

Paul Hamlyn Foundation

Consultation on working with elected local bodies

25–26 February 2010, Jaipur



EXECUTIVE SUMMARY

We all see the increasing role of local level political institutions (*panchayats* and municipal bodies, also called Panchayati Raj Institutions or PRIs) in implementing development programmes in India. They are now critical to large government development schemes, and as elected bodies have a mandate for the development of their villages/towns. And yet, NGOs have had limited engagement with PRIs. Why is this? Do PRIs' role and mandate conflict with those of NGOs? Do we (NGOs) recognise the primacy of their (PRIs) mandate? Should NGOs engage with PRIs to bring about long-term change? Should NGOs be accountable to them? What are the difficulties that NGOs face in engaging with PRIs and vice versa? The purpose of this consultation is to discuss the issues and conflicts in working with PRIs.

A group of 25 people gathered together in Jaipur (Rajasthan) on 25th and 26th February 2010 for this. They included representatives from PHF's partner NGOs with an interest in the issue (16 NGOs across 8 states representing urban and rural areas), a guest speaker, and a PHF team consisting of consultants, advisers and staff. Participants had prepared a background paper outlining their organisations' experience in working with PRIs. The consultation began with a session in plenary in which the framework for discussions was decided. Four themes for discussion in sub-groups were outlined, with special focus on PESA and urban issues. The sub-groups were asked to present the key points made in their deliberations back to the participants along with one issue each for further discussion in the plenary.

Mr. TR Raghunandan, a civil servant with experience in the Ministry of Panchayati Raj that dealt with decentralisation and devolution of power from within the government, was the guest speaker. He provided a historical perspective to PRIs and then spoke about the salient features of the 73rd and 74th Amendments to the Indian Constitution that provided a constitutional status to them. He articulated the critical requirements for effective devolution of power and discussed the problems faced that have led to gaps between intent and implementation. He finally identified four 'game changers' for the future; the policy shift from doles to rights, the unique identification number project, galloping connectivity across the country and financial inclusion of the poor. His talk put the efforts of NGOs in engaging with PRIs into perspective.

The participants discussed the following themes in sub-groups –

- What is the appropriate role for NGOs in strengthening the relationship between citizens and PRIs? The key point made was that PRIs have capacity and competency issues relating to their responsibilities, and that NGOs can forge partnerships with them to enable them to cope.
- Do NGOs face a conflict in values in engaging with PRIs? There are basic differences between NGOs and PRIs, and these do lead to a conflict in values – an example is the perceived 'imposition' of transparency on PRIs. Ways to address the conflict were discussed.
- What are the capacities that NGOs need to develop to be relevant in a changing environment? This was also subsequently discussed in plenary.
- Why does independent organisations matter? How can NGOs enhance their independence? This too was subsequently discussed in plenary.

The following issues were discussed further in plenary –

- Independence: The key points made were that transparency, accountability and independence were complementary, and that accountability within NGOs needs to move beyond narrow formal definitions to encompass governance structures, values and behaviour.
- Capacity building of NGOs: The key points made were that NGOs need to have access to medium-and-long-term sources of financial support and that donors should understand the value of grants towards enabling NGOs to develop and towards building skills and capacity within NGOs.
- Autonomy of the *Gram Sabha*: The difficulties faced in devolution of power in PESA areas was discussed and related to the absence of a development paradigm for tribal communities in India.
- The (rapidly shrinking) space for social change: The effects of development thinking that focuses on the visible and the measurable were discussed. The point was made that work on neglected or unpopular issues, such as that of social justice, is finding less support. The need to formulate new thinking on the value of a social justice agenda and new tools to measure long-term social change was articulated.

The key learning for PHF from the consultation were identified as –

- PHF needs to increase support to work in smaller urban settlements.
- PHF needs to understand other factors that bring about change, such as technology and markets.
- NGOs will find social change harder to bring about in the future. Accountability is going to be a critical value. Encouraging this through capacity building, learning from each other, sharing of learning and peer assessment should play a greater part in PHF's agenda in India.

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FOREWORD

It is rare for Paul Hamlyn Foundation to host a meeting of its partners in India – in fact the only previous occasion was in March 2007. The reasons are several! Time is precious, especially for the heads of organisations that attend. Meetings are expensive (and the logistics are complicated), and we do like to use most of our funds for grants. And, last but not least, there does need to be something of particular importance to discuss. It is this last that has led us to call for this consultation.

We have all been witness to the increasing role, and the increasing importance, of local level political institutions (*panchayats* and municipal bodies) in India's development. They are now critical to large government development schemes, and have a mandate for the development of their villages/towns. And yet, NGOs working on development have had a limited engagement with these institutions. Why is this so? Do these institutions' role and mandate conflict with those of NGOs? Do we (NGOs) recognise the primacy of their (PRIs and municipal bodies) mandate? Is it necessary to engage with such institutions to bring about long-term change? If so, in what form should this engagement be? Should NGOs work with and/or through such institutions? Should NGOs be accountable to them? What are the difficulties that NGOs face in engaging with such institutions and vice versa?

