bridges, | The village panchayat would identify the beneficiaries  | <ol style="list-style-type: none"> <li>1. Construction of village roads, bridges,</li> </ol>  |

| Sl.No. | Subject   | Activities   |   |
|--------|---|--|---|
|        | ferries, waterways and other means of communication | and sites, co-ordinate and monitor the schemes: <ol style="list-style-type: none"> <li>1. Construction, repair and maintenance of village roads, drains, bridges etc.</li> <li>2. Identify the works of priority and will be forwarded to the district panchayat for incorporating in the annual action plan.</li> </ol>   | <ol style="list-style-type: none"> <li>1. drainages and culverts.</li> <li>2. Widen, open, enlarge or otherwise improve any such road, bridge or culverts and plant and preserve trees on the sides of such roads.</li> <li>3. Cut any hedge or branch of any tree projecting on any such public road or street.</li> <li>4. Lay out and make new roads, and construct new bridges and culverts.</li> <li>5. Plan and monitor the works carried out by panchayat.</li> <li>6. Finalize the payments and prepare utilization certificates for the grants to be spent and will be submitted to the finance department.</li> </ol> |
| 14     | Rural electrification                               | The village panchayat would participate in <ol style="list-style-type: none"> <li>1. Identification of beneficiaries through village panchayat.</li> <li>2. Providing and maintenance of lighting of public streets and other places.</li> <li>3. Maintenance of street lights.</li> <li>4. Co-ordination and monitoring of the schemes.</li> </ol> Schemes: <ol style="list-style-type: none"> <li>1. Release of Kutir Jyoti connection and maintenance.</li> </ol> | District panchayat will monitor the works of village panchayat. <ol style="list-style-type: none"> <li>1. Coordination between U.T. Electricity Department and village panchayat.</li> <li>2. Preparation of action plan and budget for the subject.</li> <li>3. Hold review plan and expenditure meeting at the end of each quarter and the monthly progress meetings.</li> </ol>  |
| 15     | Non conventional energy sources                     | Village panchayat will popularize the use of non conventional energy sources in rural areas with the help of gram sabha. <ol style="list-style-type: none"> <li>1. Maintenance of community non-</li> </ol>  | District panchayat will <ol style="list-style-type: none"> <li>1. Promotion and development of non conventional energy schemes.</li> <li>2. Propagation of improved chulhas and other efficient energy devices.</li> </ol>  |

| Sl.No. | Subject                       | Activities   |  |
|--------|-------------------------------|--|--|
|        |                               | <p>conventional energy devices, including bio-gas plants.</p> <ol style="list-style-type: none"> <li>2. Co-ordination and Monitoring of the schemes.</li> <li>3. Identification of beneficiaries through village panchayat.</li> </ol> <p>Schemes are:</p> <ol style="list-style-type: none"> <li>1. Implementation of IREPS programme</li> <li>2. Implementation of NREP programme.</li> </ol>  | <ol style="list-style-type: none"> <li>3. Centrally sponsored scheme (Rajiv Gandhi) Akshay Urja Diwas promotion and development of non-conventional energy schemes.</li> </ol>   |
| 16     | Poverty alleviation programme | <p>For the following scheme village panchayat would</p> <ol style="list-style-type: none"> <li>1. Identification of beneficiaries</li> <li>2. Disburse the payment</li> <li>3. Engage in recovery if any.</li> <li>4. Monitor the schemes and submit quarterly report to the district panchayat.</li> <li>5. Village panchayat will place all the record for approval of gram sabha.</li> </ol> <p>Schemes are:</p> <ol style="list-style-type: none"> <li>1. SGSY</li> <li>2. SGRY</li> <li>3. IAY (Construction of dwelling Unit by SC/ST).</li> <li>4. NOAPS, Assistance of Rs.75/- per month to be provided.</li> <li>5. NFBS, Lumpsum financial assistance of Rs. 10,000/- incase of death of primary bread winner.</li> <li>6. NMBS, Lumpsum financial assistance of Rs.500/- to the pregnant women to household.</li> <li>7. BSY, A post birth grant amount of Rs. 500/-</li> </ol> | <p>District panchayat will</p> <ol style="list-style-type: none"> <li>1. Coordinate all the activates of the village panchayat for the entire scheme.</li> <li>2. Prepare annual action plan as well as fifth year plan.</li> <li>3. Hold monthly meeting of the monitoring committee.</li> <li>4. Promotion of public awareness and participation in poverty alleviation programme for fuller employment and creation of productive assets, etc.</li> </ol> |

| Sl.No. | Subject  | Activities  |  |
|--------|--|---|--|
|        |  | 8. in the form of NSC on the name of girl child. Swayamsdiha (IWEP), establishment of self reliant women SHGs.<br>9. MPLADS, worked to be carried out as per choice of MP to the tune of Rs. 200 lakh per year.   |  |
| 17     | Education, including primary and secondary schools | 1. With the help of gram sabha village panchayat will monitor enrolment and drop out rates from I to VII std.<br>2. Public awareness and participation in primary and secondary education.<br>3. Supervise construction repairs and maintenance of primary school building with help of work committee.<br>4. Promote social education through youth clubs and mahila mandals.<br>5. Education committee will appraise performance of teachers on the basis of past percentage of students.<br>6. Submit a report to ADE who will account such assessment in ACR's of the concern teachers.<br>7. Education committee will monitor the MDM scheme and send a report to the district panchayat.<br>8. Distribute and monitor book bank scheme of district panchayat.<br>9. Promotion of primary education and assistance in improvement of primary schools I to VII.<br>10. Promotion of public awareness and participation in primary and secondary education.<br>11. Ensuring full enrolment and attendance in | District panchayat will coordinate all activities of village panchayat for all schemes.<br><br>1. Monitor the works committee and education committee.<br>2. Prepare annual action plan.<br>3. Maintain and supervise pre-primary education and primary education.<br>4. Implement book bank scheme.<br>5. Promote secondary education.<br>6. Const. Primary school building.<br>7. Monitoring and implementation of SSA scheme in consultation of village panchayat.<br>8. Prepare annual action plan<br>9. Hold monthly meeting of the monitoring education committee<br>10. Promotion of primary and secondary education<br>11. Promotion of education activities in the district including the establishment and maintenance of primary schools.<br><br><u>Objectives of SSA</u><br>All children in school, education guarantee centre, alternate school, back-to-school camp by 2003.<br>- All children complete five years of primary schooling by 2007. |

