

# **Plan Performance of Municipal Corporations in Kerala**

**B. A. Prakash\***

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The 73<sup>rd</sup> and 74<sup>th</sup> amendments of the Constitution of India had given Constitutional status to Rural and Urban Local Governments (LGs) and assigned responsibility for preparation of plans for economic development and social justice. In Kerala the LGs consists of three tier Panchayats viz. Grama, Block and District; Municipalities and Municipal Corporations, began to implement development plans since 1995. In spite of the implementation of the plan for the last two decades, majority of them were not able to achieve a satisfactory performance due to a number of factors, so far. Poor plan performance on all fronts viz. plan formulation, execution, monitoring, achievement of physical and financial targets are the problems faced by LGs at present. In this paper an attempt is made to study plan performance of Municipal Corporations (MCs) based on a study of three MCs viz. Thiruvananthapuram, Kochi and Kozhikode. In order to explain the poor plan performance we present the following hypothesis “the major causes for the poor plan performance of MCs are irrational and irrelevant plan formulation guidelines giving too much emphasis for pre-project preparation activities, non-functioning working group, low priority for project preparation, delays in getting approvals, postponement of execution to later parts of the financial year, implementation of a large and unmanageable number of projects, projects giving undue importance to wards and neglecting overall development of MC, inadequate staff and bunching of plan expenditure to last-quarter or last month of the financial year”. The paper is divided into three parts viz. decentralized planning objectives and issues, guideline of plan formulation and plan performance of MCs.

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\* Chairman, Fifth State Finance Commission, Kerala.

Former Professor and Head, Department of Economics, University of Kerala.

## **I. Decentralized Planning: Objectives and Issues**

In this section we examine the concept of decentralization, the broad objectives of decentralized planning pursued during the last two decades and the major issues. Decentralized governance is a process, a meaningful march towards participatory democracy. The concept of decentralization is differently defined and understood. Administrative reorganization in the nature of ‘deconcentration’ or ‘delegation’ is sometimes described as decentralization. Deconcentration refers to the transfer of administrative authority from the higher levels of government to the lower ones in order to give more freedom to the latter in delivering services or producing public goods. Here the agents exercising deconcentrated or delegated power remain accountable to the higher authority and not to people directly, as the authority to take ultimate decisions rests with the former. Although a local government may take up an agency function or functions of a higher government it is not primarily an agent. According to a Committee, decentralized planning, decentralization is defined as the empowerment of the common people through the empowerment of the LGs (GoK, 2009).

In the context of empowering and building the capabilities of local governments five aspects are crucial in a federal system. 1). Autonomy with reference to assigned functions. 2). Fiscal decentralization is a logical corollary of functional devolution. It refers to the revenue raising powers that match expenditure responsibilities assigned and the arrangements made for efficient and equitable vertical and horizontal transfers. 3). Administrative autonomy. The local governments should have adequate administrative and engineering personnel to carry out the financial responsibilities they are mandated to perform. 4). A critical aspect of decentralization may be referred to as institutional decentralization. It is important that all major institutions that have a direct bearing on the functions devolved must be transferred to the appropriate level of government. 5). An aspect refers to responsiveness. Decentralization brings government closer to the people spatially and institutionally.

The broad objectives of decentralized planning pursued during the last two decades in Kerala are the following: (1).Promotion of local economic development by enhancing production and productivity of agriculture and allied sectors, traditional and small scale industries, with a focus on employment and poverty reduction. (2).Improving governance especially in terms of transparency, people’s participation and responsiveness. (3).Bringing about an organic relationship between transferred departments and LGs and bring in role clarity. (4).Achieving sustainable local level development through preservation of ecology,

environment and natural resources. (5).Achieve integrated area development. (6).Infrastructure development to achieve better quality of life for all (provision of housing, drinking water, electricity, better transport facilities, health services, clean environment for all, sanitation including solid waste management). (7).Improving the delivery of public services (hospitals, schools, anganwadis, etc.). (8).Improving the welfare of marginalized and vulnerable sections of people (Women, children, old aged people, SC/ST categories, traditional fishermen and those employed in traditional industries). (9). Achieve reduction in gender disparities.

