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Proceedings of the Exploratory Workshop on Activity Mapping & Functional Assignment in Himachal Pradesh

Conference Hall, Armsdale Building
Government of HP Secretariat
Shimla, Himachal Pradesh

4 – 5 December 2007

PRI Report 2008-1

Capacity Building for Panchayati Raj Institutions in Himachal Pradesh -
Government of Himachal Pradesh (Department of Panchayati Raj &
Department of Irrigation and Public Health) & Deutsche Gesellschaft für
Technische Zusammenarbeit (GTZ) GmbH



Since June 2007, the Government of Himachal Pradesh (GoHP) has been implementing the project “Capacity Building for Panchayati Raj Institutions in Himachal Pradesh”, bilateral cooperation with GTZ (German Technical Cooperation) acting on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). This project complements the ongoing project “Strengthening Local Administration for Rural Water Supply and Minor Irrigation” (WASH) in looking at ways to strengthen the role of PRI in providing public services. “Activity Mapping”, i.e. determining which level of administration is responsible for conducting certain activities and fulfilling certain function, has emerged as one of the three pillars of this bilateral cooperation.

In December 2007, GoHP and GTZ jointly conducted an exploratory workshop to look at experiences and lessons learnt from activity mapping exercises in other Indian states and internationally, in order to map out a strategy for the upcoming next round of activity mapping in Himachal Pradesh. This documentation summarises key issues that emerged from the workshop, and compiles all the presentations which were made by national and international presenters.

A key finding from the workshop was that HP needs a road map (or process architecture) on activity mapping before GoHP actually starts with conducting an AM process. The formulation and facilitation of such a road map will be the next major challenge for the technical cooperation project.

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LIST OF ABBREVIATIONS

AM	Activity Mapping
DoPR	Department of Panchayati Raj
FA	Functional Assignment
GoHP	Government of Himachal Pradesh
GoI	Government of India
GTZ	German Technical Cooperation
HIRD	Haryana Institute of Rural Development
HP	Himachal Pradesh
IPH	Department of Irrigation & Public Health
ISS	Institute of Social Sciences
MoPR	Ministry of Panchayati Raj
PRI	Panchayati Raj Institutions

SUMMARY OF PROCEEDINGS; RESULTS AND RECOMMENDATIONS

BACKGROUND

Under Indo-German bilateral agreements between the Government of Germany and the Government of India, GTZ (German Technical Cooperation) is supporting two projects in Himachal Pradesh: “Strengthening Local Administration for Rural Water Supply and Minor Irrigation” (WASH) and “Capacity Building of Panchayati Raj Institutions (PRI) in Himachal Pradesh”. Counterpart agencies include the Government of HP (GoHP) Department of Irrigation & Public Health (IPH), and the Department of Panchayati Raj (DoPR).

Through September-October 2007 a joint GoHP-GTZ Scoping Mission identified three key issues for the future bilateral cooperation until December 2010:

- Activity Mapping
- Social Audit
- Capacity Development Systems for PRI stakeholders.

Activity Mapping (or “functional assignment”, as it is better known internationally) has become a key area of cooperation because of recent policy initiatives of the GoI, and because of the increasing realisation on the side of GoHP that the 1996 activity mapping exercise has not resulted in the expected strengthening of the three-tier PRI system in the state. It was therefore agreed that an exploratory workshop should be organised to kick-start further joint work on activity mapping in HP. The workshop should look at conceptual and methodological issues, and review national and international cases in order to develop a practical and feasible strategy for HP. Accordingly a Concept Note on *Activity Mapping & Functional Assignment in Himachal Pradesh: An Exploratory Workshop* (see *Annex A*) was developed and circulated among the key project implementing partners. In keeping with the Concept Note, the workshop covered the following:

- International experiences in Functional Assignment (FA) (from Indonesia, Cambodia & Nepal)
- Activity Mapping (AM) perspective of the Ministry of Panchayati Raj (MoPR), Government of India
- Experiences of Activity Mapping from other Indian states (Haryana & West Bengal)
- Lessons learned in HP from previous attempts at Activity Mapping.

The workshop was held on 4-5 December 2007 in collaboration with Department of IPH and Department of Panchayati Raj, Government of Himachal Pradesh (see *Annex B* for the agenda). Participants included senior officials from various departments of GoHP and representatives from the PRI in HP. Presenters came from the Ministry of Panchayati Raj/GoI, the Institute of Social Sciences (ISS), the Haryana Institute of Rural Development (HIRD), the Ministry of Local Development/Government of Nepal, and from GTZ-supported decentralization initiatives in Cambodia and Indonesia (see *Annex D* for the list of participants).

WORKSHOP OBJECTIVES & PROCEEDINGS

The following objectives (see *Annex A*) were set for the Workshop:

- To identify conceptual issues and to recommend how these conceptual issues will be dealt with in the course of conducting activity mapping in HP
- To forge a common understanding of key partners on the activity mapping exercise and the methodology to be applied
- To define tentative time schedules and resource requirements for the exercise.

The workshop comprised thematic presentations in plenary followed by open discussions. On Day II the plenary was divided into three working groups for group discussions on a common set of questions (see *Annex C*).

PRESENTATION SUMMARIES

The following thematic presentations were made at the Workshop:

DAY I

- *Activity Mapping – concept and practice.* TR Raghunandan,
- *Guide to Functional Assignment – International Practices/Lessons.* Dr. Gabriele Ferrazzi
- *Activity Mapping in India: A Study of Haryana.* Prof. Ranbir Singh
- *Activity Mapping: Search for a Methodology.* Dr. Buddhadeb Ghosh
- *Nepalese Experience on Process & Outcomes of Expenditure Assignments.* GD Awasthi
- *Functional Assignment: Case Study Cambodia.* Luc de Meester

DAY II

- *Dr. Gabriele Ferrazzi Do's and Don'ts in Activity: Mapping - Lessons from Indonesian Efforts in Functional Assignment*

Some presentations prepared for the Workshop were not delivered in plenary. They are included in this documentation as an acknowledgement of the effort of the authors:

- *Functional Assignment in Indonesia.* Dr. Gabriele Ferrazzi
- *Implementing Round Table Resolutions on Functional Devolution.* Dr. Buddhadeb Ghosh

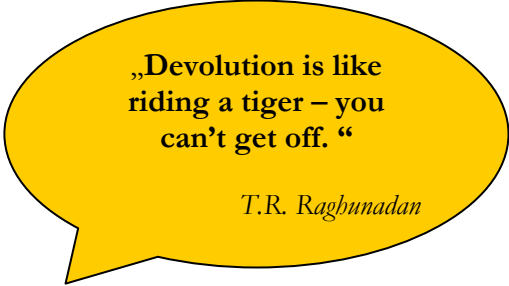
Full copies of all presentations are at *Annex E*.

BRIEF SUMMARY OF EACH PRESENTATION

TR Raghunandan, Joint Secretary, MoPR provided an overview of Activity Mapping (AM) as a cornerstone of the 73rd Amendment and a key expectation of the MoPR. The performance of other states such as Kerala and Karnataka in AM provided insights into the considerable ground work required to achieve effective AM. This includes raising awareness within government departments of the implications of AM, with PRI representatives and the involvement of academic bodies and civil society organisations. It is not, however, an end in itself. AM needs to be undertaken quickly so that implementation of agreements on functions, funds & functionaries can commence. Options before state government departments are to either do a 'Big Bang' (all subject matters simultaneously) or 'Gradual' (selected subject matters with selected departments). It was advised that HP should consider the 'Gradual' approach to AM.

Some of his key messages included the following:

- Devolution should not wait for capacity building of PRIs, as the incentive to develop capacity comes from implementing real functions.
- States should rather devolve fewer functions but than in a comprehensive manner (including the transfer of funds and functionaries), than aim at comprehensive devolution across sectors which is than not implemented properly. Devolution reforms have to address the existence of sectoral associations and bodies which create a parallel administrative system.
- There is a need to unbundled functions in order to allocate them properly to the various levels; implementing functions should not be misperceived as "implementing schemes".
- Officials of line departments often show a NIMBY-NIMO attitude (*"Not in my backyard – not in my office"*) when it comes to devolution. They should be made to understand that decentralization (in the sense of devolution) does not necessarily mean a loss of power or influence, but a modification of roles.



„Devolution is like riding a tiger – you can't get off. “

T.R. Raghunandan

Dr. Gabriele Ferrazzi, provided an overview of the international definitions of Functional Assignment (FA) and its application in different countries. The presentation also covered the legal framework for FA; modes of decentralization/typologies; patterns & principles in FA; and the process of undertaking FA. Some pertinent issues are as follows:

- There needs to be a political understanding and consensus on the mode of decentralization (Devolution? Deconcentration? Agency task?) and an understanding where the level of “general purpose local government” should be located.
- There is not international standard for formulating functions. There needs to be a consensus (and understanding) where the local government functions should reside in the legal framework: in an “organic” local government law, in sectoral/planning/budgeting laws, or in subsidiary legislation.
- Often decentralization reforms are hampered by a “sectoral decentralization lag”, i.e. a gap between the organic local government law and the legal framework in a sector.
- There is no standard process for functional assignment/activity mapping, and in many cases it is more important to come up with a consensus decision which is accepted and understood by all relevant stakeholders than with designing an activity map which meets all principles and criteria.
- Determining functional assignments needs time, resources and significant political will. It is advisable to have an architecture of the process developed and agreed between the stakeholders involved, before actual going into the discussion of functional assignment in a given sector.

Prof Ranbir Singh, Consultant HIRD, gave insights into the Haryana experience with Activity Mapping, which he coined “centralized decentralization”. In his view AM in Haryana largely exists on paper only. As no supporting Gazette Notification of the Government of Haryana has been issued, most departmental heads have not sent instructions to their field functionaries. Other key messages included:

- The process of activity mapping lasted 6-8 months, with the Chief Secretary initiating the process. However, the process was limited to bureaucrats only, with no involvement of PRI representatives, civil society groups or the private sector.
- The process in Haryana underlines the need for institutional and individual nodal points for the activity mapping exercise.
- Ambiguity regarding the devolution of powers continues create dissatisfaction among the representatives of Zilla Parishads, Panchayat Samitis & Gram Panchayats.
- There is an urgent need for capacity development among elected representatives, and a change in the mindset of Haryana policy makers.

Dr. Buddhadeb Ghosh, ISS, presented the West Bengal experience on Activity Mapping (culminating in a 2005 Executive Order) and a critique of the methodology applied. Among lessons learned are issues of mind-set, conceptual & procedural errors and variations in organisational principles. He advocated a rational approach to Activity Mapping comprising a series of systematic steps. Key points in his presentation were as follows:

- In West Bengal, PRIs continue to act mainly as agents of the state government, having little independent authority and space. The Executive Order of the State Government was not complemented by departmental orders and instructions, and therefore remains inoperative. Using an Executive Order as legal instrument has been problematic.
- There has been no transfer of staff, and no transfer of funds.
- Critical lessons learnt from the West Bengal include the need to have a consensus on the basic character of PRIs (self-governing bodies vs. agents), and the need to include plan as well as non-plan activities and resources. AM should look at sectors and services, not at departments (as one sector might be handled by two or more departments), the AM process should start with a few selected functions first which would preferably from the social sectors (like education, health, water and sanitation). Involvement of other stakeholders (like elected PRI representatives, District Development Officers, District Panchayat Officers, media) is important but only after the understanding of the AM process has been consolidated within the administration.

GD Awasthi, Joint Secretary, Ministry of Local Development (Government of Nepal) presented the experience of the Nepal government in expenditure assignment. The role of local governments in delivery of development services was outlined. However, he cautioned that much of these efforts have yet to take effect due to the political unrest and instability of the last years. Main points of the presentation were as follows:

- The Nepalese constitution and the Local Self-Government Act provide a solid legal framework for devolution, fiscal decentralization and local accountability. The LSG Act envisages adequate resourcing of local bodies.
- There are numerous stakeholders in the decentralization process at local and national level, including political parties and donor programmes. The decentralization process evolves around the triangle of political devolution (= functions), fiscal devolution (= funds) and administrative devolution (= functionaries). In Nepal, devolved sectors include agriculture, livestock, basic and primary education, primary health and infrastructure.
- There is a “hen and egg”-dilemma between devolution and capacity development.
- The process in Nepal attempted to bring in the sectors by formulating sectoral devolution strategies (e.g. including minimum service conditions and performance measures) and establishing sectoral devolution committees), however political instability has stalled the process.

Luc de Meester, GTZ Cambodia, outlined the historical context in which Functional Assignment has happened in Cambodia, the methodology followed and the series of clarification steps that have been developed based on the experience. A database of legal information has been an important outcome that has helped the FA process. Key points from the presentation were as follows:

- The different decentralization modes (devolution/deconcentration/agency tasks) are still not well understood although a distinction is made in the commune law. The exact assignment of functions as done in 2001 remains unclear, and is governed by a multitude of laws and regulations.
- The more recent decentralization reforms (an organic law on district and province administration is currently being debated) include institutional arrangements for managing the reform process, including the establishment of a national committee on “power and functions” chaired by the State Secretary of the Ministry of Interior (a cabinet-level official).
- The planned second round of a FA process (after 2001) should involve different sequences: (i) an expert review (of existing laws and regulations, administrative reality, views of stakeholders), (ii) a consultative process (currently going on with three sector ministries), and (iii) targeted measures to increase the understanding of stakeholders on activity mapping/functional assignments (for instance by means of training programmes and exposure visits).
- External support (by aid agencies) can be important, however cannot substitute political will.
- FA/AM processes need (i) a clear understanding of the terminology (definitions!), multi-stakeholder involvement (but not necessarily all of them in the same events/at the same time), leadership and champions, inter-departmental interaction, “win-win” cases, and capacity building for the officials and decision-makers involved.

Dr. Gabriele Ferrazzi, in his second presentation, drew lessons from the Indonesian experience and how these may be applicable to Himachal Pradesh. He listed the following do’s & don’ts:

- Do make clear your process architecture (like institutional set-up for the process, leadership, time schedules & milestones, stakeholders to be involved)
- Do use criteria but aim for consensus between stakeholders
- Do organize well and seek intensive engagement (i.e. create common understanding of terms and concepts, have consensus on objectives, create platforms/events for participation of various stakeholders)
- Do not rely on an omnibus legal instrument that stems from a Local Government Act but aim for determining the functional assignment in sectoral legislation
- Do not rush and tackle all sectors/functions simultaneously.

Narinder Chauhan, Secretary (Panchayati Raj), GoHP, reflected on the experiences and lessons learnt from the first activity mapping exercise conducted in HP, which resulted in the existing (1996) HP activity map. Based on Section 7 of the 1994 HP-PRI Act, a Government Notification covering most sectors had been issued and disseminated, however, in retrospective, it has to be said that role division between state government and PRIs was still unclear, and no funds and functionaries were transferred to the PRIs. For the planned new AM exercise in HP, he stated that there is a need for unbundling functions and activities, and that AM should concentrate on few sectors only with avoiding a blueprint approach. Better service delivery to the people should be the ultimate goal and objective of the AM exercise. Key parameters for the AM exercise were mentioned by him as follows:

- Availability of staff and funds for the exercise from various sources (like NREGA, BRGF, bilateral cooperation)
- Time frame of 1.5-2 years
- Need to have a core group of officials who are trained in AM/FA
- Need to base the exercise on a well-designed process architecture describing responsibilities, institutional arrangements, time schedules and milestones.

GROUP DISCUSSIONS

Following the presentation and discussion of national and international cases on AM/FA, the plenary was divided into three groups with each group expected to explore a common set of questions. These were:

- Question 1: What is the Groups understanding of AM/FA?
- Question 2: What does the Group suggest as an appropriate methodological approach for undertaking AM/FA in HP?
- Question 3: What steps does the Group suggest need to be taken by Government of HP to enable/facilitate AM/FA?
- Question 4: What according to the Group could be the future implications of undertaking AM/FA?