As a grant-making organisation that has supported NGOs for social development in India since 1992, we are especially keen to get a perspective on the above questions. And our first source of information is the NGOs that we support, who grapple with these issues on the ground. And therefore, this consultation! In the process of meeting and sharing, we got access to a wide range of viewpoints and opinions, and some important perspectives. We hope that others did, too!

Many people worked hard to ensure that the consultation went smoothly, from within Aravali (our hosts) and PHF. Many thanks to them! And to the participants, who came from across the country. We would especially like to thank our guest speaker Mr. Raghunandan, whose talk on 'game-changers' in devolution became a game-changer for the consultation.

The purpose of this report is to act as a record for the consultation and to enable others with an interest in this issue to gain from the proceedings.

Robert Dufton
Ajit Chaudhuri
March 2010

SCOPING AND FRAMING THE CONSULTATION

After a round of initial introductions and a short sharing of the critical points made in the notes submitted by the participants, the group got around to scoping and framing the consultation. Buzz groups of two were formed to discuss between themselves a) the meaning of the term 'local political institution' (we have also used the terms Panchayati Raj Institutions or PRIs and panchayats for this) and b) the location of the community in relation to local political institutions. The groups were to return to the plenary and present an image that denoted their respective understanding of the relationship between local political institutions, the community, and NGOs.

The buzz groups had different interpretations of the above, and these were presented and discussed. Some of the important points made were –

The role of the government, panchayats and NGOs and their relative power vis-à-vis the community and each other were discussed and it was felt that the government was in the driver's seat in this relationship and that the community was a bystander within both governments and panchayats.

There were definition issues around NGOs as well, with differentiation between formal (legally registered, etc.) NGOs and informal community based organisations (CBOs) and community groups in their roles and responsibilities. There were similar differences between constitutionally mandated local institutions and people's representative organisations.

There is an urgent need to devolve functions to PRIs and also to provide PRIs with the necessary resources (finances, people, etc.) to undertake the functions effectively. Yet, there is little willingness on the part of political parties and the administration to actually devolve power to local political institutions, and there is a danger of PRIs being saddled with responsibilities without authority in the current arrangement.

In many areas, the administrative jurisdiction of a Panchayat is different from the natural form of habitation in rural areas and thus several clusters of the latter make up one of the former. This leads to artificiality, as the people within one panchayat don't have traditional relationships with each other.

There was also discussion around whether NGOs should set up village level bodies that act in parallel to PRIs, and whether this strengthens or weakens PRIs' ability to govern.

Sushma Iyengar (SI) summed up the discussion by saying that many NGOs work towards empowering people through working with and empowering Gram Sabhas and community organisations – this is natural to them. Few, however, work to empower elected panchayat leaders so that they perform their mandated functions efficiently and effectively. SI mentioned some of the difficulties NGOs face in engaging with PRIs, particularly that NGOs' work usually has an ideological basis whereas the functioning of PRIs is driven by practicalities. She also emphasised that PRIs do represent the aspirations of communities, and that they do have difficulty in delivering on these aspirations due to various issues. NGOs that work with communities should work with, and through, PRIs and enable them to deliver. SI appreciated that there were differing viewpoints on the ideal relationship between communities, PRIs and NGOs, especially with regard to responsibilities and resources, and stressed the need to recognise these differences.

After a short discussion on the points made by SI, Robert Dufton (RD) introduced the key themes for the consultation –

1. In strengthening the relationship between citizens and PRIs, what is the appropriate role for NGOs?
2. Do NGOs face value system issues and conflicts in working with PRIs?
3. Are there issues of sustainability for CBOs and NGOs in an environment in which PRIs have a predominant role? This was subsequently changed to – how do NGOs maintain their work in a changing environment? What capacities do NGOs need to develop?
4. Why do independent organisations matter? How can NGOs enhance their independence?

There was an initial discussion at the plenary on the issues. A point was made that it would be important to see the governance role of PRIs, and thereby not merely focus on their development role, while fleshing out the themes. Another point made by RD was that the discussants might want to reflect on the values of NGOs and not limit discussions to the values of PRIs.

The plenary decided that the participants would be divided into four groups, and that the first two themes would be discussed by two groups each – who would present three key points emerging from their discussions to the plenary at the end of Day 1. Two groups each would also discuss the second two themes on Day 2, with the participants dividing up so that they could cover general issues and issues specific to urban settlements and PESA areas. Each group were to present points made in their discussions, and identify one theme for further discussion in the plenary. This would be followed by a summary session by PHF and then by lunch and departure from the venue.

The plenary also decided to listen to the guest speaker, Mr. Raghunandan, in the afternoon of Day 1, before breaking into group discussions.

