



A

WHITE PAPER

On

GOVERNANCE

June 2017

GOVERNMENT OF PUNJAB

GOVERNANCE

*“Governance has been defined to refer to structures and processes that are designed to ensure **Accountability, Transparency, Responsiveness, Rule of law, Stability, Equity and Inclusiveness, Empowerment, and broad-based Participation.** Governance also represents the norms, values and rules of the game through which public affairs are managed in a manner that is transparent, participatory, inclusive and responsive. Governance therefore can be subtle and may not be easily observable. In a broad sense, governance is about the culture and institutional environment in which citizens and stakeholders interact among themselves and participate in public affairs. It is more than the organs of the government.”*

UNESCO

1. INTRODUCTION

1.1 When governance structures and procedures are followed and abided by, the system becomes transparent, responsive, participative and accountable, which in turn results in the establishment of rule of law in the society, empower masses, and lead to the all-round development of the State.

1.2 This White Paper recognises governance issues in the Government of Punjab during the last ten years. It is an attempt to focus on key departments of relatively higher public importance and acknowledge the areas where structures and processes have been undermined, systems weakened and institutional environment has been vitiated in the past.

1.3 Representative areas of Rural Development, Housing and Urban Development, Local Government, Industries and Commerce, Governance Reforms, Food and Civil supplies, Transport and Home Affairs, have been chosen due to their impact on peoples' lives across the spectrum.

1.4 The paper also suggests the way forward and specifies measures needed for course correction and ushering good governance in the State. The measures identified in the paper, mark a beginning and would evolve gradually with time and future course of events.

2. RURAL DEVELOPMENT & PANCHAYATS

The Department of Rural Development and Panchayats is responsible for the implementation of various centrally sponsored and State Funded Schemes for poverty alleviation, employment generation, sanitation, capacity building, women's social and economic empowerment, apart from provision of basic amenities and services.

The assessment of department's functioning has been done by analyzing the implementation of flagship programmes and schemes.

Rural Mission

2.1 About the Mission

Rural Mission, with an outlay of ₹ 2332.99 crore, was launched in all districts of the State for execution of rural development projects in the villages, with an objective of overall development of rural areas and strengthening of rural infrastructure.

Out of this outlay, an amount of ₹ 1964 crore was released by PIDB and an amount of ₹ 440 crore was released out of grants released under the recommendations of 14th Finance Commission. District Level Implementation Committee (DLIC) headed by DC was mandated the work of conceptualization, identification, execution and monitoring of Rural Infrastructure works. DLIC headed by DC consisted of ADC (D), SDM, DDPO, BDPO, one representative of the department to which project was associated and one representative of PIDB as members. District level Implementation Committees (DLIC) were constituted by PIDB under Section 28(7) of the Punjab Infrastructure (Development & Regulation) Act 2002.

Total 59157 works were identified and implemented throughout the State of Punjab. Under this mission, out of 13023 Gram Panchayats in the State, works were identified in 12458 Gram Panchayats.

2.2 Governance issues Identified

2.2.1 Lack of planning and need assessment

- While planning this mission, need-assessment was not carried out in a scientific manner.
- New physical infrastructures have been created in a hurried and haphazard manner and there is no provision for their operation and maintenance in the Mission.
- Village Development Plans should have been the basis of identification of works.

2.2.2 Lack of participatory approach

Though District Level Committees were mandated the identification of the project under the Rural Mission, yet public participation in the form of planning and prioritization of work was lacking.

2.2.3 Changing Rules Mid-way

- Independent third party audit of the ongoing projects was an integral part and one of the essential conditions of the Mission.
- Initially 40% funds were to be released and the next installment was to be released after obtaining the third party audit report.
- Afterwards for the hurried implementation of programme, the condition of third party audit before releasing next installment was replaced with the first visit during ongoing work and second visit after the completion of work. Whereas condition of mandatory first visit before releasing second installment of funds would have made this mission more transparent and effective.

2.2.4 Delay in release of funds

For undertaking the project under the Mission, funds of 14th Finance Commission were clubbed and first installment of Finance Commission was released by GOI on 30.6.2015. The State Government released the amount on 09.12.2015 and had to pay the interest of ₹ 12.90 crore to the panchayats for delayed release of funds.

2.2.5 Violations of Government of India guidelines

Grants of Finance Commission are allocated on the basis of population of villages but district Ropar concentrated Finance Commission's total Grant in only those villages where PIDB works were undertaken, indulging in gross violation of the instruction issued by Government of India regarding allocation of grants under the Finance Commission.

2.3 Way forward

The Department of Rural Development shall ensure that funds released under Rural Mission are spent only on the approved projects and as per the laid down specifications and standardized estimates.

Further, the following course corrective measures shall be adopted:

- The projects to be undertaken for rural areas would be made need based and demand driven.
- Independent third party audit shall be carried out before releasing 2nd instalment of funds.
- Photographic record of existing infrastructure clearly depicting the nature of present status and technical report before the start of work and after completion of work will be made mandatory.
- Government of India, Ministry of Panchayati Raj has launched a new scheme in which village development plans would be prepared by the Gram Panchayat with participation of the residents of villages. It is envisaged that Panchayats would prepare the projects under this scheme.

