Empowerment through Local Self Governance

From Rhetoric to Reality

- **Field Experiences**

INDO-SWISS NATURAL RESOURCES PROGRAMME, ORISSA

Indo Swiss NRM Programme Orissa (ISNRMPO) has been working since 1991 with government and local NGOs at policy and programme level to improve Livestock Service Delivery and Natural Resource Management based livelihood of Adivasis and rural poor in Orissa. The Livelihood and Community Organization (LCO) thrust popularly known as NGO programme works in 215 villages of Ganjam and Gajapati districts. It focuses on building capacity of peoples' associations and Panchayati Raj Institutions (PRIs) and facilitating them to undertake NRM activities through local NGO partners. ISNRMPO has adopted Decentralization and Local Governance as a cross-cutting theme, which is refleted in all its approaches and activities.

This document highlights the experiences of ISNRMPO in local self governance. The document covers historical background of local self governance in India and Orissa; key issues and challenges in promoting local self governance; ISNRMPO vision and core principles on local self governance; approach and strategies promoted by in the programme;

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Intercooperation is working in India since 1982, as project management and implementation partner of Swiss Agency for Development and Cooperation, SDC. Our early experiences focused on the livestock and dairy sector, providing technical expertise through a series of bilateral projects with State Government in Kerala, Rajasthan, Andhra Pradesh, Orissa and Sikkim.

Intercooperation works with government, technical and research organizations, NGOs and community based organizations on natural resources management for sustainable livelihood. Our working domains in India comprise:

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- Decentralizations and local governance

In all our work we seek to support gender balanced, equitable development, focusing on empowerment of the poor and marginalized.
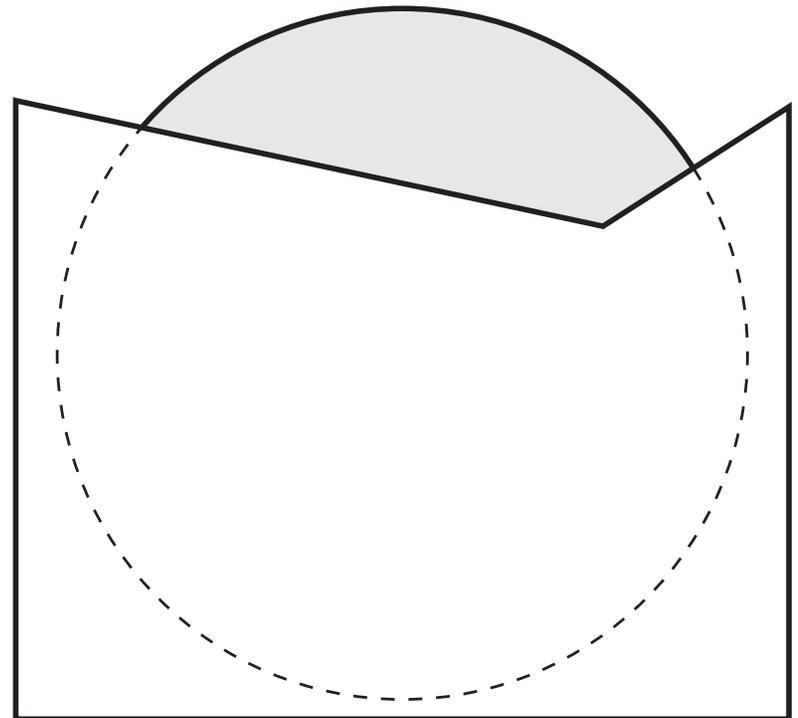
1. INTRODUCTION

Self-governing village communities have existed in India since time immemorial, and the Panchayats have served as the backbone of Indian civilization for many centuries. Recognizing its importance, the Government of India introduced Article 40 in the Constitution to give constitutional power to the people's institutions. However, owing to inherent weakness, the Panchayats were not very effective. Through Constitutional amendments steps are taken to remove the inherent weaknesses. The 73rd Amendment of the Constitution envisages that the Panchayati Raj Institutions (PRIs) be endowed with adequate power and responsibilities to enable them to function as institution of self governance. Apart from this formal institution of local self governance, the voluntary agencies in India also promoted concept of informal institutions of local self governance in terms of self help groups since mid eighties.

Despite the problems and issues (lack of experience, political influence, corruption, gender insensitivity) associated, there is also a very clear message from the field that good practices of efficient and effective functioning of local self governance do exist.

ISNRMPO in its current phase has put special emphasis on promoting local self governance. Besides strengthening informal institutions of local self governance (SHGs, VDCs etc.) through various capacity building measures it also routed all its development activities through them. It delegated financial and decision making authority to enable them to design, finance, implement and monitor development activities by themselves. ISNRMPO also made conscious effort to link its programme with Panchayats by involving PRI members in the approval, implementation and monitoring of programme activities.

This document highlights the experiences of ISNRMPO in local self governance. The document covers historical background of local self governance in India and Orissa; key issues and challenges in promoting local self governance; ISNRMPO vision and core principles on local self governance; approach and strategies promoted by in the programme; lessons learnt and policy implications.

2. BACKGROUND

Panchayats are an ancient form of local government based on the idea that *when five (panch) elders come together, God will be present*. Recognizing the importance of local self governance at the grass root level, the Indian Constitution laid down in Article 40 of part IV of the Directive Principles of State Policy that the state would take steps to organize village Panchayats and endow them with such powers and authority as might be necessary to enable them to function as units of self-government. The Panchayati Raj Institutions became a state subject under the Constitution. Until the 1960s, Panchayati Raj served as the foundation for rural development in India's first two five year plans. The interest and support for Panchayati Raj, however did not last long and after the mid-sixties, the process of decline was visible. The mid 1980s saw the emergence of an influential movement to revitalize local self-government structures and link them with agriculture and rural development process[1]. The mid term appraisal of the Seventh Five Year Plan[2] noticed that "....*wherever the Panchayati Raj Institutions have been actively involved, the implementation of rural development programmes has been better and the selection of beneficiaries and designing of schemes have been more satisfactory.*

The passage of 73rd and 74th Amendments by the parliament started a new era in the process of democratic decentralization. The Constitution (73rd Amendment) Act, 1992 envisages states to establish a three tier system of strong, viable and responsive Panchayat at the villages level (Gram Panchayat), block level (Panchayat Samiti) and at district level (Zilla Parishad). Similarly, the Constitution (74th Amendment) Act, 1992 envisages to establish the municipalities in the urban areas. The Amendments mandate that the resources, responsibility and decision making power be devolved from the government and placed in the hands of grass root people, with elections every five years. One third of all Panchayat seats (including presidencies) are reserved for women. In addition seats are also reserved for SC & ST proportional to their population. The 11th Schedule of the Amendment specifies 29 areas of responsibilities that states *may* devolve to the Panchayats. The Panchayat Act envisages the constitution of a State Finance Commission (SFC) once in every five years to review the financial position of the Panchayats and recommend principles which should govern the distribution of the net proceeds of duties and taxes etc. between the state and Panchayats and between the Panchayats at different levels. The State Finance Commission also suggests ways to raise own resources by Panchayats. The state governments are also required to constitute District Planning Committees (DPCs) under the Constitution to facilitate decentralized planning.

The 1992 Amendment sought to make the PRIs the cornerstone of the process of local self-governance in India. However, thirteen

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[1] Y. K. Alagh "Panchayati Raj and Planning in India: Participatory Institutions and Rural Road"; Transport and Communication Bulletin for Asia and the Pacific; Bulletin no.69; UNESCAP; 1999; pp.2

[2] Mid Term Evaluation of 7th Five Year Plan, Planning Commission, Government of India, New Delhi, 1987 pp.16

years down the line, the realization is fast gaining ground that while the 73rd Amendment promised much to Panchayats, it has delivered little[3]. In the All India Conference of the Heads of Panchayats held in New Delhi in April, 2002, it was vociferously and repeatedly pointed out that while PRIs' control over various aspects of development planning and resource management has been accorded constitutional sanctity, they have not been able to exercise such control. They do not have enough funds, they do not have enough functions, and they do not have enough functionaries.

2.1. Orissa Context

Orissa – a state endowed with rich natural resources continues to be one of the socio-economically poorest states in India with amongst the highest fractions of people living below the poverty line. The larger part of the population lives in rural areas and depends mainly on rain-fed agriculture. Orissa has a high concentration of Scheduled Tribe (22%) and Scheduled Caste (16%) population, who mainly live in the mountainous area towards North, West and South West part of Orissa. The SC and ST have 73% and 52% of population below the poverty line respectively compared to 48% in rural orissa.[1] Erratic rainfall patterns and increased degradation and pressure on land are aggravated by disasters like droughts, floods and cyclones that frequently hit the state.