Each group was encouraged to record their responses on cards, the full text of which is at *Annex C*. Feedback from the groups on each question has been consolidated below:

Question 1: What is the group's understanding of AM/FA?

- AM/FA comprises at least (but not exclusively) of:
 - A process of prioritisation of functions between government departments & PRIs
 - Identification of functions, funds & functionaries
 - A process based on the principle of subsidiarity
 - A way of increasing accountability among functionaries
 - Identification of overlapping functions between government departments & PRIs
 - Provision of greater role clarity especially for PRI functionaries.

Question 2: What does the group suggest as an appropriate methodological approach for undertaking AM/FA in HP?

- Continue process of dialogue & advocacy on AM/FA, facilitated through conferences & seminars involving all stakeholders
- Invest in awareness building on AM/FA to build 'political will', especially among bureaucrats & politicians
- Remove 'fear' of being powerless post-AM/FA among government functionaries
- Disseminate case studies of successful AM/FA with demonstrable benefits

- Identify ‘nodal’ persons in selected government departments to be given intensive orientation to AM/FA.

Question 3: What steps does the group suggest need to be taken by Government of HP to enable/facilitate AM/FA?

- Set up multi-stakeholder high powered committee on AM/FA including NGOs, academic & training institutions within HP
- Invest in inter-departmental coordination through appointment of nodal officers, supported by office of Chief Secretary and coordinated by Dept. of Panchayati Raj with facilitation support provided by bilateral cooperation project with GTZ.
- Develop clear set of procedures & guidelines for departments to undertake AM/FA
- Associate national/international experts & institutions to help state government facilitate process
- Build capacities of in-state institutions (HIPA, PRI Training Institutes) to design AM/FA training modules
- Develop information & communication material on AM/FA for wide dissemination
- Document lessons of past attempts of AM/FA by GoHP
- Time expectations for undertaking AM/FA will have to be realistic

Question 4: What according to the Group could be the future implications of undertaking AM / FA?

- ‘Traditional roles’ of both PRIs & government departments will change making them more accountable overall to their clients
- Improved collaboration between PRIs & government departments will reduce conflicts, overlapping functions & improve functional efficiency
- GoHP will have to commit adequate budgetary & human resources for achieving meaningful AM/FA
- Laws, rules & regulations will have to be reviewed to make them more closely aligned to expectations of decentralised governance
- In-state ‘champions’ of AM/FA will emerge once process gets underway whose expertise could be sought by other states

FINAL OUTCOMES

The Workshop ended with agreements on the following:

- The bilateral cooperation project with GTZ will continue the process of facilitating dialogue on AM/FA through similar workshops with Secretaries, Directors and within selected departments
- DoPR will identify one, possibly two Departments of GoHP, to work with on their Activity Mapping
- By the middle of 2008 at least one selected Department should have completed Activity Mapping and commenced implementation
- Workshop Proceedings will be prepared by the bilateral project for wider dissemination and follow-up discussions.

CONCEPT NOTE

ACTIVITY MAPPING & FUNCTIONAL ASSIGNMENT IN HIMACHAL PRADESH - AN EXPLORATORY WORKSHOP

1. Background to Activity Mapping

Following the adoption of the 73rd and 74th amendment in 1993 and the subsequent passing of state legislation on Panchayati Raj Institutions¹, union government and state governments made an effort to clearly delineate the allocation of functions to the various levels of government. i.e. the state level and the three tiers of the PRI system. Called “activity mapping”, this effort resulted in maps of activities undertaken at each level. In 2001, a “Task Force on Devolution of Powers and Functions” established by the GoI Ministry of Rural Development came to a rather subdued assessment of the results, saying that “in most of the States, the PRI are not very clear about the role that they are expected to play in rural development. This is mostly due to the absence of ‘role clarity’ with regard to the statutory functions assigned to them. The functions devolved to the PRI are in the nature of ‘subjects’ rather in the terms of ‘activities’ or ‘sub-activities’” (GoI 2001:906).

This “absence of role clarity” seems to have improved in the years since then. Nevertheless, while the November 2006 “Mid Term Review and Appraisal” of the GoI Ministry of Panchayati Raj notes that “in the assessment of the Ministry, 16 states ... and 3 Union Territories have adequate activity maps” (GoI 2006:5), it also noted that “there is always room for improvement” (ibid:5) and “that activity mapping has proven to be somewhat difficult for States to achieve for several reasons. The most important impediment has been the persistent lack of clarity when deciding as to which of the disaggregated activities ought to be devolved...most policy papers and strategies place devolved activities in a kind of concurrent list, with different tiers of government expected to share responsibility. This seriously undermines their individual accountability to the people.” (GoI 2006:65-66)

The Union Government continues to place strong emphasis on activity mapping² as the basis to also devolve funds and functionaries (ibid), and in the context of designing a devolution index is pushing the States and Union Territories to revisit and improve their activity maps.

According to the Union Government, the allocation of functions is to be based on the principle of subsidiarity, with economies of scale, equity, heterogeneity and public accountability being additional principles and criteria to be taken into account. (Ibid:66-67).³

2. Situation in Himachal Pradesh – Current Situation and Problems Being Faced

In Himachal Pradesh, an exercise to formulate activity maps in the sectors was conducted in 1996, however without using the formal model matrix suggested by the Union Ministry of Panchayati Raj.⁴ For each of the subjects devolved to the PRIs⁵, a Fact Sheet⁶ was produced which specified the devolved subject, and details of the activities to be undertaken by each level of the PRI system. Details of

¹ For instance the Himachal Pradesh Panchayati Raj Act was passed in 1994.

² In the international decentralisation debate, the term “functional assignment” is more common.

³ The 2004 Local Government Law of Indonesia (Undang-Undang Pemerintahan Daerah No. 32/2004) stipulates similar criteria for deciding on the allocation of functions.

⁴ See GoI 2006:69 (Table 4a).

⁵ The 1994 HP PRI Act devolved 27 out of the 29 subjects stipulated in Schedule XI of the Constitution to the PRI. The 2001 amendment of the 1994 act reduced the number of devolved subjects to 19, involving 15 different departments. Subjects devolved to PRIs include agriculture, animal husbandry, education, fisheries, food and supplies, forest, health and family welfare, horticulture, industries, irrigation and public health, public works, revenue, rural development, ayurveda & homeopathy, social and women’s welfare (GoHP 2007:219).

⁶ Download from <http://hppanchayat.nic.in/pdf%20files/ActivityMapping.pdf>.

functions/activities retained by the state level are not listed in the fact sheet. Furthermore, while the fact sheets do make provision to list details on the devolution of funds and functionaries, in all cases information on these crucial items are missing. The State Government issued a notification on the devolved functions in July 1996⁷, however only some departments (agriculture, education, minor irrigation, animal husbandry, fisheries, health, revenue) have issued executive instructions for operationalising the notification⁸. As a result, the notification “was never fully operationalised due to resistance from the staff.” (2006 State Profile: 220).⁹ The 2006 State Profile recognises the widespread perception “that rural local bodies are essentially agencies of the state government (primarily for implementing contracts and works)” and that they “have little or no autonomous responsibility at their own level, for any function.” (ibid:220).

3. A joint GoHP/GTZ initiative on Activity Mapping & Functional Assignment

In the perception of departmental officials and representatives from the various tiers of the PRI system in HP, the existing delineation of functions and activities as contained in the 1996 notification is not clear and therefore causes difficulties at all levels due to the ambiguity of allocating responsibilities for the delivery of services and functions within the government system. This perception is shared by sector departments, like the Department of Irrigation and Public Health (IPH). “Activity Mapping” has therefore been identified as a major theme of intervention in the bilateral technical cooperation under the Indo-German project *Capacity Building for Panchayati Raj Institutions in Himachal Pradesh*.¹⁰ A cooperative effort in this area will also help to achieve the Government of HP’s commitment contained in the May 2006 Statement of Conclusions signed between the Chief Minister and the Union Minister for Panchayati Raj, which envisages that activity mapping would be completed and relevant Government Orders issued by August 2006.

As a first step of this bilateral cooperation, and in order to map out strategies and intervention areas for the future cooperation in this field, it has been agreed to conduct an exploratory workshop in the first week of December 2007 which will

- take stock of the status of activity mapping (processes, methodologies, results) both in Himachal Pradesh and other States of India
- identify and analyse conceptual issues related to activity mapping/functional assignment
- examine international cases of functional assignment activities, and
- design a plan of action and time schedule for the activity mapping exercise in Himachal Pradesh.

This workshop will be jointly conducted by the PRI Project (Department of PR/GoHP & GTZ) and the Institute of Social Studies (ISS).

4. Workshop Design

a) Objective

Objective of the workshop is to design a course of action for jointly conducting activity mapping in Himachal Pradesh. The workshop will aim at (i) identifying conceptual issues and recommending how these conceptual issues will be dealt with in the course of conducting the activity mapping, (ii) forging

⁷ Notification No. PCH-HA (1)12/87 dated 31 July 1996

⁸ See the Himachal Pradesh State Profile on the Status of Panchayati Raj prepared in the context of the 2006 Mid-Term Review and Appraisal conducted by the union ministry (download at <http://panchayat.gov.in/mopr%2Dirmpublication2007%2D08/>).

⁹ See FN 8.

¹⁰ The PRI project started in June 2007 and will be implemented until December 2010. Implementing partners are the Department of Panchayati Raj Institutions (Government of Himachal Pradesh) and GTZ (German Technical Cooperation).

a common understanding of key partners on the activity mapping exercise and the methodology to be applied, and (iii) define time schedules and resource requirements for the exercise.

b) Content

The workshop should

- (i) examine the conceptual issues relating to activity mapping/functional assignment
- (ii) examine the processes used to arrive at functional assignment in India and internationally
- (iii) suggest conceptual avenues of relevance to India and HP deemed worthy of further exploration/consideration, and
- (iv) define a process deemed suitable for determining functional assignment in Himachal Pradesh, including the establishment of a core group (“task force”) mandated to conduct the functional assignment/activity mapping process.

c) Participants

Participants will include (i) senior officials of the Government of Himachal Pradesh (Department of PRI, Department of IPH, Department of Rural Development, Department of Finance and Planning, Department of Social Welfare, Department of Animal Husbandry), (ii) resource persons from India and abroad, (iii) selected representatives from the PRI system in Himachal Pradesh, and (iv) representatives of the Union ministry on PRI. The total number of participants should not exceed 50.

d) Working Modalities

The workshop proceedings will include presentations of Indian and international case studies and of conceptual issues in plenary sessions, group sessions to deepen the understanding of the cases and methodologies presented, and action-oriented group sessions to map out strategies and action plans for the envisaged activity mapping exercise in Himachal Pradesh to be conducted with support from the PRI project.

**ACTIVITY MAPPING & FUNCTIONAL ASSIGNMENT IN HIMACHAL PRADESH
AN EXPLORATORY WORKSHOP**

AGENDA

<i>Time</i>	<i>Event</i>	<i>Responsible</i>	<i>Chair</i>
	DAY I Tuesday, 4th December '07		
9.30 – 10.00	Arrival and Registration of Participants	Organising Committee	
10.00 – 10.15	Official Opening & Welcome address	Secretary (PR) GTZ Principal Advisor	
10.15 – 10.30	Self-Introduction of Participants Explanation of Proceedings	Moderator	
Session I: National and International Overview			
10.30 – 11.15	Activity Mapping & Functional Assignment – An Overview of International Examples Question & Answer Session	Gabe Ferrazzi (Canada)	GTZ Principal Advisor
11.15 – 12.00	Key Note Speech: Activity Mapping in India - Overview of Approach and Current Status Question & Answer Session	TR Raghunandan, Joint Secretary, Ministry of Panchayati Raj, GoI	
Session II: Case Studies from India			
12.00 – 12.45	Activity Mapping in India: Case Study HARYANA Question & Answer Session	Prof. Ranbir Singh, Consultant, Haryana Institute of Rural Development	Secretary (IPH)
12.45 – 13.30	Activity Mapping in India: Case Study WEST BENGAL Question & Answer Session	Buddhadeb Ghosh, Senior Fellow, Institute of Social Sciences (ISS)	
13.00 – 14.00	<i>Lunch</i>		
Session III: International Case Studies			
14.30 – 15.15	International Case Study (I): NEPAL Question & Answer Session	GD Awasthi, Joint Secretary, Ministry of Local Development, Nepal	Secretary (PR)
15.15 – 16.00	International Case Study (II): INDONESIA Question & Answer Session	Gabe Ferrazzi (Canada)	
16.00 – 16.45	International Case Study (III): CAMBODIA Question & Answer Session	Luc de Meester (GTZ, Administration & Decentralization Reform Project)	
16.45	Close of Proceedings	Moderator	
DAY II Wednesday, 5th December '07			
09.30 – 10.00	Arrival & seating of participants		
10.00 - 10.15	Activity Mapping Experience: HIMACHAL PRADESH	Secretary (PR)	

<i>Time</i>	<i>Event</i>	<i>Responsible</i>	<i>Chair</i>
10.15 - 10.30	Explanation of Working Group Proceedings	Moderator	
10.30 – 12.30	Working Group Session		
12.30 – 13.30	Presentation of Working Group Results	Moderator & Rapporteurs	
13.30 – 14.30	<i>Lunch Break</i>		
14.30 – 15.30	Plenary Discussion		
15.30	Conclusion & Thanks	Secretary, IPH	
15.30 – 17.00	Working Group (GTZ, PRI Dept., IPH Dept, other GoHP Dept.): Tentative Design of Activity Mapping Exercise in HP; Agreement on next steps		

**ACTIVITY MAPPING & FUNCTIONAL ASSIGNMENT IN HIMACHAL PRADESH
AN EXPLORATORY WORKSHOP**

GROUP DISCUSSION NOTES

Participants discussed the following common questions in three sub-groups:

- Q1. What is the Groups understanding of Activity Mapping (AM)/Functional Assignment (FA)?
 Q2. What does the Group suggest as an appropriate methodological approach for undertaking AM/FA in HP?
 Q3. What steps does the Group suggest need to be taken by Government of HP to enable/facilitate AM/FA?
 Q4. What according to the Group could be the future implications of undertaking AM/FA?