BRIEF DESCRIPTION OF Mr. RAGHUNANDAN'S TALK

Mr. T.R Raghunandan (TRR) is a senior IAS officer who has worked on the issue of devolution of power from within the government at both centre and state levels. He came to Jaipur to give the consultation participants an insider's perspective on decentralisation and devolution of power.

TRR began with a historical perspective. The concept of five respected elders providing direction to communities began in earlier times, and the concept of panchayats and sabhas continued with variations through the Moghal and British rules. The Indian freedom movement's initial request for self-government was subsequently changed to a demand for independence. Mahatma Gandhi's own view was that the entire edifice of Indian democracy should be based upon one popular election to the Village Panchayat and indirect elections from Panchayats to State Assemblies and from there to Parliament. Article 40 of the Constitution says 'the state shall endeavour to constitute Village Panchayats as institutions of local self-government'.

He then described the salient features of the 73rd and 74th Constitutional Amendment Acts of 1993 that provide a constitutional status for the Gram Sabha (an assembly of the community in rural areas) and prescribe a three-tier system of governance at the village, intermediate and district levels (two-tier in smaller states and single-tier in municipalities). These also ensure the reservation of seats and leadership positions for deprived communities and women, and require the holding of elections every five years. The financial share of the exchequer that is allocated to local governments is determined by State Finance Commissions that are to be set up every five years. Article 243 G describes the powers, authority and responsibilities of panchayats. The 11th Schedule lists the activities that fall within panchayats' purview and the 12th Schedule listing those within the municipalities'. Environmentally sensitive, resource rich or special areas fall within the 5th (selected areas in 9 states across north and central India) and 6th (in the north-eastern states) Schedules. Some areas, such as Jammu and Kashmir, Nagaland, the hill areas of Manipur and Darjeeling, come under other systems established through State laws. The specific provisions for Panchayati Raj in these areas comes under the Panchayat (Extension to Scheduled Areas) Act 1996 or PESA, in which the state gives primacy to tribal communities to manage their affairs in accordance with traditions and custom.

How is decentralisation perceived? Politicians have led all efforts at decentralisation and devolution of power. Yet, the political dividend is seen as short-lived in that visionaries of decentralisation usually do not gain political benefits from it. The executive generally resist attempts at decentralisation on the grounds of efficiency – they feel that it creates too many levels of decision making and leads to a 'democracy tax'. Civil society too is sceptical of the benefits of decentralisation, and there is a feeling that elite capture of PRIs hinders better targeting of benefits through them. Lack of data and an absence of good research prevent an in-depth examination of the economic arguments in favour of or against decentralisation.

TRR described the difference between real and not-so-real devolution as –

| REAL | NOT REAL |
|--|--|
| <ul style="list-style-type: none">• Clear role assignment• Power to spend money• Power to tax• Power to hire, fire and control staff• Discretion in spending• Direct accountability | <ul style="list-style-type: none">• Scheme-bound expenditure• Staff on deputation• Limited power to collect revenue• Someone else is acting for PRIs and is responsible for PRIs' performance |

He also described some of the deformities in the decentralisation process in India. The transfer of political, administrative and fiscal responsibilities to PRIs has not been achieved, and the formal strong legal framework as outlined in the Acts hides the reality of marginalisation. The failure of the Gram Sabha to ensure accountability has led to communities being unable to control PRIs, whose functioning is beset by patronage politics, insufficient attention to detail and poor decision making. TRR stressed on the need for role clarity as a pre-requisite for good decentralisation. He went on to talk about fiscal decentralisation, describing the provisions under Article 243 for collection of revenue directly, obtaining a share of the State and Central exchequers, and receiving funds for implementing schemes. Some of the concerns he raised were that PRIs' own revenues were low and they were dependent upon transfers from the state. These in turn are a) tied and conditional and b) subject to interception and diversion, especially to parallel structures. The slide no. 28 of TRR's presentation describes the flow of funds to PRIs.

An important problem is the establishment of parallel institutions to PRIs, from user groups to committees formed by government departments and multilateral institutions, that are created at sub-panchayat levels with no connection to the PRIs and to whom funds entitled to PRIs are diverted. NGOs too have been set up in competition to PRIs and are usually unwilling to work with them, despite a huge need for development of capacity in PRIs. TRR asked the following questions of these institutions –

- Are they sustainable?
- Are they incompatible with PRI systems?
- Are they competitors to PRIs?
- Are they free of the ills that bedevil PRIs?
- Are their mentors willing to move on?

TRR finally described four game-changers that would influence the future of decentralisation and, indeed, federalism. The first was the policy movement away from doles and towards rights and entitlements that began with the setting up of NREGA in 2005. The second is the unique identification number project that will enable direct and pinpoint cash transfers and ensure de-duplication of payments. The third is galloping connectivity through TVs and mobiles, and the fourth is the move towards financial inclusion that will enable banking facilities for everyone and opens the possibility of cash transactions through everyday devices.