The Fourth State Finance Commission (SFC) had examined the decentralized planning of LGs and identified certain serious issues in plan formulation and implementation. They are: (1) Tendency to divide the devolved funds ward-wise leading to relatively small projects being taken up. (2) Plans appear to emerge from negotiated priorities than from participatory situation analysis based on data and experience. (3) Working Groups and Technical Advisory Groups, the instruments of preparation of plans, are becoming perfunctory. (4) Planning and implementation of Special Component Plan (SCP) and Tribal Sub Plan (TSP) is far below the desired levels. (5) Although 10 percent of the general sector expenditure has to be spent as Women Component Plan (WCP), the realization of desirable outcome is poor. The planning and implementation of WCP is below expectations. (6) Significant improvement in the horizontal and vertical integration of plans is needed. (7) Poor record of service delivery in public institutions. (8) Focus continues to lie on local government level plan and annual plan. (9) No significant achievement in the production sector and local economic development sector. (10) Absence of effective system of quality assurance for concurrent monitoring. (11) Weak role of intermediate Panchayats. (12) District Planning Committees (DPC) still function as Committees with emphasis on project clearance of LGs.

## **II. Guidelines of Plan Formulation**

Kerala has 1200 LGs consists of 941 Grama Panchayats, 152 Block Panchayats, 14 District Panchayats, 87 Municipalities and 6 Municipal Corporations. A review of annual plan expenditure for 2014-15 of the LGs gives a dismal picture. During the financial year 2014-15, the total plan outlay of LGs was Rs 4700 crore. But the actual expenditure incurred was only Rs 3791 crore, i.e. 80 percent (Table 1). It is disturbing to note that the utilization of funds was very low in municipalities and municipal corporations. The MCs registered the lowest

plan expenditure, i.e. 58 percent of the outlay (Table 1). Though several reasons are there for the poor plan performance, a major reason for this was the large and unmanageable number of projects implemented by the LGs. The average number of projects executed by MCs was 1051 (Table 1). It may be pointed out that the urban LGs do not have the administrative machinery and staff to handle such a large number of projects.

**Table 1**  
**Plan Outlay & Expenditure of Local Governments in 2014-15**

Sl. No	Category	Total allocation (₹ in Cr)	Expenditure (₹ in Cr)	Percentage Expenditure	Average number of Projects per LGs
1	Grama Panchayats	2595.59	2095.47	80.73	116
2	Block Panchayats	622.99	566.63	90.95	49
3	District Panchayats	622.99	525.59	84.37	733
4	Municipalities	482.38	385.50	79.92	208
5	Municipal Corporation	376.05	217.94	57.96	1051
<b>Total</b>		<b>4700.00</b>	<b>3791.13</b>	<b>80.66</b>	<b>--</b>

*Source:* Government of Kerala (2016), Annual Plan Reviews 2014-15

A development plan comprises of a list of economically, financially and technologically feasible projects and schemes. Preparation of financially feasible and implementable type of project is the pre-condition of a good development plan. Plan should also be supported by adequate resources. Instead of following simple procedures taking into account of the manpower, administrative capacity and ground realities of LGs, elaborate procedures are prescribed by the State Government and State Planning Board from the inception of decentralized planning in Kerala since mid-1990s. Insisting on implementation of elaborate, time consuming and unnecessary procedures has resulted in exhausting a lot of time and effort of the LGs on initial activities of plan formulation process. Currently the elaborate procedures prescribed for the various stages of plan formulation and execution can be classified in to four phases. The first is a project identification phase in which appointment

of plan co-ordinator, constitution of working groups, stake holder consultations, discussion on project proposal, preparation of draft development plan, development seminar, plan outlay finalization and preparation of projects are done. The various steps in the project identification phase, the committees responsible for it and target dates for preparing plans for next financial year is shown in table 2.