| Sl.No. | Subject                                     | Activities  |  |
|--------|---|---|--|
|        |   | <p>primary schools.</p> <p>12. Promotion of primary and secondary education.</p>  | <ul style="list-style-type: none"> <li>- All children complete eight years of elementary schooling by 2010.</li> <li>- Focus on gender and social category gaps at primary stage by 2007 and at elementary education level by 2010.</li> </ul> <p>Universal retention by 2010.</p> |
| 18     | Technical training and vocational education | 1. Promotion identification of suitable vocational courses for local population.  | <ol style="list-style-type: none"> <li>1. Promotion of rural artisan and vocational training.</li> <li>2. Encouraging and assisting rural vocational training centers.</li> </ol>  |
| 19     | Adult and non formal education              | <ol style="list-style-type: none"> <li>1. Promotion of adult literacy</li> <li>2. Implementation of adult literacy.</li> <li>3. Co-ordination and monitoring of the schemes.</li> </ol>   | <ol style="list-style-type: none"> <li>1. Project formulation and promotion of adult literacy.</li> <li>2. Planning and implementation of programme of adult literacy and non formal education programme.</li> </ol>   |
| 20     | Libraries                                   | <ol style="list-style-type: none"> <li>1. Establishment and maintenance of libraries and reading rooms.</li> <li>2. Co-ordination and monitoring the village libraries.</li> </ol>  | <ol style="list-style-type: none"> <li>1. Promotion of libraries</li> <li>2. Prepare annual action plan and budget.</li> </ol>   |
| 21     | Cultural activities                         | <ol style="list-style-type: none"> <li>1. Promotion of local handicrafts</li> <li>2. Promotion of social and cultural activities</li> </ol>   | <ol style="list-style-type: none"> <li>1. Promotion of social and cultural activities in the district.</li> <li>2. Promotion of folk culture by organizing cultural programmes.</li> <li>3. Promotion of handicraft culture.</li> </ol>  |
| 22     | Markets and fairs                           | <ol style="list-style-type: none"> <li>1. Arrangements, maintenance and regulation of fairs (including cattle fairs and weekly markets) and festivals in the village.</li> <li>2. Set up panchayat market and to collect fees.</li> <li>3. Setting-up of the Slaughter house.</li> <li>4. Co-ordination and monitoring of the markets and fairs.</li> <li>5. Identification of beneficiaries</li> </ol> | <ol style="list-style-type: none"> <li>1. Setting up and maintenance of panchayat market.</li> <li>2. Establishment, maintenance of markets and other works of public utility.</li> <li>3. Establishment, maintenance and regulation of fairs.</li> </ol>                          |

| Sl.No. | Subject   | Activities   |  |
|--------|---|--|--|
| 23     | Health and sanitation, including hospitals, primary health centers and dispensaries | <p>The village panchayat would</p> <ol style="list-style-type: none"> <li>1. Identify sites, construction and maintenance of public latrines after a meeting of the gram sabha.</li> <li>2. Prepare estimate of the construction and get technical sanction and administrative approval from the district panchayat.</li> <li>3. Tender the work</li> <li>4. Award and monitor the work</li> <li>5. Finalize payment and prepare utilization certificate and send to the district panchayat and to the finance department.</li> <li>6. Coordination and monitoring of the schemes.</li> </ol> <p>Scheme</p> <ol style="list-style-type: none"> <li>1. Construction and maintenance of public latrines after a meeting of the gram sabha.</li> <li>2. Maintenance of general sanitation, garbage cleaning and disposal.</li> <li>3. Disposal of unclean corpses and carcasses.</li> <li>4. Total sanitation campaign.</li> <li>5. Regulation by licensing or otherwise of tea, coffee or milk shops and other shops where eatables are served.</li> </ol> | <ol style="list-style-type: none"> <li>1. Coordination with village panchayat</li> <li>2. Preparation of annual action plan.</li> <li>3. Hold monthly meeting of the monitoring education committee.</li> <li>4. Provide technical assistance for sanction of village panchayat related works.</li> <li>5. Plan and monitoring the works carried out by the panchayat.</li> </ol>  |
| 24     | Family Welfare  | <p>For the following schemes village panchayat would</p> <ol style="list-style-type: none"> <li>1. Identifying the beneficiaries through gram sabha including co-ordination and monitoring of the schemes.</li> <li>2. Disburse the payment</li> <li>3. Engage in recover if any.</li> <li>4. Monitor the schemes and submit a quarterly report to district panchayat and the parent department village panchayat will place all the records before gram sabha.</li> </ol>   | <p>District panchayat will coordinate all the activities and schemes of village panchayat.</p> <ol style="list-style-type: none"> <li>1. Preparation of annual action plan</li> <li>2. Hold monthly meeting of the monitoring committee</li> <li>3. Provide technical assistance for sanction of village panchayat related works.</li> </ol> <p>Schemes are:</p> <ol style="list-style-type: none"> <li>1. Creation of awareness and promotion of</li> </ol> |

| Sl.No. | Subject                     | Activities  |  |
|--------|-----------------------------|---|--|
|        |                             | <p>Schemes are:</p> <ol style="list-style-type: none"> <li>1. Prevention and remedial measures against epidemics.</li> <li>2. Participation in programme of human and animal vaccination.</li> <li>3. Management of stray animals</li> <li>4. Health and sanitation at fairs and festivals.</li> </ol>  | <ol style="list-style-type: none"> <li>2. family welfare programme.</li> <li>2. Prevention and remedial measures against epidemics.</li> <li>3. Promotion of health and family welfare programme.</li> <li>4. Management of hospitals and dispensaries excluding those under the management of Government or any other local authority.</li> <li>5. Promotion of maternity and child health programme.</li> <li>6. Promotion of immunization and vaccination programmes.</li> </ol>  |
| 25     | Women and Child Development | <p>For the following schemes village panchayat would</p> <ol style="list-style-type: none"> <li>1. Identifying the beneficiaries through Gram Sabha including co-ordination and monitoring of the schemes.</li> <li>2. Disburse the payment</li> <li>3. Engage in recover if any</li> <li>4. Monitor the schemes and submit a quarterly report to district panchayat and village panchayat will place all the records before Gram Sabha.</li> </ol> <p>Schemes are</p> <ol style="list-style-type: none"> <li>1. Participation in the implementation of women and child welfare programmes.</li> <li>2. Promotion of school health and nutrition programmes.</li> </ol> | <p>District panchayat will coordinate all the activities and schemes of village panchayat.</p> <ol style="list-style-type: none"> <li>1. Preparation of annual action plan</li> <li>2. Hold monthly meeting of the monitoring committee</li> <li>3. Provide technical assistance for sanction of village panchayat related works</li> <li>4. Participation in the implementation of women and child welfare programmes.</li> <li>5. Promotion and participation of voluntary organizations in women and child development programmes.</li> <li>6. Promotion of programmes relating to development of women and children.</li> <li>7. All the scheme of aganwadi centers.</li> </ol> <p>Schemes are:<br/> Centrally sponsored ICDS scheme<br/> Supplementary nutrition programme<br/> Wheat based nutrition programme<br/> Kishori Shakti Yojana (Adolescent Girls Scheme)<br/> Pradhan Mantri Gramodaya Yojana</p> |

