

Draft

A Case Study on Karungal Gram Panchayat

Best Practices of Panchayats

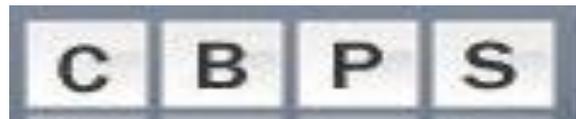
Commissioned by:



Ministry of Panchayat Raj

Government of India
Kasturba Gandhi Road
New Delhi

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Acknowledgements

This Case Study has been prepared based on the proposal submitted by Centre for Budget and Policy Studies, Bangalore as per the call for expression of interest and proposal by the Ministry of Panchayat Raj (MOPR) Government of India.

We wish to thank Ministry of Panchayat Raj (MoPR), Government of India for funding the preparation of this case study. We would like to particularly thank Shri C.V.Sankar, Principal Secretary, Panchayati Raj and Rural Development, Tamil Nadu and Shri Rajamani, Assistant Director, Panchayati Raj, Tamil Nadu.

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October, 2013
Bangalore

Center for Budget and Policy Studies

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Case Study of Karungal Gram Panchayat, Tamil Nadu

1. Introduction

In 2005-06, the Ministry of Panchayati Raj, Government of India introduced the Panchayat Empowerment and Accountability Incentive Scheme (PEAIS) to incentivize States and UTs to devolve powers to local bodies. Under this scheme, the best performing State/UT is awarded Rs 2 crore every year. Further, the Ministry also announces awards for the best Zilla Panchayats, Taluk Panchayats and Gram Panchayats for their performance in implementation of flagship schemes and execution of welfare programmes.

The National Council of Applied Economic Research (NCAER) developed a Devolution Index to measure the State/PRI's performance on the basis of devolution of three F's viz. finance, functions and functionaries. The assessment is carried out in two-stages with the first stage examining whether the State/UT has created conducive environment that enables the transfer of powers to the local bodies. Accordingly, the first stage checks whether the States have setup the District Planning Committee, established State Election Commission and State Finance Commission, and held PRI elections every five year. The Devolution Index is calculated for those States which have satisfied the criteria specified in the first stage. The three pillars in the Devolution Index capture either directly or indirectly the level of financial discretion, transfer of functions and steps taken to develop the capacity of functionaries of PRIs.

As for deciding the best panchayat at all the three levels i.e. Gram Panchayat, Panchayat Samiti (called Panchayat Union in Tamil Nadu) and Zilla Parishad, it is done through a process of scoring based on the devolution index and responses to a questionnaire that capture important aspects relating to activities of a model Panchayats. Some of the parameters used include regularity of panchayat meetings including those of gram sabha and standing committees, attendance in these meetings particularly the representation of SC and STs in the Gram Sabhas, discussions held and issues discussed, resolutions undertaken on various development works, identification of various beneficiaries, implementation of the State and Central Government schemes, efforts for achieving total sanitation, development of effective plans for raising own resources, systems for effective tax collection, strengthening of local institutions, capacity building of the elected representatives and the staff and having mechanism for transparency and accountability and so on. Karungal Gram Panchayat in Dindigul District is one of the eight panchayats from Tamil Nadu selected for award under the Panchayat Empowerment & Accountability Incentive Scheme (PEAIS) 2011-12.

2. Profile of the Gram Panchayat

Karungal is in the Guizilimparai Block of Dindigul District in the state of Tamil Nadu. It is at a distance of 57 kilometers from the district headquarters at Dindigul and 15 kilometers from the block headquarters. It covers an area of 8.47 square kilometers. It consists of 17 habitations making up nine wards of administration under the Gram Panchayat. It is bordered by Kalaiyapatti Panchayat, Karur District on the east, by Gudalur Panchayat in the west and the north and by Palayam Town Panchayat in the south. The GP office is located in K. Annaipatty.