Financial assistance for construction/ repair of the houses in the water logged area in three districts

2.4 About the scheme

Under this District Level Plan Scheme RDO (S)-23 three districts namely Sri Muktsar Sahib, Fazilka and Gurdaspur were provided with amounts of ` 35.00 Cr, 10.00 Cr and 5.00 Cr (Total

₹ 50.00 Cr) respectively for giving assistance to houseless/plot less/living in non liveable houses (damaged) in water logged areas with ₹ 65,000/- for construction of a new house and ₹ 15,000 for repair of the houses.

The funds were not utilized by Gurdaspur district.

2.5 Governance issues Identified

2.5.1 Pick and choose while identifying the beneficiaries

- There was no survey conducted to identify the beneficiaries nor were there any objective criteria for identification of beneficiaries.
- The financial assistance which was provided for the construction of new houses was not in conformity with Government of India scheme e.g. Pradhan Mantri Awas Yojana (PMAY). Under PMAY (G) financial assistance was ₹ 1,20,000 whereas in the State scheme, it was ₹ 65000 only.

2.6 Way forward

- Proper verification of the beneficiaries who were provided assistance is being done in Muktsar and Fazilka districts.
- At present PMAY is being implemented by the State and care will be taken to dovetail both the schemes.
- While formulating any plan scheme, objective criteria will be laid down and followed for identification of beneficiaries. Thereafter, follow up action would be taken to ensure effective implementation.

Mahatma Gandhi National Rural Employment Guarantee Act

2.7 About MGNREGA

The objective of MGNREGA is to enhance livelihood security in the rural areas by providing at least 100 days' guaranteed wage employment in a financial year to every household, whose adult member volunteer to do unskilled manual work. Funds are released in the ratio of 90:10. Current daily wage rate under MGNREGS is ₹ 233/- which is increased by Government of India in the beginning of every financial year. From 1-04-2016 N-eFMS has been operationalized in Punjab State, through which all the wage payments are directly transferred by Government of India into the beneficiaries' accounts.

2.8 Governance issues Identified

2.8.1 Delay in release of funds

Delay in release of MGNREGS funds has been the bane of this flagship programme. In the year 2014-15, 2015-16 and 2016-17, the delay in release of funds varied between 19 to 177 days.

| Year | Centre Share Amount (₹ in lacs) | State Share amount Released against Centre share (₹ in lacs) | Delay in release (in days) |
|---------|------------------------------------|--|--|
| 2014-15 | 18948.18 | 2105.86 | 19 to 95 days |
| 2015-16 | 24533.37 | 5502.85 | 21 to 177 days |
| 2016-17 | 7280.55 | 2426.85 | 19 to 84 days |
| | 1492.23 | 497.41 | These funds have not been released till date to the department |

2.8.1.1 Impact of delay in release of funds

- Loss of faith of Beneficiaries in the scheme and increase in complaints regarding non-payment or late payment of wages.

- Stalling of on-going projects.
- Central Government also delays release of further instalment of funds in case of late release of funds by the State
- Due to delay in release of funds, the Department struggles to meet day to day administrative expenses of running the scheme. Till 31st March 2017, salaries and administrative expenditure of ₹ 8.12 crore were pending due to non-release of funds under MGNREGS.

2.8.2 Issues regarding convergence

- Detailed guidelines of convergence have been shared with all the concerned departments and Separate Schedule of Rate (SoR) for works done under MGNREGS has been prepared and issued to facilitate convergence under MGNREGS.
- But, convergence have only been done in districts at a minor level, the concerned departments have not shown interest in drafting major convergence plan at State level. During FY 2016-17, only ₹ 6.33 crore were spent on convergence projects under MGNREGS.

2.9 Way forward

- All the funds received from Central Government will be released to the Department within the stipulated time period as per the instructions of Government of India.
- Corpus fund at State level will be created which will facilitate release of funds to the department for clearing pending liabilities and after the receipt of funds from Government of India, funds released from corpus fund will be recouped.
- All line departments will be directed to undertake convergence works under MGNREGS. All Deputy Commissioners will review the progress regarding convergence issues in their monthly meeting to prepare and achieve minimum possible projects/ works, converging funds under various other schemes with MGNREGS.

3. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Department of Housing and Urban Development, Government of Punjab is bestowed with two main functions viz. Regulation of development in planned manner in the State of Punjab and Development of the urban areas of the State beyond Municipal Limits. These functions are carried out by the Town and Country Planning Wing of the Department and PUDA and other Special Development Authorities respectively.

The assessment of Department's functioning has been done by analyzing the existing trends of planned urban growth and development.

