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Subject : **Guidelines for District Plans in the Eleventh Five Year Plan**

## **I Introduction**

The need for integrated local area plans, based on specific endowments and needs of each area, was stressed from the beginning of planned development in 1950s. However, despite several reports and studies, there were only sporadic efforts and isolated cases of such planning. Development was mostly done through sectoral schemes and programmes of a uniform nature, resulting in limited outcomes and wastage of resources. The constitution 73<sup>rd</sup> and 74<sup>th</sup> Amendments mandated local planning at the village panchayat, intermediate panchayats and district panchayat levels as well as in urban local governments and their consolidation into a District Plan in each district. Though more than fourteen years have gone by since the constitutional mandate was brought into effect, there has been little progress except in very few states.

It has been decided that the 'district plan process' should be an integral part of the process of preparation of state's Eleventh Five Year Plan (2007-2012) and the annual plan 2007-2008. With this in view, the Ministry of Panchayati Raj constituted an Expert Group in 2005, in consultation with the Planning Commission.

The Report of the Expert Group on planning at the grassroots level was presented to government in March 2006. It has been accepted by the Ministry of Panchayati Raj and the Planning Commission and was circulated the States in April-May 2006. Attention is drawn to Chapter 3 of the Report.

This circular deals with the further steps to be taken as part of the preparation of the states' draft Eleventh Five Year Plan/Annual Plan 2007-2008, proposals.

## **II District Planning:-**

District Planning is the process of preparing an integrated plan for the local government sector in a district taking into account the resources (natural, human and financial) available and covering the sectoral activities and schemes assigned to the district level and below and those implemented through local governments in a state.

The document that embodies this statement of resources and their allocation for various purposes is known as the District Plan. It would essentially have three aspects namely:

1. Plan to be prepared by the Rural Local Bodies for the activities assigned to them and the national/state schemes implemented by them with their own resources and those earmarked for these purposes;
2. Plan to be prepared by the Urban Local Bodies for the activities assigned to them and the national/state schemes implemented by them with their own resources and those earmarked for these purposes;
3. Physical integration of the plans of Rural and Urban Local Bodies with the elements of the State Plan that are physically implemented within the geographical confines of the district.

All the three aspects would be considered and consolidated by the District Planning Committee (DPC) into a District Plan.

Quite obviously, the District Plan cannot be prepared in isolation, and must take into account and respond to the expected activities of the non-government sector of the local economy.

Important among these would be:

1. Plan emerging from activities of people's groups like SHGs, Co-operatives etc.
2. Plan emerging from the financial institutions like the local branch (es) of Commercial Banks (both in the public and the private sector), NABARD, Co-operative Banks and the like.
3. Plans of International Non-Governmental Organizations (INGOs)/NGOS and Bilateral Agencies operating in the District.
4. Plans of other private agents that would either have an impact on the activities of the government or would need the government to respond to those developments insofar as its own areas of functioning/service delivery are concerned.

### III Steps to be taken at State Level:-

The State Governments (State Planning Commission/Board/Department) may take urgent steps for the following, **if not already done**:-

1. Complete the assignment of **Activities** to be undertaken by different levels of local governments;
2. Form District Planning Committees (DPC) as envisaged in the constitution, that is, with 80% members being elected from the elected members of the Panchayat and urban local governments in each district and the remaining 20% being nominated by the state governments; preferably with experts.
3. Issue guidelines to the DPC and local governments generally on the lines indicated in Section IV below;

4. Decide on the formula for distribution of local government component of the state plan and indicate the broad order of resources that would be available to different levels (and therefore to each local government) over the five years/one year (2007-08) from the state plan - this would be sector-wise as well as untied;
5. Indicate the resources that would broadly be available to each local government from central sources through centrally sponsored schemes, special allocations, including those by Finance Commissions, etc;
6. Prepare the draft District Plans and after vetting, present a summary of District Plans, in the format indicated in Section IV, along with State Plan proposals for the Eleventh Five Year Plan/Annual Plan 2007-08.

#### **IV Preparation of District Plan**

In the preparation of the draft district plan, the various steps detailed in Chapter 3 of the Report of the Expert Group on Planning at the Grassroots Level may be generally followed. (Provided as Annexure-I). The present state of development and the resource endowment including capability vary widely across states. It is not necessary to wait for perfection or latest technology to get started with the process. Separate steps may be taken to improve internal capabilities.

The following steps are suggested:

1. The available data may be put together for each local government. The state government agencies, the departments and the district statistical organizations (central and state) should assist them in this. Some of the essential items of data are listed in the suggested form at Annexure-II.
2. Based on the data, a vision document for 10 to 15 years is to be prepared by the district and for each local government based on a participatory assessment. The DPC may hold formal interactions with local governments and other key stakeholders on this and then finalize it. The document should clearly identify the key reasons for backwardness/development shortcomings and address issues impeding development. It will cover:
  - Agriculture and allied sectors (as relevant)
  - Availability and development of water sources
  - Industries - especially traditional, small industries including food processing
  - Infrastructure including power
  - Drinking water and sanitation
  - Literacy, school education
  - Health and medical facilities
  - Poverty reduction and basic needs
  - Gender and children
  - Social Justice - SC/ST, Persons with disability etc.