There are 1413 households residing within the Gram Panchayat with a total population of 4362 (2001). Scheduled castes comprise approximately 20 percent of the population. Goundars are the dominant caste in the Panchayat. There are 359 households that fall below poverty line.

There are four primary schools and one middle school within the panchayat. There is one sub-centre located in the vicinity of the panchayat office. For other facilities, people visit Palayam which is a nearby town and is well connected by bus.

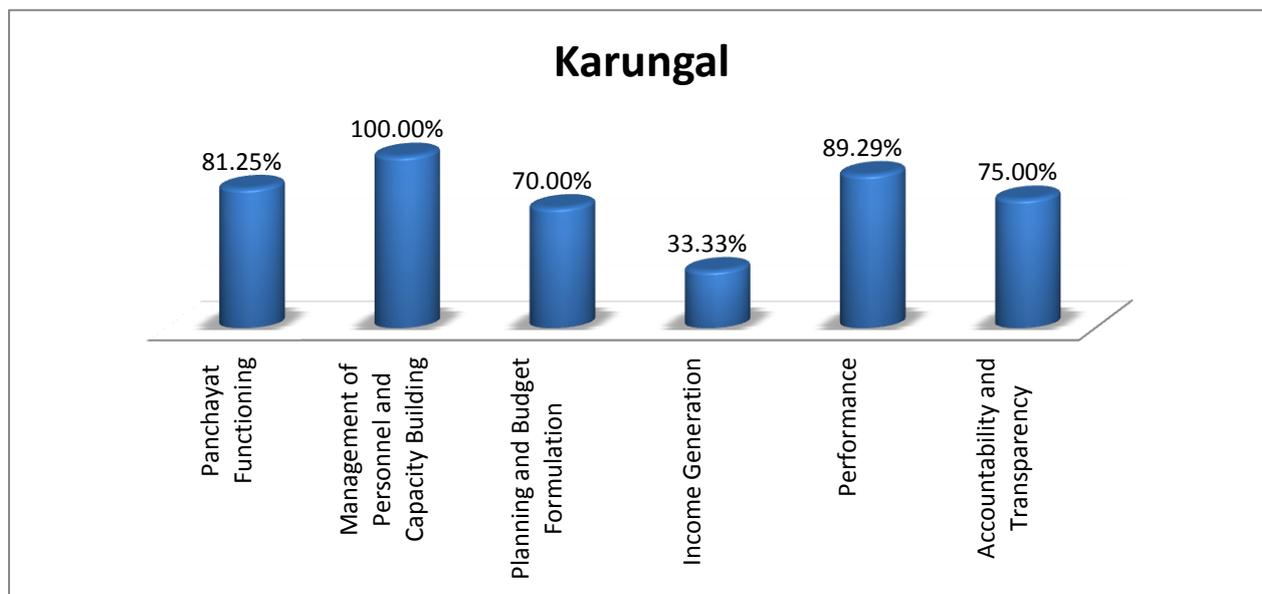
The land is primarily dry land. Main crops grown in the area are rice, groundnut and chilly. There is a Co-operative Milk Producers Society in the GP which is a source of employment for the women. Milk from the Cooperative Society is sold to Aavin (Tamilnadu Coop Milk Producers Federation Limited) and a couple of private players too. There are almost 50 Self-Help (SHGs) within the GP. The Panchayat Level Federation (of SHGs) has applied to the District Collectorate seeking skill training in tailoring and production of areca nut products.

The GP has been suffering from a severe drought for the past two years due to which residents of the village who were previously engaged in agricultural labour are looking at new avenues of employment.

3. Performance and Functioning of Karungal Gram Panchayat

Sri. Veerasamy who is the elected member from the K. Annaipatty area is the President of the Gram Panchayat (GP). He is assisted by the Panchayat Secretary (Shri. Rajendran). Out of nine ward members, two are reserved for Scheduled Castes and three for women. The records are well maintained by the GP. The following graph details the performance of Karungal as per the PEAIS parameters. Income generation is low as the Panchayat does not own any assets. Other than that, the GP does score well on other performance parameters as shown in the graph below.