Each Group was encouraged to record their responses on cards, the text of which is reproduced below:

	GROUP I	GROUP II	GROUP III
<p>Q1. <i>Understanding of Activity Mapping (AM)/Functional Assignment (FA)</i></p>	<ul style="list-style-type: none"> • Prioritization/identification of need/demand-based priorities among 29 subject matters in the 11th Schedule • AM comprises identification of functions, funds & functionaries to be carried out/ devolved by the three tiers of PRIs and the State Government 	<ul style="list-style-type: none"> • Activity mapping is the process of splitting the existing functions of Government and assigning these to the appropriate level of PRIs along with funds & functionaries keeping in view the principle of subsidiarity. <ul style="list-style-type: none"> (i) Appropriate level (Gram Panchayat, Panchayat Samiti, Zilla Parishad) (ii) Functions as per 11th Schedule (iii) No overlapping of functions for role clarity & accountability 	<ul style="list-style-type: none"> • Helps define duties /roles of PRIs clearly • Enables assigning of functions according to capability of PRIs. • AM is to identify depts. and their activities along with role/level of PRIs • Consensus on priorities between: departments – PRIs - community • Role clarity for PRIs functionaries • Provides path to follow for devolution of powers to PRI • Clarification on current status of roles for devolution of powers to PRIs, line departments & stakeholders • AM will enable

	GROUP I	GROUP II	GROUP III
			dept./ sector to identify & sanction appropriate powers to functionaries <ul style="list-style-type: none"> • Assigning concrete activities to PRIs for benefit of local community. • Clarify & assign roles of stakeholders in decentralized governance
Q2. <i>Methodological approach for undertaking AM/FA in HP</i>	<ul style="list-style-type: none"> • Holding of meeting for intensive dialogue through conferences & seminars with various stakeholders including PRIs, politicians, line departments etc. at grassroots, block, district & state level • Political will generation • Awareness campaign • Need assessment at grassroots level to enhance understanding of AM/FA • Need assessment for identification of services at each level of PRIs through involvement at grassroots level 	<ul style="list-style-type: none"> • Need to change mindset of MLAs & IAS officers towards decentralization that sharing of powers will actually speed up development process • Invest in explaining why AM is needed to remove 'fear' of being powerless after implementation of AM • Carrying out comprehensive advocacy programme through conferences, seminars, etc • Disseminate success stories from southern states where AM/FA has been implemented successfully • Emphasize what will be practical shape (of selected Dept.) after AM 	<ul style="list-style-type: none"> • Sensitization of community through awareness campaign to change mindset • Situation analyses before AM / FA • Sensitization of rural development programmes to community through awareness campaign • 'First deserve then desire' • Systematic orientation of senior bureaucrats and politicians to decentralization • Change of mindset through intra-departmental consultations • New roles not to be trusted • Sensitization of community at different levels

	GROUP I	GROUP II	GROUP III
		/ FA	<ul style="list-style-type: none"> • Revisit enabling framework for AM • Facilitate common understanding within & between depts • Identify nodal persons to be given intensive orientation to AM in each priority sector/dept. • Dept. level meeting on activity mapping with middle & lower functionaries
<p>Q3. <i>Steps to be taken by Government of HP to facilitate AM/FA</i></p>	<ul style="list-style-type: none"> • Setting up high-powered steering committee with representatives from NGOs & other stakeholders • Using/ taking assistance of a research studies/NGOs/other sources • Associating experts from national/international institutions, universities and from other states. • Identifying resource persons at grassroots level for awareness generation on AM/FA • Training at grassroots level by relevant training institutes including HIPA, PRI Training Institute Mashobra, etc • Increasing participation of stakeholders like grassroots level beneficiaries, three tiers of PRIs, State Government, NGOs, other identified/trusted agencies & individuals in providing inputs , research studies, IEC materials(such as pamphlets, handbills, folk-media) active involvement of 	<ul style="list-style-type: none"> • Inter-departmental collaboration <ul style="list-style-type: none"> (i) Leadership by Chief Secretary (ii) Operational level – Dept of PR to be nodal Dept. for AM (iii) Process – Selection of line depts. followed by circulation of guidelines. Each dept. to identify its own nodal officer for AM • Process of conducting AM <ul style="list-style-type: none"> (i) Forming dept.-wise task force for AM (ii) Outsourcing (draft) AM process (iii) Compilation of drafts (iv) Policy decision • Participating 	<ul style="list-style-type: none"> • Funds & functionaries to follow transfer of functions • HP State Devolution Plan is required • AM is to identify the depts. and their activities along with role/level of PRI. • Motivation, adoption of campaign mode and involvement of stakeholders in AM process • Could take up to one year • Lessons learnt from 1997 AM experience to be documented • Inter-dept. task force on AM required with link to Chief Secy. & Cabinet

	GROUP I	GROUP II	GROUP III
	<p>print/electronics media & use of other tools such as extension services etc.</p> <ul style="list-style-type: none"> • Develop modules for giving panchayat-wise status of AM • Documentation of success stories for dissemination and monitoring & evaluation • 18 months (1st Jan 2008 - 30th June 2009) 	<p>stakeholders</p> <p>(i) PRI functionaries</p> <p>(ii) Line departments</p> <p>(iii) Legislators</p> <p>(iv) CBOs/NGOs & development agencies</p> <ul style="list-style-type: none"> • Estimated time required: 5-6 months 	<ul style="list-style-type: none"> • Gram sabha approved micro plan should be recommended strictly (with few amendments) by District Planning Committee & Zilla Parishad. • Set up activity mapping cell within PR Dept. • Diminish overlapping functions & improve communication & coordination between PRIs & line depts. • Identify priority sector for analyses towards AM and get endorsement at appropriate level • Need based assessment with participation of stakeholders, depts. & PRIs.
<p>Q4. <i>Future implications of AM/ FA</i></p>	<ul style="list-style-type: none"> • In the sectors identified, quality of service could improve through: <ul style="list-style-type: none"> (i) Making PRIs responsible/accountable to the entire process. (ii) Encouraging collaboration process with line depts. (iii) Conflict level may increase through involvement of large numbers of human resources. 	<ul style="list-style-type: none"> • General implications include need for adequate administrative structure, budget, rules for employees & accountability • Strengthening of Dept of PR required to handle pressures of transition period • Adequate budgetary & administrative provisions to be made 	<ul style="list-style-type: none"> • Depts. will have to acknowledge revision of traditional roles with PRIs • Assessment of role of various functionaries • ‘Fears’ of devolution need be warded off • Functions to be assigned dependent on capability • AM / FA to take place under appropriate supervision

	GROUP I	GROUP II	GROUP III
		<ul style="list-style-type: none"> • Subject laws, acts & rules to review • Desire for higher accountability of staff may lead to resentment 	<ul style="list-style-type: none"> • Multi-stakeholders involvement will count positively • Need for parity between Govt.& PRI functionaries • Planning only against available budget • Capacity building on AM among stakeholders • GTZ project to coordinate activity mapping process in collaboration with Dept of PR • Identify & develop in-house decentralized governance champions

**ACTIVITY MAPPING & FUNCTIONAL ASSIGNMENT IN HIMACHAL PRADESH
AN EXPLORATORY WORKSHOP**

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Proceedings and Objectives

Activity Mapping & Functional Assignment –
An Exploratory Workshop
4 & 5 December 2007



Proceedings

- Day I (4 December)
 - Three plenary sessions:
 - International and National Overview
 - Indian Case Studies (Haryana & West Bengal)
 - International Case Studies (Nepal, Indonesia, Cambodia)



- Day II (5 December)
 - Working Group Session
 - Presentation of Working Group Results
 - Meeting of Core Group



Workshop Objectives

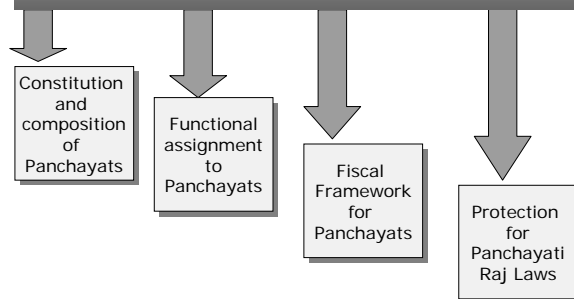
- To identify conceptual issues and to recommend how these conceptual issues will be dealt with in the course of conducting the activity mapping in HP
- To forge a common understanding of key partners on the activity mapping exercise and the methodology to be applied
- To define tentative time schedules and resource requirements for the exercise.



Activity Mapping - concept and practice

TR Raghunandan
Joint Secretary (PR)
Ministry of Panchayati Raj
Government of India

Salient features of the 73rd Constitution Amendment Act, 1993



Article 243 G of the Constitution reads as under:

Powers, authority and responsibilities of Panchayats. -

Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to-

- the preparation of plans for economic development and social justice;
- 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.

Eleventh Schedule lists 29 matters as below

Agriculture, incl. extension	Land improvement, land reforms, consolidation soil conservation.	Minor irrigation, water management watershed devptment	Animal husbandry, dairying and poultry
Fisheries	Social forestry farm forestry	Minor forest produce	Fuel and fodder
Maintenance of community assets	Rural housing	Drinking water	Poverty alleviation programme
Public distribution system	Education, including primary and secondary schools	Technical training vocational education	Adult and non-formal education
Libraries	Cultural activities	Welfare of the weaker sections, in particular of SCs and STs	Social Welfare, Welfare of handicapped and mentally retarded
Women and Child development	Health and sanitation hospitals, primary health centres dispensaries	Family welfare	Roads, culverts, bridges, ferries, waterways other means of communication
Non-conventional energy	Markets Fairs	Khadi, village and cottage industries	Small scale industries, food processing industries
Rural electrification, distribution of electricity			

Special Protection for Panchayat laws

- 243 N: Any provision of any law relating to Panchayats in force in a State before the commencement of the Seventy-third Amendment cannot continue for more than 1 year after coming into force of the Amendment.
- Implicit premise that after one year of the coming into force of the 73rd Amendment, no provision of any law that relates to Panchayats can exist, which is in violation or contravention of the Panchayati Raj Act of the State concerned.

Role clarity - the trigger for capacity building...

- Normal fear about devolution: PRIs do not have the capacity to manage enhanced powers.
- Skeptics feel that capacity building of Panchayats should precede devolution.
- If you really empower PRIs by giving them clear roles and hold them accountable for their newly earned responsibilities, they will have an *incentive* to seek out the capacity support they need;
- Capacity building then becomes demand driven;
- Thus, devolution *accelerates* capacity building of Panchayats.

Role clarity for Panchayats through Activity Mapping

- Identification of activities related to devolved functions
- Attribution of appropriate activity to a Panchayat level, based on the principle that each activity ought to be undertaken at the lowest level that it can be undertaken.
- Complete Activity Mapping exercise by March 2005, on Devolution of Funds, Functions, Functionaries (modeled on MRD's Task Force report of 31-8-01)
- Activity Mapping to trigger transfer of funds and functionaries,

MoPR's efforts on Activity Mapping by States

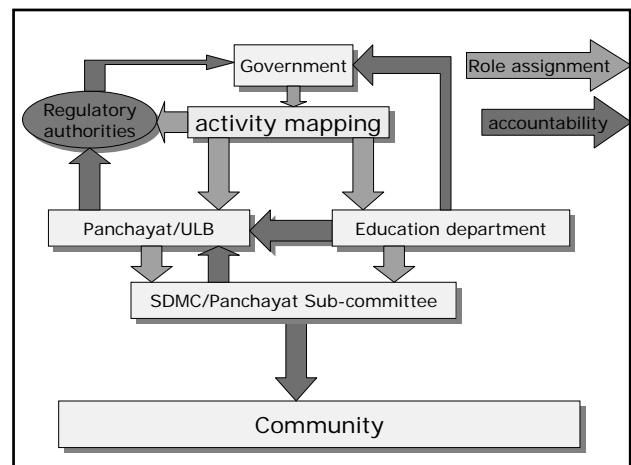
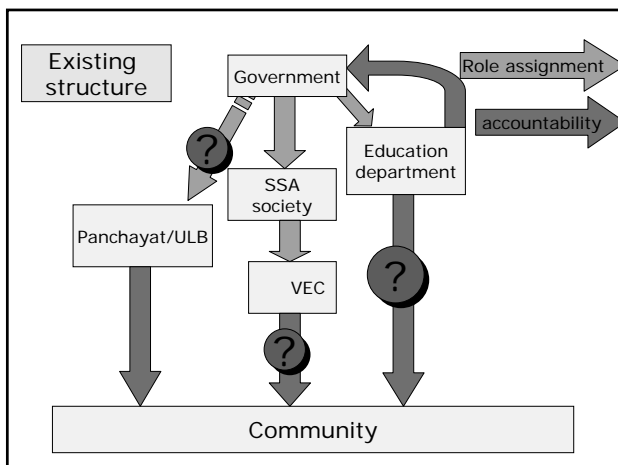
- Regular review in Committee of Chief Secretaries' meetings,
- Meeting of Council of State Ministers of Panchayati Raj, held in Kochi on 5-6 Aug 2005,
- Minister undertaking intensive tours of States & Union Territories and signing Statements of Conclusions with Chief Ministers, detailing road map ahead; States and UTs visited:
Karnataka, West Bengal, Uttaranchal, Haryana, Chhattisgarh, Orissa, Arunachal Pradesh, Rajasthan, Sikkim, Goa, AP, Lakshadweep, Chandigarh

Statewise status of Activity Mapping

- States that have completed Activity Mapping satisfactorily:
Kerala, Karnataka.
- States which have undertaken limited Activity Mapping for a few subjects
West Bengal (15), Uttaranchal (9), Orissa (9), Haryana (10), Maharashtra (18), Gujarat (14), Manipur (22), Assam, Goa, Madhya Pradesh(15)
- States where Activity Mapping is in progress,
Andhra Pradesh, Bihar, Chhattisgarh, Punjab, Rajasthan, Sikkim, UP, Tripura,
- States where there is little or no progress:
Arunachal Pradesh, Himachal Pradesh, Tamilnadu.

Making CSSs Panchayat friendly- Five broad areas:

1. Ministry of Panchayati Raj to be consulted and their views incorporated in notes prepared for consideration of Cabinet/Cabinet Committees in all cases relating to new Centrally Sponsored Programmes/Schemes that have a bearing on Panchayats. *(Cabinet Secretariat; 21-9-04)*
2. All Central Ministries to review existing Centrally Sponsored Schemes in the light of Article 243 G read with the Eleventh Schedule. *(Cabinet Secretariat; September 2004)*
3. Prioritised Ministries to undertake Activity Mapping to state out with clarity at what level activities pertaining to their Ministry are to be undertaken. *(Group of Ministers on Panchayati Raj; August 2005)*
4. In respect of identified schemes, Ministries to consider adopting system of rapid transfer of funds to Panchayats through banks, so as to avoid delay or diversion. *(PM, after review of MoPR in June 2005)*
5. Institutional role of Panchayats to be clarified in six components of Bharat Nirman. *(National Committee on Infrastructure; June 2005)*



What activity mapping is not...

- *Activity Mapping does not mean that subjects are devolved wholesale - they need to be unbundled into activities and assigned to different levels of government at the level of such disaggregation.*
- *Activity Mapping ought not to be unduly influenced by the way budget items or schemes are arranged. Schemes may specifically relate to one activity or sub-activities, or might comprise of several activities, but Activity Mapping must be undertaken in accordance with an objective standard.*
- *Certain activities, such as beneficiary selection, can span different schemes. Different yardsticks cannot be applied to the assignment of the same activity on a scheme-wise basis.*
- *There is no gain or loss of power through Activity Mapping; just role clarity. Activity Mapping can actually increase the role of higher level governments, though they would not be doing the same things that they were doing before.*

Allocating responsibilities across Panchayat levels: Three steps

- **First**, unbundle by activity



In doing so, what are

- the public finance principles that apply? **(Step 2)**
- the accountability principles that apply? **(Step 3)**

Step 2: The principles of public finance

Activity	Economies of scale	Externalities	Equity	Heterogeneity of demand
Setting Standards	State	State	State	State
Planning	District/ GP	District		
Asset creation	GP	None		GP
Operation	School	None		School
Monitoring and Evaluation	State	State		State

First principles of accountability

Activity	Discretionary?	Transaction intensive?	Who can best assess performance?
Standards	No	No	Technical
Planning	A bit	A bit	A bit technical
Asset creation	Yes	Yes	Local
Operation	Yes	Yes	Local
Monitoring and Evaluation	No	Yes	Technical

Role Clarity, challenges

- Sizes of Panchayat jurisdictions vary from State to State,
- Pull of competing loyalties because of dual control of staff,
- Parallel committees fostered by departments and multilateral lending agencies continue,
- Lip service to Panchayat system by co-opting office bearers into parallel systems,
- Parallel system accounts not captured in Panchayat accounts
- User groups created at sub-panchayat level with no connection to the Panchayat.

User groups and Panchayats, some relevant questions

- Are user groups sustainable?
- Are user groups incompatible with the PRI system?
- Are Gram Panchayats competitors of user groups?
- Are user groups free of all ills that bedevil PRIs?
- Are mentors of user groups willing to move on?

Parallel bodies and Panchayats, suggestions for harmonisation

- Reconceptualise parallel bodies as technical support systems of Panchayats.
- Mandate strong Standing Committee System within Panchayats with timelines for decision making
- Funds to be deposited in Panchayat fund,
- Fund use to be tracked electronically to prevent delay or diversion.
- Use CAG to provide technical guidance and support for accounting,
- Ensure prompt CAG audit.

