GOPABANDHU ACADEMY OF ADMINISTRATION, ORISSA, BHUBANESWAR

DECENTRALIZED PLANNING

A Training Module (DLM)

For Group E & F Functionaries

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PREFACE

This training module is aimed at the **Group E** and **F** functionaries of the government working at sub-state levels. It tries to address their concerns when they are called upon to make contributions to the preparation of plans in their own areas, which has been gaining in importance with the reinvigoration of the Panchayati Raj system in the country.

The first two units of the module are a familiarization exercise for these officials with the evolution, nature and dimensions of Decentralized Planning and the Panchayati Raj system. The last four units will help them in improving some basic skills required for getting involved in the planning process. It is not forgotten that almost everyone is a planner in their own environment and might be using many of these skills without realising it. Here is an opportunity to hone and systematize them.

It is true that not every one of these functionaries will have to prepare the entire plan. There will be professionals to do that. But the module will help them in doing their own bits of work in a more systematic and efficient manner.

I have received unstinting encouragement, cooperation and help in preparing the module from the Director General, GAA, Dr. K J S Chatrath but for which it would not have been possible to complete the task. The staff at GAA has always been ready with any assistance I needed from them. I take this opportunity to record my gratitude to them. I must mention here my special gratitude to Shri Lokanath Sarangi who retired recently as Special Secretary to Govt. of Orissa in the Planning and Coordination Department. The painstaking scrutiny of this module by this ace planner has resulted in many necessary modifications in my raw draft. However, any flaws that might still lurk in the module would be entirely mine.

Shri O. P. Agarwal, IAS, Joint Secretary (Training) and Shri S. Venkatesan, Joint Director (Training), DoPT, Government of India lent their invaluable support and encouragement during the development of the module. I am immensely grateful to them for their kind patronage.

Prof. Brian Sheardown, the internationally reputed training expert, was very kind to go through the module and express his appreciation during my visit to the Thames Valley University, Slough, UK in November, 2002. His comments helped in further fine-tuning the module. I record here my gratitude to him for the gesture.

The effort that has gone into the preparation of this module will be rewarded if the trainees as well as the trainers find it interesting and useful.

Prabhat K Mohapatra

VALIDATION

The training module was validated in a workshop by:

1. Shri D.C Misra, IAS
   Additional Secretary to Govt. of Orissa, FS & CW Department.

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10. Shri Swapneswara Baya, IAS
    Director, Panchayati Raj and Addl. Secretary to Govt. of Orissa, Panchayati Raj Department.

To the Learner

Welcome to this self-learning training course on Decentralized Planning. This module is prepared in the **distance learning mode (DLM)** for use by the **Group E** & **F** functionaries of different departments of government at the sub-state levels connected with decentralized planning.

Aim

The aim of this module is to provide a conceptual framework of decentralized planning for the learner and develop their competence in the use of some of the essential tools of planning.

Training Objectives

By the end of this module you will be better able to:

- Describe the concept and evolution of decentralized planning
- Describe the Panchayati Raj system and the decentralization process
- Prepare a district profile
- Identify problems of a district and set planning objectives
- Plan a project
- Design implementation of a project
- Design monitoring and evaluation of a project

Using the Module

This is a self-learning module, which can be completed ideally in about **4 months**. Being mature, adult learners, you will be responsible for your own learning. Thus, you can learn at your own pace, and in your own time. You are free to organise your learning to suit your own needs, study the material by yourself or with your colleagues, and set your own pace of progress.

It will help if you keep an open mind and share your work experiences and interact freely with your counsellor or mentor as well as with your colleagues about questions and issues cropping up during the learning exercise.

You can check your progress from time to time by doing the exercises at appropriate places in the module. This will help you in satisfying yourself that your learning is proceeding according to plan. The activities given at the end of each unit may be undertaken to reinforce your learning. The points indicated for discussion may be taken up with your colleagues/counsellor/mentor to obtain a broader perspective on the matter.

It is hoped that the module will provide you with both pleasure and profit when used.

To the Trainer

As a trainer you will find the present module in the **distance learning mode (DLM)** different from the modules which are used in face-to-face (F2F) training you may be familiar with. In this module the training is designed to take place through self-learning. The trainer's job is to organise the training and monitor it.

Content

The subject of the training, Decentralized Planning, is broken down into six units in the module. The first two units provide a backgrounder to decentralized planning. They deal with the concept and evolution of decentralized planning and the Panchayati Raj framework for decentralized planning. These two units aim at the knowledge area of training.

The last four units aim at providing some skills to the trainees to enable them to grapple with the actual task of planning. From preparing a profile of the district to identifying problems, setting objectives, planning projects, implementing and monitoring them, this segment of the module is designed to impart the basic skills for performing the necessary tasks related to planning. Areas where professional intervention is needed have only been touched superficially as a familiarisation exercise for the trainees.

Process

As a trainer you will be responsible for getting nominations for the course. You must take care to collect all the contact details relating to the trainee including email address, telephone number, fax number, and postal address. As far as possible all this information should cover both his/her official and residential situations. The trainee should also be given the contact address of the trainer/mentor/counsellor.

The training material may be sent to the trainees in the form of the printed module or CD or online. It should be impressed on the trainee to study the units, complete the exercise and send reports on the unit-end activities to the trainer in time. The trainer is free to design and use more assignments for assessing learning by the trainees. The trainer will send back his assessment and suggestions to the trainees. Through this on-going process of interaction the trainer will satisfy himself that learning has taken place. The entire process should be completed in **4 months**. On the completion of learning, a face-to-face counselling/interaction session may be organised for about 50 trainees at a time. Certificates of completion of the course may be issued to the trainees on this occasion.

The trainees may be encouraged to keep in touch with the trainer even after the completion of the course, which will help in clearing any difficulties or doubts that might creep in during actual application of the training on the job. The trainer is also welcome to introduce variations to the module depending on the changing needs of the trainees.

On the whole, the trainer is to act as a facilitator for the trainees to ensure that all the training objectives are met.

CONTENTS

UNIT 1: CONCEPT AND EVOLUTION OF DECENTRALIZED PLANNING

Structure

1.1 INTRODUCTION

Soon after Independence, we adopted economic planning to achieve quick economic development. We had hoped that such planned development would remove poverty in a short time and bring prosperity to every nook and corner of the country. We have, however, been disappointed as poverty still exists on a large scale and the inequalities in the levels of income between the rich and the poor continue to expand.

The planning we mentioned above is executed in the form of 5-year plans. In these plans the policies and programmes are formulated centrally at the top. The Planning Commission is the highest policy-making body in this set-up. These plans are implemented at the lower levels like the state, district, blocks, panchayats etc.

However, such central planning could not fulfill many local needs, and local resources also could not be mobilized for use in the implementation of the plans as all funds were allocated centrally. Many local environmental concerns were also neglected in the formulation and implementation of the plans.

To remove these deficiencies of central planning, efforts are being made to involve people at the local level in the formulation and implementation of plans.

Such planning is known as **decentralized planning**.

1.2 OBJECTIVES

After going through this unit, you will be able to:

- Define the concept of decentralized planning;
- Describe the evolution of decentralized planning, and
- Discuss the dimensions of decentralized planning.

1.3 CONCEPT OF DECENTRALIZED PLANNING

Decentralization, interpreted in simple terms, would mean moving away from the center or *deconcentration*. In the context of development, which is our concern here, decentralization means transfer of certain authority and power in the matter of formulation and implementation of development plans from the highest organization or institution at the national level or state level to organisations or institutions at the sub-state level.

The lower level, which includes district, block and panchayat will have a particular role in the planning exercise and will be vested with the powers and the responsibilities associated with the role. In a truly decentralized situation such power will include the power to determine goals and targets and to raise resources locally.

Decentralized Planning can, thus, be defined as a type of planning where local organisations and institutions formulate, adopt, execute actions and supervise the plan without interference by the central body.

Check Your Progress 1

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. Define decentralized planning.

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1.4 EVOLUTION OF DECETNRALIZED PLANNING

India adopted economic planning with the launch of the First Five Year Plan in 1951. We have discussed at the beginning of this unit that our Five Year Plans have been mainly centralized plans. But even then, from the very first plan onwards attempts have been made by the government to introduce some degree of decentralization into the planning process by strengthening local level planning. Sometimes such attempts have been strong and visible. At other times, they have been weak and dormant. Thus decentralized planning has evolved in India in fits and starts over the years. Its evolution can be divided into five phases for a brief examination.

1.4.1 Phase – I: The Community Development Phase

The period includes the First Five Year Plan (1951-56) and the Second Five Year Plan (1956-61). During the First Plan the Community Development (CD) programme was started with great enthusiasm to give concrete shape to Gandhi's ideal of a self-reliant

village. Significantly, the programme was started on October 2, 1952 in 55 selected blocks of the country to coincide with the birthday of the Mahatma. It was designed as a people's movement. According to the then ministry of Community Development, Government of India, *"The initiative for Community Development programme comes from the people themselves. Village Communities not only choose the priorities according to which the problems are to be tackled, but they also undertake the major responsibility for implementing them. The role of the Government is to assist all these activities at every stage. Officials guide and help the villagers, provide technical advice and organise supplies, services and finance".*

The programme was implemented through the **National Extension Service**. In practice, however, the method adopted for the purpose was "top-down" in which all the directions came from the centre. But such directions neither reflected local needs, nor came with the necessary financial and technical resources. Therefore, the members of the community did not take much interest in the programme as was hoped for.

1.4.2 Phase - II : The Panchayati Raj Phase

This (1960-70) phase marks the creation of the Panchayati Raj institutions following the recommendations of the Balwantrai Mehta Committee set up to study the working of the CD projects. The Committee made an historic observation relating to decentralization: *"So long as we do not discover or create a representative and democratic institution which will supply the local interest, supervision and care necessary to ensure that expenditure of money upon local projects conforms with needs and wishes of the locality, invest it with adequate power and assign to it appropriate finances we will never be able to evoke local initiative in the field of development."*

According to the Balwantrai Mehta Committee's recommendations the Panchayati Raj system was to have three tiers at the village, block and district levels. At the village and block levels there were to be elected democratic bodies. At the district level there was to be an advisory body under the Chairmanship of the District Collector. MPs, MLAs and other important persons were to be its members. The elected bodies were to be entrusted with planning and development activities.

Panchayati Raj institutions were set up in many states following this report. But at the district level this institution was not regarded as a separate level of government. No Panchayat Samiti or Zilla Parishd at the block and district levels developed a proper development profile of the area. Political leaders dominated the meetings at the Panchayat Samiti and Zilla Parishad. All the development decisions were taken by the State and Central authorities. Lower level units were given guidelines for target and programme implementation from above. These institutions suffered a great decline by the end of 1970s.The Ashok Mehta Committee appointed in 1977 to review the existing situation of Panchayati Raj in the country recommended a two-tier system.

1.4.3. Phase – III : The Special Programmes Phase

During the 4th 5-Year Plan some important changes were introduced to economic planning and development in the country. Up to this time States were getting plan funds from the Centre in the form of assistance for specific projects proposed by the State and approved by the Centre. But this system of disbursement of Central assistance for the States was changed during the 4th Plan.

Now the so called Gadgil Formula came into play whereby block allocation were given by the Centre to the States on the basis of 30% grant and 70% loan irrespective of schemes and priorities adopted by the States. This can be described as a step towards decentralization of the planning process from the Centre to the States. The States now had to build up and strengthen their planning machinery to utilize the funds.

Around this time it was also realized that the economic growth achieved in the country so far through the 5-Year Plans had not benefited all groups of society and all regions uniformly. A need for the launch of special schemes to specifically benefit these areas and groups were felt. This led to the introduction of some special programmes in the plan like the following:

- The Pilot Intensive Rural Employment Project (PIREP)
- The Small Farmers Development Agency Programme (SFDAP)
- The Marginal Farmers and Agricultural Labourers Agencies Programme (MFALAP)
- The Drought Prone Area Programme (DPAP)
- The Tribal Areas Development Programme (TADP)
- The Hill Areas Development Programme (HADP)
- The Minimum Needs Programme (MNP)

A look at the titles of these programmes makes it clear that now the emphasis in rural development was given on "**target groups**" and "**target areas**". The Development Block was viewed as the most suitable unit for this kind of area planning. Activities suitable for the area were to be planned and implemented with close involvement of the local people. A Working Group on Block- Level Planning appointed by the Government under the chairmanship of Prof. Dantwala prepared guidelines for block-level planning. But later on, with the change of government and adoption of a new 6th Plan (1980-89) the emphasis of local planning changed from the Block-level to the District-level.

1.4.4 Phase – IV : The District Planning Phase

The Sixth and Seventh Five Year Plans during this period (1980-90) continued with the special programmes in old and new forms. Decentralized Planning at the district and local levels were intensely discussed during this period. The government set up a Working Group on District Planning under the Chairmanship of C.H.Hanumanth Rao in 1982.

The Working Group recommended a unified planning process at the district level covering all sectoral programmes. It gave a detailed prescription for organizing planning at the district level relating to methodology, institutions and other prerequisites.

The G.V.K.Rao Committee appointed in 1985 to recommend administrative arrangements for rural development also pointed out that the district plan should not be viewed simply as a segment of the State Plan. It should be conceived and executed at the district level and integrated into the State Plan. Both the committees provided detailed guidelines to the states to reorganize planning below the State level. Many state governments went for decentralized planning in their own ways while following these guidelines generally.

1.4.5 Phase – V : The Panchayati Raj Revival Phase

Decentralized Planning depends to a great deal on the devolution of functions and powers from government at the top to the local levels. The Panchayati Raj institutions(PRIs) form the lower level authorities in our country. It has been seen, however, that even when powers and functions are given up to these institutions, something is held back for exercise by competing agencies. Very often the weak constitutional position of the Panchayati Raj institutions was the reason for this neglect.

The Government has tried to strengthen the PR institutions by turning them into **constitutional units of self-government** through the **73rd Amendment to the Constitution** in **1993**. As many as 29 subjects have been identified for the PR-institutions. Many States have already devolved considerable number of functions and powers to these institutions with the power to mobilize resources. At present the trend all over the country is to move fast towards decentralized planning through PR-institutions.

Check Your Progress 2

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. Why did the Community Development Project fail to ensure necessary people's participation?

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2. How many tiers did the Balwantrai Mehta Committee recommend for the Panchayati Raj System?

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3. Which of the above tiers were to have elected representatives?

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4. Which 5-Year Plan saw the launching of the Special Programmes?

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5. Write down 2 examples each of "target group" and "target-area" programmes.

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6. When was the 73rd Amendment to the Constitution passed?

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1.5 DIMENSIONS OF DECENTRALIZED PLANNING

There are four major dimensions of decentralization: (i) Functional, (ii) Financial, (iii) Administrative, and (iv) Political. We need to know a little more about these dimensions in order to understand the implications of decentralized planning better.

1.5.1 Functional Decentralization

When some functions are to be transferred from the national or state level to the sub-state level, it is necessary that such functions must be selected carefully. A random transfer of functions will result in inefficient and undesirable discharge of those functions at the lower levels. Such fear arises because the competencies available at the lower level may not be adequate to do justice to those functions. Similarly, some powers will have to be delegated to the lower level to discharge those functions. If these powers are not delegated along with the functions then there will be a mismatch between the two and the functions cannot be executed.

This is important because one functional activity may be divided between state and sub-state levels of government. Take the example of education. There are different types of education: primary, secondary, higher, vocational, technical, adult, etc. For each type of education there can be different types of functions like day-to-day administration, location of a new school, curriculum design, teacher training, etc. So it becomes necessary that it must be clearly specified which of these services and functions are transferred to the given sub-national level.

The decentralization of function must be matched by the decentralization of necessary power. Such power is of three types: (i) policy-making power, (ii) financial power, and (iii) power over personnel matters. Each of these powers can be further subdivided. Thus policy-making powers are further sub-divided into law-making and executive powers; financial powers into those concerning revenue and expenditure, and personnel powers into those relating to conditions of service, establishments, appointments, promotions, transfers, discipline, etc.

1.5.2 Financial Decentralization

Planning at any level without the necessary financial authority and resources is meaningless. In our country, like in other countries, most financial resources are mobilized by the Central government, which then distributes them to the lower levels. The division of resources is done according to constitutional provisions. A statutory body called the Finance Commission, appointed every 5 years, decides these divisions. Recently a State Finance Commission has been stipulated for the transfer of financial resources from the states to the local bodies.

Different criteria are adopted for the allocation of development funds from the Centre to the sub-national levels. Some of the socio-economic considerations are the following: (i) area; (ii) population size; (iii) degree of relative backwardness, (iv) measure of tax effort, (v) special locational or social characteristics, (vi) commitment to

major national schemes. These factors are taken into consideration with a view to providing relatively higher grants to relatively more backward states. The purpose behind this idea is two-fold: (a) from the point of view of fair play, the backward states should be given more to help them move upwards; (b) from the point of view of efficiency, if they are made economically strong through such help, then their dependence at the centre decreases in future.

Divisible and Indivisible Pools

Some states in India divided the total plan outlay into 'divisible' and 'indivisible' pools. Funds in the indivisible pool are earmarked for the state sector schemes, whereas funds in the divisible pool are distributed among the districts on the basis of a formula adopted by the state government concerned.

But simply earmarking funds for districts does not give the district planning bodies complete authority over the use of these funds. There is a real chance that most of these funds may be diverted to the implementation of departmental schemes under the control of departmental heads at the state level. The way out of this "departmentalism" is to keep some "untied funds" at the disposal of the district planning bodies to be utilized according to their plan.

We understand now that financial decentralization is of crucial importance for successful implementation of decentralized planning. We also realize that total dependence on transfers from top is not very helpful and some local mobilization of revenue is necessary. Otherwise, flow of funds may not be assured to meet the local needs through decentralized planning.

1.5.3 Administrative Decentralization

Administrative decentralization is also known as *deconcentration*. It means deconcentration of functions and some powers from government departments and agencies to their field offices. However, the "command" remains at the top. Administrative decentralization involves taking a number of administrative actions, some of which are:

(a) Setting up offices at regional and local levels to move closer to the people;
(b) Designating the decentralized functions for each level;
(c) Making necessary delegation of powers;
(d) Assigning adequate finances;
(e) Posting adequately qualified persons through deputation or fresh recruitment;
(f) Establishing work procedures and framing departmental rules and regulations for coordinated functioning; and
(g) Providing technical guidelines to field officers and establishing a time-bound programme of activities to fit into the national planning process.

Such administrative decentralization will lay the ground work for democratic decentralization. The officials will not only acquire the necessary skills to execute the plan, they will have to build up an attitude favourable towards decentralization and people's participation. They are used to executing plans framed at the top and handed down to the lower levels. In the changed situation, they will have to learn to work with people's representatives who will have more and more say in the formulation of policy and plans.

1.5.4 Political or Democratic Decentralization

In its perfect form, the concept of decentralization becomes the same as democratic decentralization. Now all people take part in the planning process. When only the

elected representatives of the people take part in the process, it is called "partial decentralization". When all sections of the population are empowered to take part in local affairs of the community, it is called "total decentralization".

There are three major components of political decentralization: Local autonomy, Devolution and Political Participation.

Local Autonomy:

The idea of local autonomy is based on the belief that the local community knows best where its interest lies and how to achieve them. They should be enabled to take decisions and initiate action with the minimum dependence on higher authorities. Self-reliance and assertiveness are the key to such attainment by the local community.

Devolution:

Local autonomy will be primarily possible through devolution. Devolution simply means transfer of government powers, functions and resources to local authorities. Local authorities will be given the power to take decisions and at the same time accept responsibility for those decisions. They cannot pass the responsibility to the government to escape. Devolution has to be accompanied with the deconcentration, which we discussed earlier.

Devolution is different from delegation of power. When power is delegated, the ultimate responsibility still remains with the government. In this case the local authority is still under control of the government and in every way subordinate to it. Devolution is an orderly transfer of authority, resources and institutional capabilities to local authorities. Therefore, devolution in its true sense will not be possible in the absence of political willingness.

Devolution will enhance the capacities of the local authorities in the following ways:

(a) More programme responsibilities and resources will be transferred from the government to the local authorities to match the legal duties and powers given to them.
(b) They will be empowered to generate their own revenue to reduce their dependence on government.
(c) The capacities of local institutions will be enhanced to make policies and administer.

Public Participation

The ideal of democratic decentralization is achieved through people's participation in the process of governance. This is made possible through the institution of local self-government. Through the functioning of these elected bodies, people participate in the process of governance and learn to make democratic institutions stronger. They realize the importance of freedom and democracy more.