3.1 Prevention and Regulation of Unauthorized Development

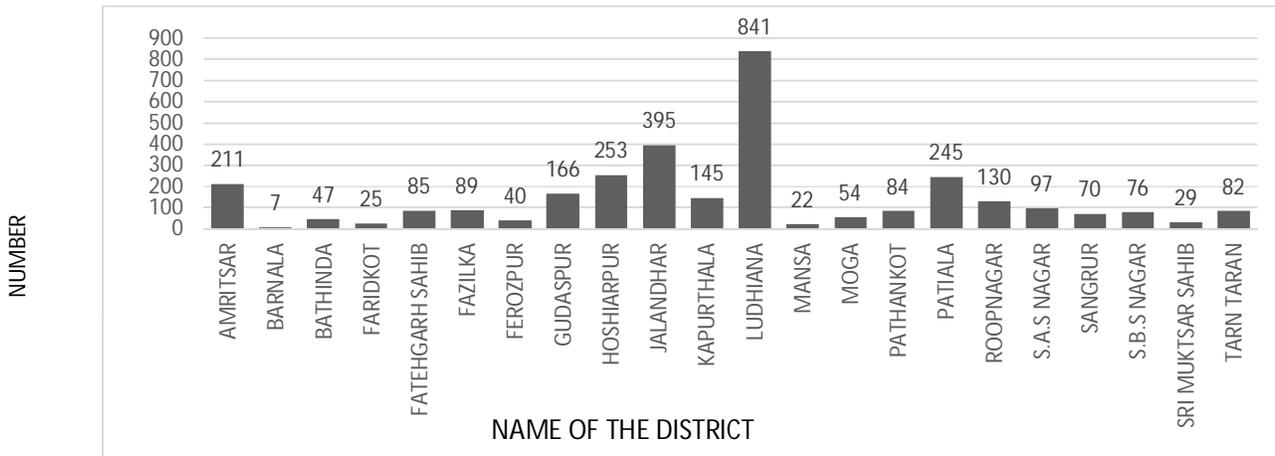
The Department has been bestowed with the primary function of ensuring development in a planned manner so that the human civilization does not crumble to the vices of unplanned urbanization especially regarding basic amenities of public sanitation, fire safety, safe drinking water etc.

3.2 Governance issues Identified

All pervasive unplanned development - Key failure of the department

In the last 10 years, the Department has utterly failed to regulate the unplanned development which is reflected in massive growth of unauthorized colonies, marriage palaces, unauthorized buildings, industry etc. in the State. Most of the steps taken by the Department were at best piece meal approaches to cover up the failures. It would not be wrong to say that the policies brought out by the previous government in its last two years, were more of a relief to those who had violated the law rather than being efforts to regulate the unplanned development and ensure better compliance of Law.

DISTRICT WISE SUMMARY OF UNAUTHORIZED COLONIES IN PUNJAB (OUTSIDE M.C. LIMITS)



*Note: Beside above shown 3193 colonies, 3317 fall within M.C. Limits.

3.2.1 Mushrooming of unauthorized colonies in the State

As per the survey undertaken by the Department a few years back, there were 5340 unauthorized colonies in the State of Punjab. However, even that survey could not bring out the actual number of unauthorized colonies in the State. In three policies announced for the regularization of the unauthorized colonies between 2012 and 2016, the State received 6510 applications.

3.2.1. 1 Poor implementation of Regulatory Acts

Although the legislation has sufficient safeguards to prevent the development of unauthorized colonies, however lack of proper implementation led to the rapid growth in number of instances where the promoters sold residential plots to unwary clients and ran away with the booty without providing basic amenities like sanitation, drinking water, public spaces, etc. Enforcement of law remained an exception in such cases.

3.2.1.2 Flawed policies based on “Impossible promises”

- The Government of Punjab notified policies for compounding of un-authorized colonies and for regularization of plots/ buildings falling within un-authorized colonies in the State of Punjab, three times (2013, 2014 and 2016).
- However, the major lacunae of these policies uniformly has been the extremely low charges fixed by the government for their regularization, which made the proposition to develop an unauthorized colony a more lucrative business than following the rules.
- Further, promising all the benefits of the approved colonies to the residents, was utterly impossible to provide, considering the financial position of the State.

3.2.1.3 Poor implementation of regularization policies

The cases received under the regularization policies of previous Government were left unprocessed long after the defined deadlines. The meetings with the stakeholders also revealed that the applications were rejected summarily just days before the scheduled deadline without visiting the site or scrutiny of records.

3.2.1.4 Poor fiscal discipline, taking toll on service provisioning for applicant colonies

The regularization charges to the tune of approximately ` 400 crore were not used for long and then subsequently out of these funds to the tune of ` 250 crore to be spent on the up gradation of these colonies, were also got deposited into the State treasury as a short term loan thus, leaving hardly any funds for the authorities to undertake development works.

3.2.2 Unauthorized Marriage Palaces

3.2.2.1 Proliferation of unauthorized Marriage Palaces

A total of 1180 unauthorized marriage palaces were identified functioning outside the Municipal limits, falling under different development authorities under the Housing and Urban Development Department.

3.2.2.2 Impact on public safety

- Due to mushrooming of unauthorized marriage palaces in the State of Punjab, the problems of spill over of parking of vehicles on roads resulting in choking of the traffic and safety risk to the public were common.
- The majority of the marriage palaces were set up without any approved plans and without provisions of adequate parking and fire safety measures.

3.3 Way forward

No State can afford to allow unplanned and unregulated development any longer. The citizens of the State expect an effective, meaningful and result oriented governance from the modern day government.

Following steps would be required for achieving the stated purpose:

- Freeing up resources from mundane functions and making them work towards regulatory function.
- Use of Information technology like remote sensing, satellite surveys etc. to check unauthorized development at once.
- Defining the boundaries of existing unauthorized colonies so that these don't spread any further.
- Making the process of developing an approved colony, easy and beneficial both in terms of approval procedures and financial costs.

3.4 Preparation of Master Plans

The Government of Punjab realizing the need for planned development of State had decided in the year 2007 to prepare Master Plans for 102 Towns within a period of five years starting from 2008 to 2012.

3.5 Governance issues Identified

3.5.1 Unfinished task

Only 31 Master Plans could be notified covering 59 Towns by 2012, and till date the Department has notified only 44 Master Plans covering 71 Towns and a Regional Plan. The Master Plans for 21 towns are under preparation at different stages and the Local Planning Areas for the remaining 67 towns are under process of preparation.