Recent developments in fund tracking

- 12th FC guidelines mandate release of funds to Panchayats from consolidated fund of State Government within 15 days of release,
- Interest payable to Panchayats in case of delay,
- Audit of releases also by CAG,
- Software developed to track rapid transfer of funds,
- Database of bank accounts of all Panchayats under preparation, which can be used by other Ministries

Suggestions to all Ministries

- Prepare matrix for Activity Mapping based on the above principles,
- MoPR can provide assistance if required, including arranging discussions with groups of State Secretaries of line departments concerned and Panchayati Raj, before finalisation,
- Complete activity mapping by end of May 2006, so that Ministry of Panchayati Raj can report back to the GOM.

Thank you

gtz

Guide to Functional Assignment - International Practices/Lessons

GTZ – Capacity Building for PRI in Himachal Pradesh

Dr. Gabriele Ferrazzi
presented to
Workshop on Functional Assignment/
Activity Mapping

Shimla, December 4-5, 2007

gtz

Presentation topics

- Legal Framework for Functional Assignment
- Modes of decentralization/typologies
- Patterns and principles in FA
- Process of undertaking FA
- Appendix (some examples of FA lists) [FYI]

gtz

Legal Framework for FA

- Federal:**
 - Constitutional separation of powers between federal and "formative units" (states/provinces)
 - Jurisdiction over LG usually to formative units
 - Constitution or laws govern LG role/functions at formative unit level
- Unitary:** central government sets framework for SNG; may or may not have explicit hierarchy between SNGs

gtz

Typical Legal Framework for LG

```

graph TD
    Constitution[Constitution] --> LGA[LGA]
    LGA --> LGPlanning[LG planning Law]
    LGA --> LGFinances[LG Finances Law]
    LGA --> SectorLaws[Sector Laws]
    LGA --> CivilService[Civil service Law]
    LGA --> RegPlan[Regulation: planning]
    LGA --> RegElections[Regulation: elections]
    LGA --> RegSupervision[Regulation: supervision]
    RegPlan --> LowerLevel[Lower level regulations]
    RegElections --> LowerLevel
    RegSupervision --> LowerLevel
  
```

The job is far from over when the LGA (e.g. HP Law PRI 1994); FA is governed by a mix of the above instruments, esp. sector laws

gtz Modes of decentralization (within government)

- **Deconcentration** is the internal delegation of administrative tasks to representatives or branches of central government organizations, dispersed over the national territory in a functional pattern that serves the HQ organizations.
- **Agency tasks** (also referred to as *assistance* or *delegated tasks*) are assigned to general purpose local government or a special purpose/semi-autonomous body to be discharged on behalf of the assigning central government/organization. The entrusted entities are democratically accountable to their citizens but also account for the tasks to the assigning organizations.
- **Devolution** is the transfer of functions, requisite power and resources, to local government that has considerable autonomy and is democratically accountable to its citizens. Accountability is largely to citizens, but also in some measure to the state (the state is not "hands off").

gtz Modes of Decentralization (1)

Aspect of the service	Deconcentrated Task	Delegated/Agency Task	Devolved function
Instrument	Ministerial decrees and circulars	Law, regulation, government decree, or ministerial decree/circular	<u>Constitution & laws ideally</u> ; regulations possibly
Source and receiver of authority	From Ministry, "delegated" to its own dispersed branches	Representative body or ministry/agency to local government (or parastatal/semi-independent bodies)	State, or representative body of higher level to local government (council/executive, i.e. the local state)
Funding	From ministry to its branches directly (does not show in local government budget)	From the assigning entity to the local government (shows in its budget)	Receiving level (assigned revenues or block or conditional grants – shows in local government budget)

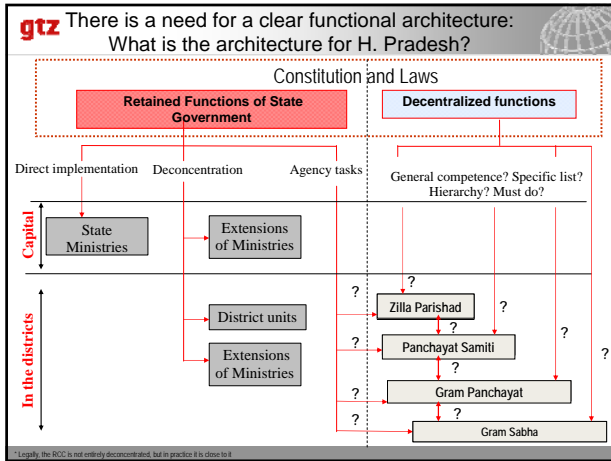
gtz Modes of Decentralization (2)

Aspect of the service	Deconcentrated Task	Delegated/Agency Task	Devolved function
Staffing	Branch staff are central level civil servants, part of the Ministry establishment. Their duties may include coordinating with LGs.	Local government or semi-independent bodies have own staff, but operate under a national frame. May also use seconded staff of central government.	Local government have own staff, but operate under a national frame; considerable discretion in hiring, firing, size of establishment etc.. May also use some seconded staff of central government, who is treated essentially as LG staff.
Internal organization discretion	Branches are structured by the Ministry, though often approved at cabinet or higher level	Local Government or semi-independent bodies can shape their units within a national frame, and handle tasks in units of their choosing	Local Government can shape their units within a national frame, and handle functions in units of their choosing

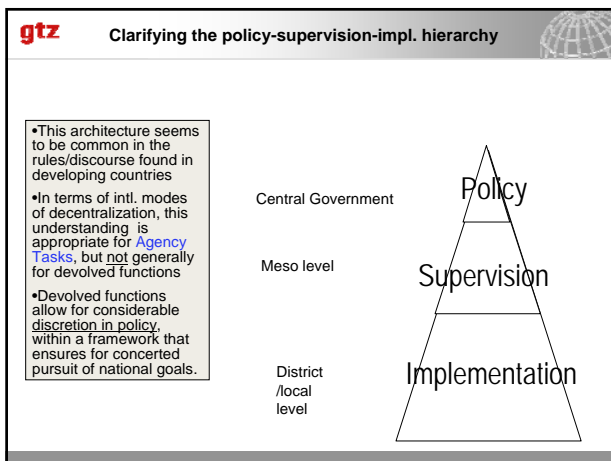
gtz Modes of Decentralization (3)

Aspect of the service	Deconcentrated Task	Delegated/Agency Task	Devolved function
Implementation Discretion	Variable but usually limited by Ministry regulations, procedures, standards and instructions	Considerably constrained by policy, procedures and standards set by assigning entity; some discretion on implementation.	High degree of discretion, but may be limited somewhat by national standards (on outputs or outcomes ideally, rather than inputs/budget amounts)
Reporting/Accountability	To Ministry headquarters	Primarily to the assigning entity, but also to the Local Council and citizens	Primarily to local citizens, through the Local Council and directly; vertical accountability remains on long term outputs/outcomes measures and governance processes

Source: Ferrazzi, based on general modes as per Rondinelli 1981 etc.



- gtz** More architectural elements
- **General Competency option**
 - A broad and permissive statement on the role of LG
 - Reduces local anxiety about being ultra vires (i.e. outside of specified list)
 - Allows for pro-active attitude
 - Open the opportunity for a variety of service provision arrangements
 - **Needs to be complemented with clarity (e.g. positive list) on key obligations or performance standards (in OECD countries usually in sectoral legislation)**
 - **Positive list/negative list (ultra vires) option:**
 - Often given the short hand of "ultra vires" as the stress is on staying within the bounds of the list given. This approach seeks to define in detail what the LG can do, and may also include a "can't do" list.
 - Gives certainty – but often too restrictive
 - OECD countries have been moving away from it, toward general competency
 - **Is useful in identifying core/obligatory functions of LG**
 - **Right of initiative**
 - An explicit provision that enables LG to act when there is no legal obstacle for it to do so
 - Usually understood to be a part of general competence, but sometimes made explicit
 - **If a positive list is meant as "obligatory", then the right of initiative provision ensures that LG can take on purely discretionary activities**



- gtz** Toward a sound architecture of functional assignment
- Recognize modes of decentralization used
 - Place criteria for FA and the lists in constitution and/or laws
 - Be permissive (general competence/right of initiative) so that LG initiative if not impeded, except by higher level assignment/regulations.
 - Differentiate between obligatory and discretionary functions
 - Stipulate form of guidance to be used (e.g. standards) to prescribe expected performance in core functions.
 - Include a mechanism for adjusting assignment over time.
 - May include asymmetry/dynamism to take into account varying LG capacity (for same level)
 - Develop early on a strategy for harmonizing legal framework (sectoral laws, procurement law etc.)

gtz **Pattern of functions (formulation)**

- There is no "standard" for formulating functions– diverse practice evident
- Often the *mode of decentralization* is not clear- can only be inferred
- Clarity varies by country list, and within sectoral/levels lists
- The substantive focus may be mentioned, and in other cases the "action" (generic management function) pertaining to it
- Generally the function is framed at its broadest form, if it is not cleaved between levels
- On occasion the broadest form is made possible by listing one or more exceptions
- Occasionally a negative list is explicitly provided
- Lists generally do not exceed more than one/two pages per broad sector (Indonesia's recent list is an exception)

gtz **Some principles to guide functional assignment**

- Subsidiarity (a bit general but gives the spirit of the approach)
- Use some more operational criteria (e.g. benefit area, spillovers, efficiency, admin. capacity) but not mechanically; aim for consensus above all
- Be clear about the mode of decentralization
- Discern/communicate effectively if there is a prescriptive dimension
- Avoid pitfalls in formulation
 - Keep investment and recurrent together to instill fiscal discipline
 - Keep the function as holistic as possible (policy, planning, financing, procurement, implementation, monitoring, reporting)
 - Stay as global as possible, unless must unbundle substance/spheres
 - Avoid ambiguous term like "at scale of the district"
 - Avoid using program/project language
 - Do not start from organizational mandates of central/state government, but rather functions held at a level that is decentralizing

gtz **Unbundling substance and generic management process**

Unbundle sector horizontally

- Tertiary education
- Secondary education
- Primary school
- Vocational schools
- Early childhood education
- Informal or adult schooling/literacy/numeracy

Unbundle management functions

- Policy regulation
- planning
- financing
- Staffing/organizing
- implementation
- Reporting
- ...

Drill down the sector
(can unbundle horizontally at each level if needed)

Sector - Education
sub-sector/function: Primary education etc.
Sub-sub-sector/function: inspection of primary education etc.

Sector - Health
sub-sector/function: Primary Health etc.
Sub-sub-sector/function: Maternal Health etc.

gtz **Unbundling sectors/services to facilitate delivery choices**

Actors	Service Delivery Functions									
	Policy/ reg	Stand- dards	Plan- ning	Finan- cing	Construc- tion	Opera- tion	Staff	Mainten- ance	Monitor- ing	
Federal										
State										
Zilla Parishad										
Panchayat Samiti										
Gram Panchayat										
User Cmmtt/ CBOs										
Private Sector										

Each service can be unbundled in terms of generic management functions, to see how it is presently carried out and how it might be adjusted. Can influence functional assignment decisions (must be mindful of mode of decentralization – what kind of function) and helps in adjusting delivery approach once decentralization decision is made – how to use relevant actors

gtz **Good Practice in FA process**

- Transparency**
 - Process should be set out clearly from the start
 - Criteria should be seen to be applied – but not mechanically
 - Role of drafting teams should be specified
 - Participation of participants should be clear (who, for what)
- Accountability**
 - Input received should be given proper hearing
 - Policy decisions need to refer to inputs provided
- Professionalism**
 - Required expertise is brought to bear
 - Communication/negotiation forums need to be well designed/facilitated
 - Sufficient time is needed (avoid rushing)
- Participation**
 - Key stakeholders need to be involved
 - LG associations need to be given proper role

gtz **Form follows Functions (1)**

- Basing the exercise on **functional assignment** rather than organizations
- That means making an inventory of functions/tasks, associated staff, assets and records for relevant organizations, and transferring these in accordance with functions shift

gtz **Form follows functions (2): when articulation is not full**

■ District level decentralized office ● P Samiti level integrated function/office
● P Samiti level decentralized office ● P Samiti function integrated into P Samiti

gtz **Sectoral Decentralization Lag: a common occurrence in decentralization**

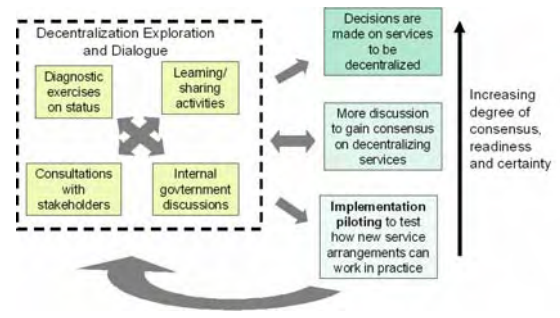
A country/state may have a relatively progressive foundation (constitution and Decentralization/Local Government Act), coexisting in some tension with CLMs that exhibit any number of the following :

- Differ in their understanding of decentralization terminology
- Knowingly or otherwise, have opted for deconcentration sometimes sold as "decentralization"
- Bypassing of LG – "direct to local institutions/the people" (e.g. capitation)
- Are tentative in undertaking innovation
 - some testing/piloting
 - mostly ad hoc accommodation to pressure groups/donors
- Maintain legal contradictions/fragmentation between the LGA and sectoral instrument of functional assignment and procurement rules
- Have not begun Ministry re-organization
- Do not have specific sector plans for decentralization
- No connection with an overall cross-sectoral plan
- Have not indicated how they will reconfigure vertical relationships
- Have a fragmented internal discourse/low engagement with stakeholders

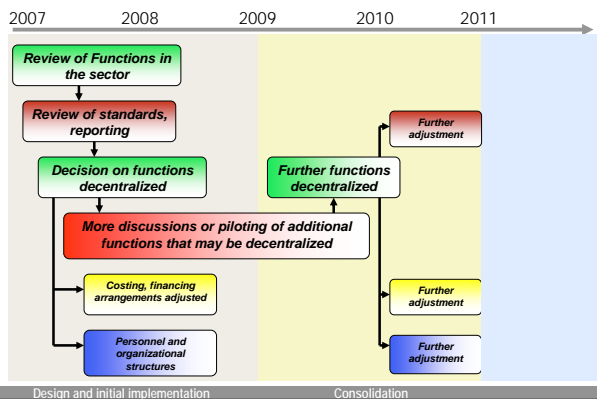
gtz Choices for CLMs to organize decentralization efforts

- **A focal point:** a person with overall responsibility to facilitate internal activities and be the technical link to other agencies and other stakeholders. The individual may be senior, in a deputy minister or secretary general role, or an advisory/staff position that requires technical and political expertise.
- **Existing ministry policy unit** that is established as a staff function and draws in part from line units for information and views on decentralization.
- **New decentralization policy group** that is established as a staff function and draws in part from line units for information and views
- **Sectoral stakeholder forum:** a formal or informal organization that brings together the CLM with relevant stakeholders. This may be preexisting and with a broad mandate, or may be new and focused on decentralization.

gtz One view of policy development and application



gtz What might be a realistic timeline and sequence for sectoral decentralization?



gtz International experience regarding the process of identifying sectoral functions for decentralization

Indonesia	Yemen	Ghana
Lead ministry had 2 years of engagement with CLMs in 1999 reforms; with additional 3 years after 2004 reforms to attain agreements with sectors; intensive dialogue and negotiation. Some LG, experts, and donor TA involvement. Some issues now resolved; have a list of obligatory functions with service standards, reporting is coming along, but effort to match financing still slow...	Lead ministry had little contact with CLMs after 2000 reforms. Only began to engage/support CLMs through donor TA (UNDP/UNCDF) in 2005, in context of preparing a country Decentralization Strategy. Some progress has been made, but process is ongoing as of 2007; 2 years at least , probably more to sort out standards, reporting and financing.	Lead Ministry had little contact with CLMs after 1993 reforms – unclear FA in the framework. 2007 effort is more intensive (visits to some CLMs) but is rushed and suffers from “organizational and personnel bias”. Donors are preoccupied with financing issues and are not supporting the FA process. Expected to be completed for 2008 implementation – not likely

To do it well (significant decentralization, consensus and preparation for consistent implementation) takes time; but if the analysis and negotiation is avoided, it is really only put off, with messy consequences down the road.

gtz Organizing for decentralization

Indonesia	Yemen	Cambodia
The Ministry of Health in Indonesia established a Decentralization Unit under the Secretary General, composed of several senior and mid-level officials with previous line and staff function experience. This unit undertook research and linked with the line managers.	In Yemen, several CLMs assigned one person to be the focal point for facilitating internal and external decentralization discussions. Research was done by line managers or consultants.	No special assignment or coordination mechanism was established within CLMs. The external pressures were handled ad hoc, and sporadic/isolated internal efforts have not connect to ministry wide policy.

