

Guidelines for Preparation of Intermediate and District Panchayat Plans

2020



Ministry of Panchayati Raj

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1. Background

In its interim report for 2020-21, the Fifteenth Finance Commission has allocated Rs. 60,750 crore for all three tiers of the Panchayats i.e. Gram Panchayat, Intermediate Panchayat and District Panchayat with half of the funds tied to drinking water and sanitation and the balance to be utilised as per the local felt needs of the people. The Fourteenth Finance Commission, in the case of rural local bodies, had recommended grants to only Gram Panchayats and not to the other tiers at the District and Intermediate/Block levels. 15th Finance Commission has recommended grants to all tiers of the Panchayati Raj so as to enable pooling of resources across villages and blocks to create durable community assets and improve their functional viability.

According to the interim recommendations, the inter se distribution among the three tiers by the States should be done on the basis of the accepted recommendations of the latest State Finance Commissions (SFC) and in conformity with the following bands of 70%-85% for Gram Panchayats, 10%-25% for Intermediate/Block Panchayats and 5%-15% for District Panchayats. In Goa, Sikkim, and Manipur, which have a two-tier system with only Gram and District Panchayats, the allocation will be in the bands of 70%-85% and 15%-30% respectively. Furthermore, in the event of State Finance Commission recommendations not being available, the inter se distribution within the Panchayati Raj Institutions (PRIs) should be decided by the State Government within the bands indicated above.

Summary of Fifteenth Finance Commission recommendations for RLBs:

Total Grant	Nature of Grant	Mode of Disbursement
Rs 60,750 crore	50 % basic grant (untied) 50 % tied grant to: (a) sanitation and maintenance of ODF status (b) supply of drinking water, rain water harvesting and water recycling.	The distribution amongst the Panchayat tiers – village, block and district – by the States should be on the basis of the accepted recommendations of the latest SFCs and in conformity with the following bands of 70%-85%, 10%-25%, and 5%-15% for village, block and District Panchayats, respectively. In States where a two-tier system with only village and district panchayats is in place, the allocation will be in the band of 70%-85% and 15%-30%.

While 50% grants to rural local bodies are untied, the remaining 50% would be tied as grants for sanitation and water supply, which are identified national priorities.

2. Planning for the upper tiers of Panchayats

The 73rd Amendment of the Constitution of India provided the constitutional status and institutional framework to Panchayats to strengthen local level democracy through elected self-governing local bodies in the rural areas. Article 243G of the Constitution mandated Panchayats for preparation of plans for economic development and social justice. The constitutional provision also empowers Panchayats for the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule. Based on this mandate, Gram Panchayats at the village level are preparing Gram Panchayats Development Plans (GPDP) utilizing resources available to them.

Article 243ZD in the Constitution makes it mandatory for the State Governments, to constitute District Planning Committees (DPC), to prepare District Development Plan by consolidating the plans prepared by all the Panchayats and Urban Local Bodies. In preparing the district plan, DPC is required to consider matters of common interests, including spatial planning, sharing of water and other physical and natural resources, integrated development of infrastructure and environmental conservation etc. Gram Panchayats are preparing GPDP at the village level. GPs prepare plans based on available resources but they also insert those activities which are not in their purview. Some of the activities are referred to the upper tiers namely Intermediate and District Panchayats. GPDP cannot cover all the issues within multiple GPs or activities required by more than one GP. Moreover, there are many schemes/departments that operate at the block and district level. In the aforesaid context, there is a need to prepare Intermediate and District Panchayat level plan.

Gram Panchayats with their limitations in terms of human resources, infrastructure and institutional capacity can plan for and implement only those activities which are possible on their part to implement and monitor; Intermediate/Block level Panchayats with their moderate status in terms of manpower, infrastructure and institutional capacity can plan for and implement

medium types of activities which are possible on their part to implement and monitor; whereas District Panchayats with their better status in terms of manpower and institutional capacity can plan and implement medium to big types of activities which are possible on their part to implement and monitor. Besides, it may be necessary on the part of each Intermediate Panchayat to plan for and implement those plan activities which territorially cover two or more GPs because, in such cases, the Intermediate Panchayat will be in a better position to take charge of such activities. Similarly, it may be necessary on the part of each District Panchayat to plan for and implement those plan activities which territorially cover two or more Intermediate Panchayat areas because, in such cases, the District Panchayat will be the right rural local government to take charge of such activities. Moreover, from technical point of view, it may be necessary on the part of an Intermediate or a District Panchayat to take up such development activities as require higher technical expertise which may be available with them.