In India democratic decentralization has been identified with "Panchayati Raj". Although Panchayati Raj was established in the country soon after Independence, the Constitution did not provide for it in a proper manner. The state governments played

around with this important peoples' institution according to their whims and self-interest. Sometimes elections to these institutions were not held for long periods and they enjoyed very little power. This gap in the constitution has been filled with 73rd Amendment and the 74th Amendment. Now the Constitution envisages the establishment of Panchayati Raj institutions as units of local self-government in different states.

Check Your Progress 3

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. What other decentralization must accompany functional decentralization?
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2. Write down the three types of powers that need to be decentralized.
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3. Which statutory body decides the principles of division of resources between the Centre and the States?
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4. Mention two of the socio-economic criteria that influence the allocation of resources from the Centre to the States.
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5. What is "untied fund"?
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6. What is the other name for "administrative decentralization"?
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1.6 LET US SUM UP

In this unit you have learnt how to define decentralized planning and how to differentiate it from centralized planning.

We traced the evolution of decentralized planning from 1951 up to the present times. It began with the Community Development Project and went through ups and downs during the last 50 years. The 73rd and 74th Amendments to the Constitution have put new life into decentralized planning by strengthening the Panchayati Raj institutions through constitutionalization.

We discussed the different dimensions of decentralized planning like functional, financial, administrative and political decentralization. All these dimensions of decentralization must be realized if decentralized planning is to function successfully.

1.7 UNIT-END ACTIVITIES

a) Are you from a village or a town? Find out a special project in operation in your area. Visit a site of execution and find out if elected representatives of a Panchayati Raj Institution are associated with the project.

b) Who is the President of the Zilla Parishad of your district? Find out the list of functions that have been devolved to the Zilla Parishad in your state.

1.8 POINTS FOR DISCUSSION

- Will decentralized planning be always better than centralized planning?
- Discuss the role of political will in devolution.
- What is "Departmentalism"? How does it hinder Decentralized Planning? Discuss.

1.9 SUGGESTED READINGS

Sundaram, K.V., *"Decentralized Multilevel Planning-Principles and Practice"*, New Delhi: Concept Publishing Co., 1997.

Vyas, V.S., et. al., *"Decentralized Planning in India"*, Oxford and IBH Publishing Co., New Delhi, 1985.

1.10 ANSWERS TO CHECK YOUR PROGRESS

Check your Progress 1

1. Decentralized Planning is a type of planning where local organizations and institutions formulate, adopt, execute actions and supervise the plan.

Check Your Progress 2

1. In community development programme the directions came from the top without adequate financial and technical support. The programmes were not based on people's needs.
2. The Balwantrai Mehta Committee recommended a three-tier Panchayati Raj System.

3. The Gram Panchayat and Panchayat Samiti were to have elected representatives.
4. The 4th Five Year Plan.
5. Target Groups: Small Farmers Development Agency Programme (SFDAP) The Marginal Farmers and Agricultural Labourers Agencies Programme (MFALD)
   Target Areas: The Drought Prone Area Programme (DPAP)
   The Tribal Areas Development Programme (TADP)
6. 1993

Check Your Progress 3

1. Financial Decentralization, Administrative Decentralization, Political Decentralization
2. Policy making power, financial power, power over personnel matters
3. Finance Commission
4. Population; degree of relative backwardness
5. Funds given to the district which are not earmarked for any specific projects
6. Deconcentration

UNIT 2: PANCHAYATI RAJ SYSTEM AND THE DECENTRALIZATION PROCESS

Structure

2.1 INTRODUCTION

In the last unit we learned about the meaning of decentralized planning. We also gained some idea about the way decentralized planning has taken shape during the last fifty years or so in India. The various aspects of decentralized planning were also discussed.

We now know that the Panchayati Raj system is the most effective mechanism available in the country for the implementation of decentralized planning. In this unit we will learn more about the Panchayati Raj system as it prevails in the country today and its relationship with decentralized planning. It will also be useful to be familiar with a brief history of Panchayati Raj in India.

2.2 OBJECTIVES

After going through this unit, you will be able to

- Describe the evolution of Panchayati Raj system in India
- State the basic structure of the Panchayati Raj system

- Link the Panchayati Raj structure to planning

2.3 EVOLUTION OF PANCHAYATI RAJ

Panchayati Raj has a long history in India. Panchayats are mentioned in Rig Veda, which is believed to have been composed more than 1000 years before Christ. The five members of the Panchayat of the village were known as Pancha Parameswar, or the five godly persons. Kings were respectful towards them. The Panchayat distributed land, collected revenue and settled disputes in the village. However, the Panchayats suffered a steady decline later under feudal and Moghul rules. A new class of feudal chiefs called zamindars came to function as a link between the king and the people.

2.3.1Panchayati Raj Under British Rule

Under the British, the Panchayats started slowly losing their self-governing character. The authority of the state began to be felt in the villages directly. Special programmes like construction and maintenance of irrigation works, relief works, payment of grants-in-aid to schools were implemented by the state. Under a new judicial system, disputes arising in the village were carried to the courts outside the village. Thus the age-old functions of the Panchayat were carried to external agencies.

It was after the First War of Independence in 1857 that local-self government received a little more attention from the British Government. District Funds were set up in several states and were given the power to levy a cess on land revenue, education and roads. District and Taluka local fund committees were set up, too. But the funds were small and the village was hardly touched by the district committee.

Viceroy Lord Mayo's Resolution of 1870 is an important land-mark in the evolution of local –self government during the British Rule. It aimed at enlarging the powers and responsibilities of the governments of the Provinces and the Presidencies. Local public works, health services, sanitation, education could now receive more attention from them and from the local-self governments.

But it is Lord Ripon, who is regarded as the father of local-self government in India. He passed a resolution in 1882 to put into practice the intentions of Lord Mayo. He attached importance to both administrative efficiency as well as political education at the local level. The Ripon Resolution, however, focused on towns. It provided for a majority of elected non-official members and a non-official chair-person for the local board. The colonial administrators resisted it.

The Royal Commission on Decentralization, headed by C.E.H.Hobhouse, tried to revive the age-old institution of Panchayats by starting local-self government at the village level in stead of at the district level. The Commission recommended granting some powers to the Panchayats to enable them to perform their duties independently. They were entrusted with functions like village sanitation, control over ponds and management of schools. It also provided for some finance for the purpose independently.

After the Montague-Chelmsford reforms, village Panchayats were established in a number of provinces. By 1925, eight provinces had passed panchayat acts and by 1926, six native states had also passed panchayat laws.

It was expected that local-self government would receive a boost with the introduction of Dyarchy, under the responsibility of elected ministers. But it was found that the Dyarchy ministers contributed very little to the development of local government.

In 1927 the Simon Commission was entrusted with the task of enquiring into the working of local-self government and suggesting measures for improvement. The Commission found the following major drawbacks in the working of local bodies: large size of an average district in India, inadequacy of financial resources, lack of public spirit among voters and the absence of control over the local-self government authorities by the provincial governments.

The popular ministries formed in1937 undertook legislation to make the local bodies truly representative of the people. But unfortunately, they resigned with the outbreak of World War-II in 1939. From 1939 to 1946 the provinces were ruled by one man- the Governor. India became independent in 1947.

Check Your Progress 1

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. Who is regarded as the father of local-self government in India?

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2. List the drawbacks found by the Simon Commission in the working of the local-self government in India.

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2.3.2 Panchayati Raj After Independence

We saw briefly how the British tried to decentralize power to local authorities. You should note, however, that the aim behind this was not to decentralize democracy, but to facilitate colonial administration.

The Freedom Movement was concerned more with swaraj for the country than with *gram swaraj*. Mahtma Gandhi, of course, was a great advocate of *gram swaraj*, but not all the other leaders held the same view. For example, Dr. Ambedkar, who is widely regarded as the chief author of the Indian constitution, thought that "the village (was) a sink of localism, a den of ignorance, narrow-mindedness and communalism." He said that he was glad the Draft Constitution had discarded the village and adopted the individual as its unit.

Therefore, when the Constitution was adopted, Panchayati Raj institutions were placed under the Directive Principles of State Policy under Article 40. The Article says," The state shall take steps to organise village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of local self-government." As is well-known, the Directive Principles can not be enforced in a court of law. Thus, it was only expected of the state that it would foster the development of Panchayati Raj.

This constitutional weakness of Panchayati Raj institutions remained there for more than four decades. The 73rd amendment to the Constitution removed this weakness at long last. We will learn some more about that a little later.

During these four decades, however, efforts were being made to bring in democratic decentralization of power in the country by strengthening the Panchayati Raj system. Various committees were set up at different times to make recommendations in this regard. Some of these committees are briefly discussed below.

The Balwantrai Mehta Committee (1957)

We have already been familiar with this committee earlier. It was set up to study the Community Development(CD) projects and the National Extension Service and make recommendations. The Committee strongly recommended the involvement of the community in the decision-making, planning and implementation processes for the success of the CD project. Some of the more important recommendations of the Committee are the following:

- an early establishment of elected local bodies and devolution to them of necessary resources, power and authority,
- the basic unit of decentralization was the block / samiti
- the body was to be constituted for five years by indirect elections from the village Panchayats
- the higher- level body, zilla parishad was to be an advisory body only.

The Panchayati Raj system in the country did not develop as expected because of resistance from politicians and administrators to share power and resource with local-level bodies and domination of local politics by the local heavy-weights.

The Santhanam Committee (1963)

This Committee was set up to look into the finances of the Panchayati Raj institutions. Some of the recommendations of the Committee were the following:

- panchayats should have special powers to levy taxes like land revenue and home taxes,
- all grants at the state level should be mobilised and sent in a consolidated form to the PRIs
- a Panchayati Raj Finance Corporation should be set up to take care of the financial needs of PRIs

Some of the recommendations of the Committee are being taken up by the State Finance Commissions now.

The Ashok Mehta Committee(1978)

This Committee was set up when the Janata Party government came to power at the Center in 1977 to suggest measures to strengthen the PRIs. The following recommendations were made:

- the district is a viable administrative unit for planning, coordination, resource allocation with the available technical expertise,
- a two-tier system is desirable with Mandal Panchayat at the bottom and zilla parishad at the top
- there should be a four-year term for the PRIs
- political parties should participate in elections
- there should be both functional and financial devolution

The G.V.K. Rao Committee (1985)

This Committee was set up to once again look into the various aspects of PRIs. Its recommendations were as follows:

- PRIs were to be activated and provided with all necessary support,
- PRIs at the district level and below should be given the task of planning, implementation, and monitoring of rural development programmes
- the block should be the key level in the rural development process

The L .M. Singhvi Committee (1986)

The two most important recommendations of this Committee were:

- local-self government should be constitutionally recognised, protected and preserved by the inclusion of a new chapter in the Constitution,
- political parties should not be involved in panchayat elections

Although there was resistance to these recommendations from different directions, finally the Constitution was amended to make PRIs constitutional institutions.

Check Your Progress 2

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1) Write two recommendations of the Balwantrai Mehta Committee relating to the Panchayat Samiti and the Zilla Parishad.

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2) What were the two most important recommendations of the L.M.Singhvi Committee?
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2.4 BASIC STRUCTURE OF PANCHAYATI RAJ SYSTEM

2.4.1 73rd Amendment to the Constitution

We will now have a look at the basic structure of the Panchayati Raj system in line with the 73rd amendment to the Constitution. Some of the provisions of the new Act are mandatory in nature, which are to be followed by all the states. Some other provisions are discretionary in nature where the states are given some choice in their implementation.

2.4.2 Mandatory Provisions

2.4.2.1 Constitution of Panchayats

According to the Central Act, there shall be a three-tier system of Panchayats in all states: at the village, intermediate and district levels. However, in states having a population of less than 20 lakh, the intermediate level may not be constituted.

2.4.2.2 Composition of Panchayats

All the seats in a panchayat shall be filled by persons chosen by direct election from territorial constituencies in the panchayat area. Such elections shall be conducted under the supervision, control and direction of the State Election Commission, comprising the State Election Commissioner appointed by the state government.

The Chairperson of the Panchayat at the intermediate level shall be indirectly elected by and from amongst the elected members of the Panchayats.

2.4.2.3 Reservation of Seats

Seats shall be reserved for both scheduled castes and scheduled tribes in every panchayat. The number of such seats shall be, as far as possible, in proportion with the percentage of their population to the total population. Such seats may be allotted by rotation to different constituencies in a panchayat. Again, one-third of these reserved seats will be further reserved

for women from these castes and tribes. Similarly, in case of general seats also, one-third of them shall be reserved for women belonging to any class or category. Such seats will also be allotted by rotation to different constituencies in a panchayat. Such reservations will also apply to the offices of chairpersons on a rotation basis.

2.4.2.4 Duration of Panchayats

A Panchayat shall have a term of five years and if it is dissolved for any reason, fresh elections shall be held within six months from the date of such dissolution. In case the remainder of the period is less than six months, it shall not be necessary to hold any election for constituting the panchayat for such period. A panchayat constituted following the dissolution of its predecessor as above, shall continue only for the remainder of the period for which the dissolved panchayat would have continued.

2.4.2.5 State Finance Commission

The Governor of a state is to constitute a State Finance Commission within one year of the Act coming into force and thereafter every fifth year. The Commission is to review the financial position of the panchayats and make recommendations to the Governor in the following respects:

a) the principles which should govern –

   i) the distribution of the proceeds of the taxes, duties, tolls, fees levied by the state between itself and the panchayats and the allocation among the panchayats at all levels their respective shares of such proceeds;
   ii) the determination of the taxes, tolls, duties and fees which may be assigned to or appropriated by the panchayats;
   iii) the grants-in-aid to panchayats from the Consolidated Fund of the states;

b) the measures needed to improve the financial position of the panchayats; and

c) any other matter referred to the Finance Commission by the Governor in the interest of sound finance of the panchayats.

The Central Finance Commission is also required to make recommendations to the President as to the measures needed to augment the Consolidated Fund of a state to supplement the resources of the panchayats in the state on the basis of the recommendations made by the State Finance Commission.

2.4.2.6 District Planning Committee

The provision for constituting the District Planning Committee was made under the Constitution (74^{th}) Amendment Act, 1992. Accordingly, there shall be a District Planning Committee at the district level to consolidate the plans prepared by the panchayats and municipalities and to prepare a draft development plan for the district as a whole.

2.4.3 Discretionary Provisions

The subject Panchayati Raj institutions belongs to the State List in the Indian federal system. Therefore, the Central Act has left a large area for the state legislatures to fill in. Suitable provisions were to be made in the Acts passed by them for the purpose, keeping in mind the overall objectives spelt out in the Central Act. Such discretionary provisions are listed below:

1. Nomenclature of the panchayats at different levels.

2. Nomenclature of the chairpersons at different levels.

3. Size in terms of population and area for determination of panchayats at village and intermediate levels.

4. Powers and functions of the Gramsabha.

5. Composition of the panchayats at different levels: Provided that the ratio between the population of the territorial area of a panchayat at any level and the number of seats in such panchayat to be filled by election shall, so far as practicable, be the same throughout the state.

6. To provide or not for the representation of:
   a) the chairpersons of village panchayats in the panchayats at the intermediate level, and of the intermediate level panchayats at the district-level panchayat;
   b) the members of the Lok Sabha and the members of the state legislative assembly representing constituencies that comprise wholly or partly a panchayat area at levels other than the village level;
   c) the members of the Rajya Sabha and the members of the state legislative council where they are registered as electors.
7. The mode of election of the chairperson of a panchayat at the village level.

8. The manner in which the seats of the members of the panchayats at different levels shall be reserved for scheduled castes/tribes and women, provided that the number of seats shall be allotted by rotation to different panchayats at each level.

9. The manner in which the offices of the chairpersons at different levels shall be reserved for scheduled castes/tribes and women. Provided that the number of offices reserved shall be allotted by rotation to different panchayats at each level,

10. To provide or not for reservation of seats in favour of backward class in any panchayat or offices of chairpersons in the panchayats at any level.

11. To endow the panchayats at various levels with such powers and authority as may be necessary to enable them to function as institutions of self-government and to make provisions for the development of powers and responsibilities upon panchayats at the appropriate level with respect to :

    a) the preparation of plans for economic development and social justice;

b) the implementation of schemes for economic development and social justice entrusted to them, including those in relation to the matters listed in the Eleventh Schedule of the Constitution.

12. To decide the taxes, duties, tolls and fees for which a panchayat is authorised and also lay down the procedure and limits for the same.

13. To decide limits and the conditions of the taxes, duties, tolls and fees levied and collected by the state government but assigned to the panchayats.

14. To decide the amount of grants-in-aid provided to the panchayats from the Consolidated Fund of the state.

15. To authorise the panchayats at different levels to create a fund for crediting all money received by or on behalf of the panchayats and also for the withdrawal of such money.

16. To provide for the composition of the Finance Commission, the qualifications this shall be requisite for appointment as members thereof and the manner in which they shall be selected. The Commission shall determine their procedure and shall have such powers in the performance of their functions as the legislature of the state by law confers on them. The Governor shall cause every recommendation made by the Commission under this article together with an explanatory memorandum as to the action taken thereon to be laid before the state legislature

17. To make provisions with respect to the maintenance of accounts by panchayats and the auditing of such accounts.

18. To determine the conditions of service and tenure of office of the State Election Commissioner and to make provision with respect to all matters relating to or in connection with election to the panchayats.

    It is provided that the State Election Commissioner shall not be removed from his office except in like manner and on the like grounds as a judge of the High Court. This condition of service of the State Election Commissioner shall not be varied to his disadvantage after his appointment. The Governor, when so required by the State Election Commission, shall make available such staff as may be necessary for the discharge of the functions conferred on it.

19. To make provision with respect to all matters relating to, or in connection with elections to the panchayats.

20. To make provisions with respect to:
    (a) the composition and functions of the District Planning Committee;
    (b) the manner in which the office of the chairperson of the District Planning Committee shall be filled, provided that not less than four-fifths of the total number of members of the committee shall be elected by and from amongst the elected members of the panchayat at the district level and of the municipalities in the district in proportion to the ratio between the populations of rural and urban areas

The Constitution (73rd) Amendment Act, 1992 was enacted on April 24, 1993. The State legislatures were required to amend their relevant Acts or bring out new Acts replacing the old Acts within one year. All the states have complied with the requirements by now.

2.4.4 74th Amendment to the Constitution

The Constitution (Seventy Fourth Amendment) Act, 1992 (the 74th CAA) provided a statutory definition of the Urban Local Bodies (ULBs). The constitution and composition of ULBs of different categories, their powers and functions were defined by this amendment. It provided a frame work for establishing the process of democratic decentralization of planning and development of urban areas. It also provided a mechanism for ensuring devolution of functional and financial powers to the ULBs on a regular and continuing basis.

2.4.4.1 Salient Features

Some of the more important features of the 74th Amendment are given below :

- Elected municipal governments will remain at the helm of civic affairs including planning and provision of civic infrastructure and services.

- Municipalities are to function as institutions of self government and prepare plans for economic development and social justice, perform functions and implement schemes as may be entrusted to them by the State governments including those related to the Twelfth Schedule.

- Ward committees and other committees are to carry out the responsibilities conferred upon them including those in relation to the Twelfth Schedule.

- State Election Commission is to superintend, direct and control the preparation of electoral roll and conduct all elections to the rural and urban local bodies.

- State Finance Commission is to review the financial position of the ULBs and make recommendations to the Governor regarding (a) the principles which should govern the distribution of resources between the State and the local bodies, the determination of the revenue sources to be assigned to or appropriated by local bodies, the grants-in-aid from the State Consolidated Funds to such authorities; (b) the measures needed to improve their financial position; and (c) any other matter as the Governor may refer in the interests of sound finances of the local bodies.

- The District Planning Committee will consolidate the plans prepared by the Panchayats and Municipalities in the district and prepare a draft development plan for the district as a whole.

- The Metropolitan Planning Committee is to prepare draft development plan for the metropolitan areas as a whole.

- The enactment of laws for establishing the institutions, endowing with appropriate functional responsibilities and finances, and making them operational will be the responsibility of the State Government.

2.4.4.2 12th Schedule of the Constitution

The 12th Schedule of the Constitution enlists the following 19 functions as belonging to the legitimate domain of the municipalities.