Both the Indonesian (MoH Decentralization Unit) and Yemeni (focal point) models proved to have some success. Not assigning responsibility clearly (e.g. Cambodia) increases the danger that decentralization will stalls; leading to the Sector Decentralization Lag.

gtz Appendix

Examples of Functional Assignment Lists (to note formulation)

Legend:

- Mauve: sphere of jurisdiction
- Blue: action (generic management function) permitted
- Red: exceptions
- Green: reference to higher level relationship
- Orange: Prescriptive indicator

gtz Ontario municipalities (some examples of functions)

Mandatory health programs and services

Every board of health shall superintend, **provide** or ensure the provision of health programs and services in the following areas:

- Control of infectious diseases and reportable diseases, including provision of immunization services to children and adults.
- Family health, including,
 - i. counselling services,
 - ii. family planning services,
 - iii. health services to infants, pregnant women in high risk health categories and the elderly,
 - iv. preschool and school health services, including dental services,
 - v. tobacco use prevention programs, and

gtz Ontario municipalities (some examples of functions)

- Highways, including parking and traffic on highways.
- Transportation systems, **other than** highways.
- Waste management.
- Public utilities.
- Culture, parks, recreation and heritage.
- Drainage and flood control, **except** storm sewers.
- Structures, including fences and signs.
- Parking, **except** on highways.
- Animals.
- Economic development services.
- Business licensing

gtz South Africa (LG – example of functions “regulated” by province)

- Air pollution
- Building regulations
- Child care facilities
- Electricity and gas reticulation
- Firefighting services
- Local tourism
- Municipal airports
- Municipal planning
- Municipal health services
- Municipal public transport
- Pontoons, ferries, jetties, piers and harbours **excluding the regulation** of international and national shipping and matters related thereto
- Stormwater management systems in built-up areas
- Trading regulations

gtz South Africa (example of provincial functions)

- Abattoirs
- Ambulance services
- Archives **other than** national archives
- Libraries **other than** national libraries
- Liquor licences
- Museums **other than** national museums
- Provincial planning
- Provincial cultural matters
- Provincial recreation and amenities
- Provincial sport
- Provincial roads and traffic
- Veterinary services **excluding** regulation of the profession

Use of provincial is problematic

gtz German Laender – some concurrent functions

- promotion of agricultural production and forestry, securing the supply of food, the importation and exportation of agricultural and forestry products, deep-sea and coastal fishing, and preservation of the coasts;
- protection regarding the marketing of food, drink and tobacco, of necessities of life, fodder, agricultural and forest seeds and seedlings, and protection of plants against diseases and pests, as well as the protection of animals;
- ocean and coastal shipping, as well as sea marks, inland navigation, meteorological services, sea routes, and inland waterways used for general traffic;
- highways, railroads **which are not** railroads of the Federation, **except** mountain railroads;
- artificial insemination of humans, research on manipulations of genes, and regulations for transplantation of organs and living matter.

gtz Philippines – Municipality

- Extension and on-site research services and facilities related to agriculture and fishery activities which include dispersal of livestock and poultry, fingerlings, and other seeding materials for aquaculture...
- Implementation of community-based forestry projects which include integrated social forestry programs and similar projects; management and control of communal forests with an area not exceeding fifty (50) square kilometers; establishment of tree parks, greenbelts, and similar forest development projects;
- health services which include the implementation of programs and projects on primary health care, maternal and child care, and communicable and non-communicable disease control services; access to secondary and tertiary health services; purchase of medicines, medical supplies, and equipment needed to carry out the services herein enumerated;

gtz Philippines – Provinces (1)

- Agricultural **extension** and on-site **research** services and facilities which include the **prevention and control** of plant and animal pests and diseases; dairy farms, livestock markets, animal breeding stations, and artificial insemination centers; and **assistance** in the organization of farmers' and fishermen's cooperatives and other collective organizations, as well as the **transfer** of appropriate technology;
- Industrial **research** and development services, as well as the **transfer** of appropriate technology;
- Pursuant to national policies and subject to supervision, control and review of the DENR, **enforcement** of forestry laws **limited** to community-based forestry projects, pollution control law, small-scale mining law, and other laws on the **protection** of the environment; and mini-hydro electric projects for local purposes;
- health services which include hospitals and other tertiary health services;
- Social welfare services which include programs and projects on rebel returnees and evacuees; relief operations; and, population development services;

gtz Philippines – Provinces (2)

- Provincial buildings, provincial jails, freedom parks and other public assembly areas, and other similar facilities;
- Infrastructure facilities intended to service the needs of the residents of the province and which are funded out of provincial funds including, but not limited to, provincial roads and bridges; inter-municipal waterworks, drainage and sewerage, flood control, and irrigation systems; reclamation projects; and similar facilities;
- **Programs and projects** for low-cost housing and other mass dwellings, **except** those funded by ...
- Investment support services, including **access** to credit financing;
- **Upgrading and modernization** of tax information and collection services through the use of computer hardware and software and other means;
- Inter-municipal telecommunications services, **subject to national policy guidelines**; and
- Tourism **development and promotion programs**;

Use of term project or program adds little, and can lead to misunderstandings

gtz Yemen – Governorate and district

Governorate	District
	Education
Supervise over and control implementation of the public policies in the fields of education at the level of the governorate and follow-up the progress of the education process in the various study stages and provide the requirements of curricula, means and techniques. Determine the dates of the school time table at the level of the governorate... Supervise over the conducting of examinations of the basic education certificate and those of similar level in accordance with central directives. Founding, equipping, management and maintenance of technical and technological institutes and technical and vocational qualification and training centers; Higher Teacher Preparation Institutes.	Supervise over implementation of illiteracy eradication programs and encourage citizens to enrol in them. Application of the principle of compulsory basic education, execution of illiteracy eradication and adult education programs and care for school sports, artistic, scouting and cultural activities. Supervise over all educational affairs, follow-up progress of the government and private education process in the various stages. Grant permits to open private and national schools, institutes and education and training centers following approval of the applications by the Education Office in the government. Supervise over the application of school educational curricula and transfer examinations to be held on schedule. Founding, equipping, management and maintenance of Rote learning of the Holy Quran schools, basic and secondary education schools and the like; Illiteracy eradication and adult education centers, nurseries and kindergartens; School libraries and laboratories.

gtz Yemen – Governorate and district

Governorate	District
	Health
Supervise over and control implementation of national policy in the field of public health at the level of the governorate and follow-up the good management and operation of public health services. Consider and review requests submitted by districts, issue permits to pursue medical, health and pharmaceutical professions; permits to open private medical, health and pharmaceutical utilities. Founding, equipping, management and maintenance of general and specialist hospitals and health quarantine centers; public health centers and laboratories and the public medicines and medical inputs warehouses; health schools and institutes; rehabilitation centers for the disabled, the deaf and the dumb and the care centers for the orphans, elderly, aged and the blind.	Supervise over and monitor all health affairs, execute public health plans and programs and act for the development of health and medical services. Execute qualitative health education and inoculation programs and combat epidemic disease. Grant permits to pursue medical, health and pharmaceutical occupations; open private medical, health and pharmaceutical utilities and installations following approval of applications therefor by the Health Office in the governorate. Grant medical and inoculation certificates. Adopt primary measures to combat epidemics and contagious disease. Regular and sudden inspection of health, medical and pharmaceutical utilities and installations to verify availability of the conditions required for the pursuit of their work and activity. Founding, equipping, management and maintenance of Public health centers, mother and childcare and family planning centers Primary health care and rural health centers.

Welcome

Activity Mapping in India : A Study of Haryana

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CONTEXT

- A small sized north-western state of India located on a threshold National Capital Territory of Delhi.
- Major area of the state are fertile plains with low level of rainfall. Small parts are sub-mountainous or are having sandy dunes.
- A predominantly rural state with a rapid pace of urbanization.
- Having overwhelming Hindu population with small segments of Muslim & Sikhs
- Predominantly a caste based society where traditional caste institutions like Khap Panchayats (Clan Councils) remain strong
- Economically developed but culturally backward state having a neo-feudal political culture
- Service sector is general and IT sector in particular is developing fastly
- Green Revolution is petering out and agrarian crises is increasing
- A state having highly centralized political system with weak PRIs

Policy/Legal Basis for Activity Mapping

- Mandate of 73rd and 74th Amendments
- Haryana Panchayati Raj Act 1994
- Haryana Government Notification 1995
- Haryana Government Instructions 2000-2001
- Three Tier Structure
- Elections in 1994, 2000 & 2005
- Women having more than 1/3rd representation but lacking empowerment.
- SC having more than 1/5th share but lacking empowerment

PROCESS

- Recommendations of Round Table Conferences & Ramchandaran Committee.
- MOU between Union Minister of PR & CM of Haryana (August, 2005).
- Collaboration between Development & Panchayats Department and PRIA for the preparation of Document on Activity Mapping.
- Meeting of the Principal Secretaries convened by Chief Secretary.
- Seeking of views from the Departments for identification of activities, functions, functionaries and funds to be devolved
- Little role of PRIs in the preparation of Document on Activity Mapping
- It took 6 months to complete the process

Challenges Met

Pressures

- **Favourable**
 - Union Minister of Panchayati Raj
 - Planning Commission
 - Commitment of Chief Minister
- **Un-favourable**
 - Bureaucracy
 - Technocracy
 - MLAs

Quality of Inputs and Discussions

- Difficult to Assess

OUTCOMES

- Preparation of Document on Activity Mapping
- Listing of Activities, Functions, Functionaries and Funds of Ten Departments
- Release of Document on Activity Mapping by Union Minister of PR and CM of Haryana in February, 2006
- Letter of FCDP to the Principal Secretaries of the Ten Departments for issuing instructions to their officers at district, block and village levels
- **The Ground Experience**
 - Exists only on Paper
 - No Gazette Notification
 - Most of the Departmental Heads have not sent instructions
 - Ambiguity regarding Devolution of Powers
 - Dis-satisfaction among the representatives of ZPs and Panchayat Samitis.
 - Dis-satisfaction among the Panches in GPs.
 - Need for Capacity Building of Functionaries
 - Need for Healthy Interface
 - Need for Changing the Mindset
 - Need for Strengthening Gram Sabha
 - Need for Strengthening Committee System

THANKS

ACTIVITY MAPPING: *Search for a methodology*

Presented by

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Types of decentralization

- Deconcentration: Dispersal of decision making powers among the units of the government.
- Delegation: Transferring powers to bodies outside the government or to the units of the government.
- Devolution: *Transfer* of functions or sub- functions to other levels of government.

Activity mapping is an exercise that has to be done for devolution of functions /resources from the state government to the local government. When devolution is done, certain functions/sub-functions have to be withdrawn from the state government and transferred to the PRIs. They will have autonomy in discharging such functions.

Devolution is qualitatively different from deconcentration or delegation.

Critique of past exercises: West Bengal

- Not many states have done activity mapping. Even those who have done have adopted a wrong approach. One such approach, namely that of West Bengal, may be examined.

West Bengal Case Study

- Executive order containing the activity mapping issued in November 2005. The order is incomplete, since it required corresponding orders of the concerned line departments. These matching orders were not issued. Hence, the order remains inoperative till now.
- *Devolution* by executive order does not rest on sound principles of jurisprudence, since devolution cannot be equated with *delegation*.

West Bengal (Contd)

- No transfer of staff to the PRIs has taken place. There is a specific provision in the state's Panchayat Act empowering the state government to place the services of its staff at the disposal of the PRIs upon transfer of any function to them. But, this provision has not been invoked. For associating the concerned staff with the PRIs in the assigned activities, they are proposed to be given 'suitable ex-officio designation' only. This means functional devolution does not accompany devolution of human resources.

West Bengal (Contd)

- **The question of fund placement for performing the activities 'assigned' to the PRIs has been left at the discretion of the respective line departments.**
- **The order is silent on the on-going schemes. Apparently, they remain under the control of the line departments.**
- **The devolution scheme does not contain any provision for introducing a 'PRI component' in the state budget. The policy with regard to devolution of untied funds is also not clear.**
- **There is no provision for the transfer of management of the institutions like Health Sub Centre, PHC, Anganwadi centre, Veterinary centre, Primary schools etc, even though some activities related to them are assigned to the PRIs.**

West Bengal (contd)

- Activity mapping:
- The activities to be devolved seem to have been identified from the on-going schemes or certain specific activities of the line departments associated with such schemes, leaving little scope for the PRIs to make innovations based on local needs.
- This approach has in certain cases reduced the order on devolution into an exercise in absurdity. For example, some of the activities transferred include holding 'essay competition in schools', 'selection of venue' for organising workshop on Tagore songs, or 'celebration of Prani Saptaha'.
- Most of the activities relate to identification of individual beneficiaries of different activities, which in any case they are already doing.
- A set of activities relates to 'monitoring' and 'supervision'. In the absence of control over the line department staff and/or relevant local institution, such activities cannot be performed satisfactorily.

West Bengal (Contd)

- **A large number of activities are in the nature of implementing or rendering assistance in the implementation of departmental schemes. In that sense, these are agency functions, not devolution.**
- **In the case of activities of one department (Agriculture), the PRIs have been given only the 'right to be consulted', while the responsibility to discharge the activities rests with the line department officials.**
- **Among the activities assigned, PRIs seem to have exclusive jurisdiction only in respect of two major activities, namely, drinking water supply and maintenance of Health Sub Centres and PHCs. In others, their role seems to be confined to rendering assistance to the line departments.**

West Bengal (contd)

- **Except in the two areas mentioned, the PRIs will not have substantive responsibility on any sector even if the order on devolution comes into force. The order does not recognize the PRI's right to innovate suitable activities to realize the goals of a sector. At best, their role is to assist the line departments to execute their schemes and to discharge their routine activities.**
- **The order also seeks to control even the internal management system of the PRIs. Hence, the activities are given not to the panchayats, but to their different Standing committees. In fact, the whole list looks like 'job charts' of the Standing Committees.**
- **Despite contrary claims, one would search in vain application of the principle of subsidiarity in activity mapping. For example, gram panchayat has been given practically no role to manage the primary schools or anganwadi centres.**

Lessons from the past experiences

The case study of West Bengal and the experiences of some other states suggest that there is something wrong in the approaches to the exercises on activity Mapping, which have been attempted so far.

It would be worthwhile to look at these exercises analytically.

Lessons (Contd)

Mindset

- There is little understanding that
- Effective devolution entails a sharp departure from the entrenched local administration;
 - After devolution, PRIs will *substitute* the field units of the line departments in respect of the functions/activities devolved and will not act *in addition to* the departments in discharging the same activities;
 - PRIs are governments of local areas and as local government, they are not subordinate to the state government in respect of the devolved functions. In respect of agency functions, they are to be guided by the instructions issued by the higher level government, but in respect of devolved functions they should have full autonomy in taking decisions.