3. Planning by Intermediate Panchayats and District Panchayats

3.1 Planning by Intermediate/Block Panchayats:

The Intermediate Panchayat has three roles to play in district planning. Firstly, it is a local government in its own right with a clearly mandated functional domain. Secondly, in many states it is given the responsibility to facilitate GPDP through staff support, providing a forum for coordination and discussions between Gram Panchayats within its jurisdiction. Thirdly, it also functions as an agent of the District Panchayat in many States.

The process, structure and format of an Intermediate Panchayat Plan will be largely the same as followed at GP level. After GPDPs are prepared and approved at GP level, the same are to be forwarded by the GPs to the Intermediate Panchayat. Those projects and activities, which are to be implemented in more than one GP area and which can be implemented at the Intermediate Panchayat level because of its higher institutional capacity and technical competence, are to be referred by the GPs to the Intermediate Panchayat for consideration at its level.

An Intermediate Panchayat Plan will have two components: (a) one containing the activities which, out of those referred by the GPs, have been considered by the Intermediate Panchayat for inclusion in its Plan and (b) the activities which are possible on the part of the Intermediate Panchayat to plan for with resources available at its level and implement and monitor. The plan activities of the line departments operating at the Intermediate Panchayat level should be integrated into the Intermediate Panchayat Plan, although the same may be implemented by the line departments themselves. The endeavor is to have no separate compartmentalized action plan

at the Intermediate Panchayat level; in this way the Intermediate Panchayat Plan will be a single and comprehensive plan to address all or most of the relevant development issues pertaining to the Intermediate Panchayat level. The Intermediate Panchayat Plan will be approved by the Intermediate Panchayat itself.

The Intermediate Panchayat will undertake spatial capturing of prioritized solutions on maps. It shall also prepare a separate table that consolidates all the prioritised sector-wise financial outlays with identification of appropriate resources, as done by the Gram Panchayat, in the format prescribed in the guidelines for preparation of Gram Panchayat Development Plan. In this exercise, the Intermediate Panchayat could also identify those works or solutions that fall outside its purview, but that could be taken up by higher levels such as the District Panchayat, and list them separately.

As a local government, the Intermediate Panchayat shall prepare its own five year and annual plans in accordance with activity mapping. While doing so, it must:

(a) Undertake an independent exercise of visioning and identification of works and prioritisation within its exclusive functional domain after considering the district vision, the stock-taking document and its own budget.

(b) While doing so, it must keep in mind the feedback received from Village Panchayats regarding works outside their purview, such as inter-village road formation and multi-Panchayat irrigation structures. It can also, suo moto, co-opt Gram Panchayat works into its own plan after giving reasons for the same.

3.2 Planning by District/Zila Panchayats:

The process, structure and format of a District Panchayat Plan will be largely the same as followed at Intermediate Panchayat level. After Intermediate Panchayat Plans are prepared and approved at Intermediate Panchayat level itself, the same are to be forwarded by the Intermediate Panchayats to the District Panchayat. Those projects and activities which are to be implemented in more than one Intermediate Panchayat area and which can be implemented at the District Panchayat level because of its higher institutional capacity and technical competency, are to be referred by the

District Panchayat has two roles to play, namely, as a Panchayat in its own right and as a facilitator for Intermediate Panchayats and Gram Panchayats in the District. However, there are wide variations in the functions devolved upon the District Panchayats from state to state and this would considerably affect the process of planning by it. In states with strong District Panchayats with several line departments functioning below it, the District Panchayat will also provide the secretarial support for the District Planning Committee