- Urban Planning including town planning
- Regulation of land-use and construction of buildings
- Planning for economic and social development
- Roads and bridges
- Water supply for domestic, industrial and commercial purpose
- Public health, sanitation, conservancy and solid waste management
- Fire services
- Urban forestry, protection of the environment and promotion of ecological aspects
- Safeguarding the interests of weaker sections of society, including the handicapped and the mentally retarded
- Slum improvement and upgradation
- Urban poverty alleviation
- Provision of urban amenities and facilities such as parks, gardens, playgrounds
- Promotion of cultural, educational and aesthetic aspects
- Burials and burial grounds, cremations, cremation ghats/grounds and electric crematoria
- Cattle pounds; prevention of cruelty to animals
- Vital statistics including registration of births and deaths
- Public amenities including street lighting, parking lots, bus stops and public conveniences
- Regulation of slaughter houses and tanneries
- The 74th amendment has left the assignment of the above functions and sources of finance commensurate with the responsibilities to the State Governments by law.

Check Your Progress 3

Note: Space is given below for writing answers. Compare your answer with the one given at the end of the unit.

1. How is reservation applicable to seats in a panchayat?

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2. What are the important provisions relating to the duration of a panchayat?

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3. Which amendment of the Constitution provides for the formation of the District Planning Committee?

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4. Mention four discretionary provisions of the Central Act which you think are important for the state legislatures to cover in the Acts passed by them.

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2.5 PLANNING

The 73rd Amendment to the Constitution has greatly empowered the panchayats to take part in decentralized planning from the Gram Sabha level to the Zilla Parishad level.

2.5.1 Gram Sabha

All states have made provision for the establishment of the Gram Sabha in their respective Panchayat Acts. The scope and function of the Gram Sabha differ from state to state, but this is regarded as the primary institution to facilitate direct participation of the local people in the planning and development activities in the area. The Constitution makes it mandatory to establish the Gram Sabha at the village level. The Gram Sabha consists of all persons in the village registered in the electoral rolls. In Orissa, the Panchayati Raj Act provides for the Palli Sabha at the hamlet level below the Gram Sabha.

All the members of the Palli Sabha are to meet at least once a year to prepare a priority list of the works needed to be done in the palli. A very simple plan can be drawn up on the basis of this priority list. A model exercise is shown below:

Although people have a general idea about the various problems they face collectively in the village, these problems must be recorded specifically for a planned solution.

Before planning

Planning has three main aspects: a) What to do?, b) Why to do?, c) Who will do?

To get answers to these questions, some relevant data need to be collected about the village. These data may relate to a) the social situation, b) the employment situation, and c) the resources situation of the village.

a) The Social Situation

1) Total population
2) Male/Female population
3) Caste-wise break-up
4) Age groups
5) Education: literacy according to age group
6) Health: Disease; Age; Duration

b) Employment Situation

1. Dependent on agriculture only- male + female = total
2. Dependent on agriculture and trade
3. Dependent on agriculture and artisan-work
4. Dependent on artisan-work alone
5. Dependent on agriculture and daily-wage
6. Dependent on daily-wage alone

c) Resources Situation

1. Land: Private; Government; Fallow; Forest, etc
2. Water source: Pond; Well; Tube-well; Canal, etc
3. Educational / Health institutions: Anganwadi; Health Centre; Primary school; Adult education centre, etc

After collection of data

Suppose we got the following information from the collected data:

1. There is plenty of fallow land available which is not being used for agriculture.

2. There is only one pond which is not adequate for all the villagers.
3. The only tube-well is not able to meet fully the drinking water need of all.
4. Those who have wells do not use the available water fully for growing vegetables.
5. There are regular outbreaks of malaria and dysentery in the village every year.
6. There 134 children of school-going age; but only 32 of them are attending school.

What to do next?

1. Search for the cause of each problem.
2. Make a priority list for the solution of the problems.
3. Find ways for the solution of the problems

How to solve a problem

There may be four ways of solving a problem:

1. Without outside help
2. By only acquiring the necessary skill and technology
3. With a little financial help
4. With complete outside help

While preparing a plan two things must be kept in mind:

a) permanent assets must be created for the community by the plan

b) employment and income must be created for the weaker sections of the society by the plan

The proposals sent by the Palli Sabha are considered by the Gram Sabha and sent to the Gram Panchayat for approval. The incomplete projects must receive priority over new proposals while drawing up plan.

According to the statutory provision in most states, it is the responsibility of the Gram Panchayat concerned to ensure that the Gram Sabha meetings are held at least twice a year. The Gram Panchayat members should inform the date, time and venue of the Gram Sabha meeting to community members well in advance. The meeting is generally convened by the chairperson of the Gram Panchyat known variously as Sarpanch, Pradhan, Mukhiya or President in different states. A Gram Sabha meeting can take place only when the required quorum of 10-20 percent is present.

The annual budget, proposals for taxation, and all development-related activities are supposed to be discussed and finalised in the Gram Sabha meeting. Selection of beneficiaries under poverty alleviation programmes through the Gram Sabha has been made mandatory.

2.5.2 Gram Panchayat

Under the 73rd Constitution Amendment, it has been left to the states to endow the panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government. However, the states are required to see that the devolution of powers and responsibilities to panchayats contain provisions relating 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.

The Gram Panchayat has also been vested with financial and taxation powers. It shall levy and collect taxes on items specified under the Act. However, the Panchayat Acts passed by different states after the 73rd Constitution Amendment Act, 1992, do not reveal any uniformity in assigning functions to different levels of panchayats.

The State Panchayat Acts stipulate the frequency for holding the gram panchayat meetings as well as the quorum requirement for the conduct of such meetings. The plan proposed by the gram sabha will be discussed and approved by the members of the gram panchayat in these meetings before being sent to the Panchayat Samiti. As mentioned earlier, two aspects of the plan must be ensured during such discussions:

a) creation of assets for the community,
b) generation of employment for the weaker sections.

2.5.3 Panchyat Samiti

The Panchayat Samiti(PS) is the elected body at the block level. The structure, powers and functions of these bodies are almost similar in all states in the country. It consists of members elected from the constituencies and MLAs from the area.

The Panchayat Samiti can constitute standing committees to plan and implement programmes in general administration, education, agriculture, communication, cooperation, etc.

The Panchayat Samiti carries out these important functions with the help of a secretariat of government officers, headed by the Block Development Officer, appointed by the government.

The action plans, along with the budgets, prepared by the gram panchayats, are sent to the Panchayat Samiti. After receiving the plans from all the gram panchayats under it, the Panchayat Samiti scrutinizes them in its meeting. The engineer of the Block is asked to provide technical sanction to the plans and budgets after detailed examination. The standardised designs and budgets are then sent to the Zilla Parishad.

A similar procedure is followed in case of the various development and poverty-alleviation schemes. Based on the recommendations of the Gram Sabha, the Gram Panchayat prepares a list of beneficiaries for various pension schemes, housing schemes, etc., and sends the list to the Panchayat Samiti. The Panchayat Samiti is also expected to supervise the development works undertaken by the gram panchayats and service delivery in the block area.

2.5.4 Zilla Parishad

The Zilla Parishad (ZP) is to control, coordinate and guide the gram panchayats and panchayat samitis within the district, coordinate and consolidate the plans sent by the panchayat samitis, coordinate the demands for grants for special purposes received from the panchayat samitis of the district, and exercise such other powers as entrusted to it by the state government.

The main function of the Zilla Parishad is to coordinate and approve plans and projects of lower levels of elected governments. With an endorsement from the Gram Sabha, the Gram Panchayats forward their action plans to the ZP through the PS. The CEO of ZP and other officers under him examine the action plans and check them against funds available in the different schemes. *Since there are almost no free funds available in the system, action plans are matched with the schemes available.*

The main role in planning has to be performed by the Panchayat at the district level. Various high level committees have recommended the district as the most suitable unit for systematic planning below the state level. The people are familiar with and used to the district as a key administrative unit. In terms of area and population, it is large enough to make it viable to formulate a cohesive development plan. Reasonable administrative and technical capabilities are available at this level. Planning units have been installed in every district which can provide professional expertise in local level planning.

The district panchayat, i. e, the Zilla Parishad, will have primarily the planning and coordinating role, while the intermediate level panchayats, i.e, the panchayat samitis, will be primarily the implementing agencies. The gram panchayats will, in a limited way, be involved in programme implementation. Also, the zilla parishad will be responsible for the implementation of programmes whose area of benefits cuts across the boundaries of the intermediate level panchayats. On the other hand, the Panchayat Samiti and the Gram Panchayat will have the same relationship in plan formulation.

Check Your Progress 4

Note: Space is given below for writing your answers. Check your answers with the one given at the end.

1. Who are the members of the Gram Sabha?
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2. What are the three main aspects of planning to be done by the gram sabha?
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3. What kind of information about the village should be gathered to know about its
   a) social situation
   b) employment situation
   c) resource situation

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4. After identification of a problem, what are the four ways of finding a solution?

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5. Which two things are most important to keep in mind while preparing a plan?

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6. What are the important functions visualised for the District Panchayat in relation to planning?

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2.6 LET US SUM UP

In this unit you have learnt a brief history of Panchayati Raj in India since the Vedic period. You saw how it declined during the Mogul and British periods in spite of attempts made by the British to set up local-self government in the country. Even after Independence, Panchayati Raj institutions were not given proper constitutional status until the 73rd Amendment to the Constitution was passed in 1992.

Since then, three-tier structures with regular elections have been made mandatory. This structure provides a convenient mechanism for the formulation and implementation of plans at the local levels. Such plans can take initial shape at the level of the Gram Sabha before going all the way up to the level of the Zilla Prishad to reflect the needs of the area and match

the resources available to fulfil those needs. You have seen the simple way in which people at the Gram Sabha level can be associated with planning.

2.7 UNIT-END ACTIVITIES

a) Attend a meeting of the Gram Sabha to see its actual functioning. Find out who other than the president of the Gram Panchayat can convene the meeting of the gram sabha.
b) See if the voices of the weaker sections and of the women are heard in the meetings.
c) Examine a plan proposal prepared by the gram panchayat to see if the two main concerns you have been told about find place in it.

2.8 POINTS FOR DISCUSSION

- Should gram panchayats be entrusted with greater powers for implementation of programmes?
- What new ways would you suggest to augment the resources of the gram panchayat?
- Are women better suited to head the panchayati raj bodies at all the three levels?

2.9 SUGGESTED READINGS

Kurukshetra, November, 1998
Ibid, October, 1999

2.10 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1. Lord Ripon
2. (a) Large size of an average district
   (b) Inadequate financial resources
   (c) Lack of public sprit
   (d) Absence of control over local-self government by the provincial government

Check Your Progress 2

1. (a) Basic unit of decentralization was the block/samiti
   (b) Zilla Parishad was to be an advisory body only
2. (a) Local-self government should be constitutionally recognised
   (b) Political parties should not be involved in panchayat elections

Check Your Progress 3

1. (a) Seats shall be reserved for the scheduled castes and scheduled tribes in proportion to the percentage of their population to the total population .
   (b) One-third of these reserved seats will be further reserved for women belonging to those sections.
   (b) One-third of the general seats will be reserved for women.

2. (a) 5 year term
   (b) Fresh election within 6 months of dissolution

3. 74th Amendment to the Constitution
4. Four possible answers may be as follows:

(a) Nomenclature of the chairpersons of panchayats at different levels,
(b) Powers and functions of the gram sabha,
(c) Mode of election of the chairperson of the panchayat at the village level,
(d) Taxes, duties, tolls and fees to be collected by the panchayat

Check Your Progress 4

1. All persons in the panchayat registered in the electoral rolls
2. (a) What to do? (b) Why to do? (c) Who will do?
3. (a) Social situation: i) total population ii) male/female ratio iii) caste-wise break-up iv) age groups iv) literacy/education v) incidence of disease
   (b) Employment situation: i) agriculture ii) artisan work iii) daily wage iv) mixed
   (c) Resource situation: i) land – private, government, fallow, forest ii) water source- wells, ponds, canals, tube wells iii)education – schools, adult education centres, etc iv) health-primary health centre

4. (a) By acquiring skill and technology, (b) With a little financial help, (c) With complete outside help, (d) Without any outside help
5. (a) Creation of permanent assets for the community, (b) Creation of employment and income for the weaker sections of the village
6. (a) Control, co-ordinate and guide the gram panchayats and panchayat samitis in the district
   (b) Co-ordinate and consolidate the plans sent by the panchayat samitis
   (d) Co-ordinate the demands for grants for special purposes from the panchayat samitis

UNIT 3: DISTRICT PROFILE

Structure

3.1 INTRODUCTION

Decentralized Planning is a system through which planning is done at different smaller administrative and executive levels. As you know the objective is to establish greater linkage between the developmental needs and priorities of local areas and different social classes in keeping with the sub-national and national level development policies and goals. It must be remembered that decentralized planning is a two-way process which begins both from the top level (National) as well as from the bottom level (Local). The processes meet at a point below which centralized planning becomes irrelevant and above which micro-planning becomes meaningless. In India, National Planning is called **Macro-Level Planning**, State Planning is called **Meso-Level Planning** and District Planning is called **Micro-Level Planning**. The interface between the top down and bottom up processes of planning mentioned above takes place at the district level. Therefore, district planning assumes greatest importance in decentralized planning.

District Planning begins with a careful analysis of the existing resource endowments of the district, the potential for development and the existing gaps between the potentials and the achievements.

3.2 OBJECTIVES

After going through this unit, you will be able to:

- Prepare district data table
- Identify block-level disparities
- Analyse trends
- Prepare base maps
- Prepare a district profile

3.3 PREPARING DISTRICT DATA TABLE

You have to pass through several stages to perform a district analysis and prepare a district profile based on this analysis. These stages are described hereafter.

The first step which has to be taken is to arrange the enormous data relating to the district in an orderly manner for easy reference and analysis. A very simple arrangement of data is in the form of a ***table***. There are columns and rows in a table. Each row may represent information about an item like a block in the district and each column may represent the value of a variable like literacy, population, land-area, etc. The intersection of a column and a row is a ***cell*** containing information about the value of a particular variable relating to a given item, say, block.

For example:

We can arrange information on employment in blocks as shown below by classifying employment (wage, agriculture, artisan-work, trading, etc.) along the top of the table and a list of blocks on the left- hand side of the table. When all the cells are filled with information, we can look at the table and know, for example, that there are 500 artisans in Block-A. We can work out different aggregate figures relating to the blocks as well as the district using such a table.

Table : 3.1

Format 1 A Table on Employment Break-up					
Blocks	Wage	Agriculture	Artisan	Trader	Total
Block – 1					
Block – 2					
Block – 3					
Total					

3.1.1Collecting Data

The first step in preparing a district data table is to collect the necessary data relating to planning. Such data may relate to land, agriculture and allied resources, human resources, infrastructure, services, and industry, etc.

There are secondary sources from which data can be gathered. The district office itself is a storehouse of information. The district offices of line departments, the census report and the reports of the Directorate of Economics and Statistics are some of the important sources of information. While collecting data, you must be careful enough to be able to separate relevant data from those that are irrelevant.

3.3.1.1 Land, Agriculture and Allied Resources

Data relating to the following aspects may be collected:

Land, Water and Other Natural Resources: total area of the district; net cultivated area; irrigated area; pasture; current fallows; forested area; waste land; area affected by salinity; fall of ground-water table; deforestation; etc.

Agriculture: holding size and categories; cropping pattern and production; main crops; gross cropped area; percentage of double-, multiple- cropped area; output.

Live-stock: no. of buffaloes, cows, goats, sheep etc.; quantity and value of output;
land; water and other natural resources.

3.3.1.2 Human Resources

Data relating to the following aspects may be collected:

Settlement and Population: number of towns and inhabited villages; number of gram panchayats; population; rural/urban, SC / ST, male/female composition and density of population.

Employment: classified into cultivators; agricultural labourers; household industries; services; industrial and other workers.

Poverty Distribution: people living below the poverty line- subdivided into general/ SC/ST, rural/urban.

3.3.1.3 Infrastructure

Data relating to the following aspects may be collected:

Drinking Water Supply: protected / piped water supplies; hand-pumps; other sources.

Irrigation: potential groundwater resources; net irrigated area; mode of irrigation (e.g., number of tube-wells; dug-wells; tanks and length of canals).

Transport and Communication: length of metalled, non-metalled, and *kutcha* roads; length of railway track; number of post and telegraph offices.

Banking Facilities: number of banks, subdivided into commercial, cooperative and regional rural banks.

Cooperatives: divided into primary agricultural credit societies (PAC) and farmers' service societies (FSS).

Markets: regulated markets, wholesale and primary markets, *mandis* and *hats*.

Health Services: district hospitals, primary health centres, sub-centres and dispensaries.

Educational Services: primary schools (lower and upper), secondary schools, colleges and vocational training institutions.

Women's and Children's Services: *mahila samities, balwadis, anganwadis*.

3.3.1.4 Industry, Trade, Transport, Services

Categorise by sectors. Show the number of firms in each sector and if possible employment. These data will be used in subsequent trend analysis. Classification into sectors may be as follows:

- Forest-based industry
- Mining and quarrying
- Medium and small scale industries (SSIs) including household, cottage, *khadi* and village handicraft industries.
- Construction activities
- Trade including retail and wholesale enterprises
- Transport and communications including local bus and taxi operations
- Services including administration, banking, education, health and sanitation.

Check Your Progress 1

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. What is a data table?

   ……
   ……

……
……

2. Point out some of the secondary sources for collecting data to prepare district profile.
……
……
……
……

3.3.2 Constructing Data Table Formats

You will have to prepare a ***data table*** format for presenting data under each of the preceding categories. Large sheets should be used for sake of convenience. The more the number of blocks and variables the larger will be the table. As you must have realised, the number of rows in a table will depend on the number of blocks and urban local bodies in the district. The number of columns will depend on the number of variables. The format for a small sample data table relating to only five variables of human resources is given below:

Table 3.2

Format 2
A Table on Educational Services

Blocks/ Urban Local Bodies (ULBs)	Lower primary schools		Upper primary schools		Middle school		College		Vocational training institutes		All institutions	
	No.	Enrolment	No.	Enrolment	No.	Enrolment	No.	Enrolment	No.	Enrolment	No.	Enrolment
block 1												
block 2												
……..												
Total Rural												
ULB1												
ULB2												
……												
Total Urban												
District total (R + U)												

Some more sample tables are given below for your guidance:

Table 3.3

Format 3
On Land Use Pattern

(Area in Hectares)

Blocks	Geographical area	Total cultivated area	Forest area	Waste land	Fallows including current fallows	Net sown area		
						Once	Twice	Thrice
block 1								

block 2								
block 3								
block 4								
block 5								
District total								

Table 3.4

Format 4
On Cropping Pattern

(Area in Hectares)

Blocks	Paddy		HYV paddy		Coarse grains		Pulses		Oilseeds		Cash crops		Vege-tables	Fruits	Spices & Condi-ments
	Kha-rif	Rabi	Kha-rif	Rabi	Millet	Jowar	Gra-ms	Arhar	Must-ard	Grou-ndnut	Sug arca ne	Jute			
Block 1															
Block 2															
Block 3															
block 4															
block 5															
District total															

Table 3.5

Format 5
On Crop-wise Production

(Amount in Metric Tonnes)

Blocks	Paddy		HYV paddy		Coarse grains		Pulses		Oilseeds		Cash crops		Vege-tables	Fruits	Spices & Condiments
	Kha-rif	Rabi	Kha-rif	Rabi	Millet	Jowar	Grams	Arhar	Must-ard	Grou-ndnut	Sugarcane	Jute			
block 1															
block 2															
block 3															
block 4															
block 5															
District total															

Table 3.6

Format 6
On Source-wise Area Under Irrigation

(Area in Ha.)

Blocks	Net Sown area		Canal		Tank		Lift Irrigation		Minor Irrigation		Dug-wells		Tube wells		Others
	Kha-rif	Rabi	Kha-rif	Rabi	Kha-rif	Rabi	Kha-rif	Rabi	Kha-rif	Rabi	Kha-rif	Rabi	Kha-rif	Rabi	
block 1															
block 2															
block 3															
block 4															
block 5															
District total															

Table 3.7

Format 7
On Land Holding Structure

(Area in Ha.)
(Farmers in Numbers)

Blocks	Marginal (0-1 ha)		Small (1-2 ha)		Semi-medium (2-4 ha)		Medium (4-10 ha)		Large (10-above)	
	No.	Area	No.	Area	No.	Area	No.	Area	No.	Area
block 1										
block 2										
block 3										
block 4										
block 5										
District total										

Table 3.8

Format 8
On Tenancy System

(Tenants in Nos.)

(Area in Ha.)