Lessons (Contd)

- Conceptual errors:
- In some cases the responsibility of executing some schemes *fully or some activities* within such schemes are proposed to be transferred to the LGIs. This is not devolution, but delegation.
- It is assumed that the PRIs are concerned only with the execution of plan schemes or utilization of plan funds. A major reason for decentralization is improvement of the quality of the services provided by the state. From that view, activities funded from the *non-plan budget* become more important. It is wrong to get obsessed with plan funds or plan schemes in considering allocation of responsibilities to the PRIs. The non-plan activities are seldom considered in conducting exercise on activity mapping

Lessons (Contd)

- Reference point of activity mapping is inevitably the line departments. It is forgotten that the same function may be handled by more than one department. For example, a service like primary health care may be delivered by the health department (eg management of PHC), Women and child welfare department (eg management of Anganwadi centre) and Public health engineering department (eg sanitation or RWS).
- The sole consideration of choosing candidates of decentralization should be improvement of service delivery. Hence a service should be the reference point, not the department that may be handling only a part of the total delivery system of that service.

Lessons (Contd)

Procedural error

- In most cases, activity mapping seeks to encompass all the 11th schedule items at one go. This is erroneous for several reasons.
- First, the question as to whether the PRIs have presently the required capacity to handle all the functions of diverse departments is not asked.
- Second, no thought is given to identify the services in respect of which the logic of decentralization is very strong from the point of view of improving the quality of service delivery. It is therefore necessary to prioritize the 11th schedule functions in order to choose most important candidates for decentralization.
- Third, it is necessary to identify the *core functions (or primary task)* of PRIs *in the present context* instead of dissipating their energy among large number of functions.
- Lastly, devolution requires support from the respective line departments. It is strategically easier to deal with fewer departments

Lessons (Contd)

- Violation of organizational principles

Responsibility and Authority go together. The activity maps generally talk about responsibility, but remain silent on the aspect of Authority. The term 'Authority' means:

- Autonomous decision making power;
- Financial resources (in untied form) to discharge the responsibilities;
- Human resources to execute the tasks involved in the discharge of responsibilities.

The activity map that does not give due consideration to these aspects becomes a product of a ritualistic exercise not intended to be translated into practice.

A rational approach to activity mapping

Steps to be followed

- Identification of sector in which the involvement of PRIs is *prima facie* considered essential (for example, school education, health care, water, sanitation, employment programmes, rural infrastructure, etc.). A sector refers to a collection of services, which individually and collectively lead to a certain outcome.

Steps (Contd)

- Disaggregation of a sector into a number of services (for example, within the health sector immunization, vector control, primary curative care etc are different kinds of services).
- Each individual service is composed of several activities. Activities are difficult to define, because they are sector-specific and within a broad activity (for example construction of a school building) there may be many sub activities (for example, engineering design, identifying the builder, procurement of materials, supervision of construction etc.) Depending on the characteristics of a sector and the purpose of the exercise, services require to be unbundled into activities.

Steps (Contd)

- In unbundling a service into activities, attention may be given to the following characteristics of activities.
 - Policy/design standards (for example, curriculum design, fixing standard of learning achievement).
 - Planning (for example, distribution of schools within an identified area)
 - Asset management: Exercising control over financial and human resources. Also creation of social capital.
 - Operation: (Purchase of materials and drugs for the PHC, recruitment and training of teachers, performance evaluation of teachers etc)
 - Monitoring and evaluation.

Steps (Contd)

- The final step is to assign activities between different levels of government (State government and different levels of panchayats). Which activity will go to which level has to be determined on the basis of the principle of subsidiarity. For this certain objective criteria have to be adopted.

Criteria of functional distribution

Economies of scale: Assign the activity to the higher level government if the unit cost of its delivery tends to be lower.

Externality: If the externalities (spill over effects of an action) spread beyond the jurisdiction of government at one level, it is better to assign the activity where the same can be internalized.

Equity: Policies on equity are better handled by higher level government.

Criteria (Contd)

- *Heterogeneity of demand:* Where correspondence between local conditions/preferences and the activities undertaken by the government is a necessary condition for improved service delivery, such activities should ideally be the responsibility of local government.
- *Unit of an activity and information needs:* Where the size of an activity is small (such as, monitoring attendance of teachers of a school) and where micro-level information is necessary for undertaking an activity (for example culvert over a village road), the same should be assigned to the appropriate LGI.
- *Community participation:* Where community participation is a necessary condition for obtaining desired outcome of an activity (eg Immunization), the same should be assigned to the LGI.

THANK YOU

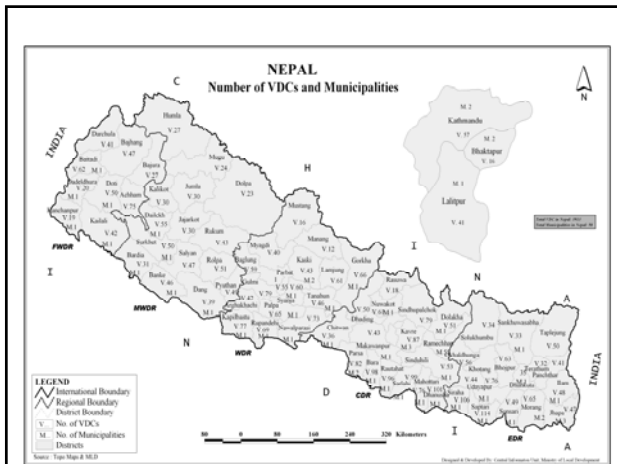
Activity Mapping and Functional Assignments Workshop

Nepalese Experience on Process and Outcomes of Expenditure Assignments

Paper presented at Himanchal Pradesh, India
4-6 December 2007

Ganga Datta Awasthi
Joint Secretary,
Ministry of Local Development,
Government of Nepal

**WELCOME
AND
NAMASTE**



The Context

- Nepal has adopted unitary system of state management up to now.
- Interim Constitution has envisioned and provisioned federal system of governance and indicated to restructure state accordingly
- The state restructuring commission will be formed to recommend the tiers on the basis of federalism.
- The recommendations will be adopted by constituent assembly (which will be formed after constituent assembly elections).

Main Provisions of Interim Constitution 2007

- Interim Constitution shows its commitment to decentralization by devolution
- To provide services at local level and institutionalize democracy from the local level
- The expenditure and revenue assignments between central government and local level institutions are provisioned to enhance local self governance capabilities.
- Local level institutions are accountable for the mobilization of means and resources so as to allocate resources equitably and in a balanced way

Policies and Legal Bases

- The interim three year plan has assured for the continuity of devolution process in other remaining sectors so as to ensure achievement of full devolution.
- The Local Self Governance Act, 1999 (LSGA), Local Self Governance Rules (LSGR) and Local Bodies Financial Administration Rules (LBFAR) are the main legal frameworks for decentralization via devolution.

Major Objectives of LSGA

- Providing responsibility and power to local bodies to formulate and carry out plans and strengthen capacity accordingly.
- To develop institutional capacity and local self-governance system to carry out all devolved roles and responsibilities.

Major Principles of LSGA

1. Devolve all powers, responsibilities, means and resources to make local bodies capable and efficient in local self-governance.
2. Devolution of powers to collect and mobilize such means and resources as are required to carry out the functions, duties, responsibilities and accountability conferred to the local bodies.
3. Local bodies oriented towards establishing civil society based on democratic process, transparent practice, public accountability and people's participation in carry out the devolved functions .
4. Encouraging the private sector for providing basic services.

Main Features of LSGA

- The act has provisioned for political, fiscal, administrative, quasi-judicial (yet to be operationalized) and market decentralization for which institutional arrangements have been made.
- Two tiers of local governments are prevailing, with clear delineating roles and responsibilities.
- The role of NGOs/civil society/private sector is also specified, policy of public private partnership adopted
- The non-government organizations (NGOs), community based organizations (CBOs) and user committees (UCs) are main partners of LGs at local level.

Institutional Arrangements and Major Actors

Central level

- Decentralization Implementation Monitoring Committee (DIMC) chaired by PM.
- Decentralization Implementation Monitoring Working Committee (DIMWC) chaired by Minister for MoLD.
- Local Body Fiscal Commission (LBFC)
- National Planning Commission
- Ministry of Finance, Sectoral Ministries
- Social Welfare Council, I/NGOs.
- Federation of Nepalese Chambers of Commerce and Industries (FNCCI)
- Seven Party Alliance
- Donors and development partners

Local Level

- District Development Committees (DDCs)
- Village Development Committees (VDCs) and Municipalities
- Civil Society/NGOs/INGOs/CBOs/UGs (User Groups)/Private sectors
- Sectoral line agencies- devolved/non-devolved
- Specified programs- targeted/ non-targeted
- Specified programs of the Government of Nepal and other programs supported by donors/development partners
- Local level political parties (District/Village/Municipal level)
- School management committees (SMCs), Health management committee (HMCs), Management boards

Devolution Process

Devolution in Nepal has adopted incremental approach and it needs regular dialogues (meetings, workshops, consultations) with the concerned stakeholders to devolve the functions.

- DIMC has clarified ambiguity regarding devolution in Nepalese context and approved Decentralization Implementation Plan (DIP) and suggested package devolution.
 - Functions, funds and functionaries
 - Capacity building (systems, procedures and guidelines and HRD)
 - Standardizations and norms setting
 - Monitoring/evaluation and feedback
- DIP has provisioned a clear roadmap and responsibilities matrix for devolution of activities
- A road map of Fiscal Decentralization approved by LBFC
- Expenditure Assignment study and Revenue Potential study carried out and recommendations of study adopted gradually.

Devolution Process...

- Formula based block grant allocation system in place for DDCs, (For municipalities/VDCs work is in progress) {HDI-50%, population 20%, Area 10%}
- Direct Blocks grant flow from Ministry of Finance (MOF) to LBs
- Revenue sharing system central- local ; local-local; adopted {water resources, land registration, forest, tourism, trekking}
- Local tax base and rates are required through regulation (LSGR/LBFAR)
- Revenue sharing committed at central level decides about mechanisms
- Local body's revenue recommendation committee (which includes private sector people) recommends revenue rates both at central local level

Devolution Process..

- Public private partnership committee guides about the provision of PPP.
- Joint committee at local level for the horizontal co-ordination and implementation of projects, sharing of resources/ conflict management.
- Sectoral Devolution Strategy report prepared with wide consultations both at central/local level.
- A sectoral devolution committee to follow up activities at National Planning Commission involving sectoral ministries.
- A monitoring follow up committee chaired by chief secretary specially for administrative and functional devolution.
- Manual for the evaluation of DDCs have been developed incorporating minimum conditions and performance measures MCPM indicators for all 75 districts. On that basis capacity gaps identified and incentive grant allocation system has been encouraged.

Outcomes

- Four sectors (Agriculture, Livestock, Basic and Primary Education, Primary Health and Local Infrastructure) devolved.
- Both conditional and unconditional grants channeled to the DDE to carry out the devolved tasks.
- Guidelines, manuals prepared and disseminated for implementation of devolved functions as well as trainings and orientations have been carried out.
- Integrated bottom up planning process adopted.
- Internal audit sections and district information and documentation centers for more transparency (maintained through social audit, public hearing) and accountability established.
- Computerized accounting system established
- Decentralization focal persons are in place in different ministries/NPC to follow up activities.
- MDPM established for performance evaluation of district development committees (DDCs)

Issues

- Conflict/post conflict influenced devolution process heavily
- No elected central/local representatives, seven party alliance both at central and local level
- Bureaucratic resistance for devolution
- True political commitment towards holistic devolution
- Capacity and autonomy of local bodies challenged
- Number/size/structures of LBs are inappropriate for viability
- Weak administrative mechanism, resources to response mounting expectations of the people
- Occasionally negative political influence/pressure promotes elite capture.
- Weak monitoring and reporting system

The Way Forward

- Strong political commitment toward holistic devolution
- An accountable political structure has to be in place as per constitutional provisions for interim period
- Strong civil society for oversight functions
- People's empowerment through social mobilization to create effective demand.
- Capacity of local government to response demand
- Inclusive mechanism at all levels for effective participation (women, dalit, ethnicity, OBC etc).

The Way Forward..

- Local governments has to gain a proper status and autonomy while restructuring the state.
- A separate local personnel service system with proper legal backing has to be established for effective management of devolved function.
- Adequacy and predictability of grant allocations has to be insured on the basis of total revenue or total budget expenditures.
- Computer based decentralized monitoring system has made to be functional and outcome based results has to be reported periodically.
- MDPM system for VDC and municipalities has to be initiated incorporating the lessons learned from the MCPM of DDCs.

THANK YOU ALL !

Functional assignment

case study Cambodia,

luc de meester,

Shimla, December 2007

Functional Assignment Case study Cambodia

Overview:

- introduction
- regulatory framework in Cambodia
- methodology
- application, current approach
- lessons learned

introduction

- Luc de Meester
- with gtz, since 20 years
- 15 years in policy advisory services on decentralization
- last 6 years in Cambodia, as team leader on project for Administration Reform and Decentralization, especially focus on Powers and Functions clarification between levels of government.

Cambodia: historical background

- since ancient times: no system of local (self)government, only top-down, centralistic, command system, without local accountability, only appointed heads of territorial units, such as provincial and district governors and commune chiefs.
 - much local abuse, with little possibility for redress
 - more war lord like situation or feudal-vassal system
 - decreased popularity for ruling party!
- late 1990's discussion start on local elections as part of the Paris peace agreement (1992), following the genocidal Khmer Rouge regime and the difficult situation afterwards (Vietnamese presence, ongoing civil war, etc).

historical background, cont.

- 1999: big national workshop (cabinet level) studying and discussing concepts and options
- 2000: cabinet level policy agreement to have councils, elected at local/commune level.
- 2001: Law passed on the Management and Administration of the Commune/Sangkats (LAMS/C). (Sangkats: urban commune).
- 2002: first direct commune elections
- 2002: as provided by the law: establishment of the NCSC: National Committee to Support the Commune/Sangkats (inter-ministerial level).

historical background, cont.

- Under the NCSC: sub-committee for powers and functions.
- 2002: sub-degree on the powers and functions of communes, basically repeating the provisions of the law without much more clarification.
- 2005: strategic policy framework for decentralization agreed designing the rest of sub-national government (prov/district).

historical background, cont.

- 2006: NCSC/S expired, NCDD established by royal decree (National Committee for to Manage Decentralization and Deconcentration Reform).
- 2007: second commune council elections
- 2006-7 drafting of laws on sub-national government at district and provincial level.
- first discussions within government and outside re. first draft as released.
- expectation (as announced): 2008 law to be passed, 2009 implementation to start.

conclusion historical background:

- decentralization in Cambodia still very young, still much evolving, still much unclear, both regulatory framework and implementation.

Regulatory framework

- constitution (1993): provides for 3 levels of sub-national and local government of provinces (24), district (181) and commune (1621), with 11000 villages being part of commune government.
- LAMC/S and commune election law
 - NCSC as per law; sub-committee on powers and functions;
 - provisions on powers and functions:

Regulatory framework, cont.

- commune/sangkat powers and functions:
 - enforce local order and security;
 - promote economic and social cultural development
 - manage natural resources
 - protect the environment
- law differentiates between devolved and delegated tasks;

Regulatory framework, cont.

- NCDD, since sept. 2007 also sub-committees, a.o. on powers and functions
- Draft law on sub-national government makes provisions for distribution of powers and functions at different levels, by:
 - providing mechanism (criteria) as well
 - institutional processes (consultation and mediation).

Methodology for Allocating Powers and functions

- first attempt to review powers and functions in 2001 (before project), after LAMC/S passed, with sector ministries, but no response, mostly because of lack of understanding and lack of awareness of relevance.

Methodology, cont.