Figure 1: Score of Karungal Panchayat as per PEAIS Indicators



Source: Karungal GP Proposal for PEAIS

Table 1: Performance of Karungal as per PEAIS Indicators

Indicator	Remarks
Panchayat Functioning	<p><i>Panchayat Meetings</i></p> <ul style="list-style-type: none"> • Has held 10 meetings against the mandated twelve • No meeting was cancelled due to lack of quorum • Agenda and minutes are circulated <p><i>Gram Sabhas</i></p> <ul style="list-style-type: none"> • Nine meetings held against the mandated four • No adjournment due to lack of quorum • Sufficiently represented by marginalised (SC/Women) • Minutes maintained • Social Audit of MGNREGA conducted <p><i>Standing Committees</i></p> <ul style="list-style-type: none"> • Standing committees formed on appointment/ development /agricultural and watershed/works/education • Except for Appointment Committee the other 4 Committees met 5 times against the mandated 6
Management of Personnel and Capacity Building	<p><i>Training of Elected Representatives</i></p> <ul style="list-style-type: none"> • Panchayat President attended Panchayati Raj Department's Training Programmes <p><i>Officials at Panchayat Meetings</i></p> <ul style="list-style-type: none"> • Attended by officials of Rural Development, Revenue, Health, Electricity Board, Horticulture, Co-operative, Highways, Social Welfare, Police and Transport <p><i>Review of Work of Officials</i></p> <ul style="list-style-type: none"> • Sharing of officials' experiences but no review of work done

	by officials
Planning and Budget Formulation	<p><i>Preparation of Annual Plan</i></p> <ul style="list-style-type: none"> • Annual plan prepared and submitted in advance <p><i>Process of Preparation of Plan</i></p> <ul style="list-style-type: none"> • Discussed in Gram Sabha/ with various stakeholders with their suggestions being partially incorporated <p><i>Budget</i></p> <ul style="list-style-type: none"> • Budget prepared as per norms • Budget submitted to the Block before the due date
Income Generation	<p><i>Planning for own income</i></p> <ul style="list-style-type: none"> • Only taxes as sources of income • No ownership of assets <p><i>Collection of Dues</i></p> <ul style="list-style-type: none"> • 100 percent Collection <p><i>Voluntary Contributions</i></p> <ul style="list-style-type: none"> • None
Performance	<p><i>Physical Achievement</i></p> <ul style="list-style-type: none"> • Physical targets set under KHS/ IAY/RIS and MGNREGS were successfully met <p><i>Expenditure against allotment</i></p> <ul style="list-style-type: none"> • Allocated amount under various schemes was spent <p><i>Expenditure on SC/ST</i></p> <ul style="list-style-type: none"> • Earmarked allocation was expended <p><i>Expenditure on Women</i></p> <ul style="list-style-type: none"> • Nil <p><i>Civic Duties</i></p> <ol style="list-style-type: none"> 1. 100 percent streetlight coverage 2. 100 percent drainage facility <p><i>Panchayat and Local Institution</i></p> <ul style="list-style-type: none"> • Improving infrastructural facilities of Schools and Anganwadis <p><i>Community Groups</i></p> <ul style="list-style-type: none"> • Resolution against Child Labour passed • Financial Assistance provided to pregnant women (Rs.6000) <p><i>IEC Initiatives</i></p> <ul style="list-style-type: none"> • Rainwater harvesting • Sanitation awareness campaign
Accountability and Transparency	<p><i>Maintenance of Accounts</i></p> <ul style="list-style-type: none"> • GP accounts are maintained in prescribed format, updated and authenticated and have been placed before the Gram Sabha. They are however not computerized.