**Table 2**  
**Project Identification Stage (Phase I)**

<b>Step</b>	<b>Committee/Group Responsible</b>	<b>Target dates for Plan preparation</b>
Appointment of Plan Co-ordinator, Constitution of Working Groups under Standing Committees	Council of LG	Before November 25
Preparation of Status Report	Standing Committees/Working Groups	-----
Stakeholder Consultations	Working Group/Standing Committees	-----
Discussion of project proposals/issues of development	Ward Sabha	Before December 15
Finalisation of Status Report and Project Proposals	Standing Committees/Working Groups	Before December 15
Preparation of Draft Development Plan/Annual Plan	Standing Committee for Development/Working Groups	-----
Development Seminar	Council of LGs, Development SC	Before December 15
Plan outlay finalisation	Council of LGs	Before December 30
Preparation of Projects	Working Groups	Before January 10

*Source: LSGD, 2016*

The urban LGs have to constitute nearly 17 working groups to prepare project proposals for the Plan (Table 3). Each group will be under the supervision of a standing committee of the MC. The concerned official, who is heading the department of the transferred institution or the officials of MC will act as Convener of the working group. For instance the Secretary of MC will act as the convener of the Accounts and Finance Working Group. In the case of agriculture and other sectors, a senior officer of Agriculture

Department, which is a transferred Department from State government, will act as the Convener.

**Table 3**  
**Constitution of Working groups in Municipal Corporations**

Sl. No	Supervisory Standing Committee	Name of working Group
1	Finance	1. Accounts and Finance
2	Development	2. Agriculture and allied sectors
		3. Animal Husbandry and Dairy development
		4. Small scale industry
		5. Fisheries
3	Welfare	6. Poverty alleviation
		7. Social Welfare
		8. Scheduled caste development
		9. Development of scheduled tribe
		10. Development of women and children
4	Health	11. Health sanitation
5	Education	12. Education, Art, Culture, Sports, Youth affairs
		13. Education, Sports, Entertainment, Youth affairs
6	Urban Planning	14. Art, Culture, Protection of monument, Urban beautification
7	Public Works	15. Public works
		16. Housing
		17. Drinking Water

Source: LSGD. 2016

The second phase of preparation of development plan is scrutiny and approval of projects by different authorities. In the first stage, projects prepared by the working groups are approved by the Standing Committee (Table 4). The projects were also scrutinized by a higher official (Chief Engineer, LSGD), in the case of construction projects, which were prepared by an engineer in the rank of superintending engineer of the MC. Again approval of the municipal council and district planning committee is also required. The projects also required the technical sanction from a higher officer other than the Municipal Officer/Engineer.

The third phase is the execution stage where the projects are awarded to contractors through a process of tender or awarded to a beneficiary committee. This involves tendering, finalization of tender, supervision of the work execution, verification of the completed work and payment of bills.

**Table 4**  
**Project Approval and Execution**

	<b>Step</b>	<b>Committee/Officer Responsible</b>
1	Approval of Projects (First Stage)	Standing Committee
2	Approval of projects by MC	Council
3	Approval of projects by DPC	District Planning Committee
4	Scrutiny, approval and Technical Sanction	Chief Engineer LSG Department
5	Project Execution – First Stage	Tendering/Identifying beneficiary Committee
6	Project Execution – Second Stage	Award of work to Contractor/ Beneficiary Committee
7	Execution of Work-Supervision	Designated Officer/Engineer
8	Completion of the work	Verification by designated officer
9	Payment of Bills	Implementing officer/finance officer

Source: LSGD. 2016

We may make the following observations about the Plan formulation procedures. Elaborate, time consuming and irrelevant plan formulation procedures are prescribed to identify the projects. At the same time adequate importance is not given to actual preparation, scrutiny, approval and issue of technical sanction of projects. As a result, the execution of the projects, especially engineering type of projects are delayed or executed at the last part of the financial year.

### **III. Plan Performance of Municipal Corporations**

Kerala has six Municipal Corporations. Of this the Kannur Municipality was upgraded as MC in November, 2015. In this study we have selected three MCs belonging to three regions of Kerala namely south, middle and north. The sample MCs are Thiruvananthapuram, Kochi

and Kozhikode. Data was collected from them based on a detailed interview schedule. We also had detailed discussions with the officials and office bearers responsible for the plan formulation and execution. The area, population, number of below poverty line (BPL) households and average annual own resources of the MCs are given in table 5. Among the sample MCs, Thiruvananthapuram MC was the largest in terms of area, number of wards and population. Kozhikode ranks second and Kochi, third.