3. To assist the DPC in preparing the vision document (and subsequently to vet the draft plan proposals), a Technical Support Group may be constituted in each district. It may consist of departmental officers (where available) mandated and nominated for the purpose in addition to their duties or retired persons locally available or a local academic institution or established NGO with a proven record - Similarly, technical support as appropriate, may be organized for the urban areas, intermediate panchayats and village panchayats.
4. If undertaken in a campaign mode, the preparation of vision documents can be completed in two months' time.
5. Further, if District is to be the **economic unit** for planning exercise, the scope of **vision document** could be expanded to include areas of comparative advantage of each district (availability of technical institutions, BPO, tourism, agro-industry etc.), which would be the basis for attracting private investment.
6. Based on the vision document/s and following the same participatory process, the needs may be prioritized and goals set for a five-year period for a draft five year plan in the manner indicated below:
  - a) The draft plan preparation should start at the Gram Sabha level. The Gram Panchayat may finalize its Plan based on priorities emerging from the Gram Sabha and give suggestions for the Intermediate Panchayat. Projects and activities which can be implemented at the Gram Panchayat Level should be included as "Gram Panchayat Plan". Those projects and activities which can be implemented only in **more than one** Gram Panchayat, will be forwarded to the Intermediate Panchayats to be considered for inclusion into the "Intermediate Panchayat Plan". *The Gram Panchayat Plans should also provide an estimate of the community contribution that can be mobilized for the purpose of implementing the development plan.*
  - b) Based on these suggestions received from Gram Panchayats and its own priorities the Intermediate Panchayat should finalize its Plan. Projects and activities which can be implemented at the Intermediate Panchayat Level should be included as "Intermediate Panchayat Plan". Those projects and activities which need to be implemented in **more than one** intermediate Panchayat will be forwarded to the District Panchayat to be considered for inclusion into the "District Panchayat Plan".
  - c) Based on the Gram Panchayat Plans, the Intermediate Panchayat Plans and District Panchayat Plans, the District Planning Committee shall finalize the District Plan for the District.

- d) A similar exercise may be undertaken in Urban Local Governments. Each local government may be asked to give separate suggestions for inclusion in the Departmental components of the District Plan.
7. The time limit for different steps, in para 6 above, needs to be indicated. Similarly, time frame for integrating District Plans with State Plans also needs to be indicated in view of limited time available for the beginning of Eleventh Five Year Plan.
  8. The draft plan proposals of each local government should be in accordance with the approved Activity assignment and the centrally-sponsored flag-ship and related programmes (as and where applicable).
  9. The draft plan proposals will cover the sectors mentioned in (2) above and will indicate the expected outcomes in terms of production, employment, infrastructure and human development.
  10. While preparing the draft plan in accordance with (6), (7), (8) and (9) above, the concerned local government will take into account the district component of the departmental plans as also the Centrally Sponsored Schemes and the Externally Aided Projects that have been assigned to it for implementation. In addition, the physical integration of the District Plan with the elements of the State Plan that are being implemented in the geographical area of the district would need to be given close attention. The resources and outlays in respect of these items of State Plan located in the district (but not implemented through the local bodies) would not, however, be included in the Plan Resources and outlays of the Local Bodies.
  11. The local government component of the District Plan would emerge out of the resource envelope containing the following sources of funds:-
    - a. Own resources available for development
    - b. Transfers by State Finance Commission for development purposes
    - c. Twelfth Finance Commission grants passed on by the State Government.
    - d. Untied grants for local planning.
    - e. Grants in respect of Centrally Sponsored Schemes that have been assigned to the local bodies for the purposes of implementation.
    - f. Grants for State Plan schemes assigned for implementation through Local Governments.
    - g. Grants for Externally supported schemes assigned for implementation through Local Governments.
    - h. Estimated contribution by the communities themselves.
  12. The DPC will consolidate the two streams - the Panchayat plans and the urban area plans, integrate them with the departmental plans for the district and prepare the draft five year plan and the Annual Plan.

13. The State Planning Commission/Board/Department may issue the above as guidelines and suggest the broad structure of the district plan document and the forms to be annexed to the document.

#### **V Presentation as part of State's Eleventh Plan Proposals:**

1. A summary of the District Plans will have to be presented as part of the State's Eleventh Five Year and Annual (2007-08) Plan proposals.
2. For this purpose, a Note on the present status of empowerment of local governments and the procedures adopted in getting local draft plans prepared by all levels of local governments will be attached to the plan proposals.
3. Summary statements will be presented in the attached Annexure-III formats in addition to the forms usually adopted for State Plan Proposals. (The forms refer to Annual Plan could be the same for five year plan).
4. The sum total of the outlay on District Plans in a state may be around 40 percent of the gross state plan outlay\*.



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25.08.2006

#### Planning Secretaries of States/UTs

Copy to :

1. Principal Advisers/Advisers/ Heads of Divisions in Planning Commission.
2. PS to Deputy Chairman / Members / Member-Secretary

Copy also to :

1. Secretary, Ministry of Panchayati Raj, Krishi Bhavan, New Delhi.

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\* 'Gross' Plan outlay includes central share of centrally sponsored schemes. It is, thus, State Plan Outlay + Central Share of CSSs.