Intermediate Panchayats to the District Panchayat for consideration at its level. The District Panchayat Plan will have two components: (a) one containing the activities which, out of those referred by the Intermediate Panchayats have been considered by the District Panchayat for inclusion in its Plan and (b) the activities which are possible on the part of the District Panchayat to plan for with resources available at its level and implement and monitor. The plan activities of the line departments operating at the district level should be integrated into the District Panchayat Plan, although the same may be implemented by the line departments themselves. As in the case of the intermediate Panchayat plan, the endeavour is to lead to a situation where there will be no separate scheme-based compartmentalized action plan at the District Panchayat level; in this way the District Panchayat Plan will be a single and comprehensive plan to address all or most of the relevant development issues pertaining to the District Panchayat level. The District Panchayat Plan will be approved by the District Panchayat itself.

3.3 Integration of the three-tier Panchayat Plans into the District Development Plan

As mandated by the 74th Amendment of the Constitution, consolidation of the three-tier Panchayat Plans into the District Development Plan is a responsibility of the

District Planning Committee. The District Planning Committee is to consolidate the three-tier Panchayat Plans and the plans of the Urban Local bodies like Municipalities, Municipal Councils, Notified Area Authorities and Municipal Corporations into a comprehensive **District Development Plan** in such a way that the rural and urban plans get integrated into it, yet they can remain intact and independent as plans of the rural and urban institutions of local government prepared by dint of Constitutional authority.

4. Preparation of Intermediate/Block and District/Zila Panchayat Plans

- i. In Intermediate Panchayats, a meeting/seminar comprising of all Block/Intermediate Panchayat members, District Panchayat members in the Block Panchayat area, GP Presidents/Sarpanches of all the Gram Panchayats from the concerned block shall be convened and this meeting has to be considered as Block Sabha.
- ii. Apart from elected representatives, block level line department officials, facilitators, leader of SHG federations should also take part in the Block Sabha meeting
- iii. In District Panchayats, **a development seminar/workshop** of all the District Panchayat members, Block Panchayat Presidents, Gram Panchayat Presidents/Sarpanches, related line department officials shall be convened to discuss the proposals to be included in the District planning.
- iv. The project proposals of Block Panchayats and District Panchayats which are to be included in their plan must be prepared in the prescribed format and distributed to the relevant stakeholders for discussion. The draft project proposals of the Block Panchayats shall be discussed on Gram Panchayat basis and that of the District Panchayat on Block Panchayat basis and decisions taken thereon.
- v. The proposals prepared by the Gram Panchayats for the consideration of Block-District Panchayats must be presented and discussed in the

meetings/seminars/workshops held at Block Panchayats and District Panchayats.

- vi. Convergence with importance schemes must be given adequate priority.

5. Focus areas of intervention by Intermediate and District Panchayats

5.1 Economic Development and Income Generation

The Panchayats have the Constitutional mandate of social justice and economic development which can be realised through an enabling policy environment with adequate resource envelope at the disposal of Intermediate/Block and District Panchayats. With the renewed focus, apart from the refereed activities from Gram Panchayats which are to be implemented at the intermediate and district level because of its higher institutional capacity and technical competency, the intermediate and District Panchayats must focus on activities for improving the situation of economic development of the entire Block or District and generate employment for the people of in the area. Intermediate and District Panchayats must look for avenues for generating resources other than Fifteenth Finance Commission funds to converge and plan for activities to achieve the goal. Some of the activities are as for economic development and income generation are follows:

5.1.1. Agri-allied and Agri- processing Units

District and Intermediate Panchayats with convergence with other related line Ministries like Ministry of Food Processing Industries and Ministry of Agriculture/State Dept. of Agriculture can develop modern infrastructure and common facilities to encourage entrepreneurs to set agri-based food processing units based on cluster approach by linking groups of producers/ farmers to the processors and markets through well-equipped supply chain with modern infrastructure.