**Table 5**  
**Area and Population of Sample Municipal Corporation (MC)**

<b>Sl. No</b>	<b>Name of MC</b>	<b>Number of Wards</b>	<b>Area (in Sq. Km)</b>	<b>Population (Number)</b>	<b>Number of BPL Households</b>	<b>Average own resources in Rs. lakh</b>
1	Thiruvananthapuram	100	215.86	966,856	61,845	8853.25
2	Kochi	74	94.88	602,046	63,568	9042.61
3	Kozhikode	75	118.59	608,503	27,602	4876.84

Source: Data supplied by MCs

We have already discussed the various phases in the preparation and execution of annual plans in the previous section. The first stage in plan formulation is appointment of plan co-ordinator, constitution of working groups, conducting stakeholder consultations, convening ward sabhas, preparation of draft development plan and organizing development seminars. As per the guidelines issued by the State government, the entire procedure should be completed within the month of November and December for the annual plan starting from April, next financial year (Table 2). Table 6 gives the date of appointment of plan co-ordinator, number of working groups, date of meeting of the working groups, date of stakeholder meeting, number of participants, date of ward sabha meetings and development seminar. The plan co-coordinators were appointed between December and January in the sample MCs. The number of working groups constituted ranged from 15 to 19. Though the plan guidelines suggest 17 working groups, Thiruvananthapuram MC constitute 19 working groups. Kochi and Kozhikode had 17 and 15 working groups respectively. It is reported by the MCs that working groups had met mostly during January and February 2014. Of the three MCs, all of them have conducted stakeholder meetings. Among the MCs, the participation in stakeholder meetings was very poor in Kozhikode. It was found that the role of the working



group in the plan formulation process was very little. In Thiruvananthapuram and Kozhikode MCs, they met only once. In Kochi, the working group met thrice. It seems that the MCs constituted the working groups simply to satisfy the formalities of plan formulation. Our discussions with the officials of the MCs show that the working groups had not contributed much in project preparation and providing inputs for project formulation. The MCs conducted one meeting with the stake holders. But the number of participants was very few in Kozhikode MC.

**Table 6**  
**Plan formulation process in 2014-15**

Sl. No	Item	Thiruvananthapuram	Kochi	Kozhikode
1	Date of Appointment of Plan Co-ordinator	Jan 1, 2014	Dec 7, 2013	Jan 28, 2014
2	No. of Working Groups	19	17	15
3	Date of Working Groups meeting	Jan 6, 2014	Jan 28, 2014 Feb 3, 2014 Apr 30, 2014	Jan 25, 2014
4	Date of Stake holders meeting (SHM)	Jan 23, 2014	Jan 28, 2014	Aug 8, 2012
5	No. Of persons participated (SHM)	141	113	17
6	Ward Sabha meeting (Month)	Jan-2014	Jan-2014	Jan-2014
7	Average no. of participants	237	71	80
8	Date of Development Seminar	Feb 4, 2014	Feb 3, 2014	Feb 6, 2014
9	No. of participants	1635	473	354

Source: Data supplied by MCs

All the MCs conducted ward sabha meeting consisting of the voters belonging to each ward of the MCs. The MCs reported that the ward sabhas were convened exclusively to discuss the annual plans. The average number of participants in the ward sabhas range between 71 and 80 in two MCs and 237 in one MC. The officials of MCs pointed out that the voters are not interested to participate in the ward sabha meetings. Most of the participants in ward sabha meetings are persons such as Kudumbashree workers, beneficiaries of housing and other schemes, the casual workers employed for cleaning work etc. It is pointed out that majority of the participants are women. Only a few persons such as retired people, teachers,

residents associations office bearers etc. are attending the ward sabhas. Due to this, serious discussion about the development issues, needs, type of projects required etc. are not taking place. Development seminar is visualized as a meeting place to discuss the overall development issues and plan projects of MCs. As it is a big meeting place of mostly local political leaders and followers, no serious discussion are taking place. Major part of the meeting is devoted for inaugural function and other formalities. The MCs told as that a lot of time and resources are being spent for completing the above procedures in the first stage of plan formulation. It is also pointed out that the MCs are not getting much benefit from the above exercise in identifying development issues, projects and formulating project proposals. Thus we have to conclude that the elaborate exercise conducted to satisfy the norms of plan formulation does not provide much inputs for project identification and preparation.