- design and construct **database** on powers and functions (since 2002 till now, ongoing):
 - 10,000 entries (functions) so far,
 - includes all relevant laws and regulations,
 - based on priority areas of health, education, NRM, social affairs, etc.
 - nothing much on national defense, foreign affairs, palace affairs, etc.
 - differentiates governmental actions between:
 - interaction with “people” (regulations, services, etc).
 - internal operations and administration (bureaucracy)
 - interaction with different levels of (autonomous) government;
 - interaction with others (not of the above).

Methodology, cont.

- note (understanding):
 - people, being individual voters (electorate), but also their dependents (households), but also their institutions, such as private sectors companies, NGO, civil society, etc.
 - inter-governmental interactions, such as supervision and control, but also co-ordination, co-operation, joint financing and capacity developments, etc.

Methodology, cont.

- expert review:
 - check database if complete, accurate and up to date;
 - reality check, what's out there not the same as legal content of database;
 - collect views of different stakeholders;
 - provide recommendations, of shifts of powers and functions, based on assessment of above, with priority based on need and feasibility, etc.
- consultative process with representative stakeholders, introduce earlier work (database, expert work, etc). sectors covered; health, education, NREM (natural resources and environment management);

Methodology, cont.

- based on observation of lack of understanding: organized training courses, for relevant representatives from:
 - Ministries,
 - provincial and district authorities
 - commune councils,
 - others (limited)
- covered NREM and social sectors

Methodology, cont.

- as part of training, follow up: joint field studies on reality cases: discuss together.
- start participatory developing priority action plan on future steps.
- meanwhile NCDD sub-committee established as the main client of the earlier work, but not yet active;

Methodology, cont.

- side line: local initiatives (LI), whereas commune councils decisions are scanned doing things without having being asked for it. (thus outside the regular routine commune development cycle, which is biased towards rural infrastructure investments).
- examples:
 - regulating parking on busy streets;
 - managing operation of rural markets;
 - measures to limit or fight youth gangs and criminality (night curfew);

Methodology, cont.

- local initiatives: sometimes controversial, if illegal? sometimes not even clear if allowed or not=> case studies, with pro and contra advocates and bring to higher level for decision making.
- local initiative cases which are not controversial dissemination through media (radio, publications, meetings, etc), to spread the word.

Methodology, cont.

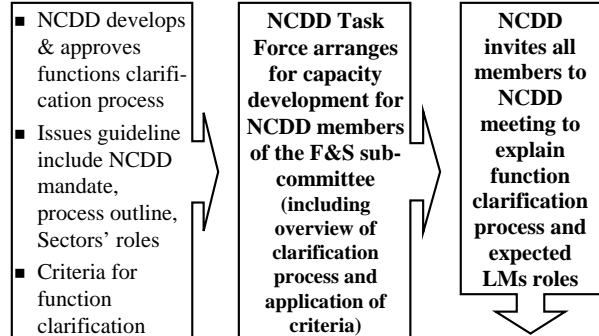
- Summary earlier major steps:
 - database
 - expert review
 - consultations
 - training (capacity development)
- New arrangements:
 - NCDD sub-committee on Powers and Functions

Methodology, cont.

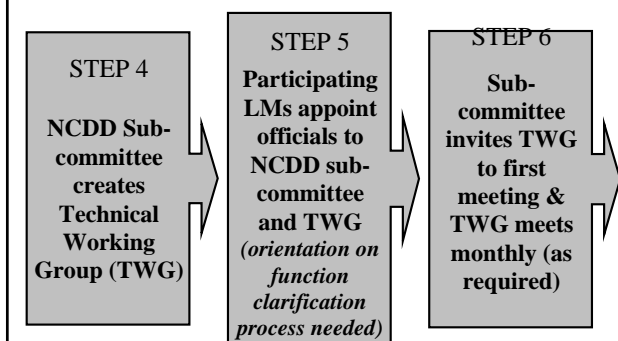
Actual approach in preparation:
 New attention and urgency felt because:

- of the new sub-committee of NCDD on powers and functions;
- and the anticipation of the new law of sub-national government.

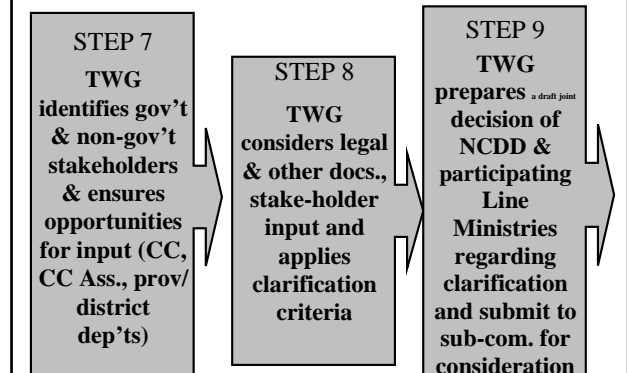
Clarification process: *Preparatory Steps*



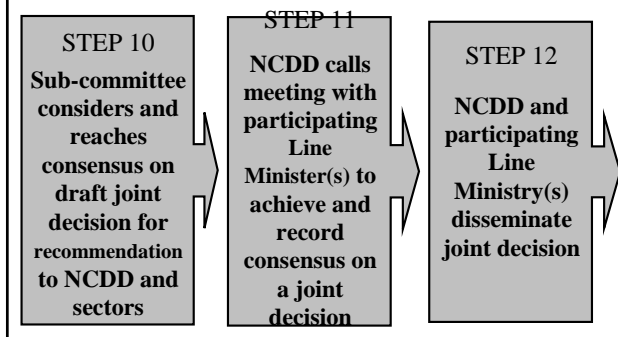
Clarification Steps (4-6)



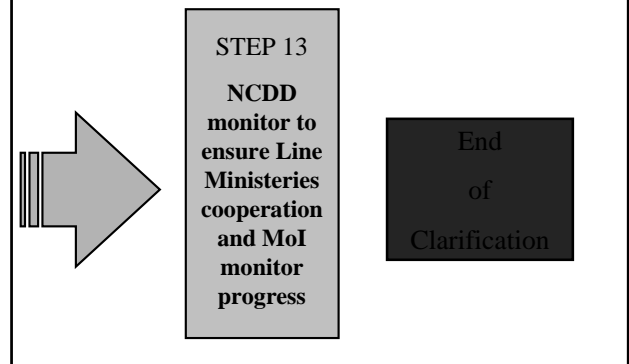
Clarification Steps (7-9)



Clarification Steps (10-12)



Clarification Steps (13)



Possible areas for GTZ support Preparation steps

- Support to design clarification criteria and processes
- Support to develop criteria for prioritizing functions /sectors
- Support to draft NCDD decision
- Support in designing and delivery of capacity development
- Support in developing meeting agenda and presentation to NCDD and LMs

Possible areas for GTZ support (Clarification steps)

- Support to apply criteria for prioritization of functions/sectors
- Provide technical assistant as requested
- Support to develop clarification orientation approach and prepare materials
- Support to follow up D&D Training focus on function clarification process and application of criteria

Support, cont.

- Support in identifying stakeholders and determining mechanisms for obtaining inputs
- Support in drafting clarification decision
- Support in designing monitoring process

lessons learned

- need for clear understanding and agreement on the definitions, concepts, etc... (in Cambodia still no final agreement on wordings like deconcentration, etc);
- all relevant stakeholders need to be involved
- agreement needed on degree of own decision making of different autonomous levels of government (careful for too much interventions, still proper control and supervision needed as well): strong decentralization only successful if accompanied with strong central authority.

lessons learned, cont.

- need for leadership (champion): people who understand the basic concepts, can move forward the agenda, who have the commitment, and the power to make it happen.
- Line Ministries (sectors) sometimes feel threatened, suspect power grab by Ministry of the Interior, and therefore resistant; Mol, however politically powerful, but isolated from others, needs to reach out.
- better start with win-win propositions, such as mobilizing commune councils to be involved with:
 - rural health centers maintenance and (non-medical) operations,
 - supporting the Education for All (Millennium Development Goal).

lessons learned, cont.

- need for sufficient capacity: relevant decision makers need understanding what it is all about, no quick fixes!!! Therefore heavy investment in Cambodia in training courses, if no appreciation exercise doomed to fail (unilateral imposition also not working!);
- also investing in supporting the drafting of laws and regulations to make sure legal framework helpful rather than counterproductive;
- delegation of tasks may sometimes be a temporary substitute for devolution, but risky.

lessons learned, cont.

- still not resolved, if better piloting and rolling out/scaling up, or all at once approach;
- also do not forget that everything is often related to everything else, thus need to be careful, and assess impact of shifts of powers and functions to different level, implications for financial arrangements, personnel, and impact on people (electorate wants better governance, better services!)

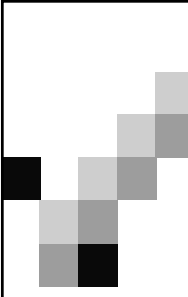
lessons learned, cont.

- need to have clear concept, with rules of engagement, conflict mediation mechanism, agreed upon by all players (joint buy in), dependent of course on constitutional arrangements, but not always necessarily higher level automatically being able to overrule lower level, but also better to avoid courts, only as last resort;
- powers and functions not only inventory such as database with specific list or general competence based on criteria, once and for all, but need for consultative mechanism in case of new developments, new situations, etc. and regular review.
- legal arrangements and reality often not in line.

lessons learned, cont.

- legal database approach: exposes weaknesses in the system: old laws still on the books (despite new constitution), sometimes laws contradicting each others, sometimes badly written, not helpful, lack of follow up legislation, also overlap between different ministries and possibly levels of government.

thank you for your attention



gtz

Do's and Don'ts in Activity Mapping - Lessons from Indonesian Efforts in Functional Assignment

GTZ – Capacity Building for PRI in Himachal Pradesh

Dr. Gabriele Ferrazzi
presented to
Workshop on Functional Assignment/Activity Mapping

Shimla, December 5, 2007

Dos and Don'ts in Activity Mapping (Panchasila?)

- Three good examples to follow
 1. Do make clear your architecture
 2. Do use criteria but aim for consensus
 3. Do organize well and seek intensive engagement
- Two bad approaches to avoid
 4. Do not rely on an omnibus legal instrument that stems from a Local Government Act
 5. Do not rush and tackle all sectors/functions simultaneously

1. Do make clear your architecture

- Indonesia has some clarity on the following:
 - Modes of decentralization that will apply to the regional government
 - Whether regional governments can use these modes as well toward lower levels (e.g. district can delegate functions to the village)
 - The level that is the "general purpose" local government (district)
 - Whether the regions must carry out certain functions, and the way this is ensured (minimum service standards for basic services)
 - A mechanism to add functions not listed (not thought of yet, or neglected), as a kind of right of initiative
- Where could Himachal Pradesh benefit from more clarity?
 - Difference between devolution and delegation (agency)?
 - Whether it is desirable to have a "general purpose" Panchayat level? Which could it be?
 - If a general purpose LG is selected, what would be the purpose/relationship with other levels?
 - If functions are devolved, how do State Departments ensure they are carried out well?

2. Do use criteria but aim for consensus

- Indonesia has used criteria to guide the assignment of functions, but it has tried to gain the agreement of sectoral departments and stakeholders rather than agonize over the proper application of the criteria
- How could Himachal Pradesh apply the criteria?
 - Is the GoI set suitable, or too sophisticated?
 - Do international lists offer an alternative set?
 - How important would the criteria be in the process? (compared to say, evidence from other states, intl. or stakeholder views of what is desirable; desire to establish a general purpose LG)

3. Do organize well for Activity Mapping and seek intensive engagement

- Indonesia has made strides by:
 - Organizing within the Ministry of Home Affairs to address functional assignment
 - Organizing within key sectoral departments to address decentralization
 - Holding intensive sectoral discussion (one on one with Ministry of Home Affairs - initially and at the decision point)
 - Increasingly better use of local (Indonesian) experts from Universities
 - Occasional use of donor Technical Assistance (GTZ) for facilitation and some inputs on the international experience
 - Involvement, though modest, of regional government associations and considerable involvement of selected regional government
- What could Himachal Pradesh do to prepare for AM?
 - Is understanding of Activity Mapping clear among all key departments?
 - Do political announcements indicate a clear commitment and approach?
 - Should sectoral departments be encouraged to "organize" in specific ways?
 - How far should participation go?

4. Do not rely on an omnibus legal instrument that stems from a Local Government Act

- Indonesia has hung on to a legal structure (law on regional government with an omnibus follow-up regulation setting out the functions of the central, provincial and district levels) that has caused:
 - A duality of legal streams, with the sectoral departments maintaining that their legal instruments trump the LGA stream
 - Conflicts where the LGA/regulation clashes with sectoral laws/regulations (e.g "lucrative" functions such as forest concessions)
- What short and long term legal framework strategy is suitable for Himachal Pradesh?
 - What legal instruments are required to initiate pilots (to offer protection)?
 - What legal instruments are required for scaling up of pilots?
 - Is it feasible to aim in the longer term for amended/new sectoral laws that speak to functions in the sector to reflect the consensus gained through the Activity Mapping exercise?
 - Is the alternative of sectoral Notification orders desirable/acceptable?
 - When would it be proper to amend/prepare sectoral laws? (degree of certainty, political consensus, critical mass of possible changes?)

5. Do not rush and tackle all sectors/functions simultaneously

- Indonesia has taken on a very complex effort (multi-sectoral, under time pressures) that has had some success but has also
 - outstripped its capacity,
 - resulted in unsatisfactory lists/constructions that
 - have not stood the test of time (now on third round since 1999)
- Himachal Pradesh should consider a more measured approach:
 - If there is a batch/staggered approach, which ones first? (most eager?, with reps in the village?)
 - What options do departments need to be given? (list functions immediately? Engage in discussions? Explore other experiences? Pilot new arrangements?)
 - How can key staff of departments be motivated to become involved and be the motor in their department's efforts? (study tours? Specialized courses in decentralization in Georgia State U., Harvard U., World Bank? Opportunities to share experiences with Indian colleagues?)
 - What range of timing is acceptable politically?

