

## District Integrated Rural Development Programme attempts Pragmatic Approach to Development

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The subject of District Integrated Rural Development (DIRD) as a development approach and strategy is of topical interest since it is being given priority by the Government of Sri Lanka in its development policies and programmes. It has also been accorded a degree of importance by developed countries as well as international agencies such as the World Bank. This paper by K. Ramanathar, Deputy Director Regional Development of the Ministry of Plan Implementation, attempts to define District Integrated Rural Development in the Sri Lankan context and reviews its objectives and strategies.

Integrated Rural Development has come to be accepted as a strategy for development by most of the developing countries, perhaps due to the failure of the development planning methodologies adopted over the last three decades. Development strategies in the 1950's and 1960's were based on the view of neo-classical economic theory on development. In terms of this theory development was considered as a gradual and self adjusting process, via the market mechanisms. It was presumed that the benefits of such strategies would trickle down to reach the poor, and the unemployment problem too was considered a temporary phenomenon. We know that these presumptions have been belied. The trickle down effect in favour of the poorer sections of the population has not been as significant as had been hoped for. Thereafter attention was shifted to the unified approach i.e. Redistribution with Growth. This seems to have foundered mainly due to lack of political will. We now have the IRD approach which is a break with the development paradigms of the 1950's and 1960's. It emphasises the need to plan directly for the rural people with a target group composed of the disadvantaged and under privileged. This approach brings us closer, than did the "Redistribution with Growth" approach, to

examining the conditions of the poorer rural people and regions and directs attention to them.

Ideally it is a programme of Rural Development in a specified area with multi-sectoral activities involving not merely co-ordination, but integration directed towards the achievement of common goals like greater employment, productivity and income for the rural poor with involvement and participation of the target group in the planning, implementation and evaluation of the programme. But in operational terms, the nature and scope as well as the impact of the Integrated Rural Development Programme have varied among these countries and over time within the countries.

### Socio-Political and Economic Background

In an effort to achieve accelerated growth and generation of employment, the government has launched lead projects viz, accelerated Mahaveli development programme, Investment Promotion Zone, the Greater Colombo Expansion Scheme and an intensified scheme of house building. These strategies are complemented by policies for district development. The movement towards district level solutions to national problems has been assuming importance in recent years. The Decentralised Budget was introduced in 1974 as a step in this direction. It was enlarged from 1977 to cover small scale capital items of development of a local nature and in 1980 a provision of Rs. 10 m. for each electorate was made to cover a period of 4 years. The District Ministry scheme was introduced in 1978 to function as a co-ordinating mechanism for district planning, budgeting and performance evaluation and to ensure that the programmes of development are implemented efficiently and quickly. It was also intended to give the people a correct perspective of government policies and activities and make the people themselves participants in district work programmes. The District Ministry system is to be strengthened with the proposed introduction of District Development Councils

and the district based election of the Members of Parliament on the principle of proportional representation. To stimulate district development towards the achievement of higher productivity, expansion of employment and greater social welfare the Government launched Integrated Rural Development projects in several Districts. This approach borrows heavily from the experiences and lessons of the past programmes of district development based on sectoral and functional lines and is a strategy in Decentralised Development.

### Definition of District Integrated Rural Development

The main assumptions underlying this programme are as follows

- 1) Agricultural resources are considerably under-utilised, or improperly utilised and possibilities exist to achieve a more efficient utilisation of these resources.
- 2) Existing economic and social infrastructure is presently under-utilised but can be improved by strengthening the development oriented institutional services with complementary investments.
- 3) Market forces cannot take account of regional differences without government intervention as there are backward regions, low in agricultural productivity and lacking in supportive facilities and functions.
- 4) There are backward groups or poverty groups who require the provision of minimum basic needs which emphasise productive employment besides minimum levels of food, clothing, housing; medical, educational and sanitary facilities.
- 5) There is a great variety of sectoral components which if closely coordinated would bring about cost-effectiveness and cost reduction in the utilisation of resources, natural, human, material etc.

In the Sri Lankan context it is intended to be a pragmatic approach with a common sense district development programme facing the realities of the situation. It is not designed for radical structural changes in society and falls short of the definition in IRD literature which speaks of the strategy as comprehensive and total in solving rural problems. The project is a compromise between comprehensiveness and manageability. It is

multi-sectoral, with increased lateral co-ordination between sectors. It attempts to relate different types of projects in each district within a more effective inter-sectoral, co-ordinating mechanism so as to enhance the beneficial impact. The combination of sectors and their varying weight depend on their relative significance in the district in dealing with cross-sector issues. For example, the agricultural sectoral ministries would be having several key components of the project handled by its agencies in the district and its significance in the programme could be relatively high. The approach therefore demands intensive co-ordination of the various Government agencies and local institutions and above all collaboration between officials of different departments.