3.5.2 Non notification of Master Plans- “A glaring error”

Master Plans were to be notified within a period of 5 years starting from 2008 to 2012 but due to lack of attention to this important area, the target could not be achieved within the stipulated period of time.

3.6 Way forward

- The work for preparation of Master Plans of 21 towns which are under process and the work to make already notified Master Plans revenue based will be completed within a period of next 2 years i.e. 2019.
- The Department of Housing and Urban Development intends to utilize the technical assistance of Punjab Remote Sensing Centre, Ludhiana for preparation of Master Plans on GIS platform so that every individual who wants to know the status of his/ her land may be able to know such status through web based or mobile based application.

3.7 Economically Weaker Section (EWS) Strata denied affordable housing

The State of Punjab had enacted the Punjab Apartment and Property Regulation Act, (PAPRA) in the year 1995 with the objective of regulating the real estate development in the State. One of the most important sections of the Act was section 5(9) which made it mandatory for the real estate promoters with large areas (40 hectares or above) to provision for at least 10 percent of the residential area

for the EWS strata which were to be leased or sold as per the terms and conditions prescribed by the State (section 5 (11) of the amended Act).

3.8 Governance Issues Identified

3.8.1 Housing for All (Vertical-II)–ill conceived policy of the State

The State framed a policy "Housing for All" in December, 2015. The State policy was ill-conceived with respect to Vertical-II i.e. CLSS (Credit linked Subsidy Scheme) because as per provisions of the Government of India scheme (Pradhan Mantri AwasYojana) only cheap housing loans with interest subvention of 6.5% are to be provided to EWS/LIG category strata as central assistance for construction or purchase of EWS/LIG houses by them and neither land is to be provided free of cost nor construction of EWS/LIG houses to be undertaken by the States.

As per the provisions of aforesaid Government of Punjab policy dated 22.12.2015, the State is to provide land as subsidy for construction of G+3 flatted houses and accordingly floated a scheme for construction of EWS/LIG houses in seventeen towns where land of Mega developers or under OUVGL was available. Since no finances were available for construction of these EWS/LIG houses and also providing free land for construction of EWS houses under this scheme was not financially viable as well contrary to Government of India PMAY-HfA Mission guidelines, this scheme could not be implemented.

3.8.2 Abysmally low deposits in EWS fund

As per the current policy all Group Housing Projects which are less than 5 acres are supposed to necessarily contribute to the EWS fund @1500 per sq feet for a minimum flat size of 25 sqmts. against the 10 per cent EWS houses to be constructed by them. Group Housing projects above 5 acres have been given the choice to either construct 10 per cent EWS houses or pay EWS fund for equivalent number of units. However, the collection under this fund is not even ` 5 crore as on date.

3.8.3 Non provisioning of EWS housing in the projects within the Municipal areas

The Punjab Apartment and Property Regulation Act, (PAPRA)1995, though applicable across the State of Punjab, EWS housing has not been provided by the promoters within the municipal areas at all nor has any EWS fund been collected by the MC's. This could have been the most important mechanism of providing EWS housing.

3.8.4 Weak Implementation of PAPRA, 1995

- As per the current policy, the mega project promoters are provided exemption from the provisions of PAPRA under section 44(2) only if they fulfil all the liabilities towards the EWS housing. The events leading up to exemption from PAPRA include obtaining CLU, approval of Layout plan and then exemption from PAPRA.
- However, some of the projects have obtained exemption from PAPRA but have not transferred the equivalent proportionate EWS land to the government as yet. Some promoters have either provided bad patches of land which make the construction of EWS houses unviable or have refrained from giving the land to the State till date.
- In last 10- 12 years, not even a single promoter has provided the State with built up EWS units although they have got their plans cleared accordingly.

3.9 Way forward

- Reworking of the EWS policy to make it workable.
- Projects which have promised to build EWS units on their plan shall be given partial completion only if proportionate numbers of EWS units have been built.
- Projects which have neither given land for EWS units nor built the required EWS units, shall be reviewed following due process of law.

4. LOCAL GOVERNMENT

The mandate of the Department of Local government is to provide policy framework for urban development in the State, facilitate functioning of urban local bodies and maintain civic amenities in the State.

The assessment of department's functioning has been done by analyzing the implementation of its flagship programme, the fiscal issues and the recruitment processes.

4.1 Punjab Urban Development Mission

About the Mission

Punjab Urban Development Mission, with an intended capital outlay of ₹ 6300 crores, was notified in December, 2015. Its objective was to achieve holistic development in all towns of the State in terms of 100% water supply, sewerage, roads and Sewage Treatment Plants (STPs). The Mission was to be funded from Punjab Infrastructure Development Board (PIDB) which, in turn, was required to borrow funds from commercial banks.

4.2 Governance Issues Identified

4.2.1 A "Hurried" Mission

The Mission started effectively in April 2016 and there were directions by the Government that it be completed by December 2016. Therefore, the implementation of the mission was carried out in a very small window, making the task difficult and nearly impossible. Despite this scheme, not much progress was made and the coverage up to December 2016 is as under:-

| Basic Amenities | Coverage (Dec 2016) |
|------------------------|----------------------|
| Water supply | 90% |
| Sewerage | 65% |
| STPs | 38% |
| Roads and Parks | 66% |
| Solid Waste Management | 46% |
| Street Lights | 50% |

4.2.2 Glaring Irregularities in planning and by-passing established procedures in execution and implementation

- No decisive role for the Local ULBs in selection of works.
- Avoiding of tendering process by splitting large amount of works.
- Local contractors with a little technical knowhow and understanding of quality control, carried out most of the works.
- There was no system of asset management in place to know which works were urgently required. Lack of proper planning resulted in taking up many unnecessary works.
- Instead of providing major infrastructure in the towns of the State, this amount was splurged on small and unproductive works like streets and drains and at many places, there was wasteful expenditure, e.g. bitumen roads were replaced with CC floor roads and CC floor roads were replaced with tiles.