| Sl.No. | Subject   | Activities   |   |
|--------|---|--|---|
|        |   |  | Pilot project <ol style="list-style-type: none"> <li>1. Vocational training to women and home management courses</li> <li>2. Welfare of children in need care protection</li> <li>3. Wheat based centers</li> </ol>   |
| 26     | Social welfare including welfare of the handicapped and mentally retarded | For the following schemes village panchayat would <ol style="list-style-type: none"> <li>1. Identify the beneficiaries through gram sabha including co-ordination and monitoring of the schemes</li> <li>2. Disburse the payment</li> <li>3. Engage in recover if any</li> <li>4. Monitor the schemes and submit a quarterly report to district panchayat and village panchayat will place all the records before gram sabha.</li> </ol> Schemes are: <ol style="list-style-type: none"> <li>1. Participation in the implementation of the social welfare programmes, including welfare of the handicapped, mentally retarded and destitute person.</li> <li>2. Participation of the old age and widow's pension scheme.</li> <li>3. Financial assistance to widows and welfare of aged, infirm and destitute persons scholarship to physically handicapped students.</li> </ol> | District panchayat will coordinate all the activities and schemes of village panchayat <ol style="list-style-type: none"> <li>1. Preparation of annual action plan</li> <li>2. Hold monthly meeting of the monitoring committee</li> <li>3. Provide technical assistance for sanction of village panchayat related works</li> <li>4. Assist village panchayat in effective implementation of the old age, widow pension and pension for the handicapped.</li> </ol> |
| 27     | Welfare of weaker section and in particular the SCs/STs                   | For the following schemes, the village panchayat would <ol style="list-style-type: none"> <li>1. Identify the beneficiaries through village panchayat.</li> <li>2. Coordinate and monitor the specific programmes for the welfare of weaker sections.</li> </ol>   | District panchayat will coordinate all the activities and schemes of village panchayat. <ol style="list-style-type: none"> <li>1. Preparation of annual action plan</li> <li>2. Hold monthly meeting of the monitoring committee</li> <li>3. Provide technical assistance for sanction of</li> </ol>  |



| Sl.No. | Subject                          | Activities   |  |
|--------|----------------------------------|--|--|
|        |                                  | <ol style="list-style-type: none"> <li>3. Monitor the schemes and submit a quarterly report to district panchayat.</li> <li>4. Village panchayat will place all the records for the approval of the gram sabha.</li> </ol> <p>Schemes are:</p> <ol style="list-style-type: none"> <li>1. Assistance to specific programmes for the welfare of the weaker sections.</li> <li>2. Protecting such castes and classes from social injustice and exploitation.</li> </ol>   | <ol style="list-style-type: none"> <li>4. village panchayat related works.</li> <li>5. Assist village panchayat in effective implementation of the old age, widow pension and pension for the handicapped.</li> <li>6. Promotion of public awareness with regard to scheduled castes, scheduled tribes and other weaker sections.</li> <li>7. Protecting such caste and classes from social injustice and exploitation.</li> <li>8. Supervision and management of hostels in the district, distribution of grants, loans and subsidies to individuals and other schemes for the welfare of scheduled caste, scheduled tribes and backward classes, excluding those belonging to the government / UT administration.</li> </ol> |
| 28     | Public Distribution System (PDS) | <ol style="list-style-type: none"> <li>1. Village panchayat will identify the beneficiaries and place it for the approval of the gram sabha.</li> <li>2. Supervise and monitoring the public distribution system.</li> <li>3. Co-ordination and monitoring of the schemes.</li> <li>4. Identification of beneficiaries through village panchayat.</li> <li>5. Verification of cards</li> <li>6. Assessment and management for the release of festival quota in consultation with District Panchayat.</li> <li>7. Public awareness through displaying the general information circulated by civil supply department at village panchayat and fair price shops.</li> </ol> | <ol style="list-style-type: none"> <li>1. All instructions of civil supply officers will be made available to the village panchayat for subsequent circulation.</li> <li>2. Civil supply department shall be in touch with district panchayat for consensus for the release of festival quota.</li> <li>3. Promotion of public awareness with regard to the distribution of essential commodities.</li> <li>4. Assist administration in the effective monitoring and implementation of public distribution system.</li> </ol>  |

| Sl.No. | Subject                         | Activities   |  |
|--------|---------------------------------|--|--|
| 29     | Maintenance of community assets | <p>For the following schemes, the village panchayat would</p> <ol style="list-style-type: none"> <li>1. Identify the beneficiaries through village panchayats.</li> <li>2. Coordinate and monitor the specific programmes for the maintenance of community assets.</li> <li>3. Monitor the schemes and submit a quarterly report to district panchayat.</li> <li>4. Village panchayat will place all the records for the approval of the gram sabha.</li> </ol> <p>Schemes are:</p> <ol style="list-style-type: none"> <li>1. Construction / Renovation of community centers (under TSP).</li> <li>2. Development of infrastructures to the village panchayat</li> <li>3. Preservation and maintenance of other community assets.</li> <li>4. Maintenance of community assets vested in it or DEVOLVED by the Government/UT Administration or any local authority or organization.</li> </ol> <p>Preservation and maintenance of other community assets.</p> | <ol style="list-style-type: none"> <li>1. Coordinate all the activities of the village panchayat.</li> <li>2. Preparation of annual action plan and budget.</li> <li>3. Hold monthly meeting of the monitoring committee</li> <li>4. Maintenance of all community assets.</li> <li>5. Numbering of premises</li> <li>6. Construction and maintenance and control of tonga stand, cart stand and washing ghats and cattle ponds.</li> <li>7. Provision, maintenance and regulation of burning and burial grounds.</li> <li>8. Regulations by licensing or otherwise of tea, coffee and milk shops where eatable are served.</li> <li>9. Maintenance of community assets vested in it or devolved by the Government/UT Administration or any local authority or organization.</li> <li>10. Assisting the Government / UT Administration in the preservation and maintenance of other community assets.</li> <li>11. Train PRIs functionaries to strengthen the district panchayat administration.</li> </ol> |