Blocks	Owner Operator		Part Tenants		Pure Tenants		Landless	
	No.	Area	No.	Area	No.	Area	No.	Area
block 1								
block 2								
block 3								
block 4								
block 5								
District total								

Table 3.9

Format 9
On Submergence & Salinity

(Area in Ha.)

Blocks	Total cultivated area	Area sub-merged		Area under salinity
		All year	Partly	

block 1				
block 2				
block 3				
block 4				
block 5				
District total				

Table 3.10

Format 10 **On Settlement and Population**									
Blocks /ULBs	No. of villages	No. of towns	No. Gram-panchayats	Population					Total
				Rural M/F	Urban M/F	SC M/F	ST M/F	Total M/F	
block 1									
block 2									
…….									
Total Rural									
ULB1									
ULB2									
…….									
Total Urban									
District total (R + U)									

Table 3.11

Format 11 **On Transport and Communication**							
Blocks / ULBs	Road (Kms.)				Railway line (Kms.)	Post Office (No.)	Telephones (No.)
	Blacktopped	Metalled	Non-metalled	Kutcha			
block 1							
block							

2							
……..							
Total Rural							
ULB1							
ULB2							
……..							
Total Urban							
District total (R + U)							

Table 3.12

Format 12 **On Banking Facilities**												
Blocks/ ULBs	Commercial Banks			Co-operative Banks			Regional Rural Banks			Total		
	No.	Deposit	Loan	No.	Deposit	Loan	No.	Deposit	Loan	No.	Deposit	Loan
block 1												
block 2												
……												
Total Rural												
ULB1												
ULB2												
……												
Total Urban												
District total (R + U)												

Table 3.13

Format 13 **On Health Services** (For the year, say 2001-2002)											
Blocks/ ULBs/ Hqrs.	Sub-centres			Primary Health Centres			Community Health Centres			Dispensaries/ others	
	Hqrs.	Sub-centres	LHV centers	No.	Patients treated	No. of beds	No.	Patients treated	No. of beds	No.	Patients treated
block 1											
block 2											
……											
Total Rural											

ULB1											
ULB2											
…….											
Total Urban											
Sub-divisional											
District Hospital											
District Total (R + U + H qrs.)											

Table 3.14

Format 14 **On Women's and Children's Services (Annual)**								
Block/ ULBs	Anganwadi		Balwadi		Mahila Samiti		Women's Selfhelp Group	
	No.	Beneficiaries	No.	Beneficiaries	No.	Beneficiaries	No.	Beneficiaries
Block 1								
block 2								
……								
Total Rural								
ULB1								
ULB2								
……								
Total Urban								
District total (R + U)								

Table 3.15

Format 15 **On Industry** (As on ……)												
Blocks/ ULBs	Agro based		Forest based		Mining & quarrying		Medium & small		Cottage & Handicraft		Khadi	
	No.	Employ-ment	No.	Employ-ment	No.	Employ-ment	No.	Employ-ment	No.	Employ-ment	No.	Employ-ment
block 1												
block 2												
……												

Total Rural												
ULB1												
ULB2												
…… …												
Total Urban												
District total (R + U)												

Note: These are some sample formats which are only illustrative. You can prepare many more tables and include many more sub-heads under each column-head. For example, under Oil Seeds in Format-4 you can include rape-seed, sunflower, saf-flower etc. in addition to mustard and groundnut, as per their relevance to the district under analysis.

3.4 IDENTIFYING BLOCK LEVEL DISPARITIES

Disparities in levels of development achievements between blocks persist due to obvious reasons. For example, there will be differences in the status of education, irrigation, agricultural productivity, health-care, etc. between blocks. Such disparities should be identified carefully before preparing a plan for the district so that plan proposals will be prepared keeping in view the need to reduce the existing gaps as far as possible.

The district data table can be useful in identifying such disparities. One way of measuring disparities is to find out the average value for the district in respect of a particular item and then compare the value for each block against that. The blocks which fall below the district average may need special attention in that particular area while formulating plan proposals.

For each variable in the district data table a block level disparity table can be prepared.

3.4.1 Preparing Formats for Disparity Tables

For each block a separate disparity table should be prepared. For the sake of comparison the values of development achievements of the blocks and the districts are to be **standardized** with the help of appropriate **denominators** and an appropriate **index** has to be worked out for the purpose. It is very easy to select the denominator. The target group or the base on which the values of different variables rest are taken as the denominator. For example *cropped area* is taken for yield-rate and production, *population* for literacy and health facility, number *of villages* for percentage of villages electrified and villages connected with all-weather roads, etc.

With the help of such indices the existing disparities can be measured. For example (i) number of schools per 1 lakh population (ii) percentage of villages electrified (iii) productivity or the yield per acre, (iv) percentage of cultivable area irrigated, (v) percentage of villages connected by all-weather roads, etc. are examples of selected indices. A sample format for disparity analysis among the blocks in a district is presented below:

Table 3.16

Format 16 **Block disparity analysis of ……..District**						
Sl. No.	Item	Unit	District	Block	Disparity Analysis	
					The gap	% of gap
1.	Area	In Hectares	√	√	X	X
2.	Population	In 000's	√	√	X	X
3.	No. of Blocks	X	√	1	X	X
4.	No. of GPs	X	√	√	X	X
5.	No. of villages	X	√	√	X	X
Disparity Analysis						
6.	Variable-I a) Value b) Index	 Specify Specify				
7.	Variable-II a) Value b) Index	 Specify Specify				
8.	…….					

You can very well see that some basic information for the block and the district is given in the table. You can take as many variables as you like. The more the number of variables, the more will be the number of rows. The format as shown above is very simple and needs no further explanation.

3.4.2 Calculating Disparities

You may take the following steps to calculate disparities.

1. *Enter the names of the variables from the district data table in a column.*

2. *Enter district totals of values against each item of variable in a separate column and that for a block in another column.*

3. *Calculate the indices of the district and the blocks dividing by appropriate denominators (e.g. by 1 lakh population for schools).*

4. *Subtract the block index from district index assigning (+/-) sign to the result as would be appropriate.*

5. *Calculate the percentage disparity by dividing the gap (disparity) by the district index and multiplying by 100.*

The following sample exercise should add to the clarity of the procedure.

Table 3.17

Illustration Block Disparities in Education Services						
Sl. No.	**Item**	**Unit**	**Dist- Kendujhar**	**Block Anandapur**	**Disparity from district**	
					Gap	**% of gap**
1.	Area	Sq.kms.	8303	300.15		
2.	Population	000's	1561.5	99.0		
3.	Blocks	Number	13	1		
4.	**Primary Schools** a. Total number b. No. per lakh population		1628 104	105 106	(-)2	(-) 1.9
2.	**Middle Schools** a. Total number b. No. per lakh population		591 37	39 39	(-)2	(-)5.05
3.	**Secondary Schools** a. Total number b. No. per lakh population		469 30	23 23	(+) 7	(+) 23.37
4.	**Colleges** a. Total number b. No. per lakh population		41 2.62	02 2	(+)0.62	(+)23.66

When the block index shows a good performance as compared to the district, there is not much to worry. When the block performance is poor compared to the district, it attracts the attention of planners for bridging the gap as early as possible through a process of systematic planning. However, marginal gaps may be ignored as complete removal of gaps or disparities is never possible.

In the illustration, Anandpur block is shown to be better off in comparison with the district relating to primary schools and middle schools. Hence no planning intervention is indicated there. However, the block is worse off relating to secondary schools and colleges, justifying planning intervention.

Check Your Progress 2

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. How would you standardize development achievements of Blocks for the sake of comparison?

……
……
……
……
……

2. How does disparity analysis help you in planning?

……
……
……
……

3.5. ANALYSING TRENDS

On the basis of past information, a likely change in variables is predicted which is called a ***trend***. Before preparing a development plan you should have an idea about the possible future changes in the key variables of development like agriculture, education, infrastructure etc. as part of a continuous movement from the past. Such prediction of change is based on information relating to the variables in the previous years. Such prediction of change is called a trend as defined above.

3.5.1 Selecting Trends

Some of the trends which assume significance may be among the following:

- trends in output of main agricultural crops
- trends in industrial structure and output
- trends in population growth
- trends in employment
- trends in poverty
- trends in environment

Agricultural Output: Agriculture is greatly influenced by the vagaries of weather as well as availability of other resources like seeds, fertilisers, etc. It will be best to choose data for those years which are considered to be typical by the department.

Industrial Development: It should be easy to collect data relating to industrial structure and output for the organised industries from various offices and departments of government. However, data relating to house-hold industries may be difficult to get.

Population: Data relating to population are available from Census Report, National Sample Survey (NSS) and the Sample Registration System (RSS).

Employment: Employment data are available from census reports, district statistical hand books and the district industries centre. Figures are available for each category of employment. However, considerable amount of information on unemployment can be found at the District Employment Exchanges.

Poverty: The poverty line provides a key reference point for a rough measurement of poverty in the district. It refers to a minimum basket of food and non-food items which an individual must consume for subsistence. Food must yield a minimum of 2400 calories per day per person in the rural areas and 2100 in the urban areas. Non-food needs are identified with the help of NSS data. The money value of the poverty line is being constantly revised from time to time. The information relating to families below the poverty line (BPL) will be available with the District Rural Development Agency (DRDA).

Environment: Environmental damages in a district may take the form of pollution of water bodies due to use of chemical fertilizer and pesticides, salinity of soil, soil erosion, deforestation etc.

Environmental changes are measured both directly and indirectly. For example, an analysis of water sample is a direct measure of pollution whereas a change in the fish stock may provide an indirect measure of the same phenomenon. Experts may also be consulted for their considered views on environmental changes.

3.5.2Preparing Table for Past Years for Selected Variables

The district data table which you should now be able to prepare will help us by providing information about the present situation. However, to calculate trends, you will have to collect data for the past years and put them in a table.

Since the census report is an important source of information, and since the census takes places every ten years, the time span for collecting such data may be fixed at 10 years. But this span need not be rigid because information relating to some variables may not stick to the same 10 year interval pattern. Therefore, 5 to 10 years interval would be used in preparing a table. A sample format of the table is shown below:

Table 3.18

Format 17 Trend Data Table for Agricultural Output				
	Wheat 1988	Wheat 1993	Rice 1987	Rice 1993
Block 1				
Block 2				
Block 3				
District total				

3.5.3 Working Out Trends

You have now data for at least two different years at considerable intervals which will help you to work out the trend of change in the variable concerned. On that basis you can make a forecast relating to the possible value of the variable at a future date.

For this you have to engage in a little mathematical exercise of your own or take the help of some expert for the purpose.

Two different methods may be used:

1. Simple extrapolation
2. Compound rate of growth calculation

1. Simple extrapolation

Under this method the rate of change between the years for which data are available is worked out to be used in a forward projection.

Example: Population of a District in 1981 is P81 and in 1991 is P91. Then the rate of change over 10 years is given by (P91 – P81) / P81

The rate of change for other variables can be worked out using the same method. An example is given below :

Table 3.19

Illustration
Forecasting Population Growth by Extrapolation

Taking the population figures for Kendujhar district in Orissa in 1991 and 2001 of 1337026 and 1561521 respectively, the population for the year 2011 can be obtained by:
r = (1561521-1337026) / 1337026 = 0.168
Therefore, the coefficient is 1 + 0.168 = 1.168
The forecast for population for 2011 on this basis will be
1561521 x 1.168 = 1823856.5
The annual rate can be worked out as follows:
0.168 / 10 x 100 = 1.68%
Thus if the population was 100 in 2001, it would be 101.68 in 2002.

2. Compound rate of growth calculation

This is considered to be a more scientific method than the earlier one, though a little more complicated.

Using the same example as before, if **r** is the annual growth rate over the period 1981 – 1991 and **t** is the number of years to be forecast.

Then $P91 = P81 (1 + r)^{10}$
and **r** in this case can be worked out by
r = antilog ((log P91 – log P81) / 10) – 1

Although this compound rate method is not too sophisticated, this may not be familiar to all. However, the district authorities can provide the values of **r** (compound rate) which can be applied for a given time "**t**" as would be required by you.

Check Your Progress 3

Note: Space is given below for writing answers. Compare your answer with the one provided at the end of the unit.

1. Point out some of the significant trends that need to be analysed.

   ……
   ……
   ……
   ……
   ……

2. What are the two methods which can be used to forecast trend?

   ……
   ……
   ……
   ……
   ……

3.6 PREPARING DISTRICT SUMMARY TABLE

You can now prepare a district summary table by taking data from the data tables and the trend analyses. The summary will relate to the present and to the future situations of the district.

Current situation: The data here should relate to

- Land use (irrigated, non-irrigated, fallow, forest and waste)
- Agriculture and livestock production (main crop or live stock production)
- Industrial firms (number by size and sector)
- Employment (sector-wise)
- Poverty in the district

Future trends: Data from trend analysis done above can be used here.

The sample formats of tables given earlier could be put together in the following manner to provide a summary of information about the district at a glance. Other variations of the summary table are also possible.

DISTRICT SUMMARY TABLE

Table 3.20

Educational Services												
	Lower primary schools		Upper primary schools		Middle school		College		Vocational training institutes		All institutions	
	No.	Enrol-ment	No.	Enrol-ment	No.	Enrol-ment	No.	Enrol-ment	No.	Enrol-ment	No.	Enrol-ment
District total												

Table 3.21

Land Use Pattern								
	Geogra-phical area	Total cultivated area	Forest area	Waste land	Fallows including current fallows	Net sown area		
						Once	Twice	Thrice
District total								

Table 3.22

Cropping Pattern (Area)															
	Paddy		HYV paddy		Coarse grains		Pulses		Oilseeds		Cash crops		Vegetables	Fruits	Spices & Condi-ments
	Kha-rif	Rabi	Kha-rif	Rabi	Millet	Jowar	Grams	Arhar	Must-ard	Grou-ndnut	Sugarcane	Jute			
District total															

Table 3.23

Crop-wise Production (Amount in Metric Tonnes)															
	Paddy		HYV paddy		Coarse grains		Pulses		Oilseeds		Cash crops		Vege-tables	Fruits	Spices & Condi-ments
	Kha-rif	Rabi	Kha-rif	Rabi	Millet	Jowar	Grams	Arhar	Must-ard	Grou-ndnut	Sugar cane	Jute			
District total															

Table 3.24

Source-wise Area Under Irrigation															
	Net Sown area		Canal		Tank		Lift Irrigation		Minor Irrigation		Dug-wells		Tube wells		Others
	Kha-rif	Rabi	Kha-rif	Rabi	Kha-rif	Rabi	Kha-rif	Rabi	Kha-rif	Rabi	Kha-rif	Rabi	Kharif	Rabi	
District total															

Table 3.25

Land Holding Structure (number/area)										
	Marginal (0-1 ha)		Small (1-2 ha)		Semi-medium (2-4 ha)		Medium (4-10 ha)		Large (10-above)	
	No.	Area	No.	Area	No.	Area	No.	Area	No.	Area
District total										

Table 3.26

Tenancy System (number/area)							
	Owner Operator		Part Tenants		Pure Tenants		Landless
	No.	Area	No.	Area	No.	Area	No.
District total							

Table 3.27

Submergence & Salinity				
	Total cultivated area	Area sub-merged		Area under salinity
		All year	Partly	
District total				

Table 3.28

Settlement and Population									
	No. of villages	No. of towns	No. Gram-panchayats	Population					Total
				Rural M/F	Urban M/F	SC M/F	ST M/F	Total M/F	
District									

total									

Table 3.29

Transport and Communication							
	Road (Kms.)				Railway line (Kms.)	Post Office (No.)	Telephones (No.)
	Blacktopped	Metalled	Non-metalled	Kutcha			
District total							

Table 3.30

Banking Facilities												
	Commercial Banks			Co-operative Banks			Regional Rural Banks			Total		
	No.	Deposit	Loan	No.	Deposit	Loan	No.	Deposit	Loan	No.	Deposit	Loan
District total												

Table 3.31

Health Services											
	District Hospitals			Primary Health Centres			Community Health Centres			Dispensaries	
	No.	No. of patients in a year	No. of beds	No.	No. of patients in a year	No. of beds	No.	No. of patients in a year	No. of beds	No.	No. of patients in a year
District total											

Table 3.32

Women's and Children's Services								
	Anganwadi		Balwadi		Mahila samiti		Women's Selfhelp Group	
	No.	Beneficiaries	No.	Beneficiaries	No.	Beneficiaries	No.	Beneficiaries
District total								

Table 3.33

Industry												
	Agro based		Forest based		Mining & quarrying		Medium & Small		Cottage & Handicraft		Khadi	
	No.	Employ-ment	No.	Employ-ment	No.	Employ-ment	No.	Employ-ment	No.	Employ-ment	No.	Employ-ment
District total												

3.7 PREPARING BASE MAPS

Reading a text or analysing a table is a little tedious and time-consuming to get comprehensive or precise idea about the district. A visual presentation in the form of a base map is a much simpler and more user-friendly device to convey the same information.

Of course, not every kind of information can be presented through a base map. However, many useful bits of information relating to population, forest-cover, infrastructure, soil types, drainage etc. can be shown in a base map. The location, difference and distribution of many variables can be shown graphically in a base map.

Step – 1: The following steps may be taken to prepare a base map. You have to work with 1:50,000 or 1:100,000 scale map sheets as would be available in the district headquarters or with the Survey of India.

Step – 2: Decide what is to be shown in the map. The possible relevant items may be the following.

- Relief and drainage
- Land use
- Settlement pattern
- Roads, railways
- Public services i.e. schools, hospitals etc.
- Administrative boundaries
- Population density
- Areas of particular environmental vulnerability

You have to construct a working map for each of these items using the 1:50,000 sheet. A technically qualified person like a draftsman or a tracer is best suited to prepare this map. However, you can also try your hand at constructing such a map.

Tracing paper or tracing film should be used for the purpose, spread over the top of the 1:50,000 map. Then working map copies may be constructed in the following manner.

- **Relief and drainage** – trace the boundaries of hill areas. A line connecting all points of the equal height, known as a contour, may be drawn to define such areas. Rivers and streams can be copied directly. Include canal and other major irrigation works.

- **Land use** – a simple breakdown into irrigated land, dry cultivated and, waste- land and forest may be attempted. Information from the respective departments can be used in addition to the survey sheet.

- **Settlement pattern** – this is available from the survey map.

- **Transport facilities** - like roads, railways, etc. available from the survey map.

- **Public utilities and services** – Include all facilities like hospitals and clinics, schools, colleges and non-formal education centres and panchayat buildings.

- **Administrative boundaries** – the information contained in the survey map should be checked with the appropriate authorities. Block boundaries could be available from the State Election Commission.

- **Population density** – calculations using census figures can be represented by some form of shading or cross hatching.

- **Environmental vulnerability** – for each variable this can be identified through consultation with experts, voluntary organisations working in the area and the authority concerned.

When the working maps have been prepared they have to be reduced and printed on a usable scale so that they can be consulted along with the plan document. These maps showing the main features of the district as a whole are very useful in preparing the district profile.

Check Your Progress- 4

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. Why should you prepare base maps?
   ……
   ……
   ……

2. What are the two basic steps to be taken to prepare base maps?
   ……
   ……
   ……

3.8 PREPARING DISTRICT PROFILE

You are now in a position to prepare a district profile using the results which could be produced by applying the tools and techniques explained so far in this unit. Other sources like the district statistical hand-book, census report and gazetteer may also be used for the purpose. The profile should be short, being of about three pages.

The district profile is a brief but comprehensive account of the geography, economy and social structure of a district. It has two main purposes:

- It provides the background information about the district to someone unfamiliar with it so that he will be better able to understand the district plan, the strategy and the proposals in the plan.

- To those who are familiar with the district, the district profile helps in refreshing their knowledge.

A sample district profile is given below. While preparing your own district profile, you may use it as a broad guideline. Variations are possible depending on the situation and peculiarities of the district concerned.

Sample District Profile

Name of the District: *Kendujhar*, State: *Orissa*.

Location:

Kendujhar district lies between 21^0 1'N and 22^0 10'N latitude and 85^0 11'E and 86^0 22'E longitude. It is bounded on the north by the district of Singhbhoom in Jharkhand, on the east by the districts of Mayurbhanj and Balasore, on the south by the districts of Jajpur and Dhenkanal and on the west by districts of Angul and Sundargarh. It extends over an area of 8303 sq.km.

Administration:

The whole of the district of Kendujhar was a princely state before its merger with Orissa. The district is part of Northern Revenue Division of Orissa and is divided into 3 Sub-Divisions, 8 Tahasils, 13 C.D. Blocks and 20 Police Stations. There are 244 Gram Panchayats with 2125 villages in the district. There are 3 Municipalities, 1 NAC, 6 Assembly Constituencies and 7 towns in the district.