Orissa has been a pioneer state in implementing the Panchayati Raj system. The Orissa Gram Panchayat Act, 1948 was the first legislation prescribing constitution, power and functioning of Gram Panchayats. During the period 1958-1961, blocks were established in the state in the selected areas. The Orissa Zilla Parishad Act was amended in the year 1961 as the Orissa Panchayat Samiti and Zilla Parishad Act, 1959. In the year 1961, three tiers of Panchayati Raj Institutions were introduced with Gram Panchayat, Panchayat Samiti and Zilla Parishad. During the inauguration of Panchayati Raj Diwas in 1961, the then Chief Minister late Biju Patnaik had observed that *".....the objective of new experiment is noble and so is the work involved. Panchayati Raj will remove illiteracy, poverty and diseases[2]".*

Consistent with the 73rd Amendment of the Constitution, Orissa state government amended Panchayat laws and statutory power was given to Gram Sabha in the following matters[3]:

► Approve the plans, programmes and projects for social and economic development;

► Identify and select beneficiaries under poverty alleviation programme;

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[3] D. Bandhyopadhyay & A. Mukherjee " New Issues in Panchayati Raj"; Concept Publishing, New Delhi, 2004
Source: www.orissa.nic.in

[4] Annual Report 2004-05 of Panchayati Raj Department, Government of Orissa

[5] PSK Menon and B.D. Sinha, 2003

- ➤ Consider and approve the annual budget of the Gram Panchayat including the supplementary or revised budget;
- ➤ Consider levy of all taxes, rates, rent and fees and enhancement of rate thereof;
- ➤ Organize community services and draw up and implementation of agricultural production plans;
- ➤ Consider all such matters as may be referred to it by the Gram Panchayat for its decisions;
- ➤ Call for such information from and out of Gram Panchayat (G.P.) as it may consider necessary;
- ➤ Consider such other matter as may be prescribed. Every GP shall be required to obtain from the Gram Sasan a certificate of utilization of funds by that Panchayat for the plans, programmes and projects.

The first election to Panchayati Raj Institutions was conducted in Orissa in 1997 and the second one was conducted in March, 2002. The profile of elected members of PRIs in Orissa as per 2002 election is as below:

The above table indicates that at Zilla Parishad 24 percent of total members is Scheduled Tribe, with 40 percent of the total presidents as the Scheduled Tribe. At Panchayat Samiti level, 26 percent of total members are Scheduled Tribe, where 46 percent of the Chairperson as Scheduled Tribe. At Gram Panchayat level, again 24 per cent of the members and 38 percent of the Sarpanches are Scheduled Tribe.

2.2. Panchayat Extension to Scheduled Area Act, 1996 (PESA)

As per the Constitution, Panchayati Raj Institutions have been endowed with such powers and authority as may be necessary to enable them to function as institution of self-government. The Constitution contains provision of devolution of Fund, Function and Functionaries (3Fs) upon Panchayats at appropriate level to enable them to prepare plans for economic development and social justice and their implementation.

The 73rd Constitutional Amendment excluded some areas from its purview as mentioned in the Vth and Vith Scheduled of the Constitution. The areas under Vth Scheduled, according to Article 244, covers

Table1: Profile of Elected Members of PRIs in Orissa, 2002

Sl. No.	Level	Post	Number	SC	ST	Women
1	Zilla Parishad	President	30	6	12	11
		Vice-President	30	NA	NA	NA
		Members	854	152	205	292
2	Panchayat Samiti	Chairperson	314	39	147	NA
		Vice-chairperson	314	NA	NA	NA
		Members	6227	1009	1672	2258
3	Gram Panchayat	Sarpanch	6234	792	2388	2213
		Naib Sarpanch	6234	NA	NA	NA
		Ward Members	87547	14354	21871	30068

Source: Annual Report, 2004-05; Panchayati Raj Department, Government of Orissa
NA: Not Available

the Scheduled and *Adivasi* Areas (other than the Hill areas of Vith Schedule like in Assam, Meghalaya, Tripura, Nagaland and Mizoram), which are spread over nine states namely Andhra Pradesh, Jharkhand, Gujrat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Chattisgarh, Rajasthan and Orissa[1]. Keeping in view the basic premises of participative democracy that any law should be in consonance with the customary laws, social practices, and traditional management, the Article 243 M (4) (b) of the 73rd Constitutional Amendment[2] state that

> "....parliament may, by law, extend the provision of this part to the Scheduled Areas and Tribal Areas .....subject to such exception and modifications as may be specified.......".

The Act does not impose provisions in the Scheduled Areas, but at the same time it does not prohibit the State legislation to put in place a similar structure in the Scheduled Areas. *What happened in the reality was that the State did not take into cognizance of the exemptions provided in the Article 243M and enacted 73rd Constitutional Amendment for the entire state including the Scheduled Areas.*

It resulted in growing dissidents among Scheduled Tribe as the State government through the Act started interfering with their customary right. An agitation was launched in *Adivasi* areas, and the matter was taken to the Court. The Andhra Pradesh High Court, in its judgment delivered on 23rd March, 1995 held that the application of Andhra Pradesh Panchayati Raj Act 1994 to the Scheduled Areas in the state was clearly unconstitutional[3]. Considering the growing discontent among *Adivasi* in different parts of the country and the judgment of the Andhra Pradesh High Court, the Ministry of Rural Development, Government of India constituted a committee of members of Parliament and experts with Shree Dilip Singh Bhuriya, MP as Chairperson of the Committee on 10th June, 1994 to suggest salient features of the laws to be extended to the Scheduled Areas of the Country.

The Committee emphasized creation of a judicial base for continuity of the unique characters of tribal societies and their traditional pattern of self-governance. The Committee highlighted that *"....while shaping the new Panchayati Raj structure in tribal areas, it is desirable to blend the traditional with modern by treating the traditional institution as the foundation on which the modern supra-structure should be built"*[4]. The Committee recommended promotion of traditional Gram Sabha by allowing it to safeguard and preserve the tradition and custom of the people, their cultural identity, community resources and customary mode of conflict resolution.

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[6] The Fifth Schedule of the Constitution of India; downloaded from http://www.mmpindia.org/Fifth_Schedule.htm dated 12th May, 2006
[7] Annexure on 73rd Constitutional Amendment
[8] Supreme Court in its judgment in 1997 (popularly known as SAMATA judgment) ensured that no tribal land is transferred to industries and mines.

The recommendations of the Bhuriya Committee paved the way for the passage of a comprehensive legislation, extending the provisions of the Constitution relating to the Panchayats in the Scheduled Areas. On this basis, a bill was introduced in the Parliament and passed on 19th December, 1996 which got approval of the President of India on 24th December, 1996. The Act is called as Panchayats Extension to Scheduled Areas Act, 1996 (Central Act no. 40 which envisages the establishment of the village Panchayats as self-governing institutions) or PESA and referred as Central Act.

In pursuance of PESA, Orissa Gram Panchayat Act 1964, Orissa Panchayat

Samiti Act, 1959 & Orissa Zilla Parishad Act, 1991 were amended during 1997. It got the approval from Governor on 21st December, 1997, and was made applicable to the tribal districts with immediate effect. In Orissa 119 blocks of 13 districts comes under PESA. Special provisions are made in the Scheduled Area, and additional

[9] Bhuria Committee Report, 1995

powers are given to the Gram Sabha. As such following matters are implemented by Gram Panchayats under the control and supervision of Gram Sabha:

1. Enforcement of prohibition of regulation or restriction of sales and consumption of any intoxicant;
2. Ownership of minor forest produce;
3. Acquisition of land for development projects and of displaced persons;
4. Prevention of alienation of land and restoration of any unlawful land of Scheduled tribe;
5. Grant of prospecting license or mining license or mining minerals;
6. Control over money lending to the Scheduled tribe;
7. Control over institutions and functionaries in all social sectors;
8. Control over local plans and resources including tribal sub-plan; Control over local markets;
9. Power to safeguard cultural identity, community resources and dispute resolution.

The last nine years has seen initial euphoria about PESA getting evaporated, and it is increasingly felt that a promising radical law is merely confined to the papers. Not only the local community but the PRI members as well as government officials in PESA districts are largely unaware of the provisions of PESA. Nonetheless, there are several geographical pockets in Orissa, where PESA has been applied in its true sense. In some cases, people have asserted themselves and took up the challenges of democratic participative development, resisted government and private contractors move to grab the *Adivasi* land, and ensured that government schemes and services reaches to the poor.

2.3. Panchayati Raj in Orissa: Key Issues and Challenges

The 73rd Constitutional Amendment brought radical reforms in the local governance system with the aim to create a healthy political environment and to facilitate greater participation of all people in development process. Provisions have been made to ensure participation of marginalized groups like dalits, *Adivasis* and women at all level of the local governance system. However, mere amendments and provisions may not ensure democratic decentralization, unless the relationship between various institutions with Panchayati Raj Institutions improves and an environment of trust and confidence is created. The key issues and challenges to realize the dream of political and democratic decentralization are discussed below:

2.3.1. Relationship of NGOs & PRIs

The NGOs and PRIs relationship in Orissa is diverse. While there are elements of synergy, there are elements of conflict as well.