### Focus on Welfare of

#### Target Groups

Another ingredient in an IRD Project is the focus on the welfare of identified target groups. According to the commonly accepted definition of IRD the target groups are defined in terms of socio-economic status. This is given special consideration by designing the programme to carry most of the Public sector resources and service to the needy sections of the society in the district, except in cases like roads where the benefit is indivisible. In the Kurunegala DIRD Project, for example, over two-thirds of the project's beneficiaries are small farmers with operational holdings of 3 acres or less and the project is designed with an emphasis on the small farmers as well as the backward areas. Provision is also made to cater for basic minimum needs like food, clothing, shelter, education and health. The provision of basic needs can have implications on unemployment and underemployment. The labour intensive works to be carried under the project and the incremental agricultural production envisaged should create substantial new employment that would help to relieve unemployment and underemployment especially among the Target Groups. Statistical measurement of the effectiveness of the programme on the Target Groups is envisaged.

Participation of the target group is expected to go through the entire process including the setting of objectives, programme formulation, implementation, monitoring and evaluation according to the I.R.D. concept. It would ap-

pear that this aspect is weak in the I.R.D. programme in Sri Lanka due to institutional and social constraints. In Sri Lanka the local institutions are normally dominated by the affluent and the bureaucracy and consequently the programme is formulated on the needs and solutions perceived by the district and divisional officers in consultation with the local leadership. The rural elite because of its economically, socially and politically privileged position, dominate the rural power structure. This feature is common to other developing countries like India, Pakistan, Bangladesh and Indonesia. However, there appears to be a need for new formal organisations of the target groups which should have trained persons to carry out these tasks with the support of government agencies.

#### Plan Objectives

Within the broad National development objectives, the goals of the IRD Programme are as follows:

- 1) Accelerated district development and the special emphasis on quick yielding production — oriented projects with supportive infrastructure and welfare activities to increase productivity, employment, income and well being.
- 2) Balanced development; that is between districts and between areas, within districts.
- 3) Balanced development between socio-economic groups.
- 4) Interaction and mutual reinforcement between sectors, synchronising activities.
- 5) Vertical integration of decision making and implementation within sectors.
- 6) Horizontal integration of decision making (co-ordination between sectors).
- 7) Increasing the degree of local participation in plan implementation and evaluation.

To achieve these objectives in a period of 5 years, it is not anticipated to have radical changes in the socio-economic structure of the district. The nature of development attainable within this time frame of 5 years is necessarily incremental. The investments necessary to accelerate development, that is, how much for directly productive activities as against how much for welfare activities, are determined in relation to the objectives; especially in relation to inter district balance, and intra-district balance. Determination of basic minimum needs is one of the essential elements of the development programme. This as-

sumes significance in relation to the target group strategy adopted in the planning of the programme. These investments are, however, subject to 2 essential policy issues at the national level, viz, (1) National policy for inter-district, and intra district resource allocation and (2) National policy for social-welfare development.

#### Strategy

The strategy is largely determined by the institutional set-up in the districts and by the implementation capacity of the line agencies of the respective ministries.

There are altogether about 60 Government Departments and agencies in the district which are working under the leadership of the District Minister. They are administratively co-ordinated by the Government Agent for the purpose of District Development. They include:

- (i) 20 Departments under the direct control of the Government Agent.
- (ii) 20 Sectoral line agencies under the district heads of the respective departments of the ministries.
- (iii) About 20 statutory boards and corporation.
- (iv) Of these, 40 are directly concerned with the development of the district. From the point of view of development functions, these 40 agencies can be categorised into the following sections: (a) Production (b) Production promotion (c) Public works (d) Social services (e) Planning and co-ordinating.

The present practice of resource allocation at the district level is largely determined by the sectoral policies and the capabilities of line agencies at the district level. Resources are allocated under the current sectoral programmes and the decentralised budget. The resources under the IRD programme are in addition to the current national programmes and the DCB activities and represent a net increment to the resource inflows to the district. The strategy which the use of these resources attempts to evolve is a co-ordinated mechanism to maximise the impact of the different components of the project particularly on the target group. In this sense it is a complementary approach introduced into the existing administrative, financial and development framework and the

viable rural institutions available at the district level.