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Functional Assignment in Indonesia

GTZ – Capacity Building for PRI in Himachal Pradesh

Dr. Gabriele Ferrazzi
presented to
Workshop on Functional Assignment/Activity Mapping
Shimla, December 4-5, 2007

Content of presentation

- Country profile
 - Context for Functional Assignment
 - Evolution of architecture of functional assignment
 - Current Architecture
- Approach used in FA
- Continued challenges
- Key features of the Aceh approach

Context for Functional Assignment in Indonesia

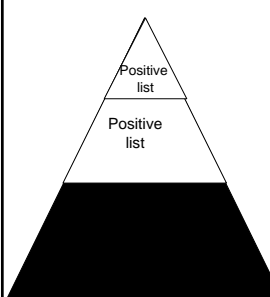
- Part of larger reform effort initiated post-1997/8 political-economic crisis
- Two waves of reform so far (another just starting)
 - 1999
 - 2004
 - (and another underway as of mid 2007 – scope and timing unclear)
- FA is set broadly in organic law for regional government
 - Central government
 - Province
 - District/cities
- Followed by omnibus government regulation (covers all sectors) providing detailed functions list (GR 25/2000, GR 38/2007, next one?)
- Followed by minimum service standards for basic services, and technical specifications for other obligatory functions
- Aceh, as a special region is now undertaking FA, with a more “federal approach”
 - Central government sets out what it is going to keep, then
 - Aceh works out on a sectoral basis how it will divide the rest between province and district/city (and lower levels)

Evolution of architecture of functional assignment (1975-2007)

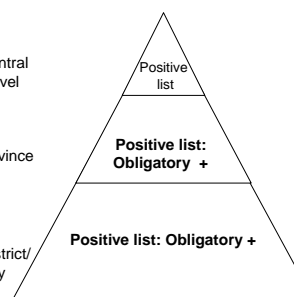
- Continuity seen in;
 - modes of decentralization used (though understanding varies)
 - Dual role of regional government head (province)
 - some degree of consultation (sectors, regional government, donor assistance)
 - Stress on district for provision of services (general purpose local government)
- Shift over time to:
 - Greater emphasis on indicating what must be done/achievement expected (obligatory functions and minimum service standards)
 - Testing radical general competence, and settling for an *ultra vires* construction but with large menu/greater specificity in assignment
 - Attention given to role of villages (in current revision especially)

Comparison of FA architecture in recent reforms

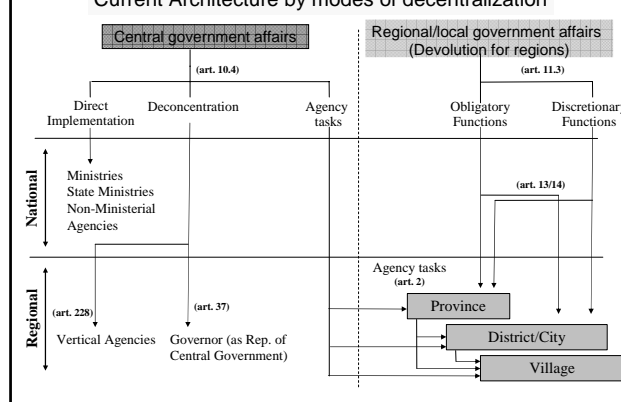
Law 22/1999 & Govt. Reg 25/2000



Law 32/2004 & Govt. Reg. 38/2007



Current Architecture by modes of decentralization



Criteria adopted for FA in 2004 revision

- **Externality:** understood as negative impact on adjoining regions (spill-over) – when significant, indicates higher level should take up the function.
- **Accountability:** not well explained, but has to do with the “psychological distance” between the function and the population/local government; favours giving function to the local level
- **Efficiency:** understood to mean largely the issue of economy of scale; when significant favours higher level.

In practice, not a very transparent (not recorded) process of application

Missing: **administrative capacity.** Especially as regions are being allowed to split, this will endanger the ability to carry out the uniform set of functions given to the district level.

Process of functional assignment (1)

- In preparing law UU 22/1999 and Govt. Reg 25/2000:
 - Was lead by the Ministry of Home Affairs who facilitated sectoral meeting and the legal drafts
 - Involved considerable consultation (one on one) with sectoral ministries
 - Covered all sectors/central organizations relevant to decentralization
 - Prepared a list of functions for the central government and provincial government, with “inspiration” from what deconcentrated units had been doing.
 - The district functions were not specified explicitly (residual), but a rough costing was obtained from what had been spent by the district previously and the cost of the budgets of the deconcentrated units; this was fed into a transfer mechanism (in other words, the functions were not costed individually)
 - Intensive sectoral discussion (one on one with Ministry of Home Affairs initially and at the decision point)
 - Few local (Indonesian) experts were used
 - Made liberal use of donor Technical Assistance (GTZ)
 - Was essentially closed to other stakeholders

Time frame for FA was about 18 months in 1999 reforms

Process of functional assignment (2)

- In preparing next wave of reforms/adjustment (Law 32/2004 and Govt. Reg 38/2007):
 - Function map already existed for CG and province (GR 25/2000); these were made more specific, with a few substantive changes
 - District functions were added explicitly
 - Covered all sectors/central organizations relevant to decentralization
 - Intensive sectoral discussion (one on one with Ministry of Home Affairs initially and at the decision point)
 - The list of district functions were not costed, but the transfers were increased in recognition of the burdens carried by the districts (but gap with functions still existed in many districts – in part due to lack of equalization)
 - Donors were sporadically used
 - Process was more opened to selected regional governments
 - Local government associations were sporadically consulted
 - Some Indonesian experts were used

Time frame for FA was 3 years in 2004 reforms

A recap of continued challenges

- Messy legal frame; lack of harmonization with sectoral instruments
- Some confusion on deconcentration/agency tasks (especially in relation to retained dual role of governor at provincial level)
- funding flowing through deconcentration to fund regional government functions,
- Unreformed central level structures,
- dual role of governor is a big headache for all to work with.
- Over elaborated/cumbersome lists of functions
- Sense of general competency seems lost – due to poor conceptualization of “discretionary functions”
- Still rather poor match between functions and financing
- Lack of adjustment mechanism for functions listed/not listed
- Lack of clarity on status of special autonomy regions;
- Lack of attention to village level

Some of the above are being given attention in the current revision effort – too early to characterize this effort, just underway – expected by some to lead to revision post-2009 election.

Key features of the Aceh approach

- Special autonomy; CG sets out functions it will retain;
- Rest is Aceh to configure internally (residual structure/general competence – though perhaps not intended to be so); will use existing “mapping” in GR 38/2007 as one guide
- National Minimum Service Standards will still apply.
- Considerable amount of funds as special autonomy region – no concern with matching for Aceh, but within Aceh (province-district) there is
- Organizations/staff regulations still tied to national system in some respects
- Aceh will set functions lists in separate sectoral Qanun (laws) of the province (one per sector)
- Process in each “sector” is consultative with districts and other stakeholders
- Donors (GTZ, CIDA) are assisting; focus of assistance is in health, education and economic development sectors
- To be completed over period 2007/2008



Implementing Round Table Resolutions on Functional Devolution

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1

Devolution: Present status

- The state Acts, except the one of Kerala, do not exhibit a definite scheme of effective and full devolution. The broad pattern is as follows.
- Large number of functions of panchayats are routinely listed in the state Acts, but they are expressed in very broad and vague terms (Such as primary education, promotion of fisheries etc). The line departments of the state governments also operate in the same areas, but specific activities under these broad functions to be undertaken by the PRIs are not spelt out.

2

Status (Contd)

- Functions often overlap between different tiers.
- The functions listed in the Acts are not taken seriously by anybody, as the assignment of functions is not matched by corresponding provisions of staff support and devolution of finances.
- Panchayats do not have any exclusive jurisdiction over any function or specific activities within the boundary of a broad function. In effect, the statutes only give them mere *permission* to work in certain fields, subject to such restrictions as may be imposed, while total responsibility for the discharge of such functions remain with the state government.

3

Status (Contd)

- In practice, panchayats are involved, by and large, only in agency functions, especially for centrally sponsored poverty alleviation schemes.
- Some state governments have transferred certain state schemes (e.g Karnataka) instead of specific activities.
- Except Kerala, no state has taken initiative in introducing decentralized area planning, despite constitutional mandate in this respect.
- Civic services (drinking water, sanitation, drainage, waste disposal, village roads etc) are only functions which are exclusive to the panchayats, as the state government's delivery system for them is either non-existent or very weak. Yet adequate resources are not provided to enable panchayats to deliver these services satisfactorily.

4

Round table recommendations

- PRIs are to function as institutions of local government, not as mere implementing agencies for other authorities.
- This implies that devolution should be *full and effective*.
- To identify activities related to a broad function of the 11th schedule that can be devolved to the PRIs of different tiers, following the principle of subsidiarity and avoiding overlapping of activities between different tiers.
- The devolution scheme should include the following.
 - Placement of state government staff attached to the devolved activities to the appropriate tiers of PRIs and such staff should remain fully responsible to and under the disciplinary control of the elected authority.

5

Recommendations (Contd)

- Devolution of finances. This implies (a) provisioning of adequate finances and (b) devolution of planning and budgeting functions in respect of devolved activities. For this the following steps have to be taken.
 - Inclusion of a PRI component in the budget of the state government based on the devolution of activities.
 - Provisioning of progressively larger untied funds by the state government from its own source and from the federal finance commission grants.
 - Encouraging PRIs to augment their own resources.

6

Response of the state governments

- Response of the state governments to the Round Table recommendations on devolution cannot be said to be encouraging.
- As of March 2006, only three states are reported to have completed activity mapping.
- Even in these states, the devolution schemes do not seem to be based upon the principles laid down by the Round Table.

7

Devolution in West Bengal

- Executive order containing the activity mapping issued in November 2005. The order is incomplete, since it required corresponding orders of the concerned line departments. These matching orders were not issued. Hence, the order remains inoperative till now.
- *Devolution* by executive order does not rest on sound principles of jurisprudence, since devolution cannot be equated with *delegation*. However for making transfer of functions to the PRIs by executive orders real and effective, the state's Panchayat Act made mandatory provisions for automatic transfer of necessary funds and personnel and automatic amendment of any subject law, if such law confers powers for the discharge of the transferred functions to any other authority. The order on devolution violates these statutory provisions.

8

West Bengal.....Contd....

- No transfer of staff to the PRIs has taken place. Despite the fact that there is a specific provision in the state's Panchayat Act empowering the state government to place the services of its staff at the disposal of the PRIs upon transfer of any function to them, this provision has not been invoked. For associating the concerned staff with the PRIs in the assigned activities, they are proposed to be given 'suitable ex-officio designation'.

9

West Bengal.....Contd....

- The question of fund placement for performing the activities 'assigned' to the PRIs has been left at the discretion of the respective line departments.
- The order is silent on the on-going schemes. Apparently, they remain under the control of the line departments.
- The devolution scheme does not contain any provision for introducing a 'PRI component' in the state budget. The policy with regard to devolution of untied funds is also not clear.
- There is no provision for the transfer of management of the institutions like Sub Centre, PHC, Anganwadi centre, Veterinary centre, Primary schools etc, even though some activities related to them are assigned to the PRIs.

10

West Bengal.....Contd....

- Activity mapping:
 - The activities to be devolved seem to have been identified from the on-going schemes and the specific activities of the line departments, leaving little scope for the PRIs to make innovations based on local needs.
 - This approach has in certain cases reduced the order on devolution into an exercise in absurdity. For example, some of the activities transferred include holding 'essay competition in schools', 'selection of venue' for organising workshop on Tagore songs, or 'celebration of Prani Saptaha'.
 - Most of the activities relate to identification of individual beneficiaries of different activities, which in any case they are already doing.
 - A set of activities relates to 'monitoring' and 'supervision'. In the absence of control over the line department staff and/or relevant local institution, such activities cannot be performed satisfactorily.

11

West Bengal.....Contd....

- A large number of activities are in the nature of implementing or rendering assistance in the implementation of departmental schemes. In that sense, these are agency functions, not devolution.
- In the case of activities of one department (Agriculture), the PRIs have been given only the 'right to be consulted', while the responsibility to discharge the activities rests with the line department officials.
- Among the activities assigned, PRIs seem to have exclusive jurisdiction only in respect of two major activities, namely, drinking water supply and maintenance of Sub Centres and PHCs. In others, their role seems to be confined to rendering assistance to the line departments.

12

West Bengal.....Contd....

- Except in the two areas mentioned, the PRIs will not have substantive responsibility on any sector even if the order on devolution comes into force. The order does not recognise the PRI's right to innovate suitable activities to realise the goals of a sector. At best, their role is to assist the line departments to execute their schemes and to discharge their routine activities.
- The order also seeks to control even the internal management system of the PRIs. Hence, the activities are given not to the panchayats, but to their different Standing Committees. In fact, the whole list looks like 'job charts' of the Standing Committees.
- Despite contrary claims, one would search in vain application of the principle of subsidiarity in activity mapping. For example, gram panchayat has been given practically no role to manage the primary schools or anganwadi centres.

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Problems of devolution

- Devolution scenario is not yet encouraging. The case study shows that even in a state like West Bengal, a pioneer in decentralisation in the country, full and effective devolution to the PRIs is not easy.
- Devolution is difficult for the following reasons.
 - Full and effective devolution entails sharp departure from an entrenched model of local development administration in which the bureaucracy responsible to the hierarchy of respective line departments monopolizes the entire spectrum of development activities. The existing power-holders perceive it as a threat and accordingly the political support for devolution is hard to find. The threat is however more imaginary than real.

14

Problems (Contd)

- ❖ From our pre-independence days, we have been used to look at our self-governing institutions as second fiddle to the local administration. They were there not to substitute any part of the bureaucratic district administration, but to work *in addition* to it and under its constant surveillance.
- ❖ This tradition continues and it is not easy to change the mindset that refuses to accept panchayat as the *government* of the local area. This makes the task of finding an *autonomous jurisdiction* for PRIs rather difficult. Till now, decentralization has been a gift from above. Strong demand from the grassroots to strengthen and empower the panchayats is not forthcoming. The issue has no priority in the agenda of any political party.
- The immutability of the existing structure of district administration is definitely a myth, but unfortunately this myth is crystallized. It will require a strong movement of the civil society to break this myth.

15

What is to be done?

- It will be futile to expect any drastic change overnight. Probably it would be worthwhile to take an incremental approach in respect of devolution, instead of trying to devolve all the 11th schedule functions/activities at a time.
- There are a few functions in respect of which there is now some kind of consensus on the need for decentralization, because the centralized delivery system of the state government is failing to do justice to the demands of such functions both in quantitative and qualitative terms. Two vital sectors in which such functions exist are health and elementary education.
- There are some functions for which the delivery system or budgetary allocations are either non-existent or very poor. These are provision of civic services and rural infrastructure like roads, small irrigation sources, markets etc.

16

What is to be done? (Contd)

- Again the massive poverty alleviation programmes that the state has undertaken cannot be implemented effectively, unless planning, implementation and monitoring of these programmes are substantially decentralized.
- Management of natural disaster like flood, cyclone, land slide or drought is another area in which decentralization may not be resisted forcefully by a line department.
Let attempts be made to devolve substantive activities in these sectors at the first stage. Here also there may be some resistance. But the logic of decentralization of the activities of these sectors is so strong that resistance may not be forceful.

To illustrate the point, let us look at a rather preliminary exercise in health sector decentralization.

17

What is to be done? (Contd)

Health

- As a part of the 'architectural correction of the health system', the National Rural Health Mission (2005-2012) aims at, among other things, decentralization of health management at the local level. For this, the Mission document seeks to give many responsibilities to the PRIs that include preparation of village health plan, management of sub centres, integration of health care services with drinking water supply, sanitation, improvement of personal hygiene and environmental cleanliness and nutrition. The Mission seeks to enhance the capacity of the PRIs, so that they own, control and manage health services at the local level.

18

What is to be done? (Contd)

- Backed by the support provided by this national document, it may be possible to mount strong advocacy for full devolution of the following activities of the health sector.
- Transfer of all the Sub Centres together with the staff and funds to the PRI for their management.
- Transfer of ICDS centres together with staff and funds to the PRIs for their management.
- Full responsibility for drinking water supply.
- Drainage and sanitary toilets
- Solid waste management
- Vector control
- Immunisation and health campaign
- Popularising smokeless chulla
- Birth registration.

19

What is to be done? (Contd)

- The example given in respect of health sector devolution is illustrative. Similar substantive activities in respect of other sectors, namely elementary education, disaster management, civic services and infrastructure and some poverty alleviation programme (like Employment guarantee scheme) may be identified.
- A little reflection will reveal that in respect of many of the activities that will qualify for devolution, the existing delivery system is either non-existent or very weak or ineffective.
- Full devolution of activities for which no delivery system exists will not be problematic. What will be necessary is staff support and funding.
- There are some activities for which the line departments have built up their delivery systems, but they are finding it extremely difficult to manage (Such as Sub Centres or Primary schools which are in large number and scattered over innumerable villages). The line departments may not be reluctant to make over such institutions retaining technical control. The concerned staff may however resist such move, which may be overcome without difficulty unless there are some political compulsions.

20

Summing up

- **Problems concerning the issue of devolution are enormous.**
- **Hence, it is worthwhile to take an incremental approach**
- **Start with those sectors (a) where the logic of decentralization is very strong, as the centralized delivery system of the state is failing to deliver and (b) where the existing delivery system is either non-existent or very weak.**
- **Once the PRIs acquire autonomous jurisdiction in these important development activities, it will be easier to bring other 11th schedule functions under the jurisdiction of the PRIs.**

21

THANK YOU

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