Many NGOs perceive them as partners in development. These NGOs are involved in capacity building and sensitization of PRI representatives. They conduct awareness generation campaign during Panchayat elections, and conduct training to elected members of PRIs. These NGOs support local self governance in following ways:

- Organisation of the disadvantaged sections of rural society - e.g. the dalits, minorities, landless, SC/STs, agricultural labourers, and labourers of the unorganized sectors;

- Conducting Capacity Building programmes – like leadership development, group dynamics and management, cross and exposure visit;

- Involving Panchayat members in social audit, monitoring of development work;

- The most valuable area of contribution of NGOs to engendering the PRIs has been in providing support and encouragement to women to fight election for the Panchayat body.

However, there are examples where NGOs in Orissa resent the emergence of PRIs as they perceive PRIs as their "competitors" for implementing development programmes. They perceive them as political entities, dominated by local elites, which do not represent the interest of the poor. In recent times, however this situation is changing, and the PRIs are viewed as vehicle of change. This is mainly due to greater interactions and working together of PRIs and NGOs.

2.3.2. Bureaucracy and PRIs

It has been observed that while the bureaucrats at senior level recognize and promote Panchayati Raj system, the lower level officials, who directly deal with panchayats resent their progress and promotion. The PRIs fosters planning from below with a greater degree of community influence in the planning process. This probably poses a challenge for those officials who have been used to implement the policies dictated from above. Under the decentralized system these officials are expected to evaluate various proposals based on local needs, and coordinate activities coming from grass root level. This probably does not match with their style of functioning, and many of them are having difficulties to work under the new system. Local Governance has often been seen as a

threat by these bureaucrats as it is accompanied by a loss of their authority.

2.3.3. Role of Elected Representatives (MLAs & MPs)

The PRIs are democratic institutions with geographical boundaries falling under the constituencies of Member of Legislative Assembly (MLAs) and Member of Parliament (MP). These MPs and MLAs work as mentors for the PRI representatives, who emulate their style of functioning. Though this relationship improves their knowledge on governance and legislations, it has been also observed that sometimes PRI representatives imbibe manipulative practices.

> One interesting example is the mobilization of MLALAD fund by Sarpanch of Rampa Panchayat, Gosani block, Gajapati. Encouraged by the initial financial support by ISNRMPO to inaugurate a market yard in an interior tribal area, the Sarpanch was able to get fund from local MLA towards construction of permanent market sheds and installing a hand-pump in the market area.

One of the detrimental measures taken are the MP and MLA Local Area Development Schemes under which the Members of Parliaments (MPs) are allotted fund to undertake local area development schemes through district administration. The MP and MLA can recommend to the District Collector on works to be done in his/her constituency out of the money allotted to him/her. However, all the 23 items, which a MP or MLA can suggest are mentioned in the 29 Subjects of the 11th Schedule. This undermines the development of PRIs as an institution of self-governance.

2.3.4. Issue of Commission & Corruption

As the community is either not aware of the importance or has lost interest in Palli Sabha/Gram Sabha, these meetings are often conducted with negligible community presence, where many times the Panchayat Secretary and/or the Sarpanch dictates their agenda, and often award contracts to a selected few. Commission and influence often play a major role in such cases. For e.g. the Gram panchayat members at Sanatundi Gram Panchayat recently highlighted that the lists of beneficiaries prepared by them under different government schemes get manipulated at Panchayat Samiti/Zilla Parishad level. As a result, genuine poor do not get benefit.

> One such case came to light in SWWS field area, where the ward members and Sarpanch took the forced signature of male members (husbands of women SHG members) to nullify the attempt made by the SHG members to get the contract for road construction work, and award the contract to a private contractor.

3. INDO SWISS NRM PROGRAMME ORISSA

Indo-Swiss NRM Program Orissa (ISNRMPO) started in 1991 as a bilateral project between Government of India and Government of Switzerland (through Swiss Agency for Development and Cooperation- implemented by Intercooperation). The Overall goal is to "*contribute to the reduction of poverty in rural Orissa through supporting life promoting processes, which enable rural development to be sustainable, people initiated, people owned and people controlled[1]*".

> **ISNRMPO Structure**
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> ISNRMPO comprises a (i) Programme Support Unit (PSU) which represents SDC-IC; (ii) partner NGOs; and (iii)30,000 local communities with whom the programme is implemented. Linkage has also been made with government, agricultural university, research and technical institutions and Panchayati Raj Institutions.

During the initial years, the programme focused on livestock improvement in the undivided Ganjam district. The partnership with three NGOs was initiated during 1991-93 mainly as carriers of livestock services to the remote *Adivasi* areas. Over the years, the programme underwent major changes. The NGO component known as **Livelihood and Community Organization** thrust (LCO) also evolved over the years into an integrated programme. The major shifts were:

- From a focus on livestock, towards a more integrated programme aiming at food security,

- From integrated project component to an independent programme based on individual agreements with each NGO

- Expansion of collaboration with initially three NGOs to finally eight NGOs.

3.1. Programme Partners

The LCO component is implemented in collaboration with local NGO partners in Ganjam and Gajapati districts namely **Society for Welfare of Weaker Sections (SWWS), Centre for Community Development (CCD), Institute for Social Action and Research Activities (ISARA), Programme for Rural Awareness and Very Action (PRAVA), Social Action for Community Alternative Learning (SACAL), Institute for Women's Development (IWD), Lower Income's People's Involvement for Community Action (LIPICA) and Jan Kalyan Pratishthan (JKP).** The overall coordination of the program is with Programme Coordinator-LCO at NRM support Unit (NSU), Bhubaneswar office of the SDC/IC. The contribution from Swiss side is mainly in the form of expertise and financial support to partner NGOs in programme implementation.

Collaboration was also established with **Centre for Youth and Social Development (CYSD), Action for Food Production (AFPRO), Gajapati Institute of Management and Technology (GIMT), ETC-India and State government (Agriculture, and Animal husbandry department)** to provide technical support to these eight implementing partners on specific themes.

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[1] Project Documents, Vth phase of ISNRMPO, 2002

3.2. Programme Area

ISNRMPO is working with 30,000 tribal population (mainly Sauras) in Ganjam and Gajapati districts of South-west Orissa. Gajapati district was a part (Sub-Division) of Ganjam district, which was separated in 1992. Most of the district has a hilly terrain and undulating topography, which is inhabited by the indigenous
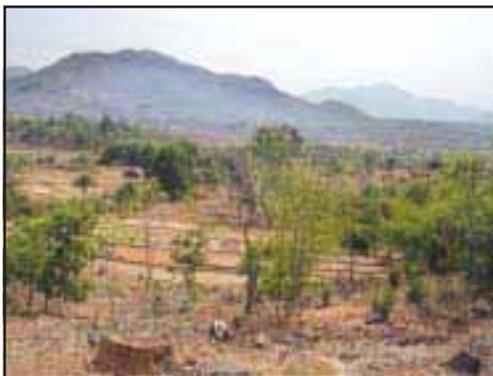
communities. This district continues to be an under-developed mountainous region, with low literacy rates and with very low standard of living. The Sauras constitutes the largest group of indigenous communities and the Lajia Saura are considered most primitive. Their villages are situated in the most inaccessible areas and in most cases lie hidden in thick forests making it difficult to reach them. The size of Saura village is mainly governed by the extent of hill slopes and forest land available for shifting cultivation. The highest mountain of the district Mahendragiri lies at an altitude of 4,923 feet above the sea level. The soil and climate is suitable for plantation crops and there is a great potential of horticulture development in the district. More than 60% of lands are situated in hilly terrain, which has been treated as high lands, mainly suited for horticulture plantation, other cultivable land belongs to the category of medium lands (20%) and low lands (15%).

3.3. Vision on Local Self Governance

ISNRMPO envisages a state where marginalized community can articulate their interests, exercise their rights, and design, implement and monitor programme for local development. The poor and vulnerable people get a complete control on finances and decision making, and they overcome poverty by developing their capacities to the fullest. ISNRMPO recognizes and affirms that:

- All the initiatives are people based and people oriented;
- Indigenous knowledge and practices are important assets;
- Empowerment to marginalized with commitment to core values such as equity, accountability and gender sensitivity;
- All the people achieve their full potential and lead lives of quality and dignity;
- PRI as an institution of self governance with their roles and tasks fully acknowledged.

3.4. Policy to Promote Local Governance

ISNRMPO follows the policy of building on strengths. The potential strategies start from the existing experiences and strength of the programme, adding values to the existing ones on a pilot basis with an aim to gain, share and learn from new experiences. The learning is not restricted to its own experiences but also on internal exchange and sharing from other agencies working in this field.

ISNRMPO's policy is also to pro-actively promote organic linkage between PRIs, CBOs and NGOs, whereby other actors accept and promote the tasks and functions of PRIs as constitutional body of local governance.