## Formulation of District and Sub-District Plans at all Levels of Panchayats

- 3.1 The object of district planning is to arrive at an integrated, participatory coordinated idea of development of a local area. An essential step in this direction is to ensure that each Panchayat at any level or Municipality is treated as a planning unit and the 'district plan' is built up through consolidation and integration of these plans as well as by considering the development of the district as a whole. It is a two-way interactive exercise, the district being viewed as a convenient local area.
- 3.2 As now practised, the concept of district planning is considerably diluted by the fact that most department schemes envisage in their guidelines, separate and self-contained 'planning' processes. One way of curbing this tendency is to ensure that the word "plan" is used restrictively, to mean only that "plan" that is prepared at the level of each local government. Sectoral planning efforts ought to be termed as "programmes" ". Thus a "Plan" would be a composite whole which consists of several programmes in a mutual interdependent way. In Hindi, this would translate into one 'yojana' with several sectoral "karyakrams". It will emphasize mutual reinforcement of sectoral programmes. It will also ensure that resources are not wasted. Another important aspect is that it would entail a back-and-forth consultation as participants strive to temper and prioritize needs to fit the availability of resources. Lack of structure in this consultative process can delay planning indefinitely; yet too much hierarchy and rigidity can inhibit discussion and end up keeping essential participants out of the exercise. Avenues of consultation have to be open, but without too many steps before plan approval.
- 3.3 The Expert Group visualizes the process of decentralized planning as falling into a broad sequence of steps. The sequence of preparing the Eleventh Five year plan from grassroots upwards could be to undertake a decentralized envisioning and stocktaking exercise, followed by a planning exercise at each local body level and then the consolidation and integration exercise. The envisioning process, would look at how the main priorities are determined as also the participatory processes that enable all stakeholders to be involved. Issues such as the representative profile of Panchayat elected members are critical here – for instance, the fact that women are represented to more than 40 percent of the seats and SC & ST representation is in excess of the seats reserved for them would all have a huge impact on the visioning process. Indeed, Panchayati Raj represents the most potent means for women to lead governance, both in envisioning and implementation. Next would come the actual processes involved in the planning process at each level of Panchayat. Thirdly, comes the process involved in consolidation and integration of plans by the District

Planning Committee. This Chapter deals with the first two steps—decentralized envisioning and planning. Consolidation and integration of plans is dealt with in the next Chapter, along with the functions of the District Planning Committee.

### **3.4 Building a District Vision:**

- 3.4.1 The early part of the year 2006-07 should be devoted to preparing for each district a vision, through a participative process starting from the grassroots, as to what would be the perspective for development over the next 10 to 15 years. In basic terms, the articulation of a vision is best done in each planning unit, right down to the Gram Panchayat level, stating with respect to each area what the needs and potential are, what the attainable levels are and what the goals to be reached could be. A basic requirement is that the preparation of the vision is not conditioned by schemes and programmes. The vision would be primarily articulated in terms of goals and outcomes and would address basically, three aspects of development, namely, human development indicators, infrastructure development and development in the productive sector. The idea is that the envisioning process, being participative, would build a spirit of teamwork and hopefully break down the department-wise 'planning' process that is now dominant.
- 3.4.2 Building a vision for basic human development indicators would essentially cover health, education, women and child welfare, social justice and availability of basic minimum services. Each Panchayat could propose, in its envisioning exercise, that they will achieve the levels specified for each such aspect within a particular period of time. Building a stage by stage approach is not precluded - for instance, in districts that are below the national average in literacy, the first step would be to reach the average level and the next would be to attain the desirable level. Similar envisioning could be undertaken in respect of attainments regarding education, health, water supply and sanitation etc. Special attention has to be given to women and disadvantaged groups so as to enable them to take a lead in planning. The current means for inclusion of women in development planning and implementation as well as in allocation of funds is to offer a special women's component plan to ensure that part of sectoral funding is available and used for women. However, what is needed is that, equality has to be built into the envisioning process as a whole, by ensuring that women have an important role in the design of the entire Panchayat plan, rather than only in the womens' component. For example, in surveys involved in the planning process, it needs to be ensured that women's views are especially sought, including through focus group discussions. Women community leadership will need to be identified and included in committees that may be formed under various sectors, to ensure that women are included in planning for sectors other than social development, such as infrastructure, use of common lands, natural resources and employment. In ensuring meaningful participation of traditionally muted and excluded groups like dalits and women in the envisioning exercise, there is need for special capacity building for them. Networks of elected women members ought to be encouraged so that they can exert collective pressure as well as throw up leadership for a meaningful development of village and district plans with womens' views

embedded in them. Capacity building programmes ought to ensure womens' empowerment as a cross cutting theme so that womens' empowerment is understood by others and development priorities identified by women are respected. These processes can become part of the participatory exercises in building the district vision.

- 3.4.3 With respect to the vision for infrastructure, the targets aimed under Bharat Nirman could be adopted in the manner as applicable for each district. The vision for the productive sector would consider what is the potential of the district and what can be reached within the plan period, considering the natural and human resources available in the district. There ought to be a close look at all aspects of natural resources use such as food and agricultural production, land and its improvement, irrigation and attainment of water security etc. The vision should also cover the possible local response to the changes taking place as a result of national, state and private development efforts.
- 3.4.4 There are several districts in the country where the basic targets concerning human development indicators have been already achieved. In such districts, the concentration could be on the next level of envisioning, basically in infrastructure and economic development, modernization of traditional industry and technical development of peoples' skills.

### **3.5 Evolution of the District Vision through discussion in Panchayats and other local bodies:**

- 3.5.1 It is essential that the district vision is owned by all. This will require a high degree of participation in the preparation of the vision. The Ward and Gram Sabhas will have to be involved fully in the preparation of the district vision. One of the processes that is suggested in the exercise for planning, namely, undertaking participative citizen surveys is itself a good way of starting the process, through giving every citizen surveyed an opportunity to voice his or her needs and vision.
- 3.5.2 The district vision document should be given wide publicity. There are several means by which DPCs could ensure wide dissemination of the vision, one of them being to progressively cover all Intermediate Panchayats and Gram Panchayats on a block wise basis through a series of workshops for all Panchayat leaders for creating awareness. Copies and brief abstract of the same should also be made available to the people as a priced publication.