The second stage in plan formulation process is preparation of projects. According to the guidelines of plan formulation, the MCs have to prepare the entire projects of an annual plan between December 15 and January 10. A serious error in the plan guideline is the short period given for preparation of large number of projects. Due to this, no MC was able to prepare projects within the stipulated time. The date of approval of the annual plan consisting of a large number of projects and schemes was approved by the MCs between February and August (Table 7). Kozhikode MC approved the plan in February 27, 2014. While in other MCs viz. Kochi and Thiruvananthapuram the date of approval was July 11, 2014 and August 11, 2014 respectively. The District Planning Committee (DPC) gave the approval of the annual plan in July and August. In the case of a number of projects, the detailed projects are prepared only after the approval of the annual plan by the DPC.

**Table 7**  
**Approval of Projects and Annual Plan of 2014-15 in Municipal Corporations**

Sl. No	Items	Thiruvananthapuram	Kochi	Kozhikode
1	Date of Approval of Annual Plan by Municipal Council	Aug 11, 2014	Jul 11, 2014	Feb 27, 2014
2	Date of Approval by DPC	Aug 22, 2014	Jul 17, 2014	Jul 31, 2014
3	Months in which execution of project started	NA	Jul-2014 to Jan-2015	Jul-2014
4	Total No. of projects	1161	825	678
5	Projects executed by contractors	NA	793	84
6	Percentage executed by contractors	NA	96.12	12.39

Source: Data supplied by MCs

Besides this, technical sanction from the competent authority is also required for implementing the projects. The projects especially engineering type of projects are prepared by the engineers of the MC. In all the MCs, the engineering wing is headed by the Superintending engineer. Hence for scrutiny and approval of engineering projects should be sent to the Chief engineer, Local Self Government Department (LSGD). Similarly the technical sanction for execution will have to be accorded by the Chief Engineer, LSGD. For getting these approvals, a lot of time is required. Hence the actual execution of projects started only in July i.e. from the second quarter of the financial year. In Kochi MC, it is reported that the execution of a good number of projects were started since January 2015, the last quarter of the financial year. We do not know the position of Thiruvananthapuram MC, since they have not provided the information.

The root cause of the poor plan performance of MCs is the execution of a large number of projects; which is beyond the administrative capacity of MCs. During the year 2014-15, the number of projects implemented in the sample MCs ranged between 678 and 1161 (Table 8). Instead of having medium type projects, the MC formulates large number of small, very small and tiny projects. The general practice followed in MCs is to share the total plan outlay ward wise. The councilors want to have a large number of small projects and not interested to have medium or bigger projects. Here the concept is for giving emphasis on ward level activities and ignoring the overall development requirement of the MC. The projects are prepared by the officers and engineers of the MC as well as those belonging to transferred institutions. As the MC has to prepare a large number of projects with limited staff, there is also delay in project formulation.

We have examined number of projects implemented, completed and percentage of completion to total outlay of the sample MCs for three years. Table 8 gives the details of projects implemented and completed during the years 2012-13, 2013-14 and 2014-15. Thiruvananthapuram MC has been implementing large number of projects beyond their administrative capacity. As a result they were able to complete only a portion of the projects and rest of them became spillover projects. During the year 2012-13 only 21 percent of the projects were completed. The completion rate was 39 percent in 2013-14 and 22 percent in 2014-15. Due to the poor execution of projects in the annual plan, percentage of plan expenditure was very low.

**Table 8**  
**Number of Projects Implemented and Completed**

Source: Data supplied by MCs

<b>I</b>	<b>Thiruvananthapuram</b>	2012-13	2013-14	2014-15
1.	Number of projects implemented	971	998	1161
2.	Number of projects completed	201	387	258
3.	Percentage of completion	20.70	38.78	22.23
<b>II</b>	<b>Kochi</b>			
1.	Number of projects implemented	621	816	825
2.	Number of projects completed	243	488	552
3.	Percentage of completion	39.13	59.80	66.91
<b>III</b>	<b>Kozhikode</b>			
1.	Number of projects implemented	445	555	678
2.	Number of projects completed	267	322	401
3.	Percentage of completion	60.00	58.02	59.14

Source: Data supplied by MCs

In Kochi MC, the situation is not different. The MC has been implementing a large number of projects beyond their administrative capacity. The completion rate of the projects were also poor. But compared to other sample MCs, Kochi achieved a higher completion rate in 2014-15. Kozhikode MC has a lower number of projects compared to other MCs. But the completion rate is poor. Thus the evidence suggests that all the three sample MCs have been implementing large number of projects beyond their capacity resulting in high rate of non-completed projects or spill over projects.