It follows the policy of strengthening the capacity of all the actors and not only the PRIs, thus bringing transparency and accountability to the whole system. It aims at awareness generation and sensitization of local community on PRIs' roles and responsibilities. It also focuses on building NGOs' capacity to support local governance, and make effort to involve government officials at all stages of development interventions.

3.5. Approach & Strategies on Local Self Governance

3.5.1. Internalizing Decentralization and Local Governance:

> **Three Layer of Partnership**
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> ISNRMPO promoted three layer partnership; (i) Informal alliances with other development agencies at first level; (ii) Collaboration with technical institutions as service providers at second level; and (iii) Partnership with local NGOs as implementing partners at the third level.

ISNRMPO realizes that to internalize the value of local governance is one of the crucial steps in promoting it. Therefore, departing from the management and controlling function, it adopted a true partnership approach, where the implementing partner NGOs and the community are empowered to take important decisions with regard to the programme. While running a well *decentralized* structure in itself, PSU promoted a Joint Project Committee (JPC), where the partners NGOs together with the PSU team jointly take decision on the programme management. At community level also, joint committees are promoted with partner NGOs playing a facilitation role only.

3.5.2. Promotion of Mini Project Concept:

ISNRMPO promoted an innovative concept called "mini project". Under this, the financial and decision making power is delegated to the community. The project fund is transferred to community's bank account (SHG or VDC) with core responsibility of planning, implementation and monitoring of project activities lying with the community. The community are encouraged to identify their needs, plan their activities and use the fund judiciously to implement them. The role of PSU and partner NGOs is to provide necessary catalytic support to the community: build their capacity and encourage them to take a lead role.

> **Fund Transfer to CBOs**
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> The fund transfer process starts with consultations at community level to identify and prioritize the community needs and decide the activities accordingly. The preliminary proposals with estimates are included in the NGOs' annual plan, which is presented to the JPC. After the JPC approves the proposal at programme level, it is placed with Palli Sabha, which approves and endorses it through resolution. The CBOs (VDC/SHG) then works out modalities of implementation, the fund is accordingly transferred to community's account.

3.5.3. Collaboration with Panchayats

ISNRMPO has been involved in the capacity building (training, exposure) of Gram Panchayat and Panchayat Samiti members since the beginning of Vth phase (2002). However, since beginning of 2004 it modified its strategy and promoted collaboration with panchayats in following ways:

3.5.3.1. Approval of activities through Palli/Gram Sabha:

> **Palli Sabha**
>
> In order to further decentralize the participatory process, Orissa Act made provision of Palli Sabha (PS). All voters of a revenue village constitute the PS, and it takes all important decisions like the selection of beneficiaries and the preparation of schemes. Meeting of Palli Sabha is held during February of each year, but in case of necessity the Palli Sabha meeting can be held upon need and request by the Gram Panchayat.

ISNRMPO realized that on one hand it is recognizing PRI as a constitutional institution of local self governance; on the other hand it was also promoting a kind of "parallel" structures by establishing and strengthening SHGs and VDCs and implementing programmes through them. Therefore, since beginning of 2004, it was decided by the PSU and partner NGOs that all the project activities would be discussed and approved in the respective Palli Sabha and Gram Sabha, through passing a resolution. This is a pre-condition for supporting the implementation of such activities. As such all the development activities of ISNRMPO are brought under the purview of PRIs, and their authority as institutions of local self governance is recognized and strengthened.

3.5.3.2. Involvement of Panchayats in the Planning and Monitoring of Activities

Apart from project activities approval, ISNRMPO in its modified strategy also emphasised on the involvement of panchayat members in the planning and monitoring of project activities. For this, provisions were made in the Village Development Committees that one of its executive members would be the panchayat member (ward member).

> **Linkage of VDC with PRIs**
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> During the initial period, three partner NGOs (IWD, CCD, SWWS) started involving ward member in the VDCs. The experience was very encouraging as it helped in building confidence between PRIs and VDC as well as improved the programme performance.
>
> Subsequently, this strategy was adopted at programme level with other partner NGOs.

3.5.3.3. Financial linkages with Panchayats

This was one of the most innovative approaches, where it was envisaged that at pilot level financial collaboration with panchayats would be explored, and learning will be streamlined. The approach and learning are detailed in Section IV.

3.5.4. Strengthening of Village Development Committees (VDCs):

Establishment and/or strengthening of VDCs in all project villages was promoted to integrated local governance at grass root level. The structure of village development committee depends on the village

community and normally includes representatives from women SHGs, landless families, elderly people, and opinion

leaders. The number normally varies from seven to 10 with 50% representation from women. The main tasks of VDCs are to identify and plan interventions, supervise and monitor the work, and manage and maintain the assets thus created. The VDCs, in many cases have a bank account where the project fund is deposited. In absence of bank account, VDCs channelize project fund through bank account of SHGs. The goal of supporting VDCs is not to "compete" with PRIs, but mobilize, organize and strengthen the civil society to actively and responsively participate in local governance process, thus strengthening the role of the whole system of local self-governance.

3.5.5.   Focus on Ward / Palli

The field research conducted by PSU-ISNRMPO during 2003 highlighted the fact that the Palli Sabhas are not effectively organized, and in many cases the community were not aware of its date and venue. It was also clear, that if the Palli Sabhas are properly organized and people start attending then issues of corruption and manipulation can be effectively tackled. Therefore, the programme started focusing on strengthening the Palli Sabhas. The programme supports mobilizing the community to attend the Palli Sabha, and information on venue, meeting dates and time are given to the community in advance. The programme has also taken several initiatives to sensitize the community on the importance of conducting effective Palli Sabhas.

3.5.6.   Emphasis on PESA

The provisions concerning PESA made it mandatory for states with Scheduled Areas to make conformity provisions for giving wide-ranging powers to the *Adivasis* on matters relating to decision-making and community development. It gives governance powers to the *Adivasi* community and recognizes their traditional customary rights over natural resources. It not only accepts the validity of customary laws, social and religious and traditional management practices of community resources, but also prohibits state government from making any law inconsistent with PESA provisions. Since ISNRMPO has been working mainly with *Adivasis*, it sensitizes community, the PRI representatives and local NGOs on the provisions of PESA, and has been working toward realization of those provisions.

3.5.7.   Awareness and Sensitization

A concentrated effort has been made to create awareness and sensitize the community and PRI representatives. Awareness generation programme, drama/skits on PESA/local governance, puppet shows, informal discussion, use of cloth painting and coloured flip charts are some of the activities undertaken in this regard. The following two interventions helped greatly in sensitizing the community and PRI representatives:

3.5.7.1. *Use of Cultural Media*

ISNRMPO recognized the importance of using traditional modes for development communication in multilingual rural area. Cultural teams comprising mainly rural youth from village community are promoted to disseminate information by conducting village level shows. These teams are trained to conduct puppet shows and street theatres. A team of trainers was invited from Manthan Yuva Sansthan, Ranchi, Jharkhand to help the cultural teams to make puppets, write scripts on topical issues, bring variation in voice and finger movement, mobilize the community before conducting the shows as well as discuss the issues and get feedback from the community. Similarly, these cultural teams

were trained by CYSD to conduct Street Theatre. The cultural teams perform the shows and are provided with follow-up support and training.

3.5.7.2. Development of IEC materials

ISNRMPO also developed context specific Information- Education-Communication (IEC) materials for the awareness generation and sensitization of the community. These IEC materials contain wall paintings; cloth paintings; pictorial communication materials on PESA and Gender; and various pamphlets, leaflets and posters.

3.5.8.   Capacity Building

NRMPO not only focused on capacity building of PRI representatives, but of all the stakeholders involved. Modular training programme were developed for community members and PRI representatives, which suited their time and interest. Exposure visits of PRI members to other NGOs' field areas were promoted. The community members and PRI representatives visited Kyonjhar district in Orissa and Ranchi district in Jharkhand to observe the functioning of PRIs and CBOs.

> ISNRMPO developed technical collaboration with CYSD to train partner NGOs' staff on Panchayati Raj (PESA). They later conducted a series of training on PESA for the panchayat members. CYSD also provided support in training cultural teams on street theatre and orientation to district level officials.

Similarly, the partner NGO's staff were trained through specific training programmes as per their responsibilities and tasks within the organizations. The field staffs were trained on various aspects of group management; PESA provisions; participatory planning and evaluations etc.

In addition, the programme also involved government officials and oriented them on different aspects of local self governance.

3.5.9. Mainstreaming Gender & Equity:

It was realized that the gender sensitivity of the elected PRI members is very low. The women PRI members face multiple hurdles and find it difficult to participate in the democratic process. Most of the times they are neglected and their opinions are not valued. A woman Sarpanch opined that *"...there is no difference between men and police because both of them are dictators and try to suppress women".*

> The local community in Allum village, Gajapati took the decision for uniform wage rate for both men and women in all the work. This infuriated the government contractor, who used to give low wage to women. The contractor threatened to bring labourers from nearby village, but the community did not budge. They also brought into confidence the other village people. Finally, the contractor was forced to provide equal wage to both men and women.