Source: UT Administration, Dadra & Nagar Haveli

**Annexure II.6**

**STATEMENT ON DEVOLUTION OF SUBJECTS TO PANCHAYATS IN U.T. ADMINISTRATION OF DAMAN AND DIU**

| S.No. | Subjects mentioned in the XIth Schedule of the Constitution | Corresponding item in the existing Panchayat Regulation  | Subjects and their particulars recommended in the proposed Regulation   |  |
|-------|---|--|---|--|
|       |   |  | Village Panchayats  | Zilla Panchayat  |
| 1     | Agriculture   | <ul style="list-style-type: none"> <li>a. Production and distribution of improved seeds, manure and fertilizers.</li> <li>b. Promoting the use of improved agricultural implements and making such implements easily available.</li> <li>c. Promotion of co-operative farming</li> </ul> | <ul style="list-style-type: none"> <li>a. Distribution of improved seeds, manure and fertilizers identification of beneficiaries. Recovery of loan amount from beneficiaries. Upkeep of accounts records.</li> <li>b. Development of waste lands</li> <li>c. Development and maintenance of grazing lands and preventing their unauthorized alienation and use.</li> <li>d. Maintenance of agricultural seed farms and horticultural nurseries.</li> <li>e. Establishment and maintenance of godowns</li> </ul> | <ul style="list-style-type: none"> <li>a. Promotion and development of agriculture and horticulture.</li> <li>b. Propagation of improved methods of cultivation</li> <li>c. Promotion of cultivation and marketing of vegetables, fruits and flowers</li> <li>d. Training of farmers and extension activities</li> <li>e. Promotion of measures to increase agricultural production and to popularize the use of improved agricultural practices</li> <li>f. Conducting agricultural fairs and exhibitions</li> <li>g. Participation in training of farmers</li> </ul> |
| 2     | Land  | .  | <ul style="list-style-type: none"> <li>a. Assisting the administration and zilla panchayat in the implementation of land improvement and soil conservation programmes entrusted by the Government.</li> </ul>   | <ul style="list-style-type: none"> <li>a. Development of wastelands.</li> </ul>  |
| 3     | Minor Irrigation, water management                          | Minor irrigation, construction and maintenance of field channels, lift   | <ul style="list-style-type: none"> <li>a. Construction of minor irrigation and maintenance</li> </ul>   | <ul style="list-style-type: none"> <li>a. Construction, renovation and maintenance of minor</li> </ul>   |

| S.No. | Subjects mentioned in the XIth Schedule of the Constitution | Corresponding item in the existing Panchayat Regulation                  | Subjects and their particulars recommended in the proposed Regulation  |   |
|-------|---|--|--|---|
|       | and watershed development                                   | irrigation, digging of wells and tanks, etc.                             | <ul style="list-style-type: none"> <li>of sub-canals of lift irrigation and digging of wells and tanks for the same.</li> <li>b. Assisting the zilla panchayat in the construction and maintenance of minor irrigation works</li> <li>c. Development of ground water resources.</li> </ul> | <ul style="list-style-type: none"> <li>irrigation works.</li> <li>b. Watershed development programmes.</li> </ul>   |
| 4     | Animal Husbandry, dairying and poultry                      | Improvement of cattle and cattle breeding and general care of live-stock | <ul style="list-style-type: none"> <li>a. Promotion of dairy farming, poultry and piggery</li> <li>b. Grassland development.</li> </ul>  | <ul style="list-style-type: none"> <li>a. Establishment and maintenance of markets, slaughter houses and other works of public utility.</li> <li>b. Improvement of cattle and cattle breeding and general cure of livestock.</li> <li>c. Management of hospitals and dispensaries excluding those under the management of government or any other local authority.</li> <li>d. Improvement of breed of cattle, poultry and other livestock.</li> <li>e. Prevention of epidemics and contagious diseases.</li> </ul> |
| 5     | Fisheries   |  | a. Development of fisheries in the villages  | a. Development of fisheries in irrigation works vested  |

| S.No. | Subjects mentioned in the XIth Schedule of the Constitution | Corresponding item in the existing Panchayat Regulation  | Subjects and their particulars recommended in the proposed Regulation  |  |
|-------|---|--|--|--|
|       |   |  |  | <p>in the district panchayat.</p> <p>b. Promotion of inland, brackish water and marine fish culture.</p> <p>c. Implementation of fishermen's welfare programmes.</p> |
| 6     | Social Forestry and Farm Forestry                           | Raising, preservation and improvement of villages forests, pastures and orchards.  | a. Planting and preservation of trees on the sides of roads and other public lands under its control.  | <p>a. Promotion of social and farm forestry.</p> <p>b. Development of social forestry.</p>   |
| 7     | Minor Forest Produce  |  | a. Management of minor forest produce of the forests raised in community lands   | a. Assistance to village panchayats in the management of minor forest produce.   |
| 8     | Small Scale Industries including food processing industries | Matters relating to small scale industries including food processing industries  | a. Promotion of small scale industries   | a. Promotion of small scale industries.  |
| 9     | Khadi, village and cottage industries                       | Providing for organization, management and development of cottage and small scale industries, especially on a cooperative basis. | a. Promotion of rural and cottage industries.  | a. Promotion of Khadi village and cottage industries.  |
| 10    | Rural housing   | Construction of low rent houses to families with yearly income below one thousand rupees.  | <p>a. Promotion of rural housing programme.</p> <p>b. All community development schemes (being dealt by BDO).</p> <p>c. Maintenance of records relating to the houses, sites and</p> | a. Construction of low rent houses for family with yearly income of 1000/-.  |

| S.No. | Subjects mentioned in the XIth Schedule of the Constitution                   | Corresponding item in the existing Panchayat Regulation                        | Subjects and their particulars recommended in the proposed Regulation   |  |
|-------|---|--|---|--|
|       |   |  | other private and public properties.  |  |
| 11    | Drinking water  | Supply of water for domestic use   | <ul style="list-style-type: none"> <li>a. Promotion of drinking water and rural sanitation programmes</li> <li>b. Construction, repairs and maintenance of drinking water wells, tanks and ponds.</li> <li>c. Maintenance of rural water supply scheme.</li> </ul>  | <ul style="list-style-type: none"> <li>a. Construction and maintenance of rural drinking water supply scheme.</li> <li>b. Establishment, repairs and maintenance of rural water supply schemes.</li> </ul> |
| 12    | Fuel and Fodder   |  | a. Fuel plantation and fodder development.  |  |
| 13    | Roads, culverts, bridges, ferries, waterways and other means of communication | Constructions, repairs and maintenance of village roads, drains, bridges, etc. | <ul style="list-style-type: none"> <li>a. Repairs and maintenance of village roads, bridges, culverts, drainages and culverts.</li> <li>b. Maintenance of building under its control or transferred to it by the administration or any public authority.</li> </ul> | a. Construction of village roads, bridges drainages and culverts.  |
| 14    | Rural electrification   | Lighting of village and planting of trees                                      | <ul style="list-style-type: none"> <li>a. Providing for and maintenance of lighting of public streets and other places.</li> <li>b. Maintenance of street lights.</li> <li>c. Release of Kutir Jyoti connection and maintenance</li> </ul>                          |  |
| 15    | Non-conventional energy sources   | Non-conventional energy sources  | a. Maintenance of community non-conventional energy devices, including biogas plants.   | a. Promotion and development of non-conventional energy schemes.   |