Basic physical features:

The district is divided into two widely dissimilar tracts: Lower Kendujhar and Upper Kendujhar. The former is a region of valleys and low lands, while the latter contains mountains, and high lands with a general slope from north to south. The average elevation in its central part is about 500 metres. At places isolated hills rise abruptly from the planes. But most of the areas have a general elevation of over 600 metres which forms a watershed for some rivers. The Baitarani River has its source in the hilly north-west division.

Natural Resources:

Mineral:

The district is endowed with extensive deposits of iron and manganese ores with chromites and few other minor mineral occurrences. The most important Singhbhoom – Kendujhar – Bonai iron ore belt runs through the district. The reserves of iron ore of all grades and types found in different areas of Kendujhar district are estimated to be around 1927 metric tonnes. More than 90% of Orissa's manganese production comes from Kendujhar – Bonai area. There are about 200 individual deposits of manganese in the district. Chromites, China-clay,

Gold, Talc, Soap-stone, Pyrite, Bauxite, Glass- sands, Building-stones and Road-metals are also found in the district.

Water Resources:

The rivers of the district emerge out of the hilly tracts and flow into the plains country with great velocity and carry large volumes of water during monsoon. In summer, they become almost dry. Their beds are usually rocky making them unfit for navigation. There are a large number of hill streams in the district which form its major water resources. The river Baitarani is the largest river of the district.

Forest and Fisheries:

The district has a total forest area of 3097.18 Sq.km. The forests of the district are of two types.

a) Tropical, moist, deciduous forest.
b) Tropical, semi-evergreen forest.

The Sal (Shorea robusta) forest with mixed species represents the climatic climax whereas the dry deciduous vegetation and thorny, xerophytic communities characterise various stages of degradation. Tropical moist deciduous forest is chiefly characterised by shorea, terminalia, diospyros and schleichera. Tropical semi-ever green forest is confined to hilly areas and characterised by diospyros, macaranga, dellenia, mesua and strychnos.

The district yields fresh water fish from its rivers, streams and ponds. In 1996-97 the total production of fish in the district was 3,201 metric tonnes.

Human Resources:

The total population of the district according to the 2001 census is 1,561,521. Out of this the rural population stands at 1,348,577, and the urban population at 2,129,44 (13.64% of total population). Kendujhar accounts for 4.25% of the total population of the State. The rural population of the district accounts for 4.32% of the total rural population of the State and urban population accounts for 3.87% of the total population of the State. The decennial growth rate of population of the district at 16.79 is a little above the State average of 15.94. The sex ratio in the district is 977 according to the 2001 census which confers on the district a rank of 140 among the districts of India. This is a little higher than the State sex ratio of 972. The literacy rate in the district stands at 59.75, which is lower than the State average of 63.61. The district is in a disadvantageous position with regard to worker/population ratio and thus needs efforts to better utilise manpower.

Land and Agriculture:

Kendujhar is primarily an agricultural district, agriculture accounting for about 70% of the total main working force. The practice of cultivation is primitive and lands are mostly rain-fed. Although figures provided by different agencies vary, the following figures provided by the agriculture department of the State give a rough idea about the land in the district: total geographical area- 8310 sq.km, forest- 4070 sq.km , net area sown- 3030 sq.km, pastures and other government land- 380 sq.km., land put to non-agricultural use- 210 sq.km., current fallows- 250 sq.km, barren and uncultivable land- 210 sq.km.

Podu cultivation (shifting cultivation) is widely practiced in the hilly terrains of the district leading to grave soil erosion. In addition to shifting cultivation mining activity has also caused wide-spread soil erosion. Large-scale exploitation of natural forests, improper land use, unprotected pastures and many other factors have led to soil erosion in about 2/5th of the area of the district.

The main crop of the district is rice. Winter crops of almost all the cereals grown in Orissa are cultivated here. Kendujhar is also known for growing many varieties of vegetables. Maize is grown extensively in upper Kendujhar. Tobacco and jute are also cultivated to some extent. Wheat cultivation has been introduced in the Rabi season recently where irrigation is available. Cultivation of sugarcane is mostly confined to Anandpur Sub-Division. Oil-seeds like groundnut, castor and til are grown in the high land during Kharif season. During Rabi season niger, mustard, sunflower, safflower and castor are generally cultivated. Fruits like mango, jack-fruit and guava are grown throughout the district.

The district is covered under different sources of irrigation like major / medium / minor / lift irrigation projects. However, irrigation remains scanty compared to the requirements. There is wide disparity across blocks in the creation of irrigation potential and the blocks like Anandapur, Champua, Telkoi have the capacity for increasing irrigation potential. Water harvesting structure is suitable for the terrain prevailing in different blocks of Kendujhar.

The District has large livestock population of cows, oxen and buffaloes. The animals are to be found usually in poor health. The milk yielding capacity of the cows is very low. Domestic poultry-farming is prevalent widely among the Scheduled Castes and Scheduled Tribe communities who also rear pigs, goats and sheep.

Industry:

The erstwhile feudatory State of Kendujhar had almost no manufacturing industries worth the name. The villages were self- contained with their traditional trades like weaving, carpentry, blacksmithy, goldsmithy, shoe-making, pottery etc. Coarse cotton cloths, bamboo baskets, bell-metal wares, brass pots were also manufactured.

Because of the rich mineral deposits in the district some mineral- based industries have come up there in the recent times. The iron works and ferro-manganese plant at Badbil and Joda are examples of that. Many small- scale industries have come up around Kendujhar, Badbil and Joda. Engineering and metal industries set up in these places are mainly of ancillary nature. They manufacture engineering articles like automobile spare parts, heavy motor vehicle parts, steel furniture etc.

Agarbatti, candle, bone-meal, battery plates, lime powder, washing soap, detergent powder and spray paints are also manufactured in the district. Processing of paddy, wheat, oil-seeds takes place and bakery products like biscuits, chocolates are manufactured in some industries situated at Kendujhar, Jhumpura, Tara, Tarimul and Saraskela etc.

Manufacturing of ready-made garments, tussore and cotton cloths, towels and napkins is also undertaken by some industries. The rich forests of Kendujhar with its valuable timber have led to the growth of forest-based industries there. Brick manufacturing units, stone- processing units and other allied industries produce bricks, stone chips, metals and boulders etc. Industries manufacturing shoes and tanning leather are located at Patana, Madnapur, Sananaulei and Chemona.

Infrastructure:

Although transport and communication facilities were poor in the district before Independence, there has been a rapid increase of the road mileage under the five year plans. The district has 92 kms. of National Highway, 229 kms of State Highway, 142 kms of Major District Roads, 189 kms. of other District Roads,228 kms of Forest Roads, 2436 kms of Gram Panchayat Roads, 289 kms of Classified Village Roads, 926 kms Panchayat Samiti Roads, 589 kms of Village Roads and 538 kms of Urban Roads in 1996-97.

National Highway No.6 connecting Kolkata with Mumbai passes through Kendujhar. State Highway No.10-A, 10-B and 11 pass through Kendujhar. 10-A starts from Barbil and connects Coira of Sundargarh district. 10-B starts from Remuli and meets State Highway No.10 at Bhadrasahi. State Highway No.11enters the district at Jarada and proceeds up to Champua. There were 28,653 motor vehicles of different categories registered in the district of Kendujhar in 1997-98.

Educational and Health Facilities:

Because of its tribal preponderance the district was historically backward in education. However, effective steps have been taken by the government from time to time to spread modern education and increase the rate of literacy in the district after Independence. According to the census 2001, the literacy rate in Kendujhar was 72.53% for males and 46.71% for females resulting in a literacy figure of 59.75% for the total population of the district. There were 1628 primary schools with 4014 teachers teaching 1,73,907 pupils in the district in 1996-97. There were 591 middle schools, 469 secondary schools and 41 colleges in the district in 1996-97.

Historically the mainly tribal population of the district depend more on superstition and indigenous medicines for health care than on modern medicines. The chief diseases suffered by the people in a district were malaria, enteric fever, dysentery and diarrhoea and venereal diseases in the past. Leprosy has also been prevalent in some parts of the district. The health and sanitary conditions have undergone much improvement through the efforts of government after independence. There were one district headquarter hospital, two sub-divisional hospitals, seven other hospitals and nine community health care centres, sixty-two primary health centres and two mobile health units in the district in 1996-97. In addition, there were also 32 homoeopathic and 49 ayurvedic dispensaries functioning at that time in the district.

Conclusion:

Kendujhar district with its tribal population, forests, mineral wealth and varied topography and climate represents Orissa in all its aspects in a miniature form. It presents immense possibility for innovations and development in agriculture, industry, forestry, tourism and human resources with all its natural endowments. Proper planning taking the needs and strengths of the local areas into consideration will go a long way in bringing about all- round development of this district.

Important:

The district profile will be a single document for the district as a whole. It is made clear that not all of us shall be engaged in preparing the entire district profile. There is a district planning office, by whatever name called in different states, which has to prepare this document at regular intervals. We are here to appreciate this exercise and provide the relevant

information in the sectors and the areas we are working in. The greater our endeavour and cooperation in this regard the more will be the usefulness of this district profile.

3.9 LET US SUM UP:

In this unit you have learnt how to do a district analysis as a first step in district planning. You now know how to prepare the district data tables by gathering necessary data. You can also prepare a disparity table to identify and measure the disparities in the different variables at the block level. Analysis of the trends of important variables can be undertaken by using trend data tables. You can now prepare such tables using data for past years and forecast future trends by employing one of the two methods that you have learned. A base map can be prepared to present a rough and ready picture at a glance of the district relating to its main features. Finally, you have learnt the steps in writing a short profile for the district.

3.10 UNIT-END ACTIVITIES:

(a) Visit your nearest block office and collect data to prepare a disparity table for public services for the block. What do you learn from the table?

(b) Write a district profile in about 3 pages for your district.

3.11 POINTS FOR DISCUSSION:

- Do you think some more variables should be included for collection of data to prepare a district data table?
- Do you think the poverty line concept is ideal for measuring poverty?
- Is it possible to accurately identify the trend in environmental change? How can such changes be best identified?

3.12 SUGGESTED READINGS:

1. Report of the Working Group on District Planning, Planning Commission, New Delhi, 1984
2. Manual on District Planning, FAO, Rome,1994

3.13 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1. A table is a format in which data are arranged for easy reference and analysis. It contains columns and rows.

2. District office, Heads of Departments, Directorate of Economics and Statistics, Census Reports

Check Your Progress 2

1. By working out an index using appropriate denominators. The denominator may be the target group or the base on which the values of different variables rest.

2. Knowledge about existing disparities will help us in designing the plan to remove them or reduce them as far as possible.

Check Your Progress 3

1. Population growth; Employment; Poverty; Output of main agricultural crop; Industrial structure and output; Environment

2. a) Simple extrapolation
   b) Compound rate of growth

Check Your Progress 4

1. A base map helps in simple and convenient presentation of data and information.

2. a) Obtain the relevant map sheets from the district office and the Survey of India
   b) Select the type of information to be shown in the base-map

UNIT 4: PROBLEM IDENTIFICATION & OBJECTIVE SETTING

Structure

4.1 Introduction

4.1 INTRODUCTION

Planning is undertaken to bring about a desired change in the standard of living of the people of an area. This broad goal is tried to be achieved by increasing employment, improving productivity in agriculture, setting up industry, creating infrastructure etc. Some of these objectives may enjoy greater importance in one area/district while others may enjoy greater importance in another area/district. It is essential that a planner should be very clear about the objectives of planning for his district.

4.2 OBJECTIVES

After going through this unit, you will be able to:

- Identify the potentials, problems and gaps and local needs of the area
- Prioritise problems, gaps and needs
- Identify objectives

4.3IDENTIFICATION OF POTENTIALS AND OPPORTUNITIES

The potentials and opportunities of the district depend to a great extent on the resources that are available in the district. Nature makes a gift of some resources like land, water, forests, and minerals to any given area. Your district will have many of these resources in different quantities. Besides, there are also people- who are known as human resources. Their value as

a resource depends on their physical ability as well as their skills and education. The potential and the opportunity for development of the district depend on the proper use of these resources. To realise this you have to identify the lead sector in the district. For this you will have to use the district data table, block disparity table, trend estimates and district summary tables which you have learnt to develop in the last unit.

4.3.1 Lead Sector

The economy of a district can be divided into various important sectors like agriculture, horticulture, animal husbandry, pisciculture, transport, trade, tourism, large- scale industry, small- scale industry, cottage industry, etc. If a large portion of the output and employment in the district is generated in a particular sector, that sector is regarded as the lead sector. Sometimes, more than one sector may be regarded as the lead sectors.

Sometimes a particular sector may be growing faster than the others, so that its share in the output and employment in the district increases rapidly. Such a sector can be regarded as a lead sector.

It is important to recognise the lead sector because of two reasons:

(i) **Since a large part of output and employment is generated in the sector, the production processes are already in place. Therefore any additional help will yield quick results.**

(ii) **If the lead sector is growing rapidly, then it means that resources are being used efficiently in this sector. If planned investments are made in this sector, they may yield very high returns.**

4.3.2 Identifying the Lead Sector

You are already equipped with two necessary tools for identifying the lead sector.

(i) The district data tables for land, agriculture, industry, human resources
(ii) The trend calculations

By using these tables you can calculate the Location Quotient for a sector which will show the concentration as well as the relative growth for a sector.

Location Quotient of Concentration: L.Q. (C) =
% of persons employed in a sector to total persons employed in the block /
% of persons employed in that sector to total persons employed in the district

Location Quotient of Growth: L.Q. (G) =
Percent growth in labour in a sector in the block during a period /
Percent growth in labour in that sector in the district during that period

If the value of **L.Q. > 1** it would indicate either increasing concentration or growth in the sector in a block.

An imaginary example is given below of calculation of **Location Quotient for Concentration {L.Q. (C)}**.

Illustration

Table 4.1

	Location Quotient for Concentration [LQ(C)]			
Blocks	Agriculture and allied	Industry	Trade & Commerce	Others
Talcher	83.40	5.36	6.00	5.24
Athamallick	87.20	1.75	2.02	9.03
Angul Block	80.05	7.50	7.60	4.85
Angul District	83.45	5.75	6.10	4.70
LQ (C) for Talcher	83.40/83.45 = 0.99	5.36/5.75 = 0.93	6.00/6.10 = 0.98	5.24/4.70 = 1.11
LQ (C) for Athamallick	87.20/83.45 = 1.04	1.75/5.75 = 0.30	2.02/6.10 = 0.33	9.03/4.70 = 1.92
LQ (C) for Angul Block	80.05/83.45 = 0.96	7.50/5.75 = 0.09	7.60/6.10 = 1.25	4.85/4.70 = 1.03

L.Q.(G) can be calculated using the same methodology. High L.Q. values would indicate the lead sectors. These lead sectors have to be entered in the potentials column in the format given below:

Format – 1

Table 4.2

Potentials, Problems, Needs and Gaps	Experienced by number of blocks	Experienced by number of panchayats

Check Your Progress 1

Note: Space is given below for writing the answers. Compare your answer with the one at the end of the unit.

1. What is a lead sector? Why is it important to recognise the lead sector?

   ……..
   ……..
   ……..
   ……..

2. What are the two tools you can use to identify the lead sector?

   ……..
   ……..
   ……..
   ……..

4.4 IDENTIFICATION OF PROBLEMS AND GAPS

Every locality has its own share of problems. For example, absence of roads poses a problem of transportation for a cluster of villages. On the basis of this problem, we can say that there is a need for a road to establish connectivity with those villages. Thus there is a close link between a problem and a need. A problem can also be stated as a gap in provision. You can find out such gap by doing a district analysis. The block-wise disparity table which you have learnt to prepare will help you to identify the problems and gaps.

4.4.1 Identifying Disparities Between Blocks

Numerical Disparity

Going back to the block-wise disparity tables, check the disparity columns in each table. The information you get about numerical disparity may not be fool-proof in its implication for stating the plan objective, because, sometimes such disparities are natural and justified. For example, there may be very few dug-wells in a village by the side of a perennial water source like a river or a canal. However, the numerical disparity may sometimes point to the two relative disparity measures.

Relative Disparity per Unit Area

The relative disparity per unit area, as you know tells us about the position of the block above or below the district average in terms of the area used or served. This measure of disparity is greatly applicable to land use, infrastructure, health and education etc. This measure of disparity will produce a useful picture of the gaps.

Relative Disparity per Unit Population

The relative disparity per unit population tells us whether the block is above or below the district average in terms of the population employed or served. This can be applied to measure the gaps in employment, infrastructure and service etc.

In most cases, both the measures yield similar results relating to short-falls and surpluses. When blocks and disparities are identified, enter them into the list of problems, needs and gaps in the relevant format (Format 1).

4.4.2 Identifying Environmental Problems

You have already learnt about indicators of environmental problems in the last unit. These are recorded in the land, agriculture and natural resource table and analysed under trend analysis.

When a production activity takes place, it often results in some spill- over effects which have an adverse impact on the environment. For example, extensive cultivation of high yielding paddy in summer may result in water- logging over large tracts of land. In such cases, where environmental problems are clearly identified in the lead sector, the solution of the problems should form part of the plan objective for the district. In the case of this example, a drainage-cut should form part of the plan objectives to prevent water-logging. The environmental

problems should also be entered in the column meant for problems, needs and gaps in the format (Format 1).

4.4.3Checking Norms Against Provision

The Government lays down minimum standards of provision in respect of certain services from time to time, in sectors like health, education, roads and some other public services. For example, one norm relating to the Accelerated Rural Water Supply Scheme is that one tube-well should be sunk for every population of 150. In urban areas the norm of per capita availability of water is set at 40 litres per day. In health sector the norm for setting up sub-centres is 1 for every 5000 population in the plain areas and every 3000 population in hilly and tribal areas. In the forest sector the norm for building forest roads is 1 km of road within 1 sq. km. area. In primary education the norm for opening schools is 1 primary school within 1 kilometer distance.

When you find clear disparities in the provision of services you should compare the provisions for the under- supplied blocks against the norms set by the Government.

You can work out the disparity in comparison with the norms and enter them in the format.

4.5 CONSULTING PANCHAYAT INSTITUTIONS IN THE DISTRICT

You already know about the role of the new Panchayati Raj system after the 73rd amendment to the constitution in decentralized planning. The local area needs are to be conveyed to the district level through the panchayat system. While drawing up the objectives of the district plan, these felt needs of the people as expressed through the panchayat network are also to be taken into account. The procedure for this is laid down below.

4.5.1Consultation Procedure

As you know the new Panchayati Raj system has a three-tier structure consisting of the Zilla Parishad, the Panchayat Samiti and the Gram Panchayat at the district, block and village levels respectively. The administrative offices involved with this three-tier structure are the district administration, the block development office and the VLW. A proforma given below can be used to record the Gram Sabha requests based on felt needs as well as its internal resources available for the purpose. Such requests are to be aggregated at the Panchayat Samiti level and passed on to the Zilla Parishad.

The following operating rules are to be followed in the consultation process:

i) A standard proforma should be used uniformly by all the Gram Sabhas to record the required information.
ii) Information thus collected is aggregated and, if necessary, modified at the Panchayat Samiti level.
iii) Consultation process should follow a fixed time-schedule.
iv) Administrative officers should ensure consultation and submission of completed proforma to the appropriate authority.

The consultation procedure can be followed systematically by taking the following steps.

Format 2

Table 4.3

Proforma for Statements of Need from Gram Sabhas			
District …….. Block ……. Gram Sabha ……..			
Request (scheme, project or asset)	Estimated cost (Rs)	Reason for request	Resources (financial/labour) to be committed by Gram Sabha

Step – 1

The proformas are prepared by the district planning functionaries which are approved by the Zilla Parishad.

Step - 2

The district planning functionaries send these proformas to block development offices, which in their turn, send the proformas to the VLWs. It is the responsibility of the VLWs to give these proformas to the Gram Sabhas and help them complete the proforma with due consultation.

Step - 3

These completed proformas are then sent to the Block Development Offices. The Block Offices arrange these requests according to the sector concerned and submit them before the Panchayat Samiti for approval or modification.

Step - 4

The approved lists are then transmitted to the District Authorities.

4.5.2 Analysing the Results and Listing the Needs

The needs expressed by the people in this manner have to be taken into consideration for being included in the existing programmes and for the formulation of action plans.

The following procedure is to be followed.