The gender sensitiveness is missing even during implementation of government schemes. No considerations are given specifically for women and girl children, and execution of work does not address their necessity. Similar problems are faced by the poor and landless people, who find themselves marginalized in the development work undertaken by the panchayats.

ISNRMPO developed a well defined gender integration strategy, and incorporated it into its programme. Though its modular gender training, on one hand it developed a cadre of community based trainers, on the other hand it promoted gender analysis of its activities to offset any gender bias.

The women were given equal representation in all the Village Development Committees; fund was channelled through women SHGs in those villages where VDC did not have a bank account; and the need for equal wage rate for men and women was emphasised.

ISNRMPO also promotes specific group based activities for mainstreaming the marginalized group specifically landless, dalit and women. Dalit groups and federations are promoted to undertake skill based income generation activities. In the land development programme, landless people are given lease for plantation or right for fishing.

> It was a complete new experience for Mrs. Gunduppi Bhuyan of T. Barba village in Gumma block, Gajapati to visit shops, negotiate with shopkeepers and procure the materials for the gravity flow system. She was excited about it for many weeks and shares this life time experience with everybody.

3.5.10. Promotion of Transparency & Accountability:

Recognizing the importance of transparency and accountability as core values in local self governance, ISNRMPO partner NGOs display funding support received by

different funding agencies in their offices. The project funds are transferred to the community, with major responsibilities of planning and implementation. The community seeks quotation, give order, procure inputs as well as maintain record for all the work. The practice of displaying the project costs and community contributions at the site is promoted, thus any person can cross check the information provided. This also improves trust and confidence between the community, PRIs and NGOs.

4. FINANCIAL COLLABORATION WITH PANCHAYATS

4.1. Context

A very crucial question for ISNRMPO partner NGOs was "whether the capacity building is an end or a means of empowering PRIs?" It can be put in more precise way as "whether the NGOs' efforts should culminate in training and exposure to PRIs or should it be more than that?" It has been argued that how much of capacity building should be provided and what the panchayat members will do once their capacity is built. There are experiences from field that due to paucity of fund the Gram Panchayats were not able to take up activities for the development of their area even though they have developed the capacity to manage such programmes. Involving Gram Panchayats in planning and implementing of ISNRMPO supported activities became an important concern. During the Decentralization workshop[1] in September, 2004 this issue was high on the agenda, and a vivid discussion took place. The participants highlighted the following arguments:

The participants agreed that "Financial linkages with Gram Panchayats" should be

identify threats, opportunities and work together to reduce risks. **It was also agreed that financial linkages with PRI will be explored on pilot basis with two to three partner NGOs and the learning will be integrated in the whole programme.** The participants also suggested taking legal experts' views on this aspect.

4.2. Objectives

Thus, ISNRMPO promoted financial linkages with Gram Panchayats on a pilot basis with the following objectives:

1. To provide hands on experience to Gram Panchayats to plan, implement and manage development schemes with complete autonomy on financial and decision making processes;

2. To strengthen CBO-PRI-NGO linkage by promoting synergy among these institutions;

3. To develop models where panchayats could demonstrate successful experiences of addressing their development priorities.

Arguments in Favour	Threats/Risks
Constitutional body	Corruption
NGO cannot work in isolation	Political influence
Plans without funds	Operational problems (takes time)
Instrument / medium for increasing transparency and accountability	Attitude, Values not towards development, not pro-poor and gender-sensitive

a long term vision with emphasis on processes, and there is a need to collectively

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[1] Final workshop report on "Decentralization and Local Governance" organized in Parlakhemundi on 13th - 14th September, 04.

4.3. Models Promoted

Four types of models were envisaged during 2005, however later it was reduced to three.

4.3.1. Model 1: Transferring and Settling Fund as Advance to Gram Panchayat

This model was promoted by Institute for Women's Development (IWD) to support Rampa Gram Panchayat of Gosani block, Gajapati to start a weekly market. Gram Panchayat members had approached IWD

for financial support to meet the expenses for land levelling for the market space, putting the market sheds; popularizing the new market through wall painting and posters and inaugural expenses. IWD agreed to support the Panchayat by advancing Rs.20,000/- to meet expenses on market establishment. *The money was given in instalments, and as such there was no requirement of putting it into Panchayat's account as the Panchayat members made the expense and settled the bills directly.*

4.3.2. Model 2: Transferring Fund to a Separate Bank Account of the Panchayat

This model was promoted by Society for Welfare of Weaker Section (SWWS) at Sanatundi Gram Panchayat for the excavation of a multipurpose tank for water conservation and pisci-culture. A new bank account with joint signature of Sarpanch and Executive Officer, Sanatundi Gram Panchayat was opened in Syndicate bank, Rayagada. The project fund of Rs.1,50,000/- was transferred to this account through bank draft. A separate cash book, ledger and measurement book was maintained.

The following norms were also evolved in consultation with the panchayat, NGO representative and District Panchayat Officer, Gajapati:

- Gram Panchayat will open a separate bank account with joint signature of Sarpanch and the Executive Officer of the Gram Panchayat;

- A fund provision of 3% will be made to meet the administration, travel and other miscellaneous;

- In releasing the work order, priority will be given to women SHG members;

- Technical support will be provided by ISNRMPO;

- Gram Panchayat will monitor and supervise the entire work.

The PRI representatives directly supervised the work and released the payment in five instalments to the SHG member.

4.3.3. Model 3: Transferring Fund to the Existing Bank Account of the Panchayat

This model was planned by Institute of Social Action and Research Activities (ISARA) for the construction of Irrigation Tank at Sindranga Village, Randiba Panchayat. The fund was initially transferred to the existing account of the Gram Panchayat. However after the consultation with the District Panchayat Officer, a separate bank account was opened with joint signature of the Sarpanch and the Executive Officer of Gram Panchayat and the required fund (Rs.80,000/-) was transferred into this separate account. A separate cash book and ledger was maintained by the Panchayat, which also maintained a daily register of the work done and payments made to ensure transparency.

4.3.4. Model 4: Transferring Project and Panchayat Fund to identified Women SHG

This model was adopted by Jana Kalyan Pratisthan (JKP) for the excavation of pond at Sargisahi village in R. Udaigiri block of Gajapati. The activity was discussed in the Palli Sabha and Gram Sabha. Gram Panchayat approved a matching grant of Rs.50,000/- together with an ISNRMPO grant of Rs.40,000/-. It was also approved that the women's SHG at Sargisahi would implement the project activities, and accordingly the fund was transferred to the SHG's bank account. The community also resolved that the Gram Panchayat's funds will be utilized first.

5.   ANALYSIS OF EXPERIENCES

Capacity building and encouragement to community was a great challenge. Once the partner NGOs had role clarity on project implementation, they conducted a series of discussion and capacity building measures to enhance local peoples confidence and capacity to implement and manage the activities. Regular community level meetings were implemented to work out modalities, supervise and monitor the project activities. The community themselves maintain roster, procure the inputs and distribute the wages. ISNRMPO through its partner NGOs provides technical and other catalytic support to the community, while the field staff maintains regular contact with them.

> When the engineers from AFPRO estimated the cost as per standard design, it was much higher than what had been envisaged. Undaunted, the villagers of Tahojung, Kashipur block, Gajapati broke the stone into chips, brought the sand on their head from a rivulet and contributed all the manual labour to complete the work.

The whole process was meticulous which requires great efforts and patience. As the process deals with a change in attitudes and behavior, it ought to be slow. An important learning was a considerable improvement of the projects quality. A great interest is generated at community level, as they "own the work" and ensured that good quality materials are used. All the activities were completed on time with active community participation and community contribution. The community also evolved its own system for the management and maintenance of the assets.

ISNRMPO had a very limited success on internalizing of the decentralization and local governance. It took a considerable time for the partner NGOs to imbibe the concept. The entire process of capacity building and empowering field staff as well as involving them in planning and decision making was rather slow. The programme was however successful in creating platforms for dialogue and joint decision making in terms of Joint Project Committees, Quarterly Review Meetings etc. of lately, many NGO partners also started displaying information about funding and their utilization in the office, thereby promoting transparency.

The awareness and sensitization strategy by promoting cultural media and IEC materials was very successful, and has created a positive impact on the programme quality. The local community took great interest in the cultural shows (puppet and street theatre). The information exchange between the cultural team members and the community before and after the shows was able to improve the understanding of the community towards local self governance.

Prioritizing Palli Sabha as key focus and their strengthening had a positive impact. The people's participation in Palli Sabha has increased to 60%-70% from 35%-40% earlier in many villages, and local communities are taking interest in the proceeding of the Palli Sabha. It has also promoted awareness as well as resistance from the community.