4.3 Way forward

- Forensic third-party (technical and financial) audit by professionally competent firms.
- The works which are to be approved in future would be thoroughly scrutinized after a proper analysis and feasibility study.

4.4 Fiscal Indiscipline led to State's dithering in reforms and development

4.4.1 Loss of incentive amount of ₹ 71 crore as offered by Government of India

The Government of India made a provision of incentive of ₹ 31 crore and ₹ 40 crore for carrying out AMRUT reforms in the year 2015-2016 and 2016-2017 respectively. But, the State Government failed to undertake these reforms and consequently, lost out the incentive amount of ₹ 71 Crore.

4.4.2 Urban Local Bodies (ULBs) did not get the promised financial help

ULBs did not get the promised financial help from the State Government nor were they allowed to raise resources on their own as no new taxes were levied. They also suffered on account of the following:-

- Non release of 11% share of Advance tax.
- Non implementation of State Government Finance Commission's recommendation of grant of 4% net receipts to ULBs

4.4.3 Non release of Government of India's funds in time

The Department of Local Government is implementing three Government of India flagship Schemes namely (i) Smart City Mission, (ii) Atal Mission for Rejuvenation of Urban Transformation (AMRUT) and (iii) Swachh Bharat Mission (SBM). The previous Government failed in obtaining the allocated funds for these three schemes from the Government of India since the funds already received by the State Government from Government of India were not released to the towns. Some of these details are as under:

- Government of India released ₹ 194 crore for Ludhiana smart city and by 31.03.2017, only a sum of ₹ 32 crore was released to the Local Government Department. State Government also did not contribute equal equity share of ₹ 200 crore, as a result failed to get the remaining ₹ 300 crore from Government of India.
- Under the AMRUT Scheme, the State Government received ₹ 153.28 crore from Government of India and only ₹ 33 crore were released to the Local Government Department.
- Under the Swachh Bharat Mission (SBM), the Government of India released ₹ 10.46 crore for the financial year 2016-17 to the State Government towards IEC component but no funds were released to the Local Government Department. As a result, no more funds could be released for SBM.

There is, therefore, no surprise that these three schemes failed to make any impact in the State.

4.4.4 Non execution of Major reforms-further deteriorating financial health

Major Reforms including 90% coverage and collection of property tax, water metering policy and installation of water meters, collection of user charges, model building bylaws etc. were not carried out.

4.5 Impact: “ULBs on the brink of bankruptcy”

- Many MCs are unable to pay even the salaries and retirement benefits of their employees
- A large number of MCs are unable to pay the tipping fee for solid waste management.
- Electricity bills of street lights are pending in almost all MCs.

4.6 Way forward

On one hand, there is a strong need to empower MCs to recover user charges and property tax, on the other hand, it is important for the State Government to support ULBs regularly in a more meaningful manner.

4.7 Recruitment

There was no policy made by the government for undertaking recruitment in ULBs and at many places, employees were recruited through out-sourcing or on contract.

4.8 Governance Issues Identified

4.8.1 Non-transparent recruitment process

670 posts were advertised but due to the leakage of the question papers, recruitment of 546 posts was cancelled and another 74 posts are still under scanner.

4.9 Way forward

- Need for a firm recruitment policy in ULBs.
- Vacant posts at critical levels need to be filled up otherwise it would be difficult for the ULBS to discharge their functions and carry out development works.

5. INDUSTRIES AND COMMERCE

The Department of Industries and Commerce plays a pivotal role in rendering assistance to the entrepreneurs. The process of assistance begins with the very first stage of project identification to financial assistance up to the commissioning of Industrial units. The existing industry is also helped in the process of continuous up-gradation of technology and modernization.

The assessment of department's functioning has been done by analyzing the subsidy disbursement process under various Industrial policies and the Sand Mining policy.

5.1 About capital subsidy/ investment incentive for industries

To attract the investment in the State for the growth of industry, Government of Punjab, announced various Industrial Policies to provide capital subsidy and other fiscal and non fiscal incentives. A sum of ₹ 408 crore was disbursed as capital subsidy/Investment Incentive during the period 2005-06 to 2010-11 to about 4351 units

5.2 Governance Issues Identified

5.2.1 Gross Delay in disbursement of subsidy to Industrial units under various Industrial Policies

After protracted litigation, the Department has released subsidy of about 70 petitioners during 2015-16 and 2016-17. Currently about 1514 cases are pending for release of subsidy of ₹ 106.65 crore.

5.3 Way forward

- To clear the backlog of old legacy subsidy cases.
- To create an Institutional mechanism under the New Industrial Policy to ensure disbursement of committed incentives, unfailingly, every year so as to instil confidence among the Entrepreneurs/investors.