The participants agreed that this was a 'game-changer' of a talk and that it brought a larger perspective to the issue of decentralisation and placed the role of NGOs within it. There were discussions around the following points –

Governments are limited by their fixed term and therefore have an interest in provisioning public goods that are tangible and achievable during this period. This is a reason that the social change space has been occupied by NGOs, and this is a reason that this space should not be abdicated.

There were concerns around the questions of whether decentralisation was a panacea towards effective service delivery and how much citizens' energies should be focussed upon demanding the state to meet its legal obligations.

There were questions on PRIs' power to tax and concerns on the influence of markets. TRR clarified that most states allow PRIs to impose taxes (Gujarat, Punjab and Rajasthan being exceptions) and that imposition of tax motivates Gram Sabhas to demand accountability and allows innovative local programmes to be financed. The increasing role of the market and direct fiscal transfers to beneficiaries were discussed in the context of the continued relevance of NGOs. Innovative programmes by the government, such as the state's identification of below poverty line families in partnership with NGOs, were described. Issues relating to the implementation of PESA and the increased expectations and aspirations after the 73rd Amendment were seen to be more than issues around collecting taxes and provisioning public goods.

GROUP DISCUSSIONS

THEME 1: CITIZENS AND PRIs – ROLE OF NGOs

The first theme was – what is the appropriate role of NGOs and CSOs in strengthening the relationship between citizens and PRIs?

The key points made by the two groups discussing this theme were –

Enable the forging of partnerships: NGOs that work with marginalised groups within communities can enable the forging of partnerships between PRIs and such groups. This includes the work of creating spaces for marginalised groups and panchayat leadership to interact and communicate.

Encourage the observation of rules: PRIs have pre-defined rules and procedures that are laid down through Acts and circulars, that enable better and more transparent functioning of the institutions. NGOs can create awareness on these rules and procedures, both with panchayat leaders and other people, and thereby enable improvement in the functioning and responsiveness of PRIs.

Support panchayats in planning and implementing: PRIs have a key role in planning and implementing development works within their respective jurisdictions. Most do not have adequate competencies to do this. NGOs can potentially support panchayats by providing skills and expertise in planning, targeting and implementing services and in building PRI capacity.

Enable voter awareness: Participation of the electorate in PRI processes and in selection of the right candidates to represent them is critical to the success of panchayati raj. NGOs can play an effective role in generating awareness within the community on the role of PRIs, the selection of suitable candidates, and the relevance of reservations.

Set an example: NGOs should be seen as setting standards in transparency, probity and effectiveness. Their own plans and activities should be of a level that enables engagement with PRIs in partnerships built on trust.

Encourage the functioning of sub-panchayat bodies: The institutions of panchayat sub-committees and *ward sabhas*, which are more decentralised and closer to people, can be encouraged so as to enable panchayats to be better deliberative forums. NGOs can work with PRIs to identify the right people for these institutions and to conduct participatory deliberations.

THEME 2: VALUES AND CONFLICTS

The second theme discussed by the participants was on whether PRIs and NGOs have conflicting values, and on what NGOs should do and not do.

Is there a conflict in value systems? In principle, no – both aim to serve the community, though in differing roles. Yet, there are clashes on basic issues.

The culture of transparency: Functionaries within PRIs place a low value on transparency, and this puts them into confrontation with NGOs' demands on rigorous social audits.

Majoritarian vs. voiceless: PRIs have a political mandate, and are put into place by a majority within their respective constituencies. NGOs, on the other hand, often represent marginalised voices within communities.

Sharing of power: PRIs in their current form are not designed to share power with parallel bodies such as NGOs and community groups.

The social change space: While PRIs seem to give voice and representational opportunities to hitherto marginalised sections of society such as scheduled castes, scheduled tribes and women, there is no effort at any direct attempt towards social change. Many NGOs work directly at making society more equitable and just, and this aspect of their work should not be given up or ceded to other actors.

What should NGOs do to bridge the conflict in values?

NGOs should be **transparent** themselves.

NGOs should play a critical **watchdog** role so as to ensure that PRIs are accountable to the communities they represent.

NGOs should respect the **autonomy and mandate** of PRIs.

NGOs need to recognise the **value of local representation and leadership**, and invest in **developing capacity and capability** of local people.

NGOs can **understand what is wrong instead of seeking out who is wrong**.

THEME 3: NGOs IN A CHANGING ENVIRONMENT: CAPACITIES REQUIRED

There was debate around the theme of sustainability, and subsequent agreement on a revision to a discussion on how NGOs can maintain their work in a changing environment in which PRIs have a larger role, and on the development of capacities to do so.

The points made by the discussants were –

There is a need to **influence the development discourse** in the country so as to enable the formulation of policies that address real issues of inequity and alienation. NGOs should develop the capacity to do this – by mixing implementation programmes with research, by interfacing more with each other, with academia, and with other actors in the civil society space, by enabling exchange, and by forming common platforms for advocacy.