Collaboration with Panchayats helped in bringing role clarity between PRIs and NGOs.

While the Gram Panchayats were involved in the planning, execution and supervision of work; the partner NGOs were involved in building their capacity and provide backstopping technical and monitoring support. The NGOs - based on their earlier experiences in project implementation - also assisted Gram Panchayats in better execution of work. Approval of project activities through Panchayats and linkage of VDCs with them also helped bringing synergy as well as honouring of Constitutional power of the panchayats.

One of the noticeable observations was the improved relationship and confidence of PRIs and NGOs. The linkage contributed to a better understanding of each-other tasks as well as the dynamics (and constraints) under which they function. They are now more open towards each other and appreciate their contributions to the development work.

Fund transfer to community's (SHG and VDC's) account was a unique and innovative

experience, and there was initial hesitation and apprehension both from the NGO and community. While the NGOs had a tendency to work for the community, and implement the activities for them, the local community did not have any experience of managing funds and implementing activities by themselves. The partner NGOs initially perceived it as an imposition from the PSU of SDC-IC. As a result of continuous dialogue and persuasion from the NSU, the NGOs could recognize their changed role, as facilitator rather than as implementer. They also learnt the principle of 'working with' the community instead of 'working for' the community.

Encouraged by the initial success, these Gram Panchayats are able to mobilize more resources from state and central government. They also feel confident to execute the work more efficiently and effectively.

> At Padasahi, the Gram Panchayat has recently mobilized Rs100,000/- to construct the channel from the pond which was jointly constructed with Panchayat's and ISNRMPO funds (pilot case 3) previously.

Contrary to the apprehension, no diversion or misuse of fund by Gram Panchayats are reported so far in the ISNRMPO supported activities. A close working relationship between CBO, NGOs and Panchayats could be one of the factors for ensuring proper utilization of fund.

6. LESSONS LEARNT

During last four years of work on local self governance, many important lessons were learnt, which are summarised below:

6.1. Building Trust, Confidence

Achieving confidence of the community is crucial before the programme implementation starts. This can be achieved through regular dialogue, sharing with them their joys and sorrow, and getting involved in their daily lives. At ISNRMPO, a close interaction of field staffs with the local community ensured better mutual understanding, learning and faith. The field staff also got a good understanding to the local dynamics, which helped in effective planning of the programme. The field staffs were in a better position to provide facilitation to the community in identifying their needs, planning their programme, and executing them to achieve improvement in their livelihoods.

6.2. Working with formal and informal structure

One of the important lessons learnt is that working with formal and informal structures foster interaction and trust building. ISNRMPO comprehensively worked with informal institutions of local self governance in terms of self help groups and Village Development Committees: building their capacity, chanelising fund through them and involving them in programme management. It also started working with formal institution of local self governance (PRIs) where it looked for developing synergy and cooperation attitude with both kinds of institutions. The initial hesitation and resistances was taken over by a new

kind of learning and developing a sense of appreciation towards each-other.

6.3. Linkages Among Different Actors

An important learning is that the improved linkages; exchange and cooperation among the community and PRIs by involving community, government officials and Panchayat members (Ward members, Sarpanch) in locally planned and implemented mini-project brought greater transparency and accountability. The Panchayat members and community were aware about the ISNRMPO work, its amount; and community contribution. The Panchayat members also realized their responsibility and accountability on the programme, which was reflected by their regular supervision and visits to the programme sites. In PTD, CLWs and community development work the government departments (Agriculture and Animal husbandry) were also involved through their technical inputs and monitoring, which improved mutual respect and learning from each other.

6.4. NGO-Panchayat Cooperation

It was also interesting to see that the general position of the partner NGOs has been more open towards cooperating with Gram Panchayats, seeing and accepting their role as a key actor for local development and the constitutional institution of local self governance. This includes also the awareness of a change of role of the NGOs from being implementers of development activities towards becoming facilitators, linkage creators, social auditor, advisors, service provider and partners of Panchayats.

6.5. Prevent Creation of Parallel Institutions

Knowingly or unknowingly the development agencies/NGOs promote parallel institutions in the form of new SHGs, associations and committees, which undermines the importance of already existed ones and hamper the sustainability of the programme. ISNRMPO initially did the same mistake by promoting new SHGs and implementing programme directly with them. However soon it was realized that ISNRMPO is bypassing the constitutional structure i.e. panchayats and undermining their importance. Therefore, it started placing all new activities before the Palli Sabha/Gram Sabha for approval as well as involving the Gram Panchayat members in the implementation and monitoring of the programme. It also adopted "Mission Shakti" format for the SHGs' record maintenance rather than creating new ones. Therefore, cooperation and synergy among different community institutions was promoted rather than creating project focused new institutions.

6.6. Strengthening of Palli / Gram Sabha

A crucial learning is that putting emphasis on strengthening Palli/Gram Sabha can initiate the positive change process. A strong and effective Palli Sabha is the foundation stone to achieve true local self governance. It is at this stage where potential manipulation and negative influences and power games start, and if the members of Palli Sabha are aware; then they can intervene from the beginning to stop such practices.

6.7. Empowerment of Women

It was also realized that special effort should be made for women empowerment and leadership development, as it is the women who know best the local reality, and if capacitated can bring true local self governance. Women are found to be more process oriented; concerned about social issues; and contribute to long term development.

6.8. No Single Best Approach

Another important learning is the realization that there is not one single best approach and method, and it depends on the context and situation. Promoting local self governance is an evolving process, and a programme should be flexible enough to accommodate any justified change.

6.9. Clear Vision and Understanding

An important learning is that there should be a clear vision and understanding with regards to the empowerment of the community. Though many NGOs work towards empowering the community there was a certain lack of a clear vision and concepts on the empowerment of the community. Many CBOs like SHGs and VDCs were rather established as project related structures without a clear vision on their sustainability and representativeness.

6.10. Success Depends on Driving Forces

It was also an important learning that success depends on driving force whether it is at community level or organization

level. ISNRMPO owes its success to the community leaders who in-spite of initial oppositions and hurdles believed in the ultimate aim of empowerment, and worked un-tiringly towards that.

6.11. Upscaling strategy to keep in mind

An important learning is that an upscaling strategy must be kept in mind and the current work should be oriented towards that. Particularly in pilot experiments like PTD where the current crop yield has been increased by two-three folds, up-scaling could bring about radical change in the food security situation in a larger geographical region through simple improvements in cultural practices.

7. LOCAL SELF GOVERNANCE AND DEVELOPMENT INDICATORS

7.1. *Impact/influence on Poverty Reduction*

The initial result of promoting local self governance is quite visible on poverty reduction at community level. A flexible programme planning approach and transfer of financial and decision making competency to the community had a positive influence. For

example the community identified 'water' as their basic need to address poverty. The community identified sites and kind of structure required. They were assisted by ISNRMPO technical persons to plan their activities and the required fund was transferred to their account. The community further evolved their own management and maintenance system. Through different water harvesting structures (check-dam, irrigation canal, multi-purpose tank, ponds, stone bunding etc.) and gravity flow the community could enhance their basic life support system. They are using water to increase productivity of existing crops; brings more land under cultivation and (re) introduce new crops and vegetables. In some cases, the crop productivity has increased 30% to 50% by a mere provision of water. Where

the improved practices were introduced through PTD, the crop productivity has even increased up to 150% to 200%. The local communities were also able to identify and pursue different income- generation activities as per their choices.

7.2. *Impact/influence on Discrimination & Empowerment*

Being a homogenous *Adivasi* community, discrimination is not very visible except in places where the dalit community live in same villages. For example, in certain schools dalit children are not allowed to sit together with children from another community. The dalits are not allowed to take water from the same well or hand-pump from where the *Adivasis* collect water, and they are not allowed to enter the temple. ISNRMPO partner NGO staff regularly bring such kind of discriminations to the notice of Gram Panchayat members to put them on the meeting agenda of Gram Sabha and Palli Sabha. The PRI members and local community are persuaded to take note of the discriminations, and resolve the issues at their level. Gradually the practices of discrimination are being discouraged, and there are cases when the PRI members and opinion leaders have firmly dealt with such incidents.

> The dalits of Padmapur village, Gumma, Gajapati, Orissa were not allowed to enter the temple. The issue was taken up by the Gram Panchayat and on the initiative of the Sarpanch it was agreed by the whole community to allow the Dalits into the temple. On Maha Sivaratri

day i.e. 0n 8 March, 05 with a festive atmosphere and devotional mood, the Dalits entered the temple and prayed to the all mighty to their heart's content for the first time.

The influence is more visible on the empowerment of the community, which is evident through the collective actions and group coherence. The community in many villages are challenging private contractors and corrupt government officials on their bad practices.