5.4 Sand and Gravel Mining

The Directorate of Mining implements the provisions contained in the Rules i.e. the Punjab Minor Mineral Rules, 2013 made under section 15 & 23C of the Mines and Mineral (Development and Regulation) Act, 1957, which is a Central Act. The mines are being identified according to Rule 5 of ibid Rules by the Site Appraisal Committee with Sub-Divisional Magistrate as its Chairperson along with other members. Further, the contracts are being granted only after obtaining environmental clearances from the competent authorities i.e. State Environment Impact Assessment Authority/Ministry of Environment, Forest & Climate Change, as the case may be.

5.5 Governance Issues identified

5.5.1 Faulty Mining Policy

5.5.1.1 Prior to 2011-2012 the mines were auctioned only on the basis of Had-bast no., Khasra no. and type of material. The quantum of material for extraction was neither fixed nor prior environmental clearance was required before auction of mines. Therefore, information regarding quantity of auctioned mines from 2007 to 2010 is not available.

5.5.1.2 The no. of mines auctioned and royalty received from 2011-15 is tabulated below:

| Year | Bidding Process | No of mines auctioned | Sand+Gravel (in tonne) | Total per annum extractable (in tonne) | Per tonne royalty (in `) | Royalty receipt (` in cr.) |
|---------|---------------------|-----------------------|------------------------|--|--------------------------|-----------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2011-12 | Reverse | 241 | 50.56 Lac+5.24 Lac | 55.8 Lac | 30 | 36.21 |
| 2012-13 | Progressive | 22 | 45.2 Lac | 45.2 Lac | 91 | 19.23 |
| 2013-14 | Progressive | 20 | 60.8 Lac | 60.8 Lac | 91 | 43.84 |
| 2014-15 | No auction was held | 42 | 1.06 Cr | 1.06 Cr | 91 | 86.44 |

(Table 1.1)

5.5.1.3 The no. of mines auctioned and royalty received from the year 2015 to 2017 is tabulated below:

| Year | Bidding Process | No of mines auctioned | Sand+Gravel (quantity in tonne) | Total per annum extractable (in tonne) | Per tonne royalty (in `) | Royalty receipt (` in cr.) |
|---------|-----------------|-----------------------|---------------------------------|--|--------------------------|----------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2015-16 | Reverse | 71 | 1.24 Cr+12.4 Lac | 1.36 Cr | 30 | 46.5 |
| 2016-17 | Reverse | 41 | 44.42Lac+1.78 Lac | 46.2 Lac | 30 | 43 |
| 2017-18 | Progressive | 50 | 1.17 Cr | 1.17 Cr | 240 | 280 |

(Table 1.2)

The following can be inferred from the table 1.1 and 1.2:

- **Contracts were awarded to lowest bidders (in reverse bidding)**
- **Loss of revenue for the State:** Revenue of the Department after implementing reverse bidding policy has decreased substantially without any benefit being passed on by contractors to the consumers. The receipts to Government treasury during this period (2011-17) was approximately ` 275.22 Cr.
- **Soaring of sand & gravel Prices and boost to illegal mining:** The quantity of these mines was not able to meet the market demand which has resulted in high prices and heavy profits for contractors and it has also given a boost to illegal mining.

Present Situation

In 2017-18, 1.17 Cr tonne quantity of sand/gravel was e-auctioned by the Department in the month of May. To further close the gap between demand and supply of sand/gravel in the market, an e-auction of mines will be held shortly having 78.67 Lac tonne quantity. This capacity will be helpful in meeting the demands of market.

5.6 Way Forward

- Amendment to the Mining Policy: The present Government has amended the policy on 19.04.2017.
- Steps to ease and increase the supply would be taken.
- Steps to check illegal mining:

a) Integrated Mines and Mineral Management System

On the advice of Ministry of Mines, GOI, the Department has decided to implement the Integrated Mines and Mineral Management System (i3MS) to prevent illegal mining; and

b) Mining Surveillance System

Ministry of Mines, through Indian Bureau of Mines (IBM), has developed the Mining Surveillance System (MSS), to use space technology for curbing illegal mining activity in the country. Any unusual land use change activity which may also include illegal mining observed on satellite imagery in a zone up to 500m from the boundary of mining lease area is captured and flagged off as Triggers to visit the area and take necessary action.

6. GOVERNANCE REFORMS

The Department of Governance Reforms has been created to improve the standards of governance by bringing and introducing reforms in the present system of governance and to achieve good governance through the use of Information Technology (IT).

The assessment of department's functioning has been done by analyzing the existing mechanisms of citizen service delivery in the State, functioning of Right to Service Commission and the Governance Reforms Commissions.

6.1 Suwidha Centres

The Government in the year 2005 envisaged Suwidha centres to provide a computerized Front end under one roof to the Citizens for 36 identified citizen centric services.

6.2 Governance Issues identified

6.2.1 Replacing self-sustainable Suwidha Centres by Sewa kendras- "Drain on exchequer"

- In 2014, the Government, through a notification, replaced the self sustainable Suwidha centres with Sewa Kendras.
- The Sewa Kendras are being operated through a private service operator @ ` Rs1400 crore payable over a period of 5 years, i.e, 2016-21 and the State Government is required to provide a Viability Gap Funding from its budget which may extend to ` 175-180 crore in the first year.
- A sum of ` 302 crore has been spent on the construction of 2147 Sewa Kendras, many of which are under-performing.

6.2.2 Putting the cart before the horse

- In the era of digital technology, the government took a retrograde step of creating multiple physical structures.