Partnerships with PRIs are required at three levels. The first is to work with and develop the capacity of Presidents (who are endowed with most of the power within PRIs). The second is to support PRIs in planning and implementation by making available capacity, resources, skills and experience. The third is to enable PRIs to engage with the state and negotiate for effective devolution of power.

NGOs need to work through local community groups to act as a **pressure on PRIs** and as a force that enables performance and ensures a focus on equity.

NGOs also need to understand the interplay of markets, development policy and governance and to **ensure a social justice agenda** within these.

A group of participants focused on the theme within urban areas. The points made by this group were –

The extent of devolution of power to elected municipal bodies in urban areas is limited.

Elected ward committees have not been formed in most towns. **There is an urgent need for advocacy for more devolution.**

NGOs need to develop an understanding of the **structure and dynamics of municipalities**, and to build knowledge on decentralisation in urban areas. Here, the executive is more powerful than political representatives. NGOs working in urban areas need to develop strategies to influence the executive.

NGOs can use innovation as a means of moving from service delivery to influencing municipal bodies. Many towns have sufficient funds, and NGOs can use these to **set up innovative pilot interventions**.

Urban poverty issues are complex. NGOs have to be careful to deal with these only once they have sufficient presence and a good understanding of these issues as their own role, focus and mandate will be called into question.

THEME 4: INDEPENDENCE

The fourth theme for discussion was articulated as – why do independent organisations matter? How can NGOs enhance their independence?

The points made by the discussants were –

Independence and accountability are two sides of a coin. Accountability is to another party, not to oneself. PRIs are accountable to people (as voters) and to the state (from which they derive their powers). NGOs, however, are accountable to their governance structure and to the charity laws, and not to the communities who they work with/for. NGOs need to make additional efforts to be responsive to communities' needs in the absence of a formal structure of accountability.

There was also discussion on the Panchayat Extension to Scheduled Areas (PESA) Act that outlines the powers and responsibilities of PRIs in 5th and 6th Schedule (tribal) areas. Panchayats here are often artificial constructs that are not in synchronisation with traditional relationships and power structures, and tribal communities therefore exercise little ownership over PRIs in PESA areas. Problems of land alienation, resource extraction and usurious money-lending practices that come within PRI jurisdiction are therefore ineffectively and inadequately addressed. There is a need for study on the divergence of existing laws under PESA from practice, and for NGOs to support tribal communities to assert their rights under the Act. Tribal communities do come together for social and cultural events, and NGOs need to channel such energies towards a progressive social change agenda.

The participants identified the following issues for further discussion in the plenary –

- Independence
- Capacity building of NGOs
- Autonomy of the Gram Sabha
- Challenges of maintaining space for the social change role

DISCUSSIONS IN THE PLENARY

INDEPENDENCE

The discussion focused upon accountability of NGOs and the relationship between accountability and independence. The points made were –

The term ‘accountability’ is mostly interpreted in narrow formal terms, limiting it to finance and accounts. This is a great pity, because values and behaviour play a significant role in an institution’s accountability function and should have as much emphasis as formal accountability. A number of participants spoke of their organisations’ policy of sharing plans and strategies with communities and PRIs, resulting in greater cooperation and in the development of capacity among elected leaders. There was also a discussion around the caution that needs to be exercised while sharing strategies, as this can be counter-productive – more so in contexts in which PRIs and NGOs have different perspectives.

There was an opinion among the participants that transparency, accountability and independence are often but not always complementary and that there are NGOs that are transparent without being accountable. Others are independent without being accountable, and it is the fact that they do not seek accountability that enables them to be independent.

NGO governance structures have weakened over time, and for many reasons (including the donor climate). The value of a representative governance board for NGOs was debated and seen as positive – enabling deeper engagement with beneficiary communities, more so when members were chosen through correct selection procedures.

PRIs too need to be accountable to communities, and the systems to ensure this (especially between elections) are often by-passed. PRIs tend to resent the ‘imposition’ of accountability upon them by NGOs in the form of social audits and other procedures that are in fact written into law.

CAPACITY BUILDING OF NGOS

There was debate among the participants on the need to have a separate emphasis on building the capacity and capabilities of NGOs that was not a function of projects. The main points made were –

The main responsibility for delivering development programmes lies with the state and PRIs. Yet, NGOs continue to be relevant in these changing times as they have the ability to reach marginalised communities and areas and to work on issues that are more than the delivery of a service.

Financial support for NGOs has become difficult, possibly due to donors’ emphasis on the state and PRIs. Living from short-term project to short-term project has led to instability, to focus away from the long-term agenda and to bad practices.

It is important for NGOs to have access to medium-and-long-term sources of financial support. It is also important for donors to understand the value of grants that are specifically geared towards enabling NGOs to develop and towards building skills and capacity within NGOs.