5.1.2 Strengthening of Supply Chain Management

The Intermediate and District Panchayats may also work for expansion of livelihood opportunities in the secondary and tertiary sectors by developing appropriate infrastructure, strengthening of supply chain management. Rising crop prices, sale of land to developers, crop rotation, export orientation and home-coming of the rural youth/migrant, government flagship schemes like MGNREGA and better wages for

farm labour are creating disposable surpluses in the hands of rural and small town Indians. However rural penetration and distribution challenges remain abundant. Hence need of hour is to develop a distribution model which is suited to the rural environment and provides a strategic advantage. Innovation in the way of rural production is handled, transported, and processed can lead to a better management of the constraints. The upper tiers of Panchayats can propagate innovative means implies breaking the barriers of convention. Promotion of technology in various agricultural practices, usage of renewable energy, employing communications technology, mobile refrigeration facilities, developing cold storage technologies, low cost processing, and packaging are some of the technological innovations that are necessary for an efficient channel for rural transformation. District Panchayats will be responsible for creating infrastructure for taking up non-farm economic activities including activities in the service sectors.

5.1.3 Development of cold chain for perishable products

The UN's Food and Agriculture Organisation (FAO) found that 40% of India's fresh fruits and vegetables worth an annual \$8.3 billion perish before reaching consumers. Across the globe, cold storages have been instrumental in linking farmers to end consumers and ameliorating the problem of malnutrition. Through various social welfare initiatives, the Government has been making major interventions in the agricultural sector in production, collection, storage, markets (mandis) and even marketing of farm products. Since infrastructure is still at a nascent state, cold storages could help reduce the burden on farmers and industries in transacting with other stakeholders. District Panchayats with conformity of all existing norms can propagate for developing a sustainable cold chain system with convergence of related stakeholders.

5.1.4 Initiatives for Rural Market Hub

In order to succeed in marketing fresh produce or processed product markets, producers and rural agro-processors must be aware of market needs in terms of product characteristics to enter the niche market. The lack of information about new market opportunities also constrained micro-entrepreneurs into continuing to cater to declining market segments. It is felt that the weak integration of producers and processors keeps farmers oblivious of quality requirements and hence farmers'

emphasis remains concentrated on quantity of production. In this context, SHGs and local cooperatives need to be encouraged to develop the small but economically viable market-oriented agro-processing units to meet local/regional/ethnic specific demand. These will help generate local employment and improve local incomes. Intermediate and District Panchayats may take initiative to develop **Rural Shopping Malls** to cater to the needs of population residing in the rural areas. Using Government e-Marketplace (GeM) may also be encouraged in this regard.

5.1.5 Developing Robust Panchayat-Private Partnership

Local economic development is not just about development of basic needs of individuals but about people working together to achieve sustainable economic growth and improved lives. Some of the services that are required to be delivered by the Panchayats may be better achieved in partnership with private organizations. The District and Intermediate Panchayats must be encouraged to enter in to partnership in respect of delivery of services on a commercial basis. The principle of social marketing can be followed in all such cases where the price realization from the people will be decided in consultation with the Panchayats and they will also be engaged in monitoring quality of the services and its access by all concerned. The Panchayats will may also be encouraged to enter in to partnership with professional bodies for delivering services to the citizens more efficiently. Due emphasis may be given in developing partnership in the field of adoption of new technology for improving quality of life of the people in a sustained and environment friendly manner. Harnessing non-conventional energy, better management of available water and use of bio-technology for promotion of production, adoption of new technology for augmentation of livelihood opportunities in the villages etc may be the areas of priority.

5.1.6. Waste to Wealth

India has a substantial potential for energy generation from urban, industrial and agricultural waste/residue. Bio-CNG, biogas and energy from different wastes, such as cattle dung in rural areas or vegetable/food could be used for cooking, electricity generation and transportation. These interventions should enable the creation of new business models that can bring resource efficient products and services and ultimately create higher employment opportunities. Increased demand and consumer

acceptance will provide economies of scale, reducing prices and facilitating the desired transition. Further, setting up of mandatory targets for recycled content and an effective monitoring network will help achieve the desired performance level within set timelines. District and Intermediate Panchayats can take lead in creating adequate and affordable infrastructure for the relevant stakeholders to facilitate the process. Convergence and collaboration with relevant organisations and departments can be identified to utilise the resources in this regard.