Spillover project is an uncompleted project of a financial year, which is postponed to next financial year for execution and completion. Table 9 gives the number of spill over projects and its share to total projects implemented. It is disturbing to note that the share of spillover projects are very high in Thiruvananthapuram MC, the share of spill over projects to total projects was 96 percent in 2013-14. In the other two years it was about 60 percent. In

Kochi MC the spillover projects accounts for 37 to 46 percent of the total projects. In Kozhikode MC, the situation is grave. The number of spill over projects exceeded the total projects in two years. This is a very serious thing which needs the attention of MCs in Kerala.

**Table 9**  
**Number of Spillover Projects**

MC	Number of Spill over projects			Percentage to total projects implemented		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Thiruvananthapuram	592	955	702	60.97	95.69	60.47
Kochi	232	378	328	37.36	46.32	39.76
Kozhikode	535	693	497	120.22	124.86	73.30

Source: Data supplied by MCs

We may also examine the achievement of financial targets. Percentage of plan expenditure can be taken as an indicator of the achievement of financial targets. Table 10 gives the percentage of plan expenditure to total outlay for three years from 2012-13 to 2014-15.

**Table 10**  
**Percentage of Fund Utilisation (Plan + Maintenance) in Municipal Corporations**

Sl. No	Name of Municipal Corporation	2012-13	2013-14	2014-15
1	Thiruvananthapuram	75.52	64.88	45.62
2	Kochi	60.54	67.58	67.67
3	Kozhikode	47.00	45.00	52.00

Source: Data supplied by MCs

In Thiruvananthapuram MC, the percentage of plan expenditure witnessed a steady decline. It fell from 75 percent in 2012-13 to 46 percent in 2014-15. In Kochi MC, the percentage of plan utilization maintained almost a steady level and ranged between 60 percent and 68 percent during the three years. The situation is not better in Kozhikode MC. The percentage of plan expenditure ranged between 45 percent and 52 percent during the three years. These figures indicate a dismal picture about the financial achievement of plan targets. And we feel that completing the execution of projects within the financial year and increasing the percentage of plan utilization are the crucial issues to be addressed by the MCs.

An unhealthy practice of plan spending in MCs is a bunching of expenditure towards the last quarter or the last month of the financial year. In order to examine this aspect, we

have collected data about the quarter wise plan spending. Table 11 gives the quarter wise plan spending of MCs.

**Table 11**  
**Plan Expenditure: Quarter wise in 2014-2015 in Municipal Corporations**

Sl. No.	Name of Municipal Corporation	Amount Spent (₹ lakhs)				
		1 <sup>st</sup> quarter (April-June)	2 <sup>nd</sup> quarter (July-Sept)	3 <sup>rd</sup> quarter (Oct-Dec)	4 <sup>th</sup> quarter (Jan-March)	Total
1	Thiruvananthapuram	365.95	1264.99	2569.65	7382.07	11582.68
2	Kochi	412.52	1096.88	2706.95	5995.23	10211.59
3	Kozhikode	0	905.52	1883.46	5319.27	8108.26
	<b>Total</b>	<b>778.47</b>	<b>3267.40</b>	<b>7160.07</b>	<b>18696.59</b>	<b>29,902.53</b>
		Percentage				
1	Thiruvananthapuram	3.16	10.92	22.19	63.73	100
2	Kochi	4.04	10.74	26.51	58.71	100
3	Kozhikode	0.00	11.17	23.23	65.60	100
	<b>Total</b>	<b>2.60</b>	<b>10.93</b>	<b>23.94</b>	<b>62.53</b>	<b>100</b>

Source: Data supplied by MCs

In the MCs, the plan spending in the first quarter was very small or nil. There is some progress in the plan spending during the second quarter and the spending ranges to about 11 percent of the total expenditure. Nearly one fourth of the spending of MCs was done during the third quarter of the financial year. It is likely that the expenditure shown the first three quarters are mainly that of spillover projects of the previous years. The quarter wise spending of MCs shows that 59 to 66 percent of the total expenditure was spent during the last quarter of the financial year. A major issue in plan performance is the spending of major share of plan expenditure to the last quarter of the financial year.