| S.No. | Subjects mentioned in the XIth Schedule of the Constitution | Corresponding item in the existing Panchayat Regulation                          | Subjects and their particulars recommended in the proposed Regulation   |  |
|-------|---|--|---|--|
|       |   |  |   | <ul style="list-style-type: none"> <li>b. Propagation of improved chulhas and other efficient energy devices.</li> </ul>   |
| 16    | Poverty alleviation programme                               | Poverty alleviation programme  | <ul style="list-style-type: none"> <li>a. All community development schemes being dealt alleviation by BDO.</li> <li>b. Selection of beneficiaries under various programmes through gram sabhas.</li> <li>c. Participation in effective implementation and monitoring.</li> <li>d. Planning supervision and monitoring the implementation of poverty alleviation programmes.</li> </ul>   | <ul style="list-style-type: none"> <li>a. All community development schemes being dealt by BDO.</li> <li>b. Promotion of public awareness and participation in poverty alleviation programmes for fuller-employment and creation of productive assets, etc.</li> </ul> |
| 17    | Education   | Promotion of primary education and assistance in improvement of primary schools. | <ul style="list-style-type: none"> <li>a. Promotion of primary education (Std I to IV) and assistance in improvement of middle and secondary schools.</li> <li>b. Promotion of public awareness and participation in primary education</li> <li>c. Ensuring full enrolment and attendance in schools.</li> <li>d. Promotion of primary and secondary education</li> <li>e. Construction, repair and maintenance of primary school buildings.</li> <li>f. Promotion of social education</li> </ul> | <ul style="list-style-type: none"> <li>a. Promotion of primary and secondary education.</li> <li>b. Promotion of educational activities in the district including the establishment and maintenance of primary and secondary schools.</li> </ul>                       |

| S.No. | Subjects mentioned in the XIth Schedule of the Constitution | Corresponding item in the existing Panchayat Regulation   | Subjects and their particulars recommended in the proposed Regulation  |   |
|-------|---|---|--|---|
|       |   |   | through youth clubs and mahila mandals.  |   |
| 18    | Technical training and vocational education                 | Promotion of primary education and assistance in improvement of primary schools.  | a. Promotion and identification of suitable vocational courses.  | a. Promotion of rural artisan vocational training<br>b. Encouraging and assisting rural vocational training centers.                  |
| 19    | Adult and non-formal education                              |   | a. Promotion of adult literacy.<br>b. Implementation of adult literacy.  | a. Promotion of adult literacy<br>b. Planning and implementation of programmes of adult literacy and non-formal education programmes. |
| 20    | Libraries   | Establishment and maintenance of libraries and reading rooms  | a. Village libraries and reading rooms   | a. Promotion of libraries   |
| 21    | Cultural activities   |   | a. Promotion of social and cultural activities   | a. Promotion of social and cultural activities.   |
| 22    | Markets and fairs   | a. establishment and maintenance of markets, slaughter houses and other works of public utility.<br>b. Establishment, maintenance and regulation of fairs.<br>c. Regulations by licensing or otherwise of tea, coffee and milk shops and other shops where eatables are served. | a. Arrangements, maintenance and regulation of fairs (including cattle fairs and weekly markets) and festivals in the village. | a. Identification of locations and development of infrastructure for marketing rural products.  |
| 23    | Health and sanitation                                       | a. Sanitation and conservancy.<br>b. Removal of rubbish and keeping the   | a. Construction and maintenance of public latrines   | a. Coordination between village panchayat.  |



| S.No. | Subjects mentioned in the XIth Schedule of the Constitution | Corresponding item in the existing Panchayat Regulation   | Subjects and their particulars recommended in the proposed Regulation  |  |
|-------|---|---|--|--|
|       |   | <ul style="list-style-type: none"> <li>area of the village in clean condition.</li> <li>c. Construction of hospitals and dispensary</li> <li>d. Establishment of health institutions for poor children</li> </ul> | <ul style="list-style-type: none"> <li>b. Maintenance of general sanitation</li> <li>c. Cleaning of public roads, drains, tanks, wells and public places.</li> <li>d. Maintenance and regulation of burning and burial grounds</li> <li>e. Disposal of unclean corpses and carcasses</li> <li>f. Management and control of washing and bathing ghats.</li> </ul> |  |
| 24    | Family Welfare  | <ul style="list-style-type: none"> <li>a. Maternity and child welfare</li> <li>b. Family planning</li> </ul>  | <ul style="list-style-type: none"> <li>a. Prevention and remedial measures against epidemics.</li> <li>b. Participation in programmes of human and animal vaccination.</li> <li>c. Management of stray animals.</li> <li>d. Health and sanitation at fairs and festivals.</li> </ul>   | <ul style="list-style-type: none"> <li>a. Creation of awareness and promotion of family welfare programme.</li> <li>b. Prevention and remedial measures against epidemics.</li> <li>c. Promotion of health and family welfare programmes.</li> <li>d. Management of hospitals and dispensaries excluding those under the management of government or any other local authority.</li> <li>e. Promotion of maternity and child health programmes.</li> <li>f. Promotion of immunization and</li> </ul> |

| S.No. | Subjects mentioned in the XIth Schedule of the Constitution | Corresponding item in the existing Panchayat Regulation  | Subjects and their particulars recommended in the proposed Regulation   |  |
|-------|---|--|---|--|
|       |   |  |   | vaccination programmes.<br>g. Management of stray animals.   |
| 25    | Women and Child Development                                 |  | <ul style="list-style-type: none"> <li>a. Participation in the implementation of women and child welfare programmes.</li> <li>b. Promotion of school health and nutrition programmes.</li> </ul>  | <ul style="list-style-type: none"> <li>a. Participation in the implementation of women and child welfare programmes.</li> <li>b. Promotion and participation of voluntary organizations in women and child development programmes.</li> <li>c. Promotion of programmes relating to development of women and children.</li> </ul> |
| 26    | Social Welfare  | <ul style="list-style-type: none"> <li>a. Relief to the crippled and the destitute.</li> <li>b. Preventive and relief measures in the times of public calamity.</li> <li>c. Promotion of moral and social welfare activities and encouraging and assisting voluntary organizations and other agencies engaged in such activities.</li> </ul> | <ul style="list-style-type: none"> <li>a. Participation in the implementation of the social welfare programmes, including welfare of the handicapped, mentally retarded and destitute.</li> <li>b. Participation of the old age and widow's pension schemes.</li> </ul> | <ul style="list-style-type: none"> <li>a. Social welfare programmes including welfare of handicapped, mentally retarded and destitute.</li> <li>b. Assistance to Administration in effective monitoring of the old age and widow's pension and pensions for the handicapped.</li> </ul>  |
| 27    | Welfare of the weaker section                               | Welfare of the weaker sections, and in particular of the schedule castes and schedules tribes  | <ul style="list-style-type: none"> <li>a. Participation in the implementation of the specific programmes for the welfare of the weaker sections.</li> <li>b. Protecting such castes and classes from social injustice</li> </ul>  | <ul style="list-style-type: none"> <li>a. Promotion of public awareness with regard to scheduled castes, scheduled tribes and other weaker sections.</li> <li>b. Protecting such castes and</li> </ul>   |