7.3. Impact/influence on Access and Control over Resources

PESA has given an overarching power to the community over access and control over natural resources. These powers can only be translated into reality if the provisions under PESA are applied in the field. The programme can facilitate the community to regulate these provisions for their benefit. Establishing a village market; regulations on land alienation and restorations of tribal land; providing land rights (patta) to tribal people are some of the examples where the ISNRMPO positively influenced the tribal's access and control on natural resources.

8. EMERGING ISSUES & LOOKING FORWARD

While working more closely with and through PRI - accepting their constitutional role as main coordinator of local development - ISNRMPO and its partners have made important learning with regard to local governance. This has lead to different changes in processes and attitudes among all local governance actors e.g. (NGOs., community, private sector, line agencies). There are however still many issues, which need to be further assessed and where many more experiences need to be made, e.g.

1. How to address NGOs' apprehension regarding PRIs?

2. How bureaucratic mindset can be oriented towards pro-PRIs

3. How to avoid elite capture of the Panchayati Raj System?

4. How best gender integration can be addressed?

5. How the corruption, influence of people with vested interest (private parties, contractor etc.) can be reduced?

6. How sustainable cooperation mechanism between CBOs, PRIs, NGOS and government can be developed?

7. How the conflict between tribal and other (SC) community can be addressed?

As stated earlier, there is not a single best method or practice to address the above issues, and the approach and strategies should be based on the local context and situation.

9. POLICY IMPLICATIONS

9.1. Harmonising Donor Strategies

Many development agencies are working on local governance and PRI issues with their own approach and strategies, however they often work in isolation. As these agencies possess rich experiences and learnings which - if shared - can avoid duplication and other agencies could build on strengths. Similarly many agencies carry their own field research and publications that could be utilized by other development agencies. Besides there are many policy level issues which can only be addressed, if these agencies join hands and work together. Therefore, there is a need for development agencies in Orissa to promote formal and informal alliances to identify common areas and devise strategies to work together. These could be done through participation in each-other events, exchange of materials and promoting a small core committee for pooling of experience and resources together.

9.2. Local Governance as Multi-actor Process

Promoting Local Self Governance is not only government's task, but the responsibility of all stakeholders (government, NGOs, CBOs and PRIs) involved. Each group has to identify its responsibility and work toward it. A mechanism to foster cooperation and coordination among various actors needs to be promoted for which the different actors shall develop empathy towards each other's tasks; understand the dynamics under which they function; and build confidence. They must be willing to put aside their prejudice and work together with an open mind. Only then they will be able to understand each other in a better way and develop a sustainable cooperation based on mutual trust.

9.3. Capacity Building as Entry Point Activity for PRI Empowerment

Everybody agrees that capacity building of PRI representatives is a must for empowering them. However, there is a

difference of opinion that whether the development agencies should work only on the capacity building or should they work more. Whatever be the opinion, the focus from the beginning should be on the sustainability of processes. ISNRMPO field experiences indicate that if the Gram Panchayat representatives are also involved in the planning and monitoring process, then programme quality has much more improved. On the other side, the Panchayat representatives also get confidence to mobilize resources and manage the development activities by themselves.

9.4. Flexible Planning, Participative Programme Management

The programme planning process has to be flexible with the scope of including innovations in the programme. Though in

ISNRMPO a strategic plan of five years was prepared, the partner NGOs were promoted to prepare annual activities together with community and present the same in the Joint Project Committee meeting for the discussion and approval. As such the community and NGOs had the flexibility of annually reviewing the plan and make improvement.The programme management committee is also much more participatory and effective, if community and NGOs' representatives are involve in approval as well as monitoring and evaluation of activities.

9.5. Transfer of Financial Competencies

The empowerment process also involves transfer of financial competencies. As such the local community leaders shall be trained in the financial planning; record maintenance, calculation of interest rate and repayment schedule; maintaining roster and muster roll; and interacting with bank officials and outsiders. As the NGOs have these competencies, they can take over the role and tasks of formal training and informal interactions and demonstrations, thus changing their role from development implementers to "development supporters".

9.6. Complementing Government Policy on Local Self Governance

The government has already come out with a comprehensive policy on Panchayati Raj and strengthening local governance. The NGOs' approach should be to develop and implement programme so as to serve a model for up scaling by government in other areas. Another aspect which shall be looked into is the co-financing Panchayats in the implementation of certain programme. One of the major recommendations of the Orrisa State Finance Commission is to provide massive external assistance to help the local bodies to upgrade basic civil services. The report also suggests that all possible means of income (transfers and local resource mobilisation) of Panchyats needs to be encouraged.

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Experts' View on Financial Collaboration with PRIs

ISNRMPO took the services of a senior Charted Accountant and a Supreme Court Lawyer to go deeper into the aspect of fund chanelisation to Panchayats by agencies other than government. The auditor's opinion and legal opinion are summarised in box 1.

Box: 1 Excerpt from meeting with Charted Accountant[1]

The meeting with a Chartered Accountant and partner NGOs' chief functionaries was organized in April, 2005 to bring clarity on financial linkages with panchayats. Following points were clarified:

- Since Panchayati Raj is a state subject, concurrence should be taken from the District Collector of the concerned district as well as from the Panchayati Raj Department.

- FCRA rule says that the money should reach to the end user (individual or group of people). As panchayats are elected body (a group of people), funds can be transferred to Panchayats without violating the FCRA rule.

- Preferably a provision should be made to open a separate account by the concerned Gram Panchayat (with joint signature).

- The type of audit will depend on the MOU with panchayats, however the audit conducted by PRIs shall be accepted.

- In the MOU, a clause can be added to verify and cross check the accounts maintained by the panchayats (though it may not be practice in normal cases).

Excerpt from Legal Study on PESA

This study (mandated by ISNRMPO) was conducted by Mr. Sanjay Upadhyay during March-April, 05.

FUNDING PANCHAYATS: THE LEGAL POSITION[2]

As per Orissa Gram Panchayat Act, 1965[3] a *Gram Fund* shall be constituted for every Gram Sasan.[4] Notably "all the sums received by way of loan, gift or contributions or other grants from any source whatsoever ..." can be credited to the fund by or on behalf of the Gram Sasan.[5] Similarly, at the Panchayat Samiti level, there is a *Panchayat Samiti Fund* and the sources of Panchayat Samiti income consist of donations and contribution "from the public in any form" and "grants from any authorities, organizations and statutory bodies." [6]

The Gram Sasan may borrow money "from the state government, any local authority or any individual or body of individuals."[7] However, all the sums received by the Gram Sasan are to be

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[3] See Section 2-4 of the Orissa Grama Panchyat Act, 1965.

ordinarily applied within the limits of the Gram. Where the Gram Sasan desires to borrow money it is required to submit an application in a prescribed form accompanied by a resolution of the Gram Panchayat to that effect[8]. The Act mandates that the Gram Panchayat shall keep regular accounts of receipts and disbursements from the Gram Fund and that such account shall be published in the prescribed manner.[9]

Thus, the above review does show that in principle the Panchayats and the Gram Sasan is competent to receive loan or borrow from any source 'whatsoever' including non-government loan. However, there are critical caveats to this legal space:

As pointed out above, the Gram Sasan would need to put in an application for any money that it wants to borrow in a prescribed format. On submission of such an application, the state government may "grant or refuse permission to the Gram Sasan to obtain a non-government loan" and "impose any condition....as deemed fit in respect of such loan".[10] Besides, where conditions are attached to utilization of grant specifying the particular object of expenditure, it shall be the responsibility of the Sarpanch to see that the money is well spent and the utilization certificate is furnished to the concerned authority.[11]

The above provisions give overriding power to the state government to refuse a Gram Sasan to get a loan and in doing so the State government is not even obligated to give reasons. However, in case of any such refusal it could still be possible to legally insist the state government to give reasons.

As a conclusion, it is legally permissible for the Gram Sasan to access funds from any non- government source and one may agree with the PRI to open a separate bank account on the lines of existing provision, s it has been done for the Jawhahar Rozgar Yojana in the state.[12]

Source: Access and Rights of Tribal on Natural Resources:

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[4] Section 93 of the 1965 Act.
[5] See Section 93 (1) (k) of the 1965 Act.
[6] Section 28 and 29 of the Orissa Panchayat Samiti Act 1959.
[7] Section 95 of the Act.
[8] Rule 104 (1), The Orissa Grama Panchayat Rules 1968
[9] Section 100 of the Orissa Grama Panchyat Act, 1965.
[10] Rule 105 (2) (3) of the Orissa Grama Panchayat Rules 1968.
[11] Rule 141, Orissa Grama Panchayat Rules 1968
[12] See Section 94 of the Orissa Grama Panchyat Act, 1965.

APPENDIX- II

Understanding Decentralization

ISNRMPO considered developing a common understanding on decentralization and local governance at all level as a pre-requisite to work in this area. Therefore, during early period of the current phase PSU conducted a series of meeting and workshops[1] with SDC-Delhi office (COOF) and partner NGOs to arrive at common understanding on decentralization and local governance. The term decentralization was defined by various groups as below:

The NGO Chief Functionaries group explained "*Decentralization as a value with an equitable sharing of roles, responsibilities and power through creating a platform for decisive voice, accountability and transparency, which involves grass root planning and continuous dialogue for better functioning*".