AUTONOMY OF THE GRAM SABHA

The discussion focused upon the gap between the laws relating to devolution of power to PRIs and the actual happenings in practice on the ground, particularly in the PESA (scheduled) areas. The points made were –

PRIs have been endowed via PESA with powers and authority to function as institutions of self-government, with the right to plan, implement, monitor and regulate social development activities, enforce prohibition, prevent land alienation, manage village markets, regulate the collection of forest produce and control money-lending. The institution of Gram Sabha (GS) plays a critical role in the effective functioning of PRIs in scheduled areas. One reason for the gap is that, in practice, holding a genuine GS is difficult as the administrative jurisdictions of panchayats are not contiguous with traditional villages. People do not participate in a GS and quorums are not possible. People do meet collectively under traditional tribal councils, and there is a need to integrate these two levels to enable localised consultation and decision-making with a mandate from the state.

There is also an absence of a development paradigm for tribal communities. Adequate attention has not been paid to protecting their interests, and the lack of clarity in development policy and practice has led to widespread alienation. The state has tried to mainstream tribal communities instead of tribalising governance. An outcome of this policy is the significant and increasing presence of non-state actors in tribal dominated areas.

The executive needs to be responsive to issues that are brought up in panchayats through the GS. The current system ensures that all the authority remains with the state but the responsibility falls on elected representatives in PRIs, with PRIs taking the blame for unsuccessful programmes and schemes even if the main cause of failure is executive sloth. NGOs should undertake an advocacy effort to bring about a balance in the lines of authority and responsibility between communities, PRIs and the state.

THE (RAPIDLY SHRINKING) SPACE FOR SOCIAL CHANGE

The discussion focussed upon the importance of NGOs continuing with the work of bringing about social change in society. The points made were –

In earlier times, NGOs were provided funds for undertaking development activities. NGOs used these funds to work with communities, both to implement the project at hand and to add inputs around distributive justice and equity, which are critical to bringing about social change. The latter set of activities was taken up complementarily. In the current climate, with most funds for development being routed through panchayats, NGOs find it difficult to attract funds for the social change agenda on its own and this aspect of development is thus getting left out.

There is an increasing realisation within the development sector that PRIs are the key drivers of development in rural areas. NGOs are re-orienting themselves to work with and influence panchayats and to enable panchayats to work more effectively. In the process, they are losing their focus on organising people towards social change.

NGOs are increasingly taking up development projects that have visible, tangible, measurable processes and outcomes that are in line with the current thinking within the development sector. Work on unpopular and/or neglected issues, including social justice issues, is declining, as is the inclination and capacity to work on such issues.

There is need for new thinking on the value of a social justice agenda. This includes the need to develop tools to measure social change rather than trying to adapt instruments from the livelihoods enterprise paradigm. New strategies that match short-term requirements with long-term perspectives need to be developed. Intervention strategies can change over time, but a clear perspective on the importance of a social change agenda is required.

WHAT HAS PAUL HAMLYN FOUNDATION LEARNED?

Shankar Venkateshwaran (SV) and RD articulated PHF's learning from the consultation.

SV reviewed the deliberations and noted the following points –

PHF already recognises the need to work in urban areas, particularly in India's smaller towns. The discussions at the consultation highlighted the complexity of development issues in urban areas and in working with municipalities to whom powers have not adequately devolved. PHF needs to continue its urban focus on smaller towns, and to enable its NGO partners to take into account these issues in their work.

Dwindling support for a social change agenda is a challenge. What will this mean for donor agencies such as PHF in terms of programming and support? Both influencing public policy and building the capacity of NGOs need to be considered seriously as additions to the 'project' mode of support.

There are many rapidly changing externalities that affect the development sector. PRIs are just one of them – others include the market and technology. A series of dialogues towards understanding the impact of these changes and their influence on NGOs needs to be held.

There is limited knowledge and expertise available on PESA area issues. Working on these issues and advocating effectively for change is important, more so in the current context of widespread alienation. PHF needs to enable the building of a better understanding of PESA area issues among NGOs.

Accountability needs to be a core value among NGOs. PHF intuitively agrees with stakeholders being represented in NGOs' governance structures, and in the need for NGOs to enhance accountability in their governance and operations. PHF will think through its own role in supporting this aspect of development in an appropriate manner.

RD added that PHF is primarily a grant-maker and needs to move cautiously on matters that affect Indian development policy. He recalled Paul Hamlyn's background and recollected the motto 'enabling truth to power' that inspired him, emphasising that this is particularly challenging when working with an emerging government. He shared that PHF in the UK is working to develop tools to track social change and is considering financial support beyond the project cycle to enable tracking of change.

He suggested that PHF's India Programme could encourage sharing of experience and enable learning across NGOs, and felt that a system of peer assessments could be a good step towards this. He asked NGOs to cluster together in order to pool ideas and to develop evidence for social change. He also requested that NGO partners identify the activities for which it is most difficult to obtain financial support so that PHF could consider support.