| S.No. | Subjects mentioned in the XIth Schedule of the Constitution | Corresponding item in the existing Panchayat Regulation  | Subjects and their particulars recommended in the proposed Regulation   |  |
|-------|---|--|---|--|
|       |   |  | and exploitation.   | classes from social injustice and exploitation.  |
| 28    | Public distribution system                                  | Matters relating to public distribution system.  | a. Monitoring the public distribution system  | a. Promotion of public awareness with regard to the distribution of essential commodities.<br>b. Assistance to the administration for effective monitoring of the public distribution system.  |
| 29    | Maintenance of community assets                             | a. Provision, maintenance and regulation of burning and burial grounds.<br>b. Construction and maintenance of public latrines.<br>c. Construction, maintenance and control of tonga-stands, carts stand, bathing and washing ghats and cattle ponds.<br>d. Establishment and maintenance of parks, clubs, akhaas and other places of recreation for the villagers including women and children.<br>e. Maintenance of community assets. | a. Maintenance of all community assets.<br>b. Numbering of premises.<br>c. Construction and maintenance and control of tonga stands, carts stand washing ghats and cattle ponds.<br>d. Provision, maintenance and regulation of burning and burial grounds.<br>e. Maintenance of community assets vested in it or transferred by the Government or any local authority or organization.<br>f. Preservation and maintenance of other community assets.<br>g. Assisting the government in the preservation and maintenance of other community assets. | a. Maintenance of community assets vested in it or transferred by the administration or any local authority or organization.<br>b. Preservation and maintenance of other community assets.<br>c. Assisting the administration in the preservation and maintenance of other community assets. |

Source: UT Administration, Daman and Diu

**Annexure II.7**

No.6/107/2003/FD1052  
U.T. Administration of Daman & Diu  
Office of the Finance Secretary  
Secretariat, Daman  
Dated 17.03.2003

**ORDER**

On recommendation of Finance Commission for devolution of powers to the Panchayati Raj Institutions at Sr.No. 39 of Report and decision taken by the Common Standing Committee for implementation of Finance Commission recommendation in UT of Daman and Diu and Dadra and Nagar Haveli, the Administrator of UT of Daman and Diu and Dadra and Nagar Haveli is pleased to sanction in term of Section 37 (a) of Daman and Diu Village Panchayat (amended) Regulation, 1994 for Rs.40 lakhs (Rupees Forty Lakhs only) as a Special Grant to 10 (ten) Village Panchayats for Development and creation of infrastructure in Panchayats areas to generate income to the respective Panchayats for the year 2002-2003 as detailed given below

|                 | Panchayats     | Rs.in Lakhs |
|-----------------|----------------|-------------|
| DAMAN DISTRICT: | (1) Bhimpore   | 4.00        |
|                 | (2) Kachigam   | 4.00        |
|                 | (3) Dabhel     | 4.00        |
|                 | (4) Varkund    | 4.00        |
|                 | (5) Marwad     | 4.00        |
|                 | (6) Magarwada  | 4.00        |
|                 | (7) Damanwada  | 4.00        |
|                 | (8) Pariyari   | 4.00        |
| DIU DISTRICT    | (1) Vanakbara  | 4.00        |
|                 | (2) Bucharwada | 4.00        |
| Total           |                | 40.00       |

The above expenditure is debitable to the following budget head.

|          |                                    |
|----------|------------------------------------|
| 2515     | Major Head – Non Plan              |
|          | Other Rural Development Programmes |
| 101      | Panchayati Raj                     |
| 00.00.31 | Grants-in-aid                      |

The Block Development Officer, Daman is hereby authorized to draw and disburse the following amount.

(i) Block Development Officer, Daman Rs. 40.00

Grant-in-Aid is sanctioned subject to the following conditions:-

The grants should be utilized by the Panchayat only for purpose mentioned above and no deviation will be allowed in any circumstances.

The items which are borne on DGS & D rate contract should be purchased through DGS & D rate contract only.

The entire amount of grant should be utilized within a period of one year from the date of sanction and only for the purpose for which it is sanctioned, any portion of the grant which is ultimately not required for the purpose for which it is sanctioned will be refunded in cash to the Administration of Union Territory after utilizing / refunding the sanction amount and utilization certificate in Performa prescribed for the purpose any be invariably, mentioned.

The Accounts of the District Panchayat and Panchayats should be audited by the Chartered Auditor or Government Auditor immediately after the end separately and properly from its normal activities and submitted as and when required. They shall be open to a test check by the Comptroller and Auditor General of India at his discretion.

The Auditor statement of accounts showing the expenditure incurred by the District Panchayat and Panchayats from the grant should be furnished to the Government as soon as possible after the close of the financial year 2002-2003 together with a certificate from the Administration to the effect that the grant was utilized for the purpose for which it was sanctioned.

The Performa cum Achievement report specifying in detail the achievement made by the grantee which the Government grants should be furnished to the Government as soon as possible after the close of the financial year 2002-2003.

The Collector, Daman & Director of Panchayats shall countersign the Grant in-Aid bill submitted by the BDO, Daman.

This is issued with the concurrence of Finance Department vide diary No. 6018 dated 12/03/2003 and approval of Hon'ble Administrator vide diary No. 2022 dated 11/03/2003.

By order and in the name of the  
Administrator of Daman and Diu and  
Dadra & Nagar Haveli

(P J Bamanja)  
Deputy Secretary (F)

**Annexure II.8 (a)**

**RECEIPT AND EXPENDITURE OF BHIMPORE GRAM PANCHAYAT**

(In Rs.)

| S.No | Particulars                 | 2000-01        |               | 2001-02        |               | 2002-03        |                | 2003-04        |                 | 2004-05        |                |
|------|-----------------------------|----------------|---------------|----------------|---------------|----------------|----------------|----------------|-----------------|----------------|----------------|
|      |                             | Receipt        | Exp.          | Receipt        | Exp.          | Receipt        | Exp.           | Receipt        | Exp.            | Receipt        | Exp.           |
| 1.   | GIA for Administration      | 96310          | 84470         | -              | 70460         | -              | 236229         | -              | 210294          | -              | 222958         |
| 2.   | GIA for Health & Sanitation | 1000           | 69482         | -              | 161680        | -              | 2227344        | -              | 78000850        | -              | 1061127        |
| 3.   | Public Works                | 3239478        | 386415        | 1992134        | 218214        | 2109971        | 242147         | 2167007        | 298699          | 3149232        | 550576         |
|      | Planning & Development      | -              | 325497        | -              | 68038         | -              | 1379133        | -              | 1825777         | -              | 3532222        |
| 4.   | Social Welfare              | -              | 2100          | -              | 3150          | -              | -              | -              | -               | -              | -              |
| 5.   | Education & Culture         | 60099          | 16132         | 150484         | 49945         | 410866         | 71710          | 614783         | 5949            | 508953         | 54114          |
| 6.   | Miscellaneous               | -              | 22663         | -              | 2837          | -              | 474            | -              | 804             | -              | 2268           |
|      | <b>Total</b>                | <b>3396887</b> | <b>906759</b> | <b>2142618</b> | <b>574324</b> | <b>2520837</b> | <b>4157037</b> | <b>2781790</b> | <b>80342373</b> | <b>3658185</b> | <b>5423265</b> |