### **3.6 Undertaking a parallel stock taking exercise:**

- 3.6.1 Paralleling the envisioning process, a stock-taking exercise would need to be undertaken, comprising both an assessment of the human condition in the District, as also the availability of natural, social and financial resources and infrastructure. For doing this, data pertaining to these aspects of development already existing in different forms would need to be compiled, assessed and described in a simple fashion. Using a common manner of describing and displaying the results of stock taking would be useful. This Group has elsewhere made suggestions concerning the work of preparing and maintaining databases for planning. The data base prepared would be an invaluable resource for the stocktaking exercise. In

this connection, the concept of using development radars<sup>1</sup>, already used by the Planning Commission for preparing the National Human Development Report-2001, merits wider adoption. Development Radars are a pictorial depiction of the performance of a unit of planning in respect of various sectors such as health, education, poverty alleviation, drinking water, housing etc. These can be redrawn over a time sequence and the difference in attainment measured. Apart from aiding stocktaking and envisioning, DRs could even be used as a report card that can measure progress on the development parameters that comprise it. With the strides being made in electronic data compilation, if a listing of Panchayats with the constituent revenue villages is made available by States, development radars can be prepared for Gram Panchayats too. We strongly recommend that the preparation of Developmental Radars be taken up, on priority, as part of the stock taking exercise.

### **3.6.2 Developing HDR reports for States and Districts:**

Several States have prepared HDR reports, which have become the basis for the development planning exercise in them. It is suggested that HDR reports be prepared district wise, so that there is a common framework within which the envisioning exercise takes place in each district.

### **3.6.3 Other aspects of the Stock taking exercise would be as follows:**

- Determination of cumulative physical and financial achievement regarding the availability of government provided services, from data available with implementing officers,
- Verification of physical assets, both community and individual assets, undertaken at each Panchayat level,
- Determination of works spilling over from the earlier plan and the funds required for the completion of the same,
- In many areas of service delivery, the private sector has supplemented insufficient government provision and the stocktaking exercise has to take into account the extent of such supplementation.
- The credit plans of the district can be used as a starting point for taking stock of the resources that are available through credit for planning. This will need to be supplemented by taking stock of the growth of the self-help movement and microfinance.

### **3.6.4 Taking stock of the own revenue raising capability of Panchayats:**

Raising of local revenues by Panchayats remains neglected in stocktaking, planning and implementation. No serious effort has been made nationwide to implement the recommendations of the Eleventh and Twelfth Finance Commissions in this regard. In several States, while taxes are assigned to local bodies by law, collection is unsupervised and neglected in practice. Experience suggests that given encouragement and with adequate capacity building, panchayats are capable and enthusiastic about collection of taxes. There has to be a substantial emphasis in local planning processes to estimate local revenues, entailing categorization of taxable properties, setting of tax rates for different categories,

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<sup>1</sup> From the work undertaken by Dr. N.C. Saxena and Jayanthi Ravi.

measurement of properties and self-declaration of taxes. Developing a framework for assessment of own tax and non-tax revenues of Panchayats would be part of the stock-taking exercise. While local variation in legislative provisions relating to taxation may exist, it is useful to look at the policies and practices of States that have undertaken successful reform of taxation at the Panchayat level.

### **3.7 Intimating available order of resources for planning at local levels:**

It is necessary that an exercise is done to make known the resources that will be available for planning at all levels. Even if a complete indication of funds available is not possible, an indication of the order of resources that will be available from different sources such as CSSs, externally assisted schemes, if any, and state plan funds is possible. Details of funds flowing from bilateral projects and MP and MLA Local Area Development programmes should also be given so that an overall picture of resources is available and could be made public. Untied funds for local plans could be added wherever they are available. As regards the broad time frame within which these processes need to be undertaken, it is suggested that during 2006-07 itself it should be possible to indicate with reasonable precision the resources that will be available for planning at each level of Panchayat. Since the process will take a year to be completed, intimation need to go out from the Planning Commission and the State Governments early in 2006-07.

### **3.8 Some States, such as Kerala have issued detailed guidelines on local planning, including taking stock, which could be adapted and used by other States.**

3.8.1 After the envisioning and stock-taking exercise, the DPC will need to determine a strategy for the development of the district as a whole and accordingly provide guidelines to the Panchayat Raj Institutions and Municipalities for formulating their Plans. The objective is to ensure that all DPCs prepare and update at least once in five years synchronous with the Five year plans of the Centre, a five year plan for the development of the district, defining the goals of development in each sector and outlining the strategy to be followed for each sector based on local conditions. Such plans may also be prepared with taluk as a unit for the rural areas and a town/city as the unit for the urban areas.

3.8.2 The next part of this Chapter looks at the planning process at each level of Panchayat. Keeping in mind that the entire focus is on bottom up planning, the sequence followed is to first outline the process recommended at the Gram Panchayat level followed by higher levels.

### **3.9 Participative planning at the Gram Panchayat level.**

**3.9.1 Given below are suggestions on how the planning process could be taken up at the Gram Panchayat level so as to ensure full peoples' participation.**

#### **3.9.2 The Gram and Ward Sabhas**

For proper planning at Gram Panchayat level, Gram Sabhas have to function effectively. Their meetings would have to be representative of all people living in a Gram Panchayat. Several States have devised consultative mechanisms below the Gram Sabha, such as Ward Sabhas and Mahila Sabhas to ensure that every socio economic section is properly

represented in the Gram Sabha. Even so, the general picture is that meetings are few and far between and that attendance is low, especially of weaker and disadvantaged sections. The following steps are suggested to be carried out on a campaign mode to ensure good participation in Gram Sabhas and Ward Sabhas:

- Dates for meetings to be determined in advance by the Panchayats,
- Notices to be printed and distributed and adequate awareness created through display of fixed notices in public places particularly about the responsibilities of the Gram and Ward Sabhas in Plan formulation
- Special interest groups such as SHGs etc., to be contacted for attending the Ward and Gram Sabhas,
- Information to be given through NGOs, libraries, schools, anganwadis and co-operatives functioning in the area about Ward and Gram Sabhas,
- Campaigns through National Service Scheme and Nehru Yuvak Kendra (NYK) volunteers, NCC cadets and College students could be undertaken,
- House visits through squad work, particularly mobilized through the Ward member could be arranged.
- The Gram Panchayat nominating two facilitators one male and one female identified unanimously for each Ward Sabha. These facilitators could also be earmarked for special training at the Block/Municipal levels.
- Having a proper structure for the Gram and Ward Sabha with scope to break up into smaller groups for discussion.
- It would be useful to meticulously keep records of the meetings, such as attendance register with details; photographs, etc., where feasible.