Ajit Chaudhuri then closed the workshop by thanking the participants for their presence, for the quality of their participation, and for the diversity of their opinions that enabled healthy debate on this contemporary and relevant topic.

PAUL HAMLYN FOUNDATION – INDIA PROGRAMME

CONCEPT NOTE

CONSULTATION ON WORKING WITH ELECTED LOCAL BODIES 25th and 26th February, Jaipur

Background: Among the recent important directions in development in India is the increasing role of local level political institutions (*panchayats* and municipal bodies) in implementing development programmes. They are now critical to large government development schemes, and as elected bodies have a mandate to take responsibility for the development of their villages/towns. And yet, NGOs working on development have had a limited engagement with these institutions. Why is this so? Do these institutions' role and mandate conflict with those of NGOs? Do we (NGOs) recognise the primacy of their (PRIs and municipal bodies) mandate? Is it necessary to engage with such institutions to bring about long-term change? If so, in what form should this engagement be? Should NGOs work with and/or through such institutions? Should NGOs be accountable to them? What are the difficulties that NGOs face in engaging with such institutions and vice versa? We within PHF's India Programme are grappling with these issues. In keeping with our philosophy of learning from the NGOs and the work we support, we are calling for a consultation among selected NGO partners to discuss this.

Aim of the Consultation: To discuss the issues and conflicts arising from working with local level political institutions, specifically –

- What has been the partner NGOs' experience in working with locally elected bodies and other formally mandated institutions (such as VHSCs)?
- Should NGOs work with such institutions? Should NGOs be answerable to such institutions? If so, what are the factors that NGOs need to keep in mind to enable this?
- Do NGOs need to change to work successfully with such institutions?

Dates: Noon 25th to lunch 26th February 2010

Location: Gold Palace and Resorts, Kukas (on Delhi road), Jaipur

Suggested Format for the Meeting:

1. Introduction by Robert Dufon and Ajit Chaudhuri
2. Open Discussions
3. Group Discussions and Presentations
4. Guest Speaker

Tentative Timetable:

25th February

| | |
|--------------|--|
| 1200 to 1300 | Introduction |
| 1300 to 1400 | Lunch |
| 1400 to 1600 | Scoping the workshop and framing the discussions |
| 1600 to 1615 | Tea |
| 1615 to 1745 | Group Discussions – 1 |
| 1800 to 1900 | Guest Speaker |
| 2000 to 2200 | Dinner |

26th February

| | |
|--------------|---|
| 0900 to 1030 | Group Discussions – 2 |
| 1030 to 1045 | Tea |
| 1045 to 1215 | Open Discussions – 1 |
| 1215 to 1230 | Presentation by PHF on outcomes of the consultation |
| 1230 to 1245 | Closing remarks |
| 1245 to 1330 | Lunch |

Each participant should circulate a short (two pages max) note outlining

- Brief organisation background
- Experience in working with *panchayats* or local municipal bodies
- Key learnings from working with *panchayats* or local municipal bodies
- Specific issues that you would like the group of participants to discuss and provide feedback or an opinion on

LIST OF ACRONYMS

| | |
|-------|---|
| CBO | Community Based Organisation |
| CSO | Civil Society Organisation |
| GP | Gram Panchayat |
| GS | Gram Sabha |
| IAS | Indian Administrative Service |
| NGO | Non Government Organisation |
| NREGA | National Rural Employment Guarantee Act |
| NTFP | Non-Timber Forest Produce |
| PESA | Panchayats Extension to Scheduled Areas |
| PHF | Paul Hamlyn Foundation |
| PRI | Panchayati Raj Institution |
| RD | Robert Dufton |
| SI | Sushma Iyengar |
| SV | Shankar Venkateshwaran |
| TRR | TR Raghunandan |