The strategy adopted in planning this development project is a mix of the three approaches indicated below:

- (i) Growth oriented approach designed to improve productivity and output of the district.
- (ii) Area development approach designed to develop physical and human resources.
- (iii) Target group-oriented approach designed to directly benefit the poorer sections of the people.

The criteria of growth and social equity might appear to work in opposite directions, but it is possible to come up with a judicious combination of investments. It attempts at least-cost investment planning to arrive at investments which are roughly optimal. This is done by means of the complementarity of the investments which are cost effective to achieve a pattern of development that is incremental. Figure I illustrates the estimation of incremental benefit.

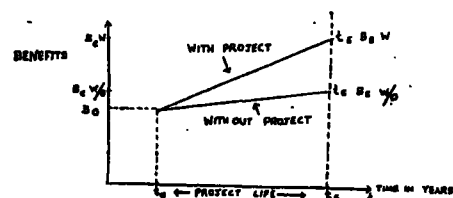


Figure I

Incremental benefit is the difference between the benefit derived with the project (W) and without the Project (W/O).

The strategy adopted in the planning exercise could be seen in the stages of the planning process. We could conveniently break down the Planning Process into the following stages, though they are not totally mutually exclusive:

- (1) Diagnosis
- (2) Macro frame work building
- (3) Sector studies and preparation of feasible projects
- (4) Inter-sectoral coordination
- (5) Finalisation of project details (including planning for implementation).

#### Diagnosis

The information base to the diagnosis stage are the survey of Natural Resources, Bench Mark Socio-economic Survey that should help to identify the target groups, unemployed and under-employed, marginal farmers and landless labourers and cover basic data about the productive assets of the area, output and input flows and skills avail-

able. These which are qualitative, along with the primary data collected by the Department of Statistics and the secondary data (derived) available at the national levels, provide the information base to identify and analyse the problems and formulate overall objectives and strategies for IRD.

#### Macro Framework Building

Input to stage II is the output from Stage I. The sector studies with the necessary sector surveys are undertaken to fill the gaps to identify the needs. For project identification, the strategies are analysed and a proper mix of them is determined. Thereafter a detailed document giving an overview of the district is prepared.

#### Project Formulation

Detailed sectoral studies are undertaken within the broad guidelines given by the Ministry of Plan Implementation in terms of the overall objectives and strategies of IRD. Each sector paper gives the information relating to —

- (1) National and district context
- (2) Present Status
- (3) Problems
- (4) Proposals
- (5) Costs and benefits
- (6) Implementation Programme
- (7) Annex (maps, statistical tables etc.)

The number of sectors varies between 15 and 20 depending on the district. Relative emphasis on each sector or sub-sector would depend on conditions specific to that district. Special attention is given to potentially leading sectors that will determine the general plan strategy. This is really the project formulation stage. Responsibility is shared by the sectoral departments and the Regional Development Division of the Ministry.

#### Inter-Sectoral Co-ordination

Inter-sectoral linkages are looked into and the target groups or beneficiaries identified and specified. Locations are specified for area impact. This is done because sectorally prepared projects have to be directed to benefit the target groups and are to be translated into area based projects. Cross sector issues are provided with suitable co-ordinating mechanisms. Integration is also attempted with the national and other local level programmes. Consultations and discussions are conducted frequently with the District Minister, M.P. concerned and the respective Ministries right from the Project Identification Stage. In calculating the benefits of the pro-

ject, only the benefits of the directly productive components are counted. The benefits from other project components are not quantified. On this basis benefits-cost ratio and economic rates of return are calculated and subjected to sensitivity analysis under various adverse assumptions.

#### Finalisation of Project Details

Planning for implementation is itself a part of project finalisation. In fact the implementation strategy must be worked out before finalisation of the plan. Planners cannot limit themselves to saying what is to be achieved without saying how and when and by whom it is to be done. The project organisation is designed in line with the political and administrative decentralisation in the country. The line Ministries are the implementing agencies for the respective project components. The Regional Development Division of the Ministry of Plan Implementation is responsible for overall project co-ordination and management. This is being done by means of co-ordinating committees at the District and National levels, by the District Project Co-ordinating Committee and the Project Steering Committee respectively. The District Project Co-ordinating Committee is chaired by the District Minister, with the Project Director as Secretary/Member and consists of the respective local Heads of Departments and other government agencies and MPs. The project steering committee is chaired by the Secretary, Ministry of Plan Implementation, with the Director/Regional Development as Member Secretary, and consists of the Representatives of all the line Ministries concerned with the formulation and implementation of the project, the Government Agent and the Project Director. A full-time Project Director with supporting staff and an office for the project have been set up in the respective districts to attend to the preparation of annual work programmes and budgets (in collaboration with the implementing agencies), maintenance of accounts, monitoring of progress and management of the project in liaison with the District Project Co-ordinating Committee and the National Steering Committee. Planning also entails the procurement of materials, equipment and machinery and co-ordination of services executed on contract and sub con-

tracts which can be quite a major problem.