### **3.9.3 Participative Citizen surveys.**

Information is a basic tool for planning, but information relevant to each area and its population is rarely available. A citizen survey leading to a data-base for each Gram Panchayat to know more about themselves, developed in a participative manner, is a desirable pre-requisite for participatory planning. The process of data collection on citizens could be so dealt with that Gram Panchayats see in it, their own empowerment. This also builds a climate of participation even before the actual planning process starts. A good design of data collection by the Gram Panchayat will result in:

- The Gram Panchayat will own the data it collects,
- A basic framework will be developed and local initiatives and add-ons encouraged,
- Data collection would involve the local elected representatives. Gram Panchayat members or their literate assistants could carry out the surveys,
- Data collection is a process, not an event. Data will be continuously refined,
- Gram Panchayats will begin to act on their findings even before the data is correlated.

### **3.9.4 A natural resources database**

Systems for collecting natural resources data are already available, often GIS supported. Data from an existing GIS system can be transferred into a series of static slides that can be given to the Gram Panchayat on a CD.

### **3.9.5 Taking Stock of Gram Panchayat level resources:**

While the importance of this exercise has been mentioned earlier, at the Gram Panchayat level this exercise would, specifically look at the following points:

- Increasing local resource mobilization through taxes, user charges and contributions.
- Innovative means of financing through cess, BOT, Community contribution and borrowings.
- Other efforts at promoting development through local action without significant outflow of funds from the local government. This could include tapping of funds from local philanthropists, NRIs, the Corporate sector and NGOs.

### **3.9.6 The use of IT in the maintenance of databases**

IT ought to be positioned as a tool that enhances the quality of decision making at the Gram Panchayat level. Several simple processes, such as giving a standard identity number to the family, could help in linking up one database with another, thus adding greater value to it.

### **3.9.7 Making commitments to the people on good governance:**

A housekeeping plan ought to also be part of the Planning Exercise. Each Panchayat may give details of how it is adequately equipped to handle the workload associated with decentralized planning and implementation. This will also take stock of devolution of adequate functionaries to them for better administration. Some of the priorities under the housekeeping plan would be as follows:

- Updating of records,
- Completion of Asset Register,
- Prescribing performance standards for institutions and officers,
- Steps to reduce waste and leakages,
- How procurement would be undertaken for the implementation of the plan,
- Other measures to improve the performance of obligatory functions mandated by law.

### **3.9.8 Matching of resources to the plan:**

Ideally speaking, each gram panchayat should be free to allocate resources in accordance with the assessed needs. However, at this stage of our development, the local planning exercise has to take into account the diversity of sources of funds. The attempts should be to put them to best possible use.

Therefore, once the order of resources for the plan are known, it is best to place them into a matrix that is divided into three categories, namely, purely untied funds, partly untied funds (where there is some flexibility in use) and tied funds. Such a matrix would give each Panchayat an idea of how it can slot its priorities into the conditionalities associated with funding. This would ensure that funds, which are inescapably tied should be first used and then untied funds are applied. Once needs are assessed at the Panchayat level, a process of linking each need to the source of funding can be adopted, through the steps detailed below:

- **Step 1: Classifying each need into a matrix.**

Discussions with people would throw up several needs, such as housing, sending children to schools, nutrition, roads, health care etc. Each of these will need to be classified under broad headings irrespective of the source of funds.

- **Step 2: Assigning specific purpose grants:**

Having classified the needs, the next step would be to identify the specific purpose grants that address such needs and match these resources to each need.

- **Step 3: Assigning part-untied funds:**

Part-untied funds are available for certain purposes and allow for a certain measure of convergence with other schemes. Examples are SGRY and funds from award of Central and State Finance Commission. These funds can be used for gap filling within limits.

- **Step 4: Assigning fully untied funds:**

The final step is the placement of fully untied funds. These are typically own sources of revenue, general or untied State Plan Grants, SFC grants. In this connection, it would also be very useful to consider the assignment of non-monetary contributions, such as voluntary labour, as fully or partly untied resources.

### **3.9.9 The adaptability to change of a Plan**

Several factors may call for a change in the Plan. One is the possible impact of general development and technological change on a given area and the need to adjust, respond and make use of the opportunity. There could also be a natural calamity which may necessitate leaving incomplete plans aside and concentrating on immediate relief and rehabilitation. Currently there is no formally designed mechanism that integrates a calamity relief operation, even in a slow acting calamity such as a drought, with the existing Panchayat plan. This leads to duplication of work and irregularities. Systems will have to be put in place for a calamity relief plan to act in concert with a local plan. There will also be a need for frequent monitoring of calamity relief programmes, including through an appropriate social audit mechanism too.

### **3.9.10 Sequencing and processes of planning at the Gram Panchayat level**

The planning exercise ought to lead to a five-year plan for the period corresponding with the national plan period, and annual plans that define and prioritise areas and schemes from such a plan. The longer term plans would capture the overall picture of the Panchayat and allow people to understand what planning and governmental funding could hold out for them. Once a five year plan is prepared, the annual plan can be drawn out from it.