PAUL HAMLYN FOUNDATION – INDIA PROGRAMME

CONSULTATION ON WORKING WITH *PANCHAYATS*

JAIPUR 25-26 FEBRUARY 2010

LIST OF PARTICIPANTS

- | | | |
|---|---|--|
| 1 | Dr. Sunil Kaul Tel: +91-3664-293802 Tel: +91-3664-293803 contact@theant.org | The Action Northeast Trust Udangsri Dera, Rowmari P.O Khagrabari, via Bongaigaon District Chirang (BTAD) Assam – 783380 |
| 2 | Mr Saroj Dash Tel: +91- 674- 2545250 rcdcbbr@bsnl.com | Regional Centre for Development Cooperation A – 68, 1 st Floor, Saheed Nagar Bhubaneswar, Orissa 751 007 |
| 3 | Mr. Harigovind Singh Tel: +91-512-2600220 Tel: +91-9415247602 aakendra@gmail.com | Arthik Anusandhan Kendra 2/130, T.B Sapru Road Allahabad Uttar Pradesh – 211 001 |
| 4 | Mr V K Madhavan Tel: +91-5942-285738 Tel: +91-9412085732 madhavan@chirag.org | CHIRAG Village Simayal P.O. Nathuwakhan District Nainital Uttarakhand - 263 158 |
| 5 | Mr Sanjeev Kumar Tel: +91-141-270-1941 Fax +91-141-271-0556 sanjeev@aravali.org.in | Aravali Patel Bhavan HCM-RIPA JLN Marg, Jaipur Rajasthan – 302 017 |
| 6 | Ms Deepa Bajaj Tel: +91-11-2784-4740 Tel: +91-11-2784-4182 csi_org@hotmail.com | Child Survival India Multi Purpose Community Center Village Kherakhurd Delhi - 110 082 |
| 7 | Mr Vikram Solanki Tel: +91-2832-230771-72 Mob. 09979916861 abhiyanad1@gmail.com | Kutch Nav Nirman Abhiyan C Katira Commercial Complex, Pramukhswami Nagar Mundra Relocation Site, Bhuj, Kutch – 370001, Gujarat |

- | | |
|--|---|
| <p>8 Ms Lata Sachde Tel: +91-2832-223340 panchayatkc@gmail.com</p> | <p>Kutch Mahila Vikas Sangathan 38B, Vijay Nagar, Bhuj Kutch District, Gujarat 370 001</p> |
| <p>9 Ms Meena Qureshi Tel: +91-763-6256591 Nari_utthanbhr@rediffmail.com</p> | <p>Baihar Nari Uthan Seva Mahila Mandal Compounder Tola, Ward no 65, Baihar, District Balaghat Madhya Pradesh Pin code: 481 111</p> |
| <p>10 Ms Parul Sheth Executive Director Tel: +91-278-2428560 Tel: +91-278-65545192 Tel: +91-9376428561 Shaishavad1@sancharnet.in parulsheth@rediffmail.com</p> | <p>Shaishav 601/B "Shanti Sadan" Opp. Shivshakti Hall Sir Patni Road Bhavnagar - 364 001 Gujarat www.shaishavchildrights.org</p> |
| <p>11 Ms Poonam Kathuria Executive Secretary Tel: +91-2754-281338 pswati@satyam.net.in www.swati.org.in</p> | <p>Society for Women's Action and Training Initiatives (SWATI) Samarthya, Plot no.65,66,67 GIDC – Estate, Surendranagar Road, Dhrangadhra 363 310 Gujarat</p> |
| <p>12 Ms Neeta Hardikar Tel: +91-2678-220226 info@anandiindia.net.in neethardikar@gmail.com www.anandiindia.net.in</p> | <p>Area Network and Development Initiatives (ANANDI) Parekh Sheri, Devgadhi Baria District Dahod Gujarat - 389 380</p> |
| <p>13 Mr Rajendra Joshi Tel: +91-79-26926604, 26929827 26929821 rajendra@saath.org www.saath.org</p> | <p>Saath Charitable Trust O/102 Nandanvan V Near Prerana Tirth Dehrasar Jodhpur Ahmedabad – 380 015 Gujarat</p> |
| <p>14 Ms Neelima Khetan Tel: +91-294-2451041, 2450947 info@sevamandir.org www.sevamandir.org</p> | <p>Seva Mandir Old Fatehpura Udaipur, Rajasthan Pin - 313 004</p> |

15 Mr Rangu Rao
Tel: +91-7271-275757
Tel: +91-7271-275550, 275500
core@samprag.org

Samaj Pragati Sahayog (SPS)
Bagli, District Dewas
Madhya Pradesh – 455 227

16 Mr T R Raghunandan
Guest Speaker
trraghu@yahoo.com

17 Mr Ajit Chaudhuri
Director – India, PHF
AChaudhuri@phf.org.uk

18 Mr Robert Dufton
Director, PHF
RDufton@phf.org.uk

19 Ms Skalzang Youdon
Administrator, PHF
syoudon@phf.org.uk

20 Mr Shankar Venkateswaran
Advisor, PHF
shankarvee@rediffmail.com

21 Ms Gazala Paul
Consultant PHF
gazala.apaul@gmail.com

22 Ms Sushma Iyengar
Advisor – PHF
sushma_iyengar@rediffmail.com

23 Ms Veena Lakhumalani
Consultant PHF
veenalakhumalani@gmail.com

24 Mr Adil Ali
Consultant, Documentation
Adil.ali@aank.in

CONSULTATION SCHEDULE

25TH FEBRUARY – beginning from 1200 hours

Introduction

Description of the participants' background papers

Lunch

Scoping and framing the consultation and identification of themes

Talk by Mr. TR Raghunandan

Group discussions – first round

Group presentations

Dinner for participants hosted by Aravali

26TH FEBRUARY – ending at 1400 hours

Recap and outlining the day's schedule

Group discussions – second round

Group presentations

Discussions in plenary

PHF's learning from the consultation

Vote of thanks

Lunch