5.1.7 Promotion of Livelihood Opportunities in Secondary and Tertiary Sectors

The District and Intermediate Panchayats must work for expansion of livelihood opportunities in the secondary and tertiary sectors by developing appropriate infrastructure, arranging skill training for the people, particularly those from the poorer and weaker sections of the community. As an important institution of local governance, they must also keep in mind the Constitutional mandate for ensuring economic development of the rural areas. Panchayats should mediate with the financial institutions i.g. Banks/financial institutions for providing better access to credit for deployment of the skilled workers/SHGs in production of goods and services. Intermediate/District Panchayats must promote those activities within their areas with their resources as well as mediating with other available institutions for better implementation of their plans and programmes in those sectors. However, in each case, the project report must be examined by experts so that there is a firm economic basis for it. The District or Intermediate Panchayat may also decide to invest in the setting up of small manufacturing units that produce tools and machinery for enhancing productivity or reducing drudgery, provided that the product has been designed or approved by an accredited institution such as RUTAG.

5.2 Natural Resource Management

Degradation of natural resources has a direct negative impact on livelihoods of poor people. The Intermediate and District Panchayats must strengthen the capacity of related community institutions to conserve, manage, and use water and forest resources in an inclusive, pro-poor, and sustainable manner. Their capacity will be augmented further in assessing availability of natural resources and in improving its utilization for generating maximum economic gains keeping in mind the need for generating as much employment as possible and ensuring availability of food on a

sustainable basis. In light of the responsibilities and powers given to Panchayats to manage natural resources, they emerge as the most appropriate institutional platform to manage and conserve the natural resources in their respective areas. The community-based institutional framework also required to include different user groups that can work with the Panchayats. District and Intermediate Panchayats can collaborate with related line departments to build capacity. NGOs and CBOs may provide a ground for experimentation and innovation and may help strengthening Panchayats and user groups. Partnerships with research institutions and related stakeholders may give scope for a sustainable planning for better environment friendly rural areas.

5.3 Disaster Risk Management

Proper management of disaster depends on due preparedness and many of those activities are to be taken up at the community level. Each Gram Panchayat will be required to develop a Disaster Management Plan in consultation with the community for mitigating the impact of any disaster and to take as much pre-emptive action as possible. A major challenge is developing capacities of the local bodies and the community for that purpose. District Panchayats should build such capacities of Panchayats with emphasis on areas which are more prone to certain types of disaster like cyclone, flood etc. While preparing plans, intermediate and district panchayats must allocate resources for building infrastructures such as constructing shelter house etc. In flood prone areas, development of appropriate toilet with innovative design should be given priority. District and Intermediate Panchayats have a very important role to play in both preparedness and mitigation in mobilizing and organizing the people as well as facilitate their capacity building of all related stakeholders. Further, at District and immediate Panchayats, need to integrate Disaster Risk Reduction activities with climate change adaptation (CCA) interventions for long terms sustainable development and vulnerability reductions strategies, adopting best practices for future risk mitigation strategies and reducing environmental stresses.

5.4. Ensuring Social Justice

Constitution of India mandated Panchayats to ensure social justice in rural areas. It implies removal of inequalities and providing equal opportunities to all sections of the

societies to participate in the process of development. Social justice also encompasses affirmative actions, targeted funding to vulnerable, pro-poor service delivery etc. The intermediate and District Panchayats are responsible for implementation of many social assistance programmes and schemes. While planning and implementing these services, the Panchayats must ensure effective execution. Some of the major issues can be included are as follows:

- Scholarships, allowance and opportunities to people with disabilities
- Addressing needs of SCs/STs and other marginalised groups
- Effective implementation of government schemes and programmes
- Monitoring of PDS and ensuring food security
- Infrastructure for old age homes and addressing needs of elderly
- Strengthening palliative and geriatric care
- Checking distress migration
- Addressing differential needs of women and children

For detailed list of issues/activities on social justice, the guidelines for preparation of Gram Panchayat Development Plan, 2018 may be referred.