	<p><i>Audit</i></p> <ul style="list-style-type: none"> • Only 02 out of 18 audit paras are pending <p><i>Grievance Redressal</i></p> <ul style="list-style-type: none"> • 32 grievances were received and 18 were addressed <p><i>Compliance to RTI Act</i></p> <ul style="list-style-type: none"> • One application received and replied. Not sent to appeal.
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Source: Karungal Proposal for PEAIS

4. Enabling Management Practices

Maintenance of Records

GP maintains 31 record books which are regularly updated by the Panchayat Secretary. GP attributes its winning of PEAIS award to its record maintenance. Currently, the GP is in the process of computerizing its records. The Panchayat Secretary recently underwent training at the Collectorate for the same.



Conducting of Meetings

GP conducts monthly or bi-monthly meetings of the Panchayat members. These meetings provide a forum for President and members to discuss all

the issues of the residents of the GP. A tentative list of beneficiaries for schemes such as Indira Awaas Yojana is prepared at these meetings. The primary focus of these meetings in the recent past has been the issue of water supply in the Gram Panchayat. Resolutions that are passed at these meetings are placed before the Gram Sabha. For 2010-11, 9 Gram Sabhas were organized as against the mandated four. These frequent interactions help the GP administration to be in touch with the pulse of the people.

Awareness Campaigns

Gram Sabhas are being used effectively by the GP administration as platform to raise awareness about local issues as well as to share their vision with the people. Awareness campaigns on water conservation and judicious use of water were conducted in the aftermath of the drought situation. Further, the idea of rain water harvesting was also introduced to the people at the Gram Sabha.

Sanitation: The GP is yet to be awarded the Nirmal Gram Puraskar. The administration admitted that open defecation is widely prevalent in the GP. To address this and to increase the number of household toilets, the GP has conducted awareness and information sessions at the Gram Sabha to enthuse people towards the same.

5. Good Practices

a. Water Supply Works

According to the Indian Meteorological Department records, Dindigul district received only 636.4 mm of rain in 2012 while the average normal rainfall in the district is 930.5 mm. Such a shortage of rainfall has resulted in severe drought conditions in the district. GP has taken several steps such as drilling of bore wells, construction of storage facilities such as Overhead Tanks (OHTs), etc. to ensure that the people of the GP have water for daily consumption. It has addressed the shortage of water by not only increasing the availability of water but also by facilitating better access to sources of water for the inhabitants.

Availability of Water

Step 1: Creating social consciousness

GP has involved various stakeholders in its endeavor to increase the availability of water in the Panchayat. The common concern of water supply has been often placed before the Panchayat by the ward members and 30 resolutions have been passed in this regard. Further, the Gram Sabha has been used as a platform to deliberate and seek solutions to this issue. For example, probable sites for drilling bore-wells (as recommended by the Government appointed geologist) are placed before the Sabha.

Step 2: Improving water supply infrastructure

Suggested sites for bore-wells are drilled and checked for the availability of water. Even after thorough check a number of these sites have run dry very soon, forcing the GP to look for newer sites to drill bore wells. It is due to the repeated failure of newly-dug bore wells in the vicinity of overhead tanks in Annepatty and Sukkampatty hamlets that a pipeline of almost three and a half kilometer has been laid from the bore-well at Karungal to these OHTs. This bore well is currently the source of water for four OHTs in the GP (2 in Annepatty, 1 in Karungal and 1 in Sukkampatty). Such a heavy dependence on one bore-well reflects the unfortunate state of availability of water in the GP. Currently, there are 25 operational bore wells in the GP.

Additionally, each hamlet is equipped with sintex tanks which are filled by a bore-well in close proximity. These tanks are a source of water throughout the day.