Considering the size and availability of personnel of gram panchayats, it is obvious that they would need assistance and help in the preparation of projects and schemes, but the decision should be that of the gram sabha. Development Meets/Workshops at gram sabha level would be necessary leading to the emergence of a draft plan, with schemes and projects listed in priority.

### **3.10 General format of a Gram Panchayat level plan**

A basic point to be stressed is that everybody should be able to understand the plan, more so the people of the village and the Gram Panchayat members. The Gram Panchayat level plan could follow a broad and simple pattern<sup>1</sup>. Drawn from best practices, given below is a possible framework:

- The Vision
- Citizens' Profile
- Natural Resources & Infrastructure Profile
- The Financial Resources Profile
- The Anti Poverty Programme
- The Gender Justice Programme
- The Special Component and Tribal Programmes
- Programmes for Social Security
- Implementation
- Monitoring and Evaluation

### **3.11 The planning process at the Intermediate Panchayat:**

3.11.1 The process and format of the Intermediate Panchayat plan will be largely the same as that suggested for the Gram Panchayats. However, the actual components would be dependent on the Activity Mapping for the Block Panchayat and the vision envisaged by the Intermediate panchayat. An important role of this level of panchayat is to act as a facilitator in the various steps of planning at the gram panchayat level. The tasks of the Intermediate Panchayat as regards planning would be:

- Prepare five year and annual plans in accordance with activity mapping and covering inter village-panchayat issues, through a participatory process following the steps listed in the case of gram panchayats (as appropriate).

- Maintain multidisciplinary technical teams (which could include NGOs) for assisting Gram Panchayats in planning and implementation. This would especially synergize inter-tier coordination for watershed development and Rural Business Hub initiatives. There is urgent need to equip each Intermediate Panchayat with a planning support unit.
- Maintain and manage multi-panchayat cadres, such as teachers, engineers, watershed managers, social forestry supervisors, anganwadi supervisors, and intermediate level health supervisory workers.
- Feedback from Gram Panchayats regarding works outside their purview, such as inter-village road formation and multi panchayat irrigation structures could be included in Intermediate Panchayat Plans.

### **3.12 The Planning Process at the District level:**

- 3.12.1 In Chapter 4, we deal at length with the composition and functions of the constitutionally mandated District Planning Committees. Their task would include assistance in planning to different levels of panchayats as well as the integration of their draft plans.
- 3.12.2 As regards district Panchayats, the role would be one of preparing plans in accordance with activity mapping and overall coordination in planning, providing capacity building and technical support, to lower levels of panchayats. Quite often, districts are themselves highly uneven in development. The District Panchayat has the responsibility to provide for equitable development of backward regions within the district. This could be done through guidelines as well as differential allocation of resources to low levels of panchayats under special component plans and programmes in the earmarked fund. The district level, in preparing its plans will particularly need to take into account gender issues, tribal sub-plans and Special Component Plans for the development of SCs.
- 3.12.3 It is essential that the District Panchayat plan also looks into several issues that may lie outside activity mapping, but are critical to the overall development of the district as a whole. While all of them cannot obviously be tackled at the district level, the plan could cover measures that would help to promote them. We indicate below some of these issues that need to be addressed in the District Panchayat plan. These are particularly relevant to the district plans in the 200 backward districts where poverty is chronic.

#### **3.12.4 Agricultural Land related issues:**

Several land related regulatory issues often lie at the root of continuing and chronic poverty. These include backlogs in land survey, confirmation of grant of title to those who do not have title, identification of land alienated illegally, restoration of alienated land so identified through Gram Sabhas under powers vested in them under Provision of Panchayat (Extension to the Scheduled Area) Act 1996 (PESA) and in an analogous manner in non-Scheduled Areas and recognition of Community control over traditional Jhum/Podu areas and promotion of programmes of tree culture and husbandry, as a step towards self-sufficient and sustainable use of resources.

### **3.12.5 Forest land Related Issues**

These would include completing the process of conversion of forest villages into revenue villages and settlement of other old habitations, regularisation of pre-1980 occupations and resolution of other disputed claims over forest land in terms of Government of India directions, livelihood rehabilitation of those whose occupation cannot be regularized, identification of all occupied lands and preparation of maps authenticated by the Gram Sabha concerned, the Forest Department and the Revenue Department.

### **3.12.6 Credit and Usury related issues:**

These would include the following initiatives:

- assessing the debt liabilities of members of the Scheduled Castes and Scheduled Tribes and other weaker sections,
- revival and restructuring of the Large Area Multi-purpose Cooperative Societies (LAMPS) and Primary Agricultural Cooperative Societies (PACS) with the specific targets of providing all credit needs of the Scheduled Castes and Scheduled Tribes and weaker sections,
- providing special arrangements for provision of long-term loans for purchase of long-term loans for purchase of land by asset less poor and resource less families, who are dependent upon agriculture for their livelihoods.
- Providing effective support price operation for all items of agriculture and minor forest produce.
- Strengthening of the public distribution system, through a system of buffer stock within a village from out of local produce, supplementing the same from outside, to the extent of deficiency.

### **3.12.6 Livelihood Issues**

These would, in particular, deal with steps for effective implementation of the National Employment Guarantee Act, through assistance to the panchayats in the preparation of appropriate shelf of works for each area.