The Project Coordinators group described "*Decentralization as a democratic process which involves bottom up approach with role clarity within a framework, and which works with internal democracy, transparency and accountability*". In a nutshell, **decentralization aims at a situation where the mind works without fear.**

PSU elaborated "*decentralization as a process which involves all stakeholders with a delegation of roles, responsibilities and power (both financial and decision making*"). It is concerned with an ability to influence, take and implement decisions, and is taken considering political, governance, social, economic and cultural context.

SDC-Delhi office viewed "*decentralization as a process for empowerment at every level, which addresses redistribution of power (who, how etc.), and decision making for improvement in the quality of life*".

The above explanations of decentralization at SDC-IC, PSU, and NGO level can be summed as common understanding in two broad areas: key issues, and core values. The main key issues in decentralization involve: *participation; transparency/ accountability; internal democracy; grass root planning; fighting poverty; redistribution of power; opportunities and space; behaviour and attitude; roles, rules and relationship; process and empowerment*. The core values in decentralization involve: *sharing of power & responsibilities; gender equity; confidence & self responsibility; bottom up planning; checks & balance; and involvement of all stakeholders through solidarity, equity and empowerment.*

The common understanding on decentralization at all level can be summarised as below:

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[1] Meeting with SDC-Delhi office to arrive at common understanding on decentralization and local governance was conducted on 12th September, 03 and workshop with partner NGOs was conducted on 19th November, 03.

1. A bottom up approach with role clarity within a framework, and which works with internal democracy, transparency and accountability.

2. Involves all stakeholders with a delegation of roles, responsibilities and power (both financial and decision making);

3. Concerned with an ability to influence, take and implement decisions in a social, political, economic and cultural context;

4. Decentralization should not be a separate and new programme component, but should be fostered and promoted within the existing programme, starting from the already existing strengths and experiences.

Empowerment
through Local Self Governance:
From Rhetoric to Reality

Field Experiences of
Indo Swiss NRM Programme Orissa

TABLE OF CONTENT

ABBREVIATIONS

AFPRO	:	Action for Food Production (NGO)
AHD	:	Animal Husbandry Department
CBO	:	Community Based Organization
CCD	:	Centre for Community Development (partner NGO)
CYSD	:	Centre for Youth and Social Development (NGO)
DPC	:	District Planning Committee
DPO	:	District Panchayat Officer
ELDF	:	Enviro Legal Defence Firm
FCRA	:	Foreign Contribution Regulation Act
GGGMU	:	Greater Ganjam Gajapati Milk Union
GP	:	Gram Panchayats
HID	:	Human and Institutional Development
IC	:	Intercooperation
IEC materials	:	Information, Education and Communication materials
ISARA	:	Institute of Social Action and Research Activities (partner NGO)
ISNRMPO	:	Indo Swiss NRM Programme Orissa
IWD	:	Institute for Women Development (partner NGO)
JKP	:	Jana Kalyan Pratisthan (partner NGO)
JPC	:	Joint Project Committee (of ISNRMPO)
LADS	:	Local Area Development Scheme (MPLADS & MLALADS)
LCO	:	Livelihood and Community Organization (Thrust of ISNRMPO)
LIPICA	:	Lower Income People's Involvement for Community Action
LSD	:	Livestock Service Delivery (Thrust of ISNRMPO)
MFP	:	Minor Forest Produce
MLA	:	Member of Legislative Assembly
MOU	:	Memorandum of Understanding
MP	:	Member of Parliament
NGOs	:	Non-Government Organizations
PESA	:	Provisions of the Panchayats (Extension to the Scheduled Areas) Act
PRAVA	:	Programme for Rural Awareness and Very Action (partner NGO)
PRIs	:	Panchayati Raj Institutions
PSU	:	Programme Support Unit (of ISNRMPO)
PTD	:	Participatory Technology Development
SACAL	:	Social Action for Community Alternative Learning (partner NGO)
SC	:	Scheduled Caste
SDC	:	Swiss Agency for Development and Cooperation
SFC	:	State Finance Commission
SHG	:	Self Help Group
ST	:	Scheduled Tribe
SWWS	:	Society for Welfare of Weaker Section (partner NGO)
VDC	:	Village Development Committee

PREFACE

Panchayats have served as the backbone of Indian civilisation for many centuries. The panchayats had been the pivot of administration, the centre of social life and the defenders of social stability in rural India. Village panchayts were central to the ideological framework of India's national movement for political freedom. Recognizing its importance, the Government of India introduced Article 40 in the Constitution to give Constitutional power to the people's institutions. The recommendation of the Balwant Roy Mehta committee that public participation in community works should be organised through statutory representative bodies accelerated the pace of panchayati raj institutions in all the states. However, the panchayati raj system started to deteriorate and was at its lowest point for about 13 years between 1964 and 1977. Through Constitutional Amendments several steps were taken to remove the inherent weaknesses. The 73rd Amendment of the Constitution envisages that the Panchayati Raj Institutions (PRIs) be endowed with adequate power and responsibilities to enable them to function as the institution of self governance. It also recognised that the success of the Panchayati Raj system depends to a large extent on the efficient functioning of the Gram Panchayats, which is viewed as the basic unit of the Panchayati Raj system. Therefore, the Amendment makes it compulsory for all the states to establish Gram Panchayats at the village level.

However, the 73rd Constitutional Amendment excluded some areas from its purview as mentioned in the Vth and VIth Scheduled of the Constitution. Therefore, a committee under Shri Dilip Singh Bhuriya was constituted to look into this aspect. The recommendations of the Bhuriya Committee paved the way for the passage of Panchayats Extension to Scheduled Areas Act, 1996. The Act stipulates the States having Scheduled Areas to make specific provisions for giving wide ranging powers to the tribal on matter relating to decision making and development of their community.

Decentralization and local self governance have been major focus areas of ISNRMPO. It has got a high priority in its Vth phase (current phase) project document. Since the beginning of this phase, ISNRMPO has taken several steps together with partner NGOs, resource agencies, experts and government on bringing synergy in work on promoting decentralization and local governance at all level. ISNRMPO has conducted a series of workshops, brainstorming sessions and pilot projects to widen the understanding.

This document is the outcome of all the efforts made in promoting decentralization and local governance in its programme. The document highlights the vision, approach and strategies followed by ISNRMPO as well as the experiences and learning made by it. I sincerely hope that this document will help in broadening the understanding on the issue as well as providing inputs to work in this area.

EXECUTIVE SUMMARY

"Empowerment through Local self Governance: From Rhetoric to Reality", a field inference from Indo Swiss NRM Programme Orissa, highlights the basic principles in transforming local self governance vision into reality. Panchayats have served as the backbone of Indian civilizations for many centuries. The government of India, realizing its importance, introduced Article 40 in the constitution to give power to people's institutions. However, inherent weaknesses led to constitutional amendments in 1992. The 73rd Amendment of the constitution envisages that the PRIs be endowed with adequate power and responsibilities to enable them to function as institution of self governance. Apart from this voluntary agencies in India also promoted the concept of informal institutions of local self governance in terms of community based organizations.

ISNRMPO in its current phase has placed special emphasis on promoting local self governance. It not only aimed at capacity building of informal institutions of local self governance (SHGs, VDCs etc.) but also strengthening formal institutions (PRIs) and its linkages with the informal institutions. It endeavoured to route all its development activities through panchayats. It also delegated financial and decision making authorities to both formal and informal institutions so as to enable them to design, finance, implement and monitor development activities based on their priorities.

The present study elucidates the experience of ISNRMPO in local self governance. The document covers historical background of local self governance in India and Orissa; key issues and challenges in promoting local self governance; ISNRMPO vision and core principles on local self governance; approach and strategies promoted in the programme; lesson learnt and policy implications.

The following main learning emerged out from the programme experiences:

1. Working with formal and informal institutions helped foster interaction and trust building. ISNRMPO comprehensively worked with informal institutions, building their capacity, chanelising fund through them and involving them in programme management. It also sought and fully capitalized upon opportunities to collaborate with the panchayats at the village level, where it looked for developing synergy and working together attitude with both kinds of institutions;

2. Accentuated linkage, exchange and co-operation among the community and panchayats by involving community, government officials and PRI members in locally planned and implemented mini project enabling greater transparency and accountability;

3. All approaches and methods are contextual. Promoting local self governance is an evolving process, and the programme needs to be flexible to accommodate change;

4. A strong and effective Palli/Gram Sabha is the foundation stone to achieve true self governance;

5. Special effort to be made on women's empowerment and leadership development as it is woman who knows best the local reality, and if capacitated can bring true local self governance;

6. A clear vision and understanding with regard to the empowerment of the community need to be evolved for sustainability and representativeness.