Table 2: Number of functioning water supply mechanisms

Number of Hand pumps	32
No. of OHTs	36
No. of Borewells	25

Source: Karungal GP Documents

Step 3: Converging funds from various schemes

The GP has utilized funds from multiple schemes towards improving the water supply works. Funds from the Panchayat General Fund, own source revenue of the GP, Member of Legislative Assembly Constituency Development Scheme (MLACDS) and award money from PEAIS have been used in this regard. Out of the Rs.9 lakh that the Panchayat received under PEAIS, Rs 8 lakh were spent on four water supply related works in the GP. For the year 2012-13, 17.5% of Karungal's expenditure was on water supply related works.

Table 3: Expenditure incurred on water supply works in Karungal GP (in Rs.)

		Percentage Increase
2010-11	274,852	-
2011-12	548,527	99.57
2012-13	764,868	39.44

Source: Karungal GP Annual Accounts

Promoting individual household connections

GP in the past two years has improved accessibility to water supply for households by promoting individual household connections. It passed a Panchayat Resolution in this regard in April 2010. Following this Resolution, announcements were made at the following Gram Sabha in May 2010 informing interested residents of the GP to seek individual household connections. An intensive awareness campaign was undertaken over a week in the village using the methods of public announcements, distribution of hand-outs and putting up notices asking interested households to submit a letter to the GP office expressing their interest. The GP in collaboration with the Water Board allocated new household connections. On being selected, the households were asked to pay Rs. 1000 (collected by the water board) and a water tax of Rs. 30 per month (paid to the GP).

Table 4: Details of Water Tax in Karungal GP

Year	2008-09	2010-11	2012-13
No. of household Water Connections	97	107	204
Amount of Water Tax Collected (in Rs.)	34,920	38520	73,440

Source: Karungal GP Documents

Impact

Regular Supply of Water

The initiatives taken in increasing the water supply infrastructure in the GP has led to a regular supply of water for two hours in the morning in the public taps as well as individual household connections.

Reduced crowding at public taps

Since more households now have individual water connections, it has reduced crowding at public taps. The elderly and the differently-abled felt that they had benefitted from this greatly as there are fewer people waiting to fill water at public taps.

Responsible consumption

Individual household connections have resulted in reducing wastage and spillage of water as it is now collected and stored within the household. Further, since the household is responsible for the individual connections there is better maintenance of household connections which has led to reduced leakage.

Increased own source revenue for the GP

The increase in the number of individual household water connections has enabled the GP to increase its water tax collection by 190 percent. This increased revenue has been used to improve the availability of water in the GP.

While the GP has been making efforts in this regard, it has been ably supported, guided and encouraged in these activities by the District and Block Administration which has helped the GP in countering the problem of water shortage.

b. Financial Services at GP office

A business correspondent (BC) from Indian Overseas Bank is available at the GP office on weekdays from morning 7 a.m. to 11 a.m. and in the evening from 4 p.m. to 7 p.m. The role of the business correspondent is to provide access to financial services from the Bank to the residents of the GP. A Point of Sale (POS) machine is situated in the GP office while residents of the village are provided with a chip embedded smart card. The



user inserts his/her smartcard into the machine and authenticates identity with the help of fingerprint identification technology. At the same time, the BC inserts his card into his allotted slot. Both the cards need to be authenticated for the transaction to take place. A number of simple banking transactions such as withdrawals, deposits, checking of balance can be performed. The BC is paid Re.1 per transaction as commission by the bank. Additionally, he is paid Rs.10 for opening an account. This facility is currently used mainly by Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and Social Pension (such as Old Age Pension (OAP), Widow Pension and Disabled Pension) beneficiaries.

Role of GP

A Government of Tamil Nadu order introduced a business correspondent at the GP level. It recommended the selection of one GP within each block of every District of the state as a pilot site for this initiative. In the case of Guizilimparai block in Dindigul district, this initiative has been applied to various GPs in collaboration with the Gram Panchayat President and Secretaries. Thus, the GP has played a very vital role in the establishing of this 'Ultra Small Branch'.