An alternative project organisation for Project Implementation would be an autonomous Board with wide powers and special procedures in regard to recruitment, training and disciplinary matters connected with staff and other related areas. The project may derive short term efficiency in this type of organisation. But this has to be balanced against the long-term difficulties of integrating them into the District Administration. It is, therefore, considered preferable to make use of the existing organisational set up for project implementation with suitable arrangements. The Executing Agencies as well as the Project Management have to employ contractors to perform a good part of the civil construction works, and for procurement of services, equipment etc. In so far as co-ordination is concerned the area of co-ordination is extended. It may also add complications in the areas of quality control, price control and timing. Given the complexity of the project and the inter-dependent nature of the components and the limited supervisory resources available, the project provides for planning and supervisory consultants.

An annual implementation schedule is a part of plan finalisation. An implementation schedule for each of the project components and for the plan as a whole, based on an annual work programme with budgetary estimates are prepared. The monitoring, management and evaluation procedures are laid down clearly. "Input Monitoring" and "Output Monitoring" are to be done monthly and quarterly in financial and physical terms by the implementing agencies the project management and the monitoring unit of the Ministry of Plan Implementation.

Once the project details are finalised and the overall project plan worked out it is then submitted to the donor agency for appraisal. The project plan is finalised with the modification or incorporation of any new terms of the appraisal report. The donor agency, say World Bank, enters into agreement after negotiations. It is thereafter submitted for cabinet approval and budgetary provision. It would be observed that this is a pre-determined project approach, but it provides flexibility in project implementation to make ad-

justments and even to accommodate new project components. Planning the strategy or approach has taken into consideration the three basic elements — economic potential, administrative capacity and political commitment in the planning process for successful implementation.

#### Districts Under the I.R.D. Programme

The programme is directed to the more Rural Districts which have so far not benefited by high investment projects. The Districts taken up under this programme so far are as follows:

- (1) Kurunegala (7) Vavuniya
- (2) Matara (8) Mannar
- (3) Hambantota (9) Badulla
- (4) Nuwara-Eliya (10) Moneragala
- (5) Matale (11) Ratnapura
- (6) Puttalam

#### KURUNEGALA DISTRICT

The District Integrated Rural Development (DIRD) Programme commenced with the preparation and implementation of the DIRD Project for Kurunegala, with financial and technical assistance from the World Bank in early 1979. This project was intended to evolve an integrated rural development project model replicable for other districts, subject to socio-political and economic constraints, to achieve the goals of IRD.

The total investment cost for the five year period 1979-83 was US\$ 30 million (2/3 of which is a loan from the IDA) on several components giving major emphasis on —

- (1) Rehabilitation of irrigation works and improvement of water management and ground water exploration.
- (2) Better extension and credit support and input supplies for paddy cultivation and more intensive use of coconut lands, with complementary activities in transportation, health, education and rural electrification.

Now an updated five year work programme has been submitted to the World Bank for review caused by cost over-runs, due to price escalations. This programme includes provision for two new components — Buffalo Development and Horticulture Development proposals.

#### MATARA DISTRICT

The methodology of this project is slightly different from that of Kurunegala. The project plan is notional one for four years and not a written out plan. It is an annual planning exercise supported by a grant from SIDA. It follows the discipline of a rolling plan with annual planning in the light of experience gained in

the previous year. Some planning experts advocated the use of a rolling plan because of its advantages, continuity and flexibility.

The total investment for 4 years commencing from mid 1979 is around Rs. 55 million. The lead investments are on agricultural extension and training, farm and irrigation development, improvement of the tea small-holdings sector, livestock development and fisheries with complementary investments on social overheads.

#### HAMBANTOTA DISTRICT

The planning methodology is different from that of Kurunegala and Matara. There is no predetermined plan like that of Kurunegala or annual planning, embracing several components as in the case of Matara. Selection of individual component projects was done to start with in 1979 for implementation as the plan was being prepared. The project is assisted by a grant from NORAD. Nine project components are being implemented including Kirama Oya Basin irrigation development, rehabilitation of tanks, sericulture development, reforestation with relatively minor investments on social overheads.