- Back-end computerization and linkages were not instrumental; as a result, the Sewa Kendras, have extremely low footfall of users.

6.3 Way forward

A new web portal and mobile application shall be launched to provide digital services of all departments, to the citizens.

6.4 Right to Service Commission

The previous Government notified the Punjab Right to Service Act, 2011 on 20th October, 2011 with an objective of providing an effective frame work for time bound delivery of services by various government departments in order to promote transparency and accountability.

6.5 Governance Issues Identified

- Initially, a 4 member Punjab Right to Service (RTS) Commission was set up (November 2011), which was later on reformed to a 10 member body (through an ordinance on 26.5.16 replaced by an Act on 13 December 2016), other than the Chief Commissioner.

6.5.1 Bulky and Overstaffed Commission

- The workload, as shown below, vis-à-vis the strength of the Commission clearly shows that the Commission is overstaffed and bulky. ₹ 455.75 lakh have been incurred as recurring expenditure of the Commission during 2015-16
- The number of cases dealt by the RTS Commission under RTS Act 2011, since its inception, is as follows:
 - a. 66872 complaints have been disposed since inception till May 2017, a large majority being referred to Second appellate authority for disposal.
 - b. Out of 46 revisions and 2 reviews, 46 revisions have been disposed off and 2 reviews are pending.

- c. 97 officers/officials till May, 2017 have been penalized by Commission as well as by the 2nd Appellate Authorities for their wilful default in not adhering to the time lines notified by the State Government under the Punjab Right to Service Act, 2011.
- d. Referred more than 832 complaints not covered under the Act, to various authorities for sympathetic consideration under intimation to the applicants

6.6 Way Forward

The Government has decided to review the Act and the working of the Commission comprehensively.

6.7 About the Governance Reforms Commissions

The government constituted two governance reforms Commissions during the last 10 years:

6.7.1 Social Development and Governance Reforms Commission

It was constituted in 2009, with a tenure of two years, which was extended by another year. The terms of reference of the Commission were to identify important schemes, programs and services of the Government with an objective to improve citizen service delivery and ensure dignified access to the disadvantaged/marginalized/ deprived sections of the society. This Commission submitted five reports to the Government with certain recommendations.

6.7.2 Punjab Governance Reforms Commission (PGRC)

It was constituted in 2012, primarily to monitor and evaluate the impact of the recommendations of Social Development and Governance Reforms Commission and to make second generation reforms. The Commission submitted 4 reports during its tenure, the last being in July 2014.

PGRC made 412 recommendations pertaining to 28 Government Departments/entities out of which, 55 i.e. 13% were not agreed by the concerned departments.

6.8 Governance Issues identified

6.8.1 Little focus on structural and institutional reforms

The Commission, in its reports, has largely concentrated on the process reengineering of the services provided by the various departments with little focus on structural and institutional reforms required to improve performance.

6.8.2 Fiscal reforms was not a priority

Fiscal reforms, an essential component of the overall governance reforms was neither a part of terms of reference of the Commission nor the Commission ever made any recommendations in this regard.

6.8.3 Ethics in public Administration largely ignored

The Commission has failed to lay down the required emphasis on strengthening values and ethics in public administration, which could have gone a long way in ensuring dignified access to citizen services by various departments of the State.

6.9 Way Forward

The State Government has now constituted Punjab Governance Reforms and Ethics Commission to undertake reforms in the structural/institutional framework with an objective to enhance the quality of citizen services with transparency and accountability.

The Commission shall submit its reports on Revenue and Expenditure Reforms; Citizen-centric Governance; Ethics and Accountability and Ease of Regulatory Compliance.

7. FOOD & CIVIL SUPPLIES

The primary policy objective of the Department of Food & Civil Supplies is to ensure food security for the State through timely and efficient procurement and distribution of food grains. This involves procurement of various food grains, building up and maintenance of food stocks, their storage, movement and delivery to the distributing agencies and monitoring of production, stock and price levels of food grains.

The assessment of department's functioning has been done by analyzing the implementation of flagship programme of the State, known as Atta Dal Scheme.

7.1 New Atta Dal Scheme

Government of Punjab had launched "Atta Dal Scheme" w.e.f. 15.08.2007. This scheme was brought under the ambit of National Food Security Act, 2013 (NFSA 2013), implemented in the State w.e.f. December, 2013 and re-launched as New Atta Dal Scheme (NADS). Based on the eligibility criteria, the following table indicates the eligible beneficiaries under both old and new Atta Dal Scheme:

| Year-wise Beneficiaries Count on ePDS Portal | | | |
|---|--|--|---|
| Year & Month | Count of families having Ration Cards | Count of Individual Beneficiaries | Remarks |
| December 2013 | 17,92,692 | Approx. 80 lakh | NFSA was adopted by the State w.e.f Dec 2013. Prior to this Allocation was done Ration Card wise. |
| December 2014 | 30,36,732 | 1,16,03,660 | Distribution on Biannual basis |
| December 2015 | 28,96,774 | 1,12,96,411 | Distribution on Biannual basis |
| December 2016 | 36,35,600 | 1,40,01325 | Distribution on Biannual basis |

7.2 Governance Issues Identified

7.2.1 Distribution

- Though the name of scheme is 'Atta Dal', however, the factual position is that Atta has never been distributed rather wheat has been distributed to the beneficiaries because wheat is supplied by GOI under the NFSA, 2013.
- In the last five years, Dal has been distributed intermittently as per the status in the following table :

| Year Wise details of Dal Distribution | | |
|---------------------------------------|------------------------------------|---|
| Financial Year | Month Wise actual Dal Distribution | Actual Distribution in a Year (No. of Months) |
| 2012-13 | October to Dec | 3 months |
| 2013-14 | July to Oct, Dec & Jan | 6 months |
| 2014-15 | June to August | 3 months |
| 2015-16 | In March, 2016 | 3 months Quota (Jan, Feb.& March, 2016) |
| 2016-17 | In December, 2016 | 1 month Quota |

- From the table above, it could be seen that Dal has been distributed only for sixteen months in a span of last five years. The total quantity of Dal distributed in the last 5 years has been 63766.15 MT only.