Source: Bimpore Gram Panchayat, Daman & Diu

**Annexure II.8 (b)****EXPENDITURE OF BHUCHARWADA GRAM PANCHAYAT (DAMAN & DIU)**

(IN RS)

| <b>Particulars</b>     | <b>2000-01</b> | <b>2001-02</b> | <b>2002-03</b> | <b>2003-04</b> | <b>2004-05</b> |
|------------------------|----------------|----------------|----------------|----------------|----------------|
| Administration         | 100793         | 360412         | 474077         | 346939         | 364554         |
| Health & Sanitation    | 76490          | 66782          | 77240          | 61157          | 67415          |
| Public Works           | 293434         | 131912         | 308729         | 165895         | 155041         |
| Planning & Development | 8450           | 3970           | 3660           | 0              | 0              |
| Social Welfare         | 4715           | 2280           | 3000           | 2600           | 2600           |
| Education & Culture    | 37150          | 36400          | 37626          | 47041          | 49169          |
| Miscellaneous          | 17987          | 21079          | 30612          | 33590          | 49113          |
| <b>Total</b>           | <b>539019</b>  | <b>622835</b>  | <b>934944</b>  | <b>657222</b>  | <b>687892</b>  |

*Source:* Bhucharwada Village Panchayat, Daman & Diu

**Annexure II.9 (a)**

Schemes Proposed to be Transferred to Village (Dweep) Panchayat  
On 17.07.1998 Vide F.No. 4/2/97-DOP issued by Rajeev Talwar, Administrator of Union Territory of Lakshadweep

| <b>Eleventh Schedule</b>  | <b>Name of Scheme</b>   | <b>Sub Scheme/Scheme Component</b>   |
|---|---|--|
| Health and Sanitation, including hospitals, primary health centers and dispensaries | <b>Medical and Health Services</b><br>Registration of births and deaths (NP)  | a) Registration of Birth and Death<br>b) Issue of birth and death certificate and maintenance of records.  |
|   | Public Health Activities (NP)   | a) Implementation of all source of public health activities such as Filaria Control programme, Malaria Control programme, Flies eradication activities.<br>b) Slaughtering of animals disposal of garbages, cleaning ponds and whells, clorination activities.<br>c) Periodical Health Awareness campaign. Family Welfare and IEC activities (NP). |
|   | Food Adulteration (NP)  | a) Conduct of various inspections in shops/hotels  |
| Animal Husbandry, dairying and poultry  | <b>Department of Animal Husbandry</b><br>Fashioning of Goat rearing system in Lakshadweep to suit the ecosystem in islands. | a) Distribution of Goat<br>b) Identification of beneficiaries for distribution of goats and Linkmesh etc.<br>c) Subsidy to Goat sheds<br>d) Health coverage and extension activities.  |
|   | Poultry Development Scheme  | a) Identification of beneficiaries and supply of layer chicks / birds.<br>b) Subsidy of poultry sheds<br>c) Health coverage and extension work<br>d) Distribution of feeds (poultry feeds)<br>e) Distribution of layer chicks birds and equipments etc.  |
|   | Cattle & Buffalo Development. (Integrated Cattle Development)   | a) Identification of beneficiaries and supply of cow/heirers<br>b) Distribution of cows<br>c) Distribution of feeds<br>d) Subsidy to Cattle shed<br>e) Health coverage and extension activities  |



| Eleventh Schedule                             | Name of Scheme  | Sub Scheme/Scheme Component  |
|---|---|--|
|   | Animal Health coverage and disease control programme      | <ul style="list-style-type: none"> <li>a) Conducting of vaccination campaign both in animals and birds.</li> <li>b) Health coverage including Artificial Insemination</li> <li>c) Inspection of Slaughter and slaughter sites for hygienic supply of meat and proper disposal of wastes like Viscera, bones etc.</li> <li>d) Conducting of Cattle shows / seminar / exhibition etc.</li> </ul>   |
| Agriculture, including agricultural extension | <b>Department of Agriculture Horticulture Development</b> | <ul style="list-style-type: none"> <li>a) Rejuvenation of banana fields (ha)</li> <li>b) Banana fields demonstration (ha)</li> <li>c) Rejuvenation of papays old plantations (ha).</li> <li>d) Papaya demonstration plots (ha)</li> <li>e) Rejuvenation of guava fields (ha)</li> <li>f) Guava demonstration plots (ha)</li> <li>g) Rejuvenation of Sapota fields (ha)</li> <li>h) Sapota demonstration plots (ha)</li> <li>i) Rejuvenation of old bread fruit fields (private) fields (Nos.)</li> <li>j) Horticulture implements and fencing materials (No. of beneficiaries).</li> </ul> |
|   | Olericulture Development Programme                        | <ul style="list-style-type: none"> <li>a) Development and rejuvenation of drumstick cultivation (ha)</li> <li>b) Development rejuvenation of vegetables (ha)</li> <li>c) Development and rejuvenation of vegetables (ha)</li> <li>d) Development and rejuvenation of Tuber crops like tapioca and sweet potato (ha)</li> <li>e) Minikit package for kitchen garden / nutritional garden assisting priority to women farmers forums.</li> </ul>   |
|   | Manures and fertilizer                                    | <ul style="list-style-type: none"> <li>a) Production of Organic manures and biofertilisers</li> <li>b) Organic fertilizers</li> <li>c) Green manure crops / farming (ha)</li> </ul>  |
|   | Integrated Plant Protection                               | <ul style="list-style-type: none"> <li>a) Rodent pest management</li> <li>b) Control of Rhinoceros beetle</li> <li>c) Control of disease of coconut</li> <li>d) Control of pests and disease of vegetables and fruit crops including biological control (ha)</li> <li>e) Banding materials (No. of trees).</li> </ul>  |