The list received from the Panchayat Samiti should be entered in the table for cumulative listings of potentials, problems, needs and gaps given earlier.

For example, suppose, a block has passed on the following consolidated requests of the Gram Sabhas under it:

20 hand pumps to provide drinking water
30 kms of metalled village road
2 dispensaries
2 primary schools
1 cold store to store vegetable to fetch a more remunerative price

These requests should be entered into the first column of Format - 1

At this point it will be useful to compare these needs and gaps yielded by the consultative process with those obtained from an analysis of the district data tables. Some anomalies may come to notice from such comparison when the two results do not match. For example, the district analysis may show existence of adequate roads, while the consultative process yields a demand for roads. In such a case, the data should be cross-checked at the village level. Even when there are no significant anomalies, it would still be useful to do a few cross checks by field visits surveys.

4.6 CROSS-CHECKING DATA

You are now equipped with information about the needs, gaps and problems of the district/blocks. Such information can be supplemented and reinforced by direct consultation through field visit. Such field study will serve as a cross check on the validity of the data that support this information.

Such field study will also help in the interpretation of the causes and effects associated with the problems and needs.

When there is room for doubt in the credibility of the available information, a cross check may be thought to be necessary. The credibility gap may arise from wrong calculation of data, break-downs in data calculation or recording, or deliberate manipulation of information. Sometimes the information may be technically correct but may not be adequate in providing a comprehensive description of the underlying situation.

In such cases field studies may be conducted for cross checking. Last cross checking may be done by adopting two methods: **Formal Survey** and **Spot Check.**

4.6.1Formal Survey

When a rigorous formal survey is to be undertaken, a competent research organisation is to be engaged for the purpose. Necessary administrative and financial approval and sanction have to be obtained for going ahead with such survey.

Such a survey will be justified when the information to be covered has a significant bearing on the main objectives of the plan. Also such a survey will be useful to overcome political resistance with the help of authentic information yielded by the survey. Sometimes there may be no other way of checking the data than through a survey.

4.6.2Spot Check

Spot checks are not as thorough as a full scale survey. However, they are very useful in checking the correctness of the data in a stray manner. But the authenticity and acceptability of the spot check depend on the following steps being followed in conducting them.

The places and locations to be visited for a spot check must be selected carefully. The problem concerned must be truly and widely prevalent in the area. Sometimes the functionaries in charge of spot checking visit only the easily accessible locations which are described as *road side bias*. Such bias must be avoided.

Two different kinds of locations should be visited for the sake of comparison:

(i) where the problem is manifest and
(ii) another where the problem does not exist or exists in a very weak form.

While gathering information from the people, both official and non-official persons are to be consulted. It may be helpful to prepare a check list in advance and use it in asking questions, the relevant categories of persons should be consulted.

Actual visits must be made to the field.

Then in the next step to prepare the report the following factors must be taken care of.

- The information problem must be clearly stated.
- The steps taken to ensure accuracy in representation of the situation by the information collected must be mentioned.
- Write down your findings.
- Write down your interpretation of these findings and what difference this interpretation makes to the conclusions drawn from the original data.

Check Your Progress 2

Note: Space is given below for writing the answers. Compare your answer with the one at the end of the unit.

1) What could be the reasons for a credibility gap in the available information?

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……
……
……

2) While doing a spot check, which two types of locations should be visited?
……
……
……
……

4.7 RANKING POTENTIALS, PROBLEMS AND NEEDS

Once you have identified the problems and needs and have cross- checked their validity, you have to arrange them in order of priority. The objectives of the district plan can be arranged accordingly to represent those priorities. Such prioritization should be done in an objective manner to avoid controversy. The simplest way to do so is to rank the problems on the basis of the number of Panchayats facing them or expressing the related need. The ranks can be arranged in descending order as shown in

Format – 3

Table 4.4

Prioritising potentials, problems and needs		
Potentials, problems and needs	Faced by number of panchayats	Rank
Scarcity of drinking water	30	1
Absence of metalled road	25	2

The potentials, problems, needs and gaps have to be translated into objectives before they can be put-forth as possible policy objectives. An illustration of this exercise is given below:

Illustration

Table 4.5

Potentials, Problems, Needs, Gaps	Converted to Objectives
Large water bodies available	Start pisciculture
High infant mortality and morbidity	Set up primary health centers
Difficult to cart horticultural produce	Build metalled roads to allow automotive transport
Water logging in large tracts of land	Dig a drainage cut

4.8 TRANSMITTING RANK LIST TO THE DISTRICT PANCHAYAT

These objectives prepared in the manner described above have again to be sent back to the Panchayati Raj institutions for possible modification, approval and adoption as district level objectives. Thus the PRIs will be involved twice in the selection and prioritization of objectives of the plan for the local area.

4.9 OBJECTIVE STATEMENT

After approval, the final list of objectives for the district has to be prepared. Each objective must be stated in a concrete and precise manner, complete with a time frame and quantitative indicators. This would help in monitoring the performance and progress of the plan in the district. Vagueness in any form must always be avoided. Some of these objectives in an objective statement may be the following:

- Expand employment in handicraft sector
- Improve dairy production
- Expand pisciculture
- Expand lift irrigation
- Improve access to primary health care
- Set up more primary schools

Check Your Progress 3

Note: Space is given below for writing the answers. Compare your answer with the one at the end of the unit.

1) What is the simplest way of prioritizing the problems identified for a district?

……
……
……
……

2) What is the proper way of stating an objective?

……
……
……
……

4.10 LET US SUM UP

In this unit you have learnt to identify the opportunities, problems, gaps and needs of the local area and to go through the process of consultation with the Panchayati Raj Institutions in order to incorporate the people's felt needs into the plan objectives. You now realise the need for cross checking of data for its veracity and to get at the causes and effects associated with some problems. The statement of the objective of the district plan can be prepared after constructing an objective table for the district.

4.11 UNIT-END ACTIVITIES

a) Prepare a proforma for statement of need for a Gram Panchayat and visit Gram Sabha in your area to fill it up.

b) Visit a district planning office and compare the lists of problems and needs sent by the Panchayat Samitis to find out any possible anomalies.

4.12 POINTS FOR DISCUSSION

- In most cases the Gram Sabha does not function properly. Do you think the consultative process becomes meaningless in such a situation?

- It is felt that political considerations creep into the preparation of district objectives. Do you think this is true? If so do you have any suggestions to correct the situation?

4.13 SUGGESTED READINGS

3. *Report of the Working Group on District Planning, Planning Commission, New Delhi, 1984*

4. *Manual on District Planning, FAO, Rome,1994*

4.14 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1. A lead sector may have one or both of the following characteristics.

   a) A large portion of the output and employment in the district generated in that sector.
   b) The sector / sectors growing faster than the rest of the sectors.

   It is important to recognize the lead sector because:

   a) As production processes already exist there, any additional help will yield quick results.
   b) Since resources are being used efficiently in this sector, new investment here will yield very high returns.

2. a) Location quotient of concentration = Percent of labour employed in a sector in the block / percent of labour employed in that sector in the district.
   b) Location quotient of growth = Percent growth in labour in a sector in the block / percent growth in labour in that sector in the district.

Check Your Progress 2

1. i) Wrong calculation of data
   ii) Break-down in data calculation or recording
   iii) Deliberate manipulation of information.

2. i) Where the problem is manifest
   ii) Where the problem does not exist.

Check Your Progress 3

1. To rank problems according to the number of Panchayats facing them and to arrange them in descending order of rank.

2. The objective should be stated in a concrete and precise manner, complete with a time frame and quantitative indicators.

UNIT 5: PROJECT PLANNING

Structure

5.1 INTRODUCTION

Development administration in our country is concerned with ***4 P's***: **Policies, Plans**, **Programmes and Projects** which are aimed at meeting pre-determined goals and objectives. Plans are prepared according to the policies decided at the highest political level.

A **plan**, in its turn, is broken into a number of **programmes**; and a **programme** is composed of a number of inter-linked **projects**.

A **project** consists of a number of **tasks** or **planned activities** to be performed within well-defined objectives, time-schedules and budget with respect to a stipulated area.

5.2 OBJECTIVES

After going through this unit, you will be able to:

- Identify potential project ideas
- Prioritise project ideas
- Prepare logical framework of a project
- Analyse project feasibility

5.3 IDENTIFYING PROJECTS

Prior to the 73rd amendment of the Constitution, micro-level planning formed part of macro-level planning and district authorities were responsible for implementing the programmes handed down to them from above.

After devolution of powers in accordance with the 73rd and 74th amendments to the Constitution, the districts will have to launch new projects of their own based on their felt needs.

Identifying a project will thus be the first task for the district authority before proceeding any further.

5.3.1 Project Idea

Project identification process starts with the birth of a project idea. A project emerges from the recognition of an opportunity or a need. The project may be conceived to exploit the opportunity or to fulfill the need.

For example, if good quality cane is available in a region, a cane furniture making project may be started to exploit the opportunity. If connectivity of a region to a town is lacking, a road project may have to be conceived to fulfill the need.

The project ideas need to be of practical nature and considered to be worthwhile. An idea may be put to a few tests to ascertain this. A simple way for this is to answer the following questions:

i) Whether the project idea falls within the scope of district/block level planning in terms of investment, subject area, etc.

ii) Whether its technical features like location, lay-out, alignment, etc. are apparently sound.

iii) Whether the necessary material conditions like availability of raw-materials, power, etc. prevail in the district/block

iv) Whether skilled manpower exists in the area or can be developed easily.

v) Whether marketability of the output exists locally or within a viable distance in the neighbourhood.

vi) Whether the proposed project will fulfill some minimum social need in the block/district.

If all the above questions are answered in a strong and affirmative manner, then the project idea is suitable to be put in place. Any negative answers mean that the idea needs to be re-examined, or its implementation postponed, or given up entirely.

5.3.2 Sources of Project Ideas

Project ideas usually do not emerge automatically. You have to tap different sources to come up with project ideas, such as governmental agencies, credit & financial institutions, non-

governmental organizations and more specifically, the public and the local needs. Some of the sources are listed below:

- **District Analysis.**
  You can get clear ideas about opportunities and needs from the district analysis you have learnt to carry out. You learnt how to identify problems and set plan objectives for the district in the last unit. That list of objectives arranged in order of priority serves as the most important source of project ideas for the district. Projects need to be chosen to fulfill those objectives.

- **Requests**
  People's representatives like MLAs, MPs, Chairmen of Panchayat Samitis, and President of the Zillah Parishad usually propose for launching some projects in their respective areas.

- **Resolutions**
  Panchayati Raj Institutions and Voluntary Organisations pass resolutions from time to time regarding projects to meet the felt needs of the people.

- **Suggestions**
  Suggestions may come from experts, activists and leaders – both in individual and institutional capacities.

- **Past Experience**
  Past experience of success and failure with projects provides useful guidance in selecting viable project ideas.

- **Success Stories**
  Successful projects around us may be emulated. Such replication however, should pay attention to the prevalence of other conditions associated with the project.

5.3.3 Dimensions of a Project

You are used to linking a project to a particular sector or sub-sector. However, all the dimensions of a project are not confined to such sectoral classification. You may take note of some of these other possible dimensions.

i) Activity Group: The most fundamental dimension of a project is the nature of activity it involves. A project may belong to any of the following four activity groups:

a) final commodity producing sectors,
b) productive infrastructural sectors,
c) marketing infrastructural sectors,
d) social service infrastructural sectors

There may be complementarity between activity groups. Therefore, a change in one group may have an impact on the others. This should be kept in mind while planning for a project.

For example, if a sugar mill is planned to be set up under group (a), more investment must be planned for cane-growing under group (b) and transport and marketing under group(c).

ii) Independence and Complementarity: The project may be part of a larger programme containing a bunch of projects to which it may be complementary or independent of that. Care should be taken to avoid possible conflict between projects to maximise benefit from the project to the society at large.

iii) Potential Beneficiary Group: Since the project is planned to benefit some particular segment or group of people, the dimension of the project would vary according to the beneficiary group concerned. Some such beneficiary groups are:

a) entire population of the block or of a group of villages- electricity, road, primary health centre;

b) the village community as a whole- school, piped drinking water supply, wells;

c) members of cooperative society- collection/chilling centre for milk, handicraft unit

5.4 PRIORITISING PROJECT IDEAS

All the projects identified through the process mentioned above can not be implemented at the same time due to obvious reasons. It is certain that there will be differences in importance of the projects, availability of funds and capacity etc. Therefore, they need to be listed in order of priority, so that projects will be selected for implementation in that order.

In this regard the **Working Group on district Planning (1984)** laid down certain principles in its report (Hanumantha Rao report) which you may follow:

1. Employment
Schemes that generate maximum possible employment should have priority over others. Obstacles on the paths of expansion of the existing occupations should be removed through the projects.

2. Complementary and Supplementary Investments
The project should establish forward or backward linkages with existing projects, so that it can realize its growth potential in full.

For example an oil-seed cultivation programme will be helped by setting up oil mills and seed development projects.

3. Use of Neglected Resources
Sometimes the productive potential of a resource is not recognized because of conventional thinking. Such resources could be put to fruitful use through appropriate projects.

For example, coconut saplings have been successfully planted on many canal embankments in Orissa and the trees allotted to particular households for upkeep and enjoyment of usufruct. Unused tanks can be renovated for pisciculture.

4. Expressed Needs of Panchayats
Projects which have the potential to fulfill the felt needs expressed by Panchayats should be selected.

Check You Progress 1

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1) Distinguish between a plan and a project.

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.....
.....
.....

2) What are the parameters to be followed in prioritizing project ideas?

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.....
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5.5 DESIGNING A PROJECT

After a project has been identified, the next task before you is to design the project plan.

A project plan is a brief statement about the project which contains the following information:

i. background of the project
ii. aim of the project
iii. essential inputs
iv. anticipated output
v. possible risks
vi. expected benefits

5.5.1. Logical Framework (Logframe) Approach

There are two steps involved in designing a new project.

Step-1

The first is to find out what is to be done to achieve the objectives of the project. A method called the Logical Framework Approach (LFA) can be used for the purpose.
The logframe was originally developed by the United States Department of Defense and adopted by the United States Agency for International Development (USAID) in the late 1960s. Since then it has been widely used by many developmental agencies which have often modified it to suit their specific purpose. **The logframe we are going to use here is also suitably simplified to serve our purpose.**

However, you will be able to use the technique more effectively if you have understood the logic behind the approach. You will, therefore, do well to go through the following explanation of the original logframe approach before using the simplified version that follows.

5.5.1.1 The Original Logframe Approach

A project log frame consists of a four by four matrix or table as shown below.

The Original Logframe

Table 5.1

	Narrative Summary (Intervention Logic)	Objectively Verifiable Indicators (OVI)	Means of Verification (MOV)	Important Assumptions
Goal				
Purpose				
Outputs				
Activities	Activity-1 Activity-2 …. Activity-N	Inputs	Costs	

Note: *At the level of **Activities** at the bottom, the logframe requires statement of **Inputs** in place of **OVI** and **Costs** in place of **MOV**.* Inputs are resources required by the project. Costs are their price.

.

As you can see, the rows from the top consist of ***the goal, the purpose, the outputs, and the activities*** of the project. These are known as the ***objectives*** of the project. Therefore, the Logframe approach is known as the ***Management by Objectives Approach***. These terms are briefly explained here.

Goal: The ultimate aim of the project, or programme of which the project is a part.
Example: Education for all.

Purpose: What the project is expected to achieve through which it contributes to the goal.

Example: Provide facilities for primary education to the children of the locality.

Outputs: The expected results of the project, which are needed to accomplish the purpose.
Example: Erection of school buildings.

Activities: Actions needed to achieve each output.
Example: Preparation of building plan.

The columns in the table consist of ***a narrative summary, objectively verifiable indicators (OVI), means of verification (MOV), and important assumptions*** relating to the *row items.* These are briefly explained now.

Narrative Summary: Description of the project's goal, purpose, outputs and activities. There is a clear ***cause- and- effect*** relationship running through these statements. This is also called the ***Intervention Logic*** of the project.

To follow the logic, you start at the bottom of the table and move upwards. The project undertakes specific ***activities*** which should lead to clearly defined *results* or ***outputs***. The outputs of the project, taken together, allow the project to achieve the ***project purpose.*** At the top of the column we find the overall ***goal or goals*** of the project. These goals are policy- or development goals. Many projects are needed to attain these goals. A single project can not achieve the entire goal or goals. It can only contribute to the achievement of the goal. For example, establishing a few primary schools will not ensure education for all, which is the goal of the project, but it contributes to the achievement of that goal.

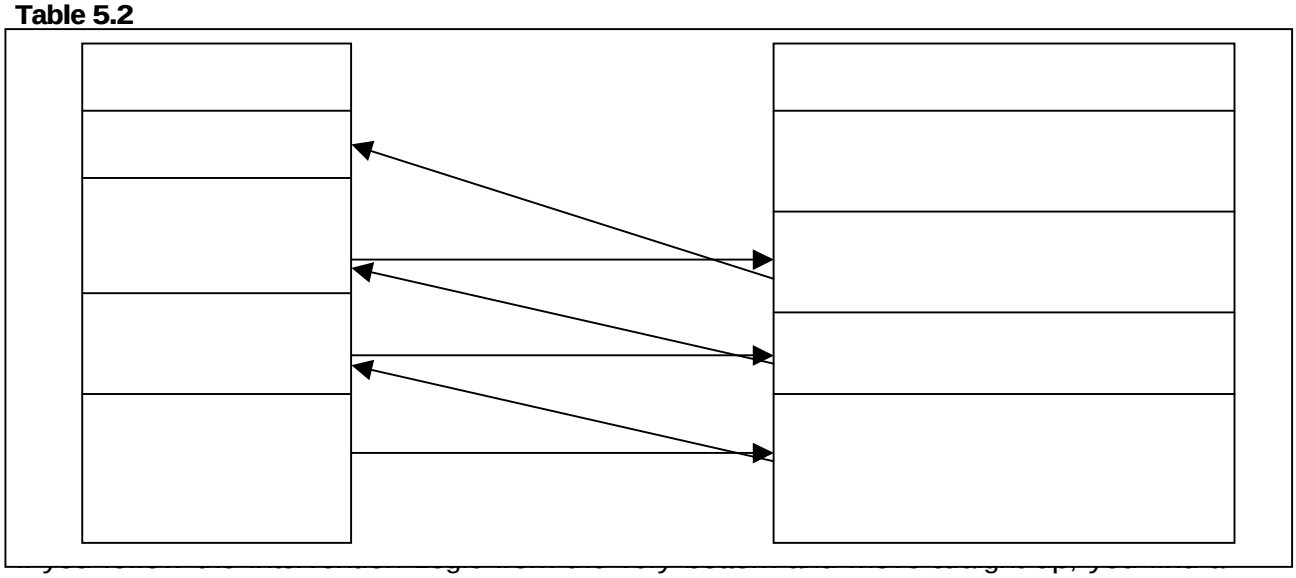
OVI: Evidence that helps measure if objectives have been met at each level, usually indicating quantity, quality and timing. No objective should remain in the logframe table unless a reasonably convenient indicator can be found for it. An objective whose achievement can not be measured is not a valid objective.

MOV: Ways by which indicators can be found and measured. For some indicators the required data could be found in project documents or publicly accessible records. For others, the method and timing of data collection have to be specified.

Assumptions: Assumptions are made about the factors outside the control of the project but which could influence the achievement of the project. These factors are said to be part of the external environment of the project. For example, when we go for building the schools, we assume that the parents will send their children to the schools willingly. But if, for some reason or the other, the parents turn out to be reluctant to send their children to school, then the project goal will be defeated.

The importance of assumptions becomes clear when considering the relationship between the intervention logic and the assumptions, as in the figure below:

Table 5.2



very simple and straight path: *activities* lead to *outputs, outputs* allow the project to achieve its *project purpose,* and the achieved purpose contributes to the overall goal. This straightforward reasoning does not take into account the external environment.

In reality, *activities* will lead to the envisaged outputs only if certain external conditions allow this to happen. The existence of these external conditions is specified as one or more *assumptions*. Then the above-mentioned logic becomes a little more complicated as described below:

Activities plus fulfilled assumptions lead to outputs.
Outputs plus fulfilled assumptions lead to achievement of the project purpose.
Project purpose plus fulfilled assumptions contribute the overall goal.
And these contributions are sustainable if the assumptions at the topmost level come true.