Selection of Business Correspondent

The Bank contacted the Panchayat President and Secretary for probable candidates who could be hired for the position. The selection of the BC was on the basis of the recommendation of the GP to the bank. Thus, the GP is responsible for recommending a person who is qualified, competent, capable and reliable. The selection of BC from the local community instills a sense of confidence in the BC resulting in a more transparent and accountable relationship between the BC and the community.

Awareness Campaign

When this initiative was introduced, the GP took special steps to spread awareness about the same to facilitate its use by the residents of the Panchayat. It distributed notices; and conducted Dandora (drum-beating accompanied with public announcements) campaigns in all the hamlets to inform the people about the availability of such a facility at the GP office.

Grievance Redressal

Due to the role of the GP administration in the selection of the BC, any issues or complaints against the BC are taken and presented to the GP first before they are taken further to the bank. Thus, the GP acts as a local grievance redressal cell.

Further, a number of people using this facility in the GP are MGNREGS beneficiaries. Often there is some confusion over the amount of wages that these beneficiaries are credited weekly. Since these beneficiaries collect their wages at the GP office, in case of any doubts or discrepancies, they are able to bring them up immediately and seek clarifications and verifications with the records, as these are maintained and kept in the GP office. For example,

if the amount of wages they have received for the week is lower than previous earnings, they check the MGNREGS records available at the GP Office to see how much they had earned for the week and whether the correct amount has been credited to their account.

Site for transaction

The GP office is the physical site where the POS machine is located and where the BC sits during the day. The GP office is well connected to various areas within the GP limits. Thus, such a physical location of this facility makes it more accessible to the inhabitants of the GP. Additionally, the GP office is frequented by the people residing within the GP for various needs, so the presence of the facility in the office results in them using it in addition to performing some task at the GP office and vice versa. Further, the GP office provides a secure and private environment that is needed to undertake a financial transaction.

Impact

Savings in time and costs

The nearest bank is located 5 kilometers away in the town of Palayam. Prior to the availability of this facility, to access banking services, the villagers of the GP had to spend almost a day going to the bank, waiting at the bank, returning by bus. Given the time consuming nature of this exercise, it also resulted in loss of wages. Now with the flexible timing and availability of the BC within the GP, banking transactions can be performed before work in the morning or after work in the evening.

Participation with dignity

A number of users reported that they often felt humiliated and ignored at the local bank. However, the availability of this facility within the GP premises has helped them participate in the process with greater dignity and self-respect. They also feel that their issues and questions are better addressed and they receive more attention and respect.

Better access for marginalized

The physical distance to the bank severely limited the access to financial services for women and the elderly. However, the availability of these services within the GP has enabled them to engage in these transactions independently, thereby improving their access to financial and banking services.

Better organized

Due to the limited number of people using the facility on any day, the process is better organized with less crowding and less time taken per transaction. A queue is followed, which makes the process less chaotic and confusing.

Flexible timing and emergencies

The availability of the BC within the GP makes it more flexible for the users. Also, in times of emergency, accessing funds is simpler enabling the people to focus on the issue at hand

rather than arranging for the money.

c. Other Notable Practices

Maintenance of Streetlights

There are about 185 streetlights in the GP. 174 of these are tube lights. Due to frequent power outages and voltage fluctuations, the tube-lights tend to get damaged often. These streetlights are monitored by the local tank operator, ward member as well as the general public. In case of any complaints, the GP immediately pays heed and resolves them. This practice has ensured that the Panchayat is well-lit even after sunset. This has led to a sense of security especially among the women inhabitants of the Panchayat.