| Eleventh Schedule   | Name of Scheme  | Sub Scheme/Scheme Component  |
|---|---|--|
|   | Agril. Extension Service and strengthening of the department activities | a) Field demonstration<br>b) Demonstration on multiple cropping fruits, vegetables, pulses, tuber crops etc. (no. of plots).<br>c) Demonstration on organic farming (No. of plots).<br>d) Package programme on Medical and Aromatic Plants (Plots).<br>e) Campaigns (organic compost, green manuring, nursery, maintenance improved cultural and Agronomic practices, operational farming, Nutritional gardens, Ornamental gardening input campaign).<br>f) Seminars / Workshops / Discussion TV programme and celebrations.<br>g) Financial assistance and incentives to farmers organizations. |
|   | Floriculture and Orchid Dev.  | a) Commercial floriculture Demonstration Centres.<br>b) Aids for ornamental gardening (Nos).<br>c) Orchid cultivation Demonstration through Mahila farmers (nos).  |
|   | Agricultural Marketing and Processing                                   | a) Financial aid to coconut cultivators for copra grading and marketing support (consortium) (Nos).<br>b) Financial aid to processing and marketing of bread fruits (Nos.).<br>c) Financial aid to papaya processing (pickling candy making) etc.<br>d) Financial support to neera taping and jaggery making.<br>e) Financial support to neera taping and Vinegar making.<br>f) Financial support for setting up coconut oil making unit.  |
| Social Welfare, including welfare of the handicapped and mentally retarded. | <b>Department of Social Welfare</b><br>Social Security & Welfare        | a) Pension to old destitutes / widows/abandoned ladies/physically handicapped.<br>b) Payment of pension to the beneficiaries.<br>c) Aid to handicapped persons / conduct of disability survey.<br>d) Aids and appliances for Handicapped persons.  |
| Fisheries   | <b>Department of Fisheries</b><br>Direction & Administration (Plan)     | a) Administrative set up<br>b) Administrative control of the staff and functions of the respective units.  |
|   | Deep sea fisheries (Plan) & Development of shark fishing                | a) Issue of fishery requisites among the fishermen of the islands.<br>b) Issue of HSD to fishing boats of the islands.   |

| <b>Eleventh Schedule</b> | <b>Name of Scheme</b>   | <b>Sub Scheme/Scheme Component</b>  |
|--------------------------|---|---|
|                          | Mechanisation and improvement of fishing crafts (Plan)Village | <ul style="list-style-type: none"> <li>a) Selection and recommendation of the eligible groups for the allotment of boats from each panchayat and forward application to the Director of Fisheries, Kavaratti.</li> <li>b) Collection of boat hire charges of boat issued under hire purchase system.</li> <li>c) Supply of in board engines to fisherman at full cost on hire purchase basis.</li> <li>d) Maintenance and repairs of boats.</li> <li>e) Issue of spare parts and boat maintenance materials.</li> </ul> |

**Annexure II.9 (b)**

Schemes transferred to PRI on 9 April 2001 vide order F.No. 7/4/2000-DOP&RD(1) issued by Mr. Chaman Lal, Administrator, Lakshadweep

| <b>Eleventh Schedule</b>                    | <b>Name of Scheme</b>   | <b>Sub Scheme/Scheme Component</b>  |
|---|---|---|
| Drinking Water                              | <b>Public Works Department</b><br>Water Supply Programme  | <ul style="list-style-type: none"> <li>a) Day to day operation and maintenance of water supply system in the islands.</li> <li>b) Payment of wages for distribution of drinking water to the local residents by the workers engaged from the roster maintained by the Village (Dweep) Panchayats on yearly basis.</li> </ul>  |
| Technical training and vocational education | <b>Labour and Employment</b><br>Imparting training in Typewriting   | <ul style="list-style-type: none"> <li>a) Providing training in typewriting to the students and job seekers in all islands except Bitra.</li> <li>b) Payment of rental charges for building hired for typewriting centres.</li> <li>c) Maintenance of all the typewriting and other equipments in the centre.</li> <li>d) Providing of required furniture to the typewriting centers.</li> </ul>  |
|   | Incentive Aid to local ST candidates for appearing test/interview at mainland/islands.                                | <ul style="list-style-type: none"> <li>a) To provide financial assistance @ Rs. 500/- for candidates appearing for test / interview at mainland.</li> <li>b) Payment of actual to and fro journey fare for appearing test / interview in the islands other than his native islands/normal place of residence.</li> </ul>  |
|   | General administration  | <ul style="list-style-type: none"> <li>a) Constitution of Island level committee to assess damage to the movable / immovable properties to the local residents at the time of natural calamities.</li> <li>b) To forward its review report to the District level committee.</li> </ul>  |
| Non-conventional energy sources             | <b>Department of Environment and Forest</b><br>Scientific Management of Bio-degradable and non bio-degradable wastes. | <ul style="list-style-type: none"> <li>a) Collection, storage and disposal of non bio-degradable waste.</li> <li>b) Collection, storage and disposal of bio-degradable waste.</li> <li>c) Introduction of waste bins. Placing of waste bins in sufficient nos. in the residential area of all the islands for collection of non bio-degradable wastes.</li> <li>d) Organising of awareness programme on waste management with the participation of voluntary organizations.</li> <li>e) Organizing cleaning campaign of the islands with the participation of the local residents.</li> </ul> |

| <b>Eleventh Schedule</b>  | <b>Name of Scheme</b>  | <b>Sub Scheme/Scheme Component</b>   |
|---|--|--|
| Social Welfare, including welfare of the handicapped and mentally retarded. | <b>Department of Social Justice Empowerment and Culture</b><br>Aid to Women welfare organization | <ul style="list-style-type: none"> <li>a) Providing training to the local women for taking up gainful and income generating activities.</li> <li>b) Social Development of the Women Folk in the islands.</li> <li>c) Organising short term training / orientation course for the local women for seeking self-employment based on local resources.</li> <li>d) Aid to Mahila Samajam/Welfare organizations in the islands.</li> <li>e) Payment of stipend to the craft trainees.</li> <li>f) Payment of honorarium to the Folk Song Instructor.</li> </ul> |

*Source:* UT Administration, Lakshadweep

## Annexure II.10

RECEIPT AND EXPENDITURE OF  
KAVARATTI VILLAGE (DWEED) PANCHAYAT

(In Rs.)

| Particulars                          | 2003-04        |                | 2004-05        |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | Receipt        | Exp.           | Receipt        | Exp.           |
| Director of Panchayat                | 924354         | 1216981        | 2071707        | 1984589        |
| Agriculture                          | 1873200        | 1737130        | 1738959        | 192750         |
| Medical Health & Services            | 470000         | 499936         | 598655         | 530097         |
| Animal Husbandry                     | 278400         | 368452         | 331000         | 299857         |
| District Employment Exchange         | 232225         | 122411         | 158000         | 134259         |
| President LCCW                       | 9600           | 8000           | 7200           | 7200           |
| Social Justice Empowerment & Culture | 205035         | 116961         | 236922         | 165857         |
| Public Works Department              | 145000         | 184029         | 104975         | 117798         |
| Dy. Conservator of forest            | 245000         | 244528         | 240000         | 259893         |
| <b>Total</b>                         | <b>4382814</b> | <b>4498428</b> | <b>5487418</b> | <b>3692300</b> |

Source: Kavaratti Village Panchayat, Lakshadweep