5.5 Education & Healthcare

Panchayats plays a vital role in enhancement of primary education and eradication of illiteracy and fulfilment of universalization of primary education. Intermediate and District Panchayat shall ensure better coordination between Gram Panchayats and Village Education Committees (VECs) in their respective areas to ensure community ownership to educational institutions as it functions as a part of the social system. The Panchayats should provide essential support during preparation of school development plan by VECs including ensuring toilet and drinking water facilities in the school premises. Intermediate and District Panchayats may also include support for infrastructure, scholarships and hostel facilities for needy students. Intermediate and District Panchayats will also be responsible of proper supervision of Mid-Day-Meal in their respective areas through Gram Panchayats at the village level.

The Eleventh Schedule of the Constitution makes it clear that in rural areas functions related to the provision of primary health care –including hospitals and dispensaries are the responsibility of the PRIs. The Intermediate and District Panchayats must

ensure adequate provision for smooth functioning of essential healthcare centres including Sub-centres, Primary Health Centres (PHCs) and Community Health Centres (CHCs) in coordination with department of Health in the respective areas. The intermediate/block Panchayat or District Panchayat may include activities related to infrastructure support in the plans. This support may include opening of testing labs/diagnostic centres, hostel facilities for patients/relatives of patients near district or block hospitals, provision of community toilet, drinking water facilities in the hospital area and other necessary infrastructural support in collaboration with health department etc. The activities must be discussed with experts related to health care sectors before integrating in the plan. The Panchayats should monitor and be informed about the basic healthcare situation in the respective blocks or in the Districts. The intermediate and District Panchayat must maintain proper database of healthcare situation in their areas.

5.6 Basic Services

Under the Article 243G of the Constitution of India, Panchayats have been mandated to function as institutions of self-government. In its interim report for 2020-21, the Fifteenth Finance Commission has allocated Rs. 60,750 crore to all the three tiers of the Panchayati Raj with half of the funds tied to drinking water and sanitation and the balance to be utilised as per the local felt needs of the people and to create durable community assets and improve their functional viability. As discussed, an intermediate Panchayat will have two components a) one containing activities which, out of those referred by the Gram Panchayats and b) the activities which are possible on the part of the Intermediate Panchayat to plan for with resources available at its level and implement and monitor. The same methodology will be followed by District Panchayats while planning and implementing activities. During implementing basic services at the block or district level the plan activities of other line departments should be integrated accordingly. During planning for basic services issues related to sanitation, water supply, sewage, solid waste management, maintenance of road, footpaths, street lighting, community assets may be given adequate priority. These services are also included in the 29 subjects listed in the Eleventh Schedule of the Constitution and Sustainable Development Goals (SDG) to be achieved by 2030. Intermediate and District Panchayats may expand the ambit of the basic services within the stipulated guidelines.

6. Plan Approval

The draft plan for Intermediate and District Panchayat shall be prepared based on Standing/Sectoral committees of the respective levels. This will ensure sector based plan and convergence of related line departments. After finalizing the draft, the plan shall be placed before general body of the Intermediate/Block Panchayat. General body will approve and adopt the final integrated Intermediate/Block Panchayat Plan.

The District Panchayat Plan shall also ensure sector based plans and convergence of all related line department at the district level. These plans shall be prepared based on standing/sectoral committees of the District/Zila Panchayat. For approval, the draft District Panchayat plan shall be placed before general body meeting of District /Zila Panchayat. All the elected members of the District Panchayat shall be present in the general body meeting of the District Panchayat. General body of the District Panchayat will approve the District Panchayat Plan and Budget.

The final integrated District Panchayat Plan shall be placed before District Planning Committee (DPC) for consolidation and preparation of District Development Plan.

7. Monitoring and Evaluation

As discussed above, the District Plan will integrate multiple programmes and schemes that are in operation in the district for efficient use of resources. To monitor and evaluate activities taken in the intermediate and district plans, an extended monitoring and evaluation committee with representatives from diverse backgrounds and organisations may be constituted. Representatives from different line ministries, technical experts, members from SHG federations, Experts from academic/technical institutions, representatives from Intermediate and District Panchayats may be included for wider and detailed evaluation of the projects undertaken in the planning. It is also desirable that specific mechanism should be put in place for community monitoring for ensuring transparency, participation, wider consultation and accountability.