The programme is now moving into its second phase with the finalisation of the district 4 year plan (1981-1984) with an investment estimated at around Rs. 350 million. It covers proposals on irrigation and water management, agriculture, fisheries, forestry, small scale industries, rural roads, development of new sources of energy, ground water exploration, rural water supply and health care.

#### NUWARA ELIYA DISTRICT

The Hambantota project planning methodology is being adopted in regard to this district project which is assisted by a grant from the Netherlands Government. A preliminary working document was prepared and surveys conducted on (1) Tobacco cultivation in Walapane area, (2) Milk production and marketing in the district, (3) Small tea holdings in Kotmale and Ginigathena, (4) Vocational training institutes and minor export crops.

Concurrently project-wise implementation commenced on selected project activities in advance, in 1980 with an initially budgeted expenditure of Rs. 15 million for both the financial and technical components of the programme. The project activities are the development of irrigation works, minor export crops, animal husbandry, tea small holdings and forestry. The investment has now been increased by a further Rs. 8 million based on the performance. The programme will soon

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move into Phase II when several more activities would be implemented with the finalisation of the District Plan.

### MATALE AND PUTTALAM DISTRICTS

The planning methodology is similar to that of the Kurunegala Project. Total project cost is Rs. 780 million and nearly 2/3 of it will be financed by a World Bank loan. The main emphasis of the project is on directly productive activities to achieve a greater impact on production and employment. The broad coverage of the project includes — (1) Agriculture, (2) Agricultural Credit, (3) Water resources, (4) Economic infrastructure, (5) Social infrastructure, (6) Project co-ordination and management. Implementation is planned to commence in January 1981, while retro-active financing is provided for completion of preliminary works.

#### Districts in the Planning Stage

The World Bank has also shown willingness to aid the implementation of the project for Vavuniya and Mannar which are almost ready for appraisal. The Badulla IRD project is being funded by IFAD and is in the planning stage. The Moneragala project would be an intensive integrated area Development Programme in an area around 25 sq. miles East of Moneragala town. This is expected to be an extremely interesting experiment of an IRD project, on a smaller scale, for local participation and integration of the component activities. Incidentally the lower Uva Integrated Regional Development plan in preparation by CIDA, under the Ministry of Lands and Land Development, covering Moneragala district, and parts of Badulla and Amparal districts, (particularly the dry lowlands) lays the main emphasis on chena stabilisation. Ratnapura district has now been taken up for IRD project preparation which would be technically assisted by ESCAP.

In the case of the bilaterally aided projects by SIDA, NORAD, the NETHERLANDS AND BELGIUM, the assistance is by way of grants whereas in the case of the IDA (World Bank) and IFAD, the assistance is by way of loans with repayment extended over a period of 50 years with a grace period of ten years bearing a nominal interest rate of  $\frac{3}{4}$  per cent to cover administrative charges. These loans have a grant element of nearly 90 per cent compared to 100 per cent for outright grants. Another advantage in this funding has been the more liberal financing of local costs

There has been a variation in the time dimension adopted in the planning strategy for Kurunegala, assisted by the World Bank, and in the case of bilaterally aided projects. Further, the methodology adopted also differs. The bilateral donors start with the lead component of the IRD project and see the lines of integration, with the other components, as they proceed with the lead components. Although there is a difference in time dimension and methodology between the World Bank assisted project and the bilaterally aided projects, the same basic approach is used. Even in the rolling plan there is an overall framework for the entire period.

#### Conclusion

In conclusion it could be said that the planning approach is still top down. However, considerable initiative is given to Districts to develop an appropriate strategy. As this is a new approach to District development and is a logical step in Decentralised Development, the traditions and competence for effective district Integrated planning have to be built up. The problem is that of developing the orientation of the administrative machinery along with the requisite dele-

gation of authority to the district level. The emergence of this new crop of projects in a package and integrated form, aimed at the rural poor, would however need a considerable realignment in the administrative system. An administrative Study Cell at the district level appears to be necessary to study the problems continuously and act as a brains trust of the district head. Equally important are the institutional arrangements to be made to enable the disadvantaged groups to be specifically organised to become closely involved in the planning and implementation of IRD projects to improve their economic and social conditions. Further, this approach gives rise to new needs and approaches to statistics. Statistical information needs to be developed at the project level and project affected sites. The IRD Project does not include the proposals under the Decentralised Budget or the National Budget. It would be useful to bring together under one document all the programmes funded by the aid agency, the DCB and the National Budget. This would encourage interaction and mutual reinforcement between sectors and synchronise related development activities.