A logframe begins by defining the ultimate goal, followed by the purpose of the project, then the outputs needed to achieve the goal, and finally, the activities and the inputs needed to achieve the outputs. ***Only one goal and purpose should be stated for each project. Otherwise, the project will lose focus. Normally, however, there are multiple activities and outputs in a project, and these are reflected in a logframe.***

5.5.1.2 A Simplified Logframe Approach

You are now familiar with the logic behind the Logframe Approach. We could, however, simplify the technique a little to suit our present purpose without affecting the essential logic of the approach. Such a simplified version of the logframe is illustrated below.

A simple logical framework table

Table 5.3

Observations ***Items***	**Summary**	**Indicators**	**Risks and assumptions**
Objectives			
Outputs			
Inputs			

To fill in the table move from the top row to the bottom row, beginning with objectives.

Objectives

The objectives of the project are what it precisely intends to achieve. In other words, the objectives of the project are the expected outcome of the output produced by the project. In some cases, objectives may be divided into long-term objectives and short-term objectives.

Indicators

Indicators tell us about the extent to which the objectives have been achieved. If the objective is to reduce infant mortality, the infant death rate may be taken as an indicator.

Risks and Assumptions

The project may be planned on the assumption that certain favourable conditions will prevail. Hatcheries may be started with the hope that people will take to poultry farming. Possible hazards to the project constitute some amount of risk. The possibility of out-break of chicken-flu is a risk associated with this project.

Outputs

It is about what output needs to be produced by the project to achieve the objective. If the objective is to provide primary education, then more primary schools should be established as the output. Indicators are the number of schools established. Assumption is that land will be available in and around the village, buildings will be repaired and maintained regularly.

Inputs

Inputs are needed to produce the output. Building materials, classroom furniture and other accessories and teachers are needed to set up primary schools. It is assumed that good quality stone and labour will be available locally and there shall be timely recruitment of teachers.

A Logical Framework for a Primary Education Project

Table 5.4

Observations ***Items***	**Summary**	**Indicators**	**Risks and assumptions**
Objectives	Long Term: Development of human resource. Short Term: Increasing literacy.	Increase in enrolment.	Parents willing to send their children to school. Schools nearby
Outputs	15 primary schools	Existence of schools	Availability of land. Repair and maintenance of School buildings.
Inputs	Stone / bricks, cement, labour	Inputs delivered or available	Availability of inputs, masons, voluntary labour, teachers.

Step-2

The next step is to draw up a project plan.

The logical framework of a project contains most of the information needed to prepare a project plan in a standard format for presentation before the decision making authority. The format should contain the background, objectives, components, finance, risks and assumptions, benefits and justifications relating to the project.

Check Your Progress 2

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1) What are the three parameters constituting the logical framework?

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……
……
……

2) What do risks and assumptions imply in a logical framework?

.....
.....
.....
.....

5.6 FEASIBILITY ANALYSIS

After the project plan is drawn up in the given format it may be put through a number of analyses to test its feasibility. The task being of a technical nature, it is best left to the experts in the respective areas. However, a brief idea could be had by going through the descriptions of the analyses below.

5.6.1 Technical Analysis

Technical analysis may be broken into two parts: (a) input analysis, (b) demand and supply analysis.

5.6.1.1 Input Analysis

The human and material resources like manpower, technology, project location, raw materials, plant and machinery need to be quantified and evaluated. Their sources have also to be identified.

Location

Project site should be selected carefully, without any kind of bias – social, political, economic etc. Factors like cost of land, suitability of the land for the purpose, availability of water, power and other utility services; existing infrastructure, state of labour relations etc. should be considered while deciding on a location. Alternate locations should be compared.

Raw materials

Availability and uninterrupted supply of raw materials at the right time, of necessary quality and quantity, are to be taken into consideration. Both present and future needs of raw materials must be satisfied. Alternative sources must also be kept in mind. In case of a production project, it will be profitable if the market for the end-product is nearby.

If some imported components are needed for the project, the prevalent policy of the government must be taken into account beforehand to avoid possible obstacles.

Utilities

Availability of various utilities like power, water, sanitary and health services etc. greatly influence the timely completion and continuation of projects. As regards power, the following aspects must be considered: (i) direct and uninterrupted power supply, (ii) additional supply in case of expansion of the project, (iii) tariff rates and their stability. As regards water, the aspects

to be considered are: (i) source (wells, tanks, river,…, etc., (ii) its proximity to the project, (iii) quality available, (iv) water charges, (v) purpose of use, etc.

Manpower

The manpower requirements and costs must be worked out in a judicious manner for various phases of the project, such as, number of personnel, category-wise, their qualifications and experience, pay-scales and perks, women recruitment, likely resignations, retirements and other separations etc. Experts will use the techniques of manpower-planning for the purpose.

Transport Facility

Selection of a project will be greatly influenced by the availability of adequate transport facility for men and materials in the area. All types of transport – road, rail, water, air – are significant depending on the project on hand.

Incentives and Concessions

The policy of the government in giving various incentives will influence the selection of the project. Some such possible policies are:

(a) Government wants new projects to be set up in tribal and backward areas, (b) it may want new projects to be set up from the beneficiaries' point of view, (c) it may give preferential treatment to some particular sectors of the economy, e.g., small scale industries, cooperatives, etc.

Climate and Natural Hazards

Sometimes selection of projects is influenced by climatic conditions and probability of natural calamities in the area. Rainfall, temperature, humidity, frequency of floods, cyclones, droughts, earthquake will have a bearing in the selection or otherwise of some particular types of projects.

Technology

Appropriate technology should be used for the project. It needs to be seen whether the project will (i) utilize local raw materials and local manpower, (ii) produce goods and services which will cater to basic needs, (iii) maintain harmony with social and cultural conditions, (iv) preserve ecological balance. The project should also show high productivity per unit of capital and other scarce resources.

5.6.1.2. Demand and Supply Analysis

The success or failure of a commodity producing project depends, to a great extent, on its demand and supply. This analysis makes an attempt to determine whether the proposed project would produce those goods and services at a price, time, place, quantity and quality for which there is a potential demand. There are a number of statistical tools and techniques which are used for the purpose by the experts.

5.6.2Financial Analysis

Financial analysis evaluates a project from the point of view of profitability. Elaborate and complex tools and techniques are available for use in financial analysis. However, for our purpose an elementary method may be followed.

5.6.2.1 Financial Analysis of Commodity Producing Projects

A commodity producing project, whether big or small, is set up to produce output for sale and profit. A bullock-cart obtained by a villager under some rural development / poverty alleviation scheme is an example of such a project, just as a dairy plant set up to produce milk and milk products.

During the lifetime of a project some expenditure is required to be made and revenues will flow from it. If the revenues are higher than the costs, there will be profit, if the costs are more than the revenues, there will be loss. The aim of a commodity producing project should be either to earn a profit, or at least to recover the costs. A simple financial analysis may be made to know about the profitability of a proposed project.

By subjecting alternative project proposals to financial analysis you will be able to screen these proposals and arrange them in order of priority. The project/s enjoying the highest priority may be selected for implementation.

You may keep two things in mind while launching a project :

(1) A single lump-sum investment will have to be made at present as part of the project cost.

(2) Income from the project will flow in a stream over a period of time in future covering a life of the project.

Therefore, to compare these future incomes with the present cost the time value of money needs to be taken into account.

Present Value:

Suppose the alternative to starting a project is keeping the money in a bank account carrying interest of 10% per annum. On the basis of this you may look at an example as follows:

Amount – Rs.100/-
Duration – 1 year
Rate of Interest– 10% per annum
Amount at the end of the year – (Principal Rs.100/- + Interest Rs.10/-) Rs.110/-
If the money is kept in the bank for the second year then at the end of 2 years:
the amount will be – (Rs.110/- + 10% of Rs.110/- i.e. Rs.11/-) Rs.121/-

In other words, to get a sum of Rs.121/- at the end of 2 years, you have to invest Rs.100/- in a bank account (alternative project) now.

Recurring and Non-recurring Expenses:

When you start a project, it requires two types of expenditure. One type of expenditure is made on acquiring the fixed asset, say, a bullock-cart or a building. The other type of expenditure is needed to be made to maintain / operate / run the fixed asset.

The first type of expenditure will not be repeated during the life span of the asset and it is called fixed or **non-recurring expenditure**. The second type of expenditure will be repeated every year till the end of the life of the asset and is called **recurring expenditure**.

However, every year the fixed asset loses a part of its value either due to wear and tear, passage of time; obsolescence or otherwise. This loss of the asset's value is called **depreciation** and is treated as recurring expenditure. This amount is to be considered as if recovered and kept reserved to replace the asset at the end of its life. To find out the value of annual depreciation, you divide the cost of the asset by its life span in years.

If you spend a few minutes with the example given below, these concepts will be clearer to you.

Example:

Project – A bullock-cart with bullocks
Life of the project - 10 years
Rate of Interest – 12.5% p.a.

First year

a. Non-recurring expenditure on fixed assets:

1.	Bullock-cart	—	Rs.15,000/-
2.	A pair of bullocks	—	Rs.30,000/-

			Rs.45,000/-
			---

b. Recurring or current expenditure:

1.	Recovery towards fixed asset	—	Rs. 4,500/- (1/10 of Rs.45,000/-)
2.	Interest	—	Nil during 1st year
3.	Fodder and maintenance	—	Rs.25,500/-

			Rs.30,000/-

Second and subsequent years up to sixth year

a. Non-recurring expenditure on fixed asset — Nil

b. Recurring current expenditure:

1.	Recovery towards fixed asset	—	Rs. 4,500/-
2.	Interest	—	Rs. 3,750/-(12.5% of Rs.30,000/)
3.	Fodder and maintenance	—	Rs.21,750/-
4.	Loan repayment	—	Rs. 6,000/- (every year for 5 years starting from 2nd year)

Seventh and subsequent years up to tenth year

a. Non-recurring expenditure on fixed asset — Nil

b. Current expenditure:

1	Recovery towards fixed asset	—	Rs. 4,500/-

2.	Interest	—	Nil (Loan fully repaid)
3.	Fodder and maintenance	—	Rs.25,500/- (maintenance rises with age of the cart)

5.6.2.2 Cash Flow Analysis

Information about the flows of revenues and costs can be obtained by doing a simple analysis called a cash-flow analysis. A cash flow table is constructed for the purpose which contains all the payments made and received by the project.

Cash Flow Table

Table 5.5

	Year 1	Year 2	Year 3 **.....**
Inflows All cash payments into the project including loan receipts.			
Outflows All cash payments out of the project including loan repayments.			
Net benefit Inflows minus Outflows			

Inflows: All cash payments into the project (cash receipts) – revenues from sales, grants, loans.

Outflows: Costs of building construction, purchase of machinery, cost of labour, raw materials, power, water and recovery towards fixed asset, etc.

The annual financial position of the project is roughly known from the table. Using the table as a starting point, some other indicators of the financial performance of the project can be developed. These are:

Annual Net Benefit

The annual net benefit is shown at the bottom of the cash-flow table by subtracting the total outflow from the total inflow. Thus the net benefit may be positive or negative depending on the relative sizes of the inflow and outflow.

In other words, this figure shows the annual cash gain or loss for the beneficiary of the project. Once the major investment expenditures have been completed, the beneficiary should expect a positive annual net benefit throughout the life of the project. It should be ensured that the positive benefits appear sooner than later after the inception of the project, especially where the beneficiaries belong to the economically weaker sections, who cannot withstand losses for any length of time.

Incremental Benefit

When a beneficiary joins a project he may have to give up some other income-earning opportunity. This forgone income is known as opportunity cost or ***without-project benefit***, and should be deducted from his income from the project to arrive at the incremental income or benefit from the project for the beneficiary.

For example, suppose a daily-wage earner makes Rs.12,000.00 a year, he decides to take a loan to acquire and ply a bullock cart, which yields Rs.30,000.00 a year as net benefit. The incremental benefit in this case would be Rs.30,000 – Rs.12,000 = Rs.18,000.

A project which yields less than Rs.12,000 of net benefit to this beneficiary is not worth going for.

So, incremental benefit = net benefit – without project benefit.
Incremental benefit should be positive as soon as possible and then continue to be so.

Payback Period

Pay back period is the time required to recover the entire investment cost of the project by accumulating the annual net benefits.

Again, when the beneficiary is economically weak, it is desirable that the payback period is as short as possible.

The payback period indicates the ideal length of time for the loan and the speed at which capital can be accumulated for further investment.

Average Return on Investment (ARI)

ARI is the percentage return in a typical year on investment. It is calculated thus:

ARI = Annual net benefit/Total investment x 100

Suppose, calculated in this manner, the ARI = 8%
Suppose, the interest on deposits offered by banks = 10%

Then it will not be wise to invest capital in this project as it will earn a higher return if simply deposited in a bank.

A simple cash-flow table is illustrated below. You will do well to pay attention to the remarks/assumptions at the bottom of the table. **These assumptions are made to simplify the calculations.** The basic nature of the table will not change if you drop the assumptions.

Table 5.6

Illustration **Project – Bullock Cart** **Life – 10 years** Loan availed – Rs.30,000/- @ 12.5% p.a. repayable within 6 years. Subsidy – 1/3 of fixed cost.				
	Particulars	1st year	2nd to 6th years (5 years)	7th to 10th year (4 years)
A.	Inflows(Rs.)			
	1. Loan received	30,000/-	Nil	Nil
	2. Subsidy	15,000/-	Nil	Nil
	3. Receipts from project	60,000/-	3,00,000/-	3,00,000/-
	4. Total	1,05,000/-	3,00,000/-	3,00,000/-
B.	Outflows(Rs.)			
	1. Purchase of cart (non-recurring)	15,000/-	Nil	Nil
	2. Purchase of bullocks (non-recurring)	30,000/-	Nil	Nil

	3. Depreciation (recurring)	4,500/-	22,500/-	18,000/-
	4. Interest on loan (recurring)	Nil	22,500/-	Nil
	5. Fodder and maintenance (recurring)	25,500/-	1,27,500/-	1,27,500/-
	6. Loan repayment (recurring)	Nil	30,000/-	
	7. Total	75,000/-	2,02,500/-	1,45,500/-
C.	(A-B) Net Benefit	30,000/-	97,500/-	1,54,500/-
D.	Without project income (Opportunity cost)	12,000/-	60,000/-	60,000/-
E.	Incremental net benefit	18,000/-	37,500/-	94,500/-

Remark/Assumptions :

1. Both receipts and expenditure show an increasing trend during the later phase of the project, i.e., 7th to 10th year.
2. The present value of future earnings is kept unchanged.
3. Amount of recovery towards fixed asset remains constant throughout the project.

Conclusion:

Such cash-flow analysis may be done for all the alternative projects. The project with the highest incremental benefit may be chosen for implementation.

5.6.2.3 Social Service Projects

Not every project is conceived to earn revenue or make profits. There are many projects which are set up to provide service to the people free of charge or at a nominal charge. Projects in the social sector like health and education mostly belong to this category.

Financial analysis of such projects therefore, can not make use of the concepts described above. What, instead, is used here is a concept called cost effectiveness.

Cost-Effectiveness

Even in case of the social service projects, there will be some physical dimension to the service rendered by the project, e.g., number of beds in the health center, seats in the school, number of patients at the outdoor. Cost-effectiveness may be calculated on the basis of cost per unit (unit cost) or cost per individual beneficiary (per capita cost).

Unit Costs

Unit costs should be used when the units represent the main or comprehensive benefit of the project. Thus, if it's a road project, it's the number of kilometers of the road built. The unit cost is the cost of constructing a kilometer of road.

Percapita Costs

Sometimes the true benefit from the project can only be assessed from the number of persons affected by it. Total costs remaining the same, the larger the number of beneficiaries, the lower will be the per capita cost and vice versa. For example, per capita cost of an education project will be the cost per student; for a health unit will be the cost per patient.

Cost-effectiveness entails keeping these costs at the lowest possible level.

Check Your Progress 3

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1) What factors should be taken into consideration in selecting the project site?

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……

2) What are these?

a) Annual net benefit
b) Incremental benefit
c) Payback period
d) Average return on investment

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5.6.3Environmental Analysis

Certain projects may affect the environment of the locality in various ways. The quality of air, water, soil and the green cover may be damaged by the erection and operation of the project. The old practice was to try to remedy the damage after it took place. But the present practice is to assess the possible impact of the project on the environment well in advance and to take care to avoid it. Sometimes proposed projects have to be abandoned if the adverse effect on the environment is too great in comparison with the benefits from the project.

Therefore, an Environmental Impact Assessment (EIA) is usually done before a project is launched. Services of experts are to be utilised to do a proper EIA. However, you can have an idea about the possible damage to the environment by using the check list given below.

5.6.3.1 Components of Environmental Impact of a Project

The environmental impact of a project has mainly three components:

1) Impact on receiving environmental media (air, water, land)
2) Impact on living acceptors occupying the media
3) Impact on built environment (structure, buildings and monument)

These impacts are elaborated a little below:

1. Receiving Environmental Media

a) Changes in air quality
b) Changes in the ambient level of noise and vibration
c) Changes in water quality, both biological and chemical
d) Changes in quantity of land available for different purposes and the quality of land (e.g. changes in the quality of landscape, chemical residues, the propensity of soil erosion etc.)

2. Impact on Living Receptors

a) Changes in the level of human mortality and morbidity (i.e., human health effects)
b) Changes in the value of the environment for leisure and recreational use
c) Impact on agriculture, horticulture, etc.
d) Impact on forests
e) Impact on flora and fauna, species diversity and abundance

3. Impact on Built Environment

a) Changes in the damage levels to individual buildings and groups of buildings
b) Changes in the beauty and quality of the built environment

All these impacts affect the well-being of man immediately or in the long run.

5.6.3.2 Checklist of Environmental Concerns

A. Areas Requiring Special Attention

Semi arid and desert margins
Mountainous areas
Tropical and subtropical forests
Coastal wet lands including mangrove swamps
Habitats providing sustenance to vulnerable groups like tribes
Recreational parks, nature reserves
Areas containing endangered species
Areas of historical, archaeological, scientific interest
Areas of high population density
Areas of industrial concentration

B. Nature of Development

The following types of development projects may have significant impact on the environment.

- Involving policy changes
  - changes in agricultural subsidy
  - changes in industrial zoning

- Involving changes in the use of land and renewable natural resources
  - forestry development
  - watershed colonisation
  - resettlement
  - minerals development

- Involving major changes in water use
  - major irrigation projects
  - river basin management including the storage or diversification of water
  - changes in fishing practice

- Involving infrastructure development including
  - mini-hydel development
  - roads and railways

- Involving industrial processes with toxic and hazardous wastes and by-products which may contaminate air, water, soil
  - paper and pulp mills
  - chemical plants
  - mining and smelting
  - hides, skin and leather factories

- Involving water management and disposal

D. Kind of Impact on Environment

-Socio-economic impact

falling living standard among the poor can start a vicious circle of damage to the environment

-Land degradation

Deforestation, soil erosion, salinity may be caused by uncontrolled logging, excessive extraction of ground water or overgrazing

-Water pollution

Uncontrolled waste-water, sewerage discharge, industrial effluents cause pollution

-Air pollution

Auto-exhaust fumes and uncontrolled industrial emissions pollute air.

-Damage to wild life

may take place through forestry, resettlement or irrigation projects

EIA Table

Table 5.7

Period / *Nature of effect*	During initiation/ construction phase	During early stages of project	In the long run
Are the expected environmental effects harmful?			
What is the scale? e.g. number of people or animals affected			
What is the expected intensity of impact e.g. disaster, major, minor?			
What is the expected duration of the impact?			
Are the effects likely to be irreversible?			
How certain are the effects?			
Are any laws or regulations infringed?			
Are there opportunities to reduce harmful effects?			
Will the effects have a different impact on men and women or on different social groups?			

An overall idea can be formed by using the checklist and the table about the possible impact of the project on the environment. Steps may then be taken to avert it by modifying the project.

Check Your Progress 4

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1) In which ways can the receiving environmental media be affected by a project?

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2) Mention any four areas requiring special environmental attention before setting up a project.

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5.7 LET US SUM UP

In this unit, you have learnt how to prioritise project ideas after identifying them. You can now prepare a simple logical framework and draw up a plan in a given format by drawing information from the logical framework. You have also gained some basic idea about the various analyses needed to be done to test the feasibility of the planned project, e.g., technical, financial and environmental analyses.

5.8 UNIT-END ACTIVITIES

a) Use the available sources to suggest two project ideas for your area
b) Prepare a logical framework for a planned dairy project in your area

5.9 POINTS FOR DISCUSSION

- Which factors should be taken into consideration for selecting the location of a jute mill in your district?

- Will you recommend setting up a project in a rural area which requires mostly skilled manpower?