Collection of Taxes

Karungal GP records 100 percent collection of taxes. The Demand, Collection and Balance (DCB) Register reflected the same with no pending dues reported for previous years. The responsibility of collection of water tax, house tax, library tax and professional tax is borne solely by the Panchayat Secretary. The Secretary in turn seeks the help of the over-head tank operators in the respective hamlets to assist him in collection of these dues. The residents of the GP are informed about their dues at the Gram Sabha. In addition, notices are circulated regularly to remind them of their impending dues. Dandora (drum-beating accompanied with public announcements) is also used to inform people about tax collection. Intensive door-to-door collection is done from January to March to ensure that all the people pay their taxes. Peer pressure is also used as a mechanism as daily visits are noticed by neighbors. Further, the block and the district administration monitor the collection of these dues through monthly collection reports submitted by the GP. The persistence of the officials at the higher level ensures that the GP is not lax in collecting taxes. This has helped the GP increase the amount of its own source revenue in the last few years.

Table 5: Details of Tax Collected in Karungal GP

Tax (in Rs.)	2009-10	2010-11	2011-12	2012-13
House Tax	101750	106000	130380	131990
Library Cess	10175	10600	13048	13199
Professional Tax	34045	37600	34860	38460
Water Tax	38520	38520	73440	73440
D&O Tax*	4867	9055	6935	6955
2C Tax [#]	150	190	350	355
Total	189507	201965	259013	264399

Source: Karungal GP Annual Accounts

* D&O Tax: Fees and charges on Dangerous & Offensive Trades (Under Tamil Nadu Panchayats Act, 1958, purposes which are likely to be offensive or dangerous to human life and eligible for levy of license fee were listed) Now, Section 159 of Tamil Nadu Panchayats Act, 1994 empowers Village Panchayats to issue licenses for D&O Trade.

#. 2C Tax: Patta fees (Source: Rural Department and Panchayati Raj Department, Government of Tamil Nadu)

6. Facilitating Factors

Networking with local leaders and officials

The Panchayat President (Mr. Veerasamy) has previously served as a President for a period of one year (2000-01). He shares a good relationship with the local Member of Legislative Assembly (MLA) and Member of Parliament (MP), as well as the members and officials of the Taluk Panchayat which has enabled the GP to access funds from various sources and schemes. The MLA and MP Constituency Development funds have been used in enhancing the water supply infrastructure in the GP.

Collaboration with neighboring GPs

The Panchayat Secretary (Mr. Rajendran) has been holding this office for almost 10 years, which has made him knowledgeable about the working of the administration and functioning of the Panchayat. Given his long stay in this position he is familiar with the people of the Panchayat and aware about the happenings within the Panchayat. Further, this has helped him establish a good working relationship with Secretaries of neighboring panchayats. He often seeks support and assistance from them which in turn helps him improve his work and performance. Additionally, any doubts are locally clarified. Awareness about the experiences of neighboring panchayats helps him in planning better for his own panchayat. Likewise, the BC of Karungal Panchayat along with BCs from Alambadi and Gudalur have planned to approach the local branch of Indian Overseas Bank to increase the amount that they are entitled to withdraw daily to fulfill their responsibilities as BCs.

Support from state administration

The GP enjoys immense support from the Block and District administration. Officials at these levels take an active interest in the functioning of the GP. They also regularly monitor the performance of the GP in terms of tax collection, scheme implementation etc. Dindigul has been declared as drought-affected by the Government, which has resulted in special focus on water supply related activities from the officials. The funds and schemes for drought relief are primarily administered at the block or district level, but implemented by the GP. A mutually respectful working relationship between the GP and the state administration has facilitated efforts made in coping with the drought.

7. Conclusion

Karungal GP has been severely drought affected for the past two years. Due to this, there has been a single minded focus towards mitigating it. This has led to other areas of development taking a backseat in the GP. The Panchayat President envisions to improve the sanitation facilities and habits of the GP as well provide new avenues of employment for his people. However, he has been unable to do much in this regard as his focus has been to provide water for the people of the GP. Further, the training imparted by the state government has been

restricted to the GP President, thereby not developing the capacity of other members. Thus, a state level initiative needs to be taken to build capacities members and Secretaries of GPs.