### **3.12.7 Primary Health Care and Nutrition Issues:**

These would include the following:

- Discontinuing commercial vending of liquor and other intoxicants in terms of the excise policy for tribal areas and institutionalize control of the Gram Sabha over the preparation and use of traditional drinks.
- Ensure functioning of health facilities as per national norms,
- Ensure that all sanctioned posts are mandatorily filled in by trained professionals/ para professionals, if necessary through local recruitment,
- Ensure universal full immunization of all children, guaranteed safe deliveries through

accredited health provides/skilled birth attendants and management/treatment of communicable diseases together with supply of essential drugs, up to health Sub Center level,

- Establish an identifiable and effective nutrition chain for all pregnant women and nursing mothers in rural areas all mal-nourished children and for all children studying in schools.

3.12.8 Reinforcing Administration and Planning through delegation of powers, setting up an effective grievance redressal system, and creation of necessary infrastructure, service conditions, and facilities for all personnel working in these areas would also need to be specifically addressed in the District Plan. The plan for provisioning of larger infrastructure would also be part of the Plan. The thrust areas of Bharat Nirman, such as connectivity of roads, and electrification of all villages and habitations together with electrification of all unelectrified below poverty line households could also be addressed in the District Plan through supplementation of plans of lower levels as well as through attention to inter-panchayat issues.

3.13 There is need to ensure close collaboration between levels of Panchayats, without converting the relationship into either a hierarchical or an effort-duplicating one. The principle of financial subsidiarity will need to be followed, by which even if a higher level of Panchayat, such as a District or Intermediate Panchayat sanctions a work of a value less than a prescribed floor limit, it transfers the money allocated for that work to the Gram Panchayat concerned for implementation. This will lead to a clear understanding and separation of who implements what, regardless of who sanctions it. In addition, just as district and intermediate levels of Panchayats would be mandated to delegate implementation of schemes below a certain outlay ceiling to the level below, it ought also be open to lower levels of Panchayats to recommend to the immediate higher level such schemes that ought to be undertaken at the higher level. In addition, there is a need to enable clustering of Gram Panchayats for the purpose of building a sufficient scale for efficient planning, This is particularly relevant for States that have a large number of very small and spread out Village Panchayats. Thus an enabling mechanism could be provided that allows Panchayats, either at the three levels or amongst the same level, to form collaborative arrangements with each other. This could be through a system of contracts and MOUs concerning the assignment of functions in planning to each level.

3.14 Some of the ground rules for planning at the intermediate level would include mandating prior consultation with Gram Panchayats. It is suggested that Intermediate and District Panchayats ought to hold meetings of all elected local government members of the levels of Panchayat within its jurisdiction and carry out a detailed consultation exercise. In the case of District Panchayats a meeting of all Village Panchayat Presidents along with all elected members of the District and Block Panchayats may be held, in order to ensure a structured consultation. West Bengal has developed a system, which may be considered for adoption with suitable modifications. Though an amendment to the Panchayati Raj

Act in 2003, each Intermediate Panchayat is to have a Block Sansad, consisting of all members of the Gram Panchayats pertaining to the Block and all members of that Panchayat Samiti. One half-yearly and one annual meeting of the Block Sansad are held every year. A 10 percent quorum is fixed. The Block Sansad has powers to guide and advise the Panchayat Samiti for all matters relating to development including preparation of annual plans and budget and implementation of development programmes for economic development and ensuring social justice. The deliberations, recommendations and observations passed in the meeting of the Block Sansad shall be considered in the meeting of the Panchayat Samiti within one month from the meeting of the Block Sansad. A similar system for District Panchayats is through the Zilla Sansad, which is comprised of Pradhans of all Gram Panchayats in the district, Sabhapatis (Presidents), Sahakari Sabhapatis (Vice Presidents) and Karmadhyakshas (Standing Committee Chairpersons) of all Panchayat Samitis and all members of the Zilla Parishad.

- 3.15 At the District and Intermediate Panchayat level, it is also essential that there is detailed consultation with other key stakeholders such as farmers, traders, industrialists, the labour, the poor and the academics and professionals, through well publicized consultations.

### 3.16 Time Table for Plan Finalisation:

It is suggested that a time-table be followed by States starting from 2006-07 to prepare for and draw up the Eleventh Five Year Plan. The following schedule is suggested for completing various phases in the Planning process. The dates are suggestive and States may make changes within the over-all time frame in accordance with local needs. The object should be that by the beginning of the Eleventh plan, a district vision document, draft Five Year Plan for 2007-12 as also an annual plan for 2007-08 would be ready for implementation.

Sl.No.	Activity	Activity to be completed (Period or by the Date )
1	State Level Workshop for all Chairpersons, vice-chairpersons and member convenors of all DPCs.	May 2006
2	First meeting of District Planning Committee to discuss the guidelines and constituting Sectoral Sub Committees for preparation of District Vision and perspective plan	June 2006
3	Formulation of District Vision	By July 2006
4	Approval of District Vision by DPC and sending the same to all LB's	July 2006.

5	District Level Workshops	August 2006
6	Block Level Workshop	August 2006
7	Meeting of Local Bodies to discuss the guidelines and constituting Working Groups	September 2006.
8	Formulation of Local Bodies Vision	September 2006
9	Approval in the General Body meeting of LBs	October 2006
10	Conducting Grama Sabha/Ward Sabha	October November 2006
11	Development Seminars	November December 2006
12	Preparation of Final Local Bodies' Five Year Plans by Working Groups	January 2007
13	Consolidation of Final Local Bodies' Five Year Plans	January 2007
14	Submission of Local Bodies Five Year Plans to DPC	January 2007
15	Discussion with representatives of Local Bodies and approval by DPCs	February 2007
16	Approval by DPCs	March 2007
17	Bringing out Development perspective of the District and Local Bodies' Five Year Plans and Annual Plan 2007-08.	March 2007

<sup>1</sup> The only state that now has a system of detailed Gram Panchayat level plans is Kerala, where the plan follows a broad pattern of first stating out the human development condition, the resources available and then chapters relating the action points pertaining to each department.