5.10 SUGGESTED READINGS

5. *Report of the Working Group on District Planning, Planning Commission, New Delhi, 1984*

6. *Manual on District Planning, FAO, Rome,1994*

5.11 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1. Plans are prepared to achieve goals set in a policy. A plan consists of a number of programmes. A programmes; will have a number of interlinked projects.

2. According to the suggestions of the Working Group on District Planning, the following principles may be followed:

   i) Employment generation potential
   ii) Existence of forward and back-ward linkages
   iii) Using neglected resources
   iv) Meeting felt/needs of panchayats

Check Your Progress 2

1. Objectives, Outputs and Inputs.
2. The project is conceived with the assumption that certain conditions will prevail.

   Possible hazards to the project constitute the risks.

Check Your Progress 3

1. Selection should be free from bias. Factors like cost of land, suitability of the land for the purpose, availability of water, power and other utility services, existing infrastructure, state of labour relations should be taken into consideration.

2. a) Annual cash gain or loss given by the difference between total cash inflow and total cash outflow of the project.
   b) Net benefit from the project minus the without-project benefit.
   c) Time required to recover the entire investment costs.
   d) The percentage action in typical year on the capital investment.

Check Your Progress 4

1. a) changes in air quality
   b) changes in the ambient level of noise and vibration
   c) changes in water quality, both chemical and biological
   d) changes in the quantity and quality of land available for; different purposes.

2. a) semi-arid and desert margins
   b) coastal wet-lands including mangrove swamps
   c) national parks nature reserves
   e) areas with high population density

UNIT 6: PROJECT IMPLEMENTATION, MONITORING & EVALUATION

Structure

6.1 INTRODUCTION

After a project is planned, it needs to be implemented. Implementation will be timely and effective if it is planned properly. When the project is being implemented, it needs to be assessed continuously in relation to the *agreed schedules*. The use of *inputs, infrastructure and services* should also be assessed at the same time. In other words, the project has to be **monitored** during implementation to identify actual and potential successes and problems as early as possible. This will make possible timely adjustments in the operation of the project.

Evaluation is the periodic assessment of a project's *relevance, performance, efficiency and impact (both expected and unexpected)* in relation to the stated objectives. In other words, **evaluation** is a periodic review of progress of the project. Sometimes adjustments are made in the project design on the basis of the results of the evaluation. Evaluation is also made at the end of a project to assess the effects and the sustainability of the project.

6.2 OBJECTIVES

After going through this unit, you will be able to:

- Plan the implementation of a project
- Define monitoring and evaluation
- Design a monitoring table
- List the essentials of evaluation
- Develop suitable indicators for monitoring and evaluation
- Prepare an impact evaluation table

6.3 THE PROJECT IMPLEMENTATION PLAN

In the last unit we learnt how to design a project by using a simple logframe technique. In this logframe the project was finally broken down into a number of *activities*.

Here we will learn to prepare a plan for those activities, taking into consideration their timing, the resources required, persons / organisations responsible, costs and the relationships between the activities.

6.3.1 The "Grantt" Technique

To draw up this project implementation plan we will use a very simple but useful technique called the "Grantt" Technique.

The table given below is drawn using the "Grantt" technique to plan the implementation of a project. The activities are simply listed on the table, with each activity heading one line. While the logframe table mentions only one activity, the implementation plan splits this up into all the sub-activities that are grouped under that one overall activity. For example:

Activity1 – Providing schools with Internet access.

Activity 1.1 - Establishing the number of schools.
1.2 - Ensuring telephone lines in all schools.
1.3 - Ensuring acquisition and delivery of computers.
1.4 - Providing internet programmes and training in their use.

You can very well see here that Activity 1 has been split into as many as four *sub-activities* described as Activity 1.1, Activity 1.2, Activity1.3, and Activity 1.4.

For each activity, the rest of the table contains information relating to the following aspects:

i. the time during which the activity is going to be performed (listing both its beginning and end),
ii. the human resources needed to perform the activity (the type of expertise and amount of time in man-days necessary),
iii. the materials and equipment needed,
iv. costs involved (with respect to both manpower and material resources),
v. the organisation that will be responsible for this particular activity,
vi. the person in that organisation responsible for the activity.

A blank column is added for comments or remarks. More columns can be added if necessary.

The Project Implementation Plan

Table 6.1

Activities	Time Schedule (Months, Weeks, Days)												Human Resources	Material Resources	Costs	Organisation responsible	Person responsible	Comments
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12						
Activity 1																		
Activity 1.1																		
Activity 1.2																		
Activity 1.n																		
Activity 2																		
Activity 2.1																		
Activity 2.n																		
Activity 3.1																		
Activity 3.n																		
…																		
Activity N.n																		

In the above table the time schedule for an activity is divided into 12 months (**M1, M2…M12**). This type of planning makes it easy to take into account relationships between activities. Thus, if the beginning of Activity No. 2 requires the completion of Activity No.1, and the beginning of Activity No.3 requires the completion of Activity No.2, then they need

to be timed sequentially. If needed, a gap may be left between the end of one activity and the beginning of the next activity to take care of the delays normally encountered in the implementation of any activity.

Using this table, possible conflicts between different activities can be detected easily, such as the same person or the same piece of equipment being needed at the same time for different activities.

This type of implementation plan also facilitates the overall cost planning of the project or of groups of activities. It provides a quick overview of the total requirements for manpower, materials, and equipment.

Finally, supervision of the project becomes easier, because responsibilities are also clearly defined.

6.4 MONITORING

As you learnt earlier, monitoring provides feedback on the implementation of the project. Monitoring is a continuous learning process. It needs measurements of indicators on all four levels of the original logframe table. However, we simplified the original logframe to suit our purpose in the last unit. Following the same line of simplification we will confine monitoring here to the ***activities*** level of the logframe only. Thus, we will simply record what has been done at what time, using which resources, and which is part of the normal working routine. To produce the measurements for the indicators at the other three layers of the logframe table (the *outputs*, the *project purpose* and the *project goal*), additional activities by the project or by other institutions are needed.

6.4.1 Monitoring of Activities

Monitoring simply means keeping track of and recording what actually happens in a project. Therefore, keeping a record of the project's activities is an essential part of the monitoring and evaluation system. You are already familiar with the "Grantt" format. We will use this again to get a quick overview of the contents of the project's *daily, weekly or monthly reports*. The data are summarised for each of the activities and entered into the Grantt table. The line under a planned activity in the Grantt table will represent the actual activity performed. It then becomes easy to compare what has been achieved with what has been planned, line by line, activity by activity, and item by item, including the beginning and end of activities, human resources used, and materials and equipment used.

Condensing the original implementation plan and the actual achievements into one table might look like this:

Monitoring of Activities

Table 6.2

Activities	Time Schedule (Months, Weeks, Days)												Human Resources	Material Resources	Costs	Organisation responsible	Person responsible	Comments
	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12						
Activity 1													3 man-months	1 vehicle	5000			
Actual A1													6 man-months	2 vehicles	6000			
Activity 2													4 man-months	Print. Press	400			
Actual A2													4 man-months	Print. Press	600			
Activity 3													15 man-months		3000			
Actual A3													10 man-months		2000			
Activity 4													10 man-months		10000			
Actual A4													16 man-months		17600			
Activity 5													3 man-months		1000			
Actual A5													3 man-months		5000			

From this table it is easy to see the following results:

- Completion of Activity 1 took 4 instead of 3 months and employed 2 persons instead of only 1 person. And while this also required 2 vehicles instead of only 1, the costs reflected only a fraction of this increased use of resources.

- Activity 2 perhaps depended on completion of Activity1. Therefore, it started one month later than planned, but used precisely the same resources planned for. However, in the meantime, the costs had risen by one third from 400 to 600.

- Activity 3 was delayed by 1 month and used only 2 instead of the envisaged 3 people. (Perhaps the consequent drop in the salary bill was actually intended to make up for increased costs in other activities.)

- Activity 4 started 1 month ahead of schedule and lasted 1 month less than planned for. This was most likely due to the use of additional personnel for that activity. The costs reflect both of these changes and an assumed salary increase.

- Activity 5 was actually a final evaluation, which was contracted out to a different organisation than the one originally planned.

- The overall budget for the project increased from 19,400 imaginary currency units to 31,200 units. However, in real life it may be difficult to increase the overall budget.

Check Your Progress 1

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. Which aspects of an activity are recorded for the purpose of implementation planning on a Grantt table?

   .....
   .....
   .....
   .....

2. What is monitoring? Why is it necessary?
   .....
   .....
   .....
   .....
   .....

3. What additional information relating to activities is to be entered into the Grantt implementation table for the purpose of monitoring?

   .....
   .....
   .....
   .....

6.5 EVALUATION

Even if a project is closely monitored, it still needs to be evaluated periodically to ensure that it proceeds along the desirable and planned lines. Therefore you need to acquaint yourself with the basics of evaluation.

Evaluation may be done at the beginning of the project, mid-way through the project, and immediately after the completion of the project. It determines the physical changes that may have resulted from the various outputs of the project.

Evaluation may also be made after the lapse of a considerable period of time like one year or a couple of years after the project is completed to determine the impact of the project. The *impact* refers to the effects of a project on the target group/s, the larger society, the economy, and the physical environment.

In long-term projects, *mid-term evaluation* is also done which sometimes helps in taking major corrective action and refining and redefining the objective.

6.5.1 Essentials of Evaluation

While monitoring is entirely the responsibility of the project itself, evaluation normally involves some external evaluators and also takes care of some concerns external to the project.

Any evaluation must check if the following are true:

- The project activities have followed the plan.
- The results (outputs) have been achieved.
- The project purpose has been reached.
- The project has contributed to the goal.

- The assumptions have been realistic, and, therefore, the project purpose and the overall goal are still valid.
- The project's results and achievement of purpose are sustainable.

You can very well see that all these points have been taken from the original logframe.

A proper evaluation will provide answers to the following five questions. You may note that not all of these questions are directly related to the logframe table.

Q.1 : Is the project *efficient*? (Does the project's use of resources lead to the highest possible output?)

Q.2 : Is the project *effective*? (Do the project's activities and outputs have the desired effect? Do they lead to the intended *results*?)

Q.3 : What is the *impact* of the project? This asks not only for the intended impact, which will be related to the *project purpose* and the *overall goal*, but also for the *unintended* effects of the project in the arena of intervention.

Q.4 : Is the project *relevant*? (Do the achieved results of the project meet the expectations of the stakeholders, most importantly those of the target group?)

Q.5 : Is the project *sustainable*? (Will the project's effects continue after the project is completed?)

6.5.2 Modes of Evaluation

6.5.2.1 Who Leads the Evaluation

Usually evaluation is done by an outside agency but it is also conducted internally and sometimes jointly by both the external agency and the insiders of the project.

i) Externally Led Evaluation:

A designated outside agency may conduct evaluation to make a supposedly objective and unbiased assessment.

ii) Internally Led Evaluation:

Such evaluation is initiated and carried out mainly by the stakeholders consisting of beneficiaries, project staff, government agencies, donors etc. Such evaluation creates a sense of belonging and ownership in the stakeholders. It helps capacity building and empowerment.

iii) Joint Evaluation:

This method is a combination of the externally-led and internally-led approaches and presents a more comprehensive picture.

6.5.2.2 Conventional and Participatory Evaluation

In recent times more and more emphasis is being given on participatory evaluation using people who are directly involved in the development programmes as beneficiaries, planners and implementers.

Both conventional and participatory evaluations require skills, which need to be acquired and which are beyond the scope of the present module. However, a simple distinction can be made between the two approaches here.

Differences between conventional and participatory evaluation:

Table 6.3

	Conventional	Participatory
WHO :	External Experts	Community members, project staff, facilitator.
WHAT:	Predetermined indicators of Success	People identify their own indicators of success-flexible in nature
HOW:	Focus on scientific objectivity, emphasis on data, distancing evaluators, uniform, complex procedures, delayed, limited access to results	Self evaluation, simple methods adapted to local culture, open, immediate sharing of results through local involvement in evaluation processes
WHEN:	Usually upon completion of project/programme, sometimes also mid-term	More frequent, small scale evaluations
WHY:	Accountability, usually summative	To empower local people to initiate, control and take corrective action.

Check Your Progress 2

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. What is evaluation? How is it different from monitoring?

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2. What are the five questions which a good evaluation should answer?

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3. Note three points of difference between conventional and participatory evaluation.

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6.5.3 Selecting Indicators

A meaningful monitoring and evaluation system depends on a structured set of indicators, covering outputs of goods and services generated by the project and their impact on beneficiaries. Therefore these indicators are to be chosen very carefully.

6.5.3.1 Types of Indicators

The indicators used can be classified into the following types:

a) Quantitative Indicators:

Quantitative indicators provide numeric information about changes in a situation. In other words a quantitative indicator measures the change and expresses it using numbers.

Example: Number of village organisations formed, centimeters of rainfall during last quarter, number of farmers using improved variety of seeds, etc.

b) Qualitative Indicators:

Qualitative indicators are largely descriptive statements about processes and outcomes.

Example : What is the level of participation in village organisation meetings?
How are decisions made by the village organisation ?
How are community needs assessed?

c) Direct Indicators:

These indicators provide the required information directly. In other words, the supposed effect is measured directly.

Example: If information on crop yield is required, then crop yields are measured straightaway.

d) Indirect Indicators:

Sometimes results or effects are difficult to be measured directly. In such cases, some proxy indicators may be used to gather the necessary information. Such indicators are known as indirect indicators.

Example: Suppose we want to measure the incidence of poverty in a given community. Here we can measure it by using household income as a direct indicator. Those having income above a certain predetermined level will not be considered as poor, and those below it will be regarded as being poor.

But we can also use indirect indicators for poverty in the following manner:

- Persons are poor if they have to hire themselves out as daily, unskilled labourers.
- Persons are rich if they can hire labour.

e) Process Indicators:

Process indicators measure changes in the key processes leading to the outputs of an activity and provide valuable information on how development processes take place. Process indicators can be both quantitative as well as qualitative, which help the user of the information to identify and assess trends in processes over time.

Steps involved in planning, design, collecting funds, construction and operation and maintenance of a water supply scheme, for example are the processes involved in developing water supply infrastructure.

Example : Examples of process indicators are level of participation and input of community during planning, the procedures for operation and maintenance decided by the community, and methods for collecting user charges, etc.

f) Progress Indicators:

Progress indicators seek to measure and monitor changes against stated targets. Progress indicators are usually but not always expressed in quantitative terms.

Example : The number of trees planted, percentage of water supply scheme constructed, operation and maintenance(O&M) training sessions conducted, etc.

6.5.3.2 Selecting 'SMART' Indicators:

While selecting an indicator it should be ensured that it possess the following important qualities:

➢ **Specific**

The indicator should measure what we think it ought to measure. The indicator should be *attributable*. This means that there must be a clear- cut link between the activity/process and the indicator. There should be a direct link between what we are trying to observe and the indicator chosen for it.

For example, if we choose percent increase in household income as an indicator for increased production of wheat, it would be a *non-attributable* indicator, because there could be many other reasons for the increase in household income than income earned from sale of wheat.

The indicator that possesses the above quality is described as specific.

- **Measurable**

The indicator should be able to be measured. For example the number of participating households, percentage of people paying user charges, number of women attending meetings etc. are regarded as measurable indicators.

On the contrary the intention behind an action, or the community's perceptions about the project can not be regarded as measurable indicators.

- **Attainable**

The identified indicator may be specific and measurable but will it be attainable? If an indicator chosen requires that information be collected on the income earned and / or assets owned by households in a village, one might find communities unwilling to provide this information. As a result they may either refuse to answer or provide incorrect information. In such cases, the indicator is 'unattainable'.

- **Relevant**

The indicators should be relevant to the project. Use of indicators, which are of little or no relevance to the project, will be of no use for monitoring and evaluation.

- **Timely**

The indicators should be such that they can be used to collect information in a timely manner and at regular intervals. It should also be cost effective to use. The time and resources spent in collecting and processing the information should be proportionate to its usefulness.

Arranging the first letters of these desirable qualities of a good indicator gives us the acronym ***SMART.***

Check Your Progress 3

Note: Space is given below for writing answers. Compare your answer with the one at the end of the unit.

1. What are the different types of indicators which you can use for monitoring and evaluation?

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.....

2. Note the attributes of a SMART indicator.

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6.6 IMPACT EVALUATION TABLE

You now know what constitutes the impact of a project and why it needs to be evaluated and when. Impact evaluation is usually done by professionals. However it is useful to have an idea about how it is done.

With that end in view two formats are given below, which are commonly used for impact evaluation. The first of the two is used to record the overall impact of a project, while the second one is an example of the form which can be used to evaluate a specific impact of a project.

Overall Impact Evaluation Table

Table 6.4

Time	Impact on	**Financial**	**Economic**	**Social**	**Cultural**	**Gender**	**Environmental**	**..... (other)**
• Short Term • Long Term	Society (as a whole)							
• Short Term • Long Term	Organisation Institutions							
• Short Term	Beneficiaries							

• Long Term	Stakeholders							
• Short Term • Long Term	Target Group (Community)							
• Short Term • Long Term	Target Group (Individuals/ Groups)							

Specific Impact Evaluation Table
(Financial Impact)

Table 6.5

Time	Impact on	**Financial Impact**	Indicators	Sources of Verification
• Short Term • Long Term	Society (as a whole)			
• Short Term • Long Term	Organisation Institutions			
• Short Term • Long Term	Beneficiaries Stakeholders			
• Short Term • Long Term	Target Group (Community)			
• Short Term • Long Term	Target Group (Individuals/ Groups)			

Note : As you can see, an overall impact assessment table is prepared by putting together all the specific impact evaluations done using the standard format given above.

The impact evaluation table will be attached to the evaluation report on the project. The report will consist of specific conclusions and recommendations for different areas of interventions of the project based on the specific indicators used for each area of intervention.

6.7 LET US SUM UP

In this unit you have learnt the concepts of monitoring and evaluation and their importance in project planning and implementation. You now know that monitoring provides a continuous feedback on the various aspects of the activities being undertaken during the implementation of a project. Necessary corrections and adjustments can be made on the basis

of such feedback. The "Grantt" Table is a simple device, which you can now use for the purpose of preparing a project implementation plan and monitoring activities.

The impact of a project refers to the effects of the project on the target group, the larger society, the economy and the physical environment. The impact is usually evaluated by an outside agency. However, participatory evaluation of impact is gaining in popularity at present. Indicators are of great importance for proper monitoring and evaluation. Indicators, therefore, should be chosen carefully. You are now aware of SMART qualities of a good indicator. You have also gained knowledge of a standard format for impact evaluation.

6.8 UNIT-END ACTIVITIES

a) Prepare a project implementation plan for any development programme in your district / block using the "Grantt" table.

b) Use available data to monitor activities of this programme using the "Grantt" table.

c) Prepare a list of SMART indicators for a Rural Water Supply and Sanitation Project.

6.9 POINTS FOR DISCUSSION

- Do you think proper record keeping is essential for using the "Grantt" technique effectively for project implementation and monitoring?

- Analyse how the Grantt format represents an expanded, more detailed version of the lowest level of the logframe table.

- Should all development projects be abandoned if they have adverse impact on the environment?

6.10 SUGGESTED READINGS

1. Ulrich, Schiefer and Dobel, Reinald, "*A Practical Guide to Integrated Project Planning and Evaluation*", Budapest, OSI-IEP Publication, 2001.

6.11 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

1. Time schedule, human resources, materials and equipment, costs, organisation and person responsible.

2. Monitoring means keeping track of and recording what actually happens in a project. It helps in identifying actual and potential successes and problems during implementation of the project, so that timely adjustments can be made in its operation.

3. Data relating to actual achievements have to be entered into the Grantt table for the purpose.

Check Your Progress 2

1. Evaluation refers to the effects of a project on the target group, the larger society, the economy and the physical environment. While monitoring is entirely the

responsibility of the project itself, evaluation normally involves external evaluators and takes care of the above mentioned external concerns.

2. i) Is the project efficient? ii) Is the project effective? iii) What is the impact of the project? iv) Is the project relevant? v) Is the project sustainable?

3.

	Conventional	**Participatory**
WHO -	External experts	Community members
WHAT - indicators	Predetermined indicators	People identify own
HOW -	Scientific objectivity	Self evaluation

Check Your Progress 3

1. Quantitative indicators, qualitative indicators, direct indicators, indirect indicators, process indicators, progress indicators.

2. S-Specific, M-Measurable, A-Attainable, R-Relevant, T-Timely

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