We have also attempted an examination of month wise plan spending of the MCs. Table 12 gives the month wise total plan expenditure of the three MCs for the financial year 2014-15. A general trend noticed in all the three MCs is that the plan expenditure is very meagre or nil in the first three quarters. The second quarter also witness very small share of plan expenditure. The MCs spent a share of 22 to 27 percent of the plan expenditure in the third quarter. Bunching the plan expenditure to the last quarter especially to the last two months is the common trend witnessed. All the three MCs in our study spent major share of their plan spending in the last two month of the financial year. Thiruvananthapuram MC spends 57 percent of the plan expenditure in the last two month of the financial year. The Kochi MC spends 53 percent of the plan expenditure during the last two months. In

Kozhikode MC 61 percent of the plan expenditure was incurred during the last two months of the financial year. A major issue of plan spending of the MCs during the last two decades, is the unhealthy practice of bunching plan spending to the last months of the financial year. Changing this distorted practice and spending the money in all the four quarters is the challenge the MCs are facing today.

**Table 12**  
**Total Plan Spending of Municipal Corporations for 2014-15**

Month	Amount spent (in lakh)			Percentage		
	Thiruvananthapuram	Kochi	Kozhikode	Thiruvananthapuram	Kochi	Kozhikode
Apr-14	0	0	0	0.00	0.00	0.00
May-14	365.95	0	0	3.16	0.00	0.00
Jun-14	0	412.52	0	0.00	4.04	0.00
Jul-14	297.00	388.54	140.17	2.56	3.80	1.73
Aug-14	696.44	434.76	543.43	6.01	4.26	6.70
Sep-14	271.54	273.57	221.90	2.34	2.68	2.74
Oct-14	781.08	529.04	541.73	6.74	5.18	6.68
Nov-14	618.74	1136.17	374.15	5.34	11.13	4.61
Dec-14	1169.82	1041.73	967.57	10.10	10.20	11.93
Jan-15	788.87	562.04	355.74	6.81	5.50	4.39
Feb-15	1354.81	895.42	923.68	11.70	8.77	11.39
Mar-15	5238.38	4537.76	4039.84	45.24	44.44	49.83
<b>Total</b>	<b>11582.68</b>	<b>10211.59</b>	<b>8108.26</b>	<b>100.00</b>	<b>100</b>	<b>100</b>

## Conclusion

The above analysis may be concluded with the following observations. The plan formulation guideline has given too much emphasis for the elaborate procedures at pre-project preparation stage and gives little priority for actual project preparation, getting approvals and efficient execution. Major part of the effort and time of MCs are spent for completing the elaborate

and irrelevant procedures at the pre-project preparation stage. It is found that the working groups are not contributing much in the plan formulation process. They are constituted in namesake to satisfy the formalities of plan guidelines. Though the Ward Sabhas are assigned a key role in the formulation of development plan, they are not contributing much to identify development needs, projects and giving suggestions for local level development. Majority of the participants in ward sabhas are Kudumbasree workers, beneficiaries of housing and other schemes and workers employed for cleaning works etc. The root cause for the poor plan performance is the implementation of a large and unmanageable number of projects, which is beyond the capacity of the MCs. As a result only a portion of the projects were completed during the financial year. It ranged between 22 to 67 percent of the project of the sample MCs. Projects selection give emphasis on ward-wise interests and neglect the overall development of the urban LGs. Due to the enormous delays in completing the pre-execution formalities of the projects, they are hasty executed during the last-quarter or last month of the financial year. And bunching of plan expenditure to last-quarter or the last month of the financial year is the common practice. For improving the plan performance a thorough revision of plan guidelines, cut in irrelevant procedures at pre-project formulation stage, reduction in the number of projects to manageable limits, changes in the procedures of approval, sanctions etc. and time bound and target orientation implementation are needed.



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