**Annexure-II****Main Items of Data for District Plan Proposals (Indicative)**

<b>Sl. No.</b>	<b>Indicators</b>	<b>Possible Data Sources</b>
<b>General Indicators</b>		
1.	Population by sex, general and SC by sex, age and by social group	Census, 2001
2.	No. of Gram Panchayat, no. of elected representative, by sex and by Social Group. Year of last election	Panchayat Dept.
3.	Natural endowments in the Block (resource mapping) and water sources	Panchayat Dept., Forestry, Water resources
4.	% of population affected by natural calamities, by type, (last 5 years)	Panchayat Dept
<b>Educational attainments</b>		
1.	Literacy levels of people by social groups and by sex	Census 2001
2.	Enrolment rate, drop out rate, by sex	DISE, NIEPA
3.	Teacher-pupil Ratio % of trained teachers, Primary/Seco. Higher Sec.	DISE, NIEPA
4.	Number of schools, Primary, Secondary and Higher Seco.	DISE, NIEPA
5.	Number of Arts and Science colleges, Engineering Colleges, Medical Colleges, ITI's etc., vocational institutes, etc.	Education Dept.
6.	Access to School, (by distance, within the village, upto 2 km, 2-5 km, beyond 5 km)	Education Dept.
<b>Health attainments</b>		
1.	Birth rate, death rate and infant mortality rate	Civil Registration Scheme /District Statistics Unit
2.	Age distribution of people by sex	Census 2001
3.	Population covered by PHC/Sub Centre in the Block	Health Department
4.	Population covered by ICDS	Women and Child Dept.
5.	Number of Health workers, ANM's ICDS workers	Health Dept./Women and Child Development Department
6.	Average no.of Doctors, and paramedical staff per PHC/Sub Centre	Health Department
7.	Number of Govt. Hospitals/Private hospitals, Clinics, etc.	Health Department
8.	Number of posts sanctioned (PHC/Sub Centre, ICDS) and no. of posts filled	Health Department
<b>Income and Poverty Indicators</b>		
1.	Number of families below poverty line as per BPL census (2002) line, by social group as per BPL Census (2002)	RD Department

2.	Poverty profile - no. of households without pucca house, frequency distribution of hh by land possessed, occupation, education standard, indebtedness, ownership, etc., as per BPL coding	BPL Census coding, RD and Panchayat department
3.	Estimated number of working children (Child labour)	RD/Panchayat, Labour Department
4.	Major crops grown, area under crops and average yield rate of major crops or crops, area irrigated/unirrigated	Agriculture Dept./ TRS/LUS statistics and General Crop Estimation Surveys
5.	Number of enterprises as per Economic Census (98/2005), no. of workers, list of any major Census 1998/2005 by category of NIC, no. of workers	Economic Census/DIC data base
6.	Number of employed, no. of unemployed, educated employed by sex and educated unemployed by sex	Panchayts/RD/Labour Dept.
7.	Number of landless labour, agriculture labour and other labour by sex	Panchayat/RD/Labour Dept.
8.	Per capita consumer expenditure of people below poverty line	RD/Panchayts Dept (BPL Census)
9.	Wage rate for skilled/unskilled labour	Labour Dept./Labour Bureau
10.	Food security - items supplied through PDS, PDS price vis-à-vis market price for items, quality of items supplied as per consumers assessment	Food and Civil Supplied Dept.
<b>Infrastructure and other facilities</b>		
1.	Whether all villages are connected by Pucca road with Block hq., if not by kutcha road/semi pucca road	RD/Planning Dept./Panchayat
2.	District to nearest Town, Railway Station, Bus stand, Police Station if not located within the block	RD/Planning Dept.
3.	Percentage of villages not electrified	Panchayat/Planning Departments, Electricity Board
4.	Distance from nearest agricultural marketing centres	Panchayat Department
5.	Number of commercial banks, banks/rural RRBs, Cooperative banks	Agriculture Department/RD Dept.
6.	Existence of money lenders (Yes/No)	RD Dept./Agriculture Dept.
<b>Agriculture and related sectors</b>		
1.	Principal items as applicable in each case	RD Dept./Agriculture Dept.
<b>Industry - Traditional/Small</b>		
1.	Principal items as applicable in each case	Industries Dept.

**Note: In addition to the departments mentioned, the district statistical units - state and central - and the State Planning Commission/Board/ Department will also be able to help in compiling relevant data.**

**Annexure-III**

1. Separate GN statements to be prepared giving sector-wise outlays for Urban and Rural Local Bodies.

**Rural Local Bodies Plan**

S.No.	Sector	Local Body's Own Plan	Implementing Agency Plan				Total
			State Plan	CSS	EAP	Total	

**Urban Local Bodies Plan**

S.No.	Sector	Local Body's Own Plan	Implementing Agency Plan				Total
			State Plan	CSS	EAP	Total	



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योजना आयोग  
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GOVERNMENT OF INDIA  
PLANNING COMMISSION  
YOJANA BHAWAN  
NEW DELHI-110001

D.O. No. M-13011/1/2006-SP-Co

August 25, 2006

Dear

Please find enclosed a copy of the guidelines for preparation of District Plans and their incorporation into the Eleventh Five Year Plan and Annual Plan 2007-08.

With regards,

Yours sincerely,

  
25/8/06  
(R. Sridharan)

Encl: As above



Planning Secretaries of States/UTs (except Assam, Manipur, Meghalaya, Mizoram, Nagaland & Tripura)

भारत सरकार  
ISSUED