7.2.2 Ineligible & Undeserving Beneficiaries

There has been plethora of complaints regarding the inclusion of undeserving/ineligible families and exclusion of deserving families in this scheme.

7.2.3 Irregularities in Distribution of Subsidized Food-Grains

- The Department failed to achieve proper distribution of subsidized food grains to the deserving and eligible families.

- There have been irregularities in the distribution of subsidized food grains and there have been reports of leakages/diversion of the same.

7.3 Way Forward

7.3.1 100 Percent re-verification of existing beneficiaries

The present Government has decided to conduct re-verification of all the existing beneficiaries of the New Atta Dal Scheme so as to eliminate the ineligible beneficiaries and include the eligible left out ones. Aadhaar Validation will be main criteria for extending the benefits of the scheme under the NFSA Act. Families of farmers/landless people, who have committed suicide in distress, are also to be provided the benefits of this scheme.

7.3.2 Inquiries are being conducted wherever the department has received complaints. The action based on the findings in such inquiries is also being taken on case to case basis.

7.3.3 Fair Price Shop (FPS) Automation

In view of the reports about diversion of subsidized food grains, the State Government has decided to undertake FPS automation to plug leakages and diversion of subsidized food grains. The Department is also working to implement cashless transactions at FPS level.

7.3.4 Aadhaar Validation

Regarding Aadhaar authentication failure, the Department has initiated Aadhaar Validation of all the eligible beneficiaries, which would also weed out ghost beneficiaries, if any.

7.3.5 Social Audit

The Government would be getting the social audit done by Vigilance Committees as mandated in the National Food Security Act, 2013 so as to ensure the benefits of the scheme reach the deserving and eligible beneficiaries only. The list of eligible beneficiaries would be displayed at prominent places in the respective villages inviting the objections and complaints if anyone has. This will also be put up on the transparency portal/website being maintained by the Department (foodsuppb.nic.in).

8. TRANSPORT

The Department administers issuing of Permits to the Public carriers, both passenger and goods, Registration of Vehicles, Driving Licenses and regulates Road Safety issues throughout the State.

The assessment of Department's functioning has been done by analyzing the implementation of its transport policy/ scheme, transparency issues and measures regarding road safety.

8.1 Transport policy/scheme

The Central Motor Vehicle Act was promulgated in 1988 and the first Transport Scheme was formed by Punjab Government under it in 1990.

8.2 Governance Issues identified

8.2.1 Tweaking the Transport policy

A number of extensions in route length or curtailments thereof, as well as increase in frequency of service mentioned in the permits was allowed on the request of some of the permit holders, in effect allowing more buses to be operated by the existing operators or letting them discontinue bus services, without following due process.

Some private operators knocked the doors of judicial courts. The Punjab and Haryana High Court as well as the Apex Court, while admitting the pleas of petitioners took an adverse view of many provisions in the Transport Scheme as amended from time to time, which abetted such practices and asked the State government to frame Transport Scheme in accordance with the Act *ibid*.

8.2.2 State transport undertakings bled white

State transport undertakings with a total fleet of about 3000 buses suffered losses during the period with annual losses crossing ` 100 crore, and accumulated losses crossing ` 300 crore.

8.3 Way forward

The Government will implement a new Transport Policy to address the above issues and ensure the following:

- Provide safe and dependable bus service on all roads in the State.
- Facilitate employment by making permit issuance easier.
- Ensure transparency in allotment of route permits.
- Create a level playing field for operation of all bus operators by way of making equitable time tables and ensuring compliance of routes and times by use of technology such as GPS.
- Keep significant role of State Transport Undertakings as a stabilizing force.

8.4 Road safety

Road safety has not received the priority and attention that it deserved. The data on road accidents and resultant deaths is staggering in the State.

8.4.1 Unsafe Roads

- Nearly 15 deaths and 12 serious injuries in road accidents in the State per day (5077 deaths and 4351 serious injuries in 2016) indicates the alarming situation.
- 2/3rd of accidents take place on National and State Highways, whose length is 5.4% of total road length in the State.

8.5 Way forward

- Road Safety Lead Agency will be set up to coordinate and implement a comprehensive Road Safety Programme.

9. HOME AFFAIRS

Department of Home Affairs and Justice plays a vital role in managing Law and Order Administration, Safety and Security and curbing crime issues and taking actions on subsequent prosecution thereof. It deals with matters relating to civil defence, jails and justice. It also deals with the matters connected with the Police, Railway Police and the Punjab Armed Police.

The functioning of the Department has been assessed by analyzing the informal and infamous 'Halqa In-Charge System' in Police, introduced by the previous government in 2010.

9.1 Background

In Police functioning, an Assistant Superintendent of Police/ Deputy Superintendent of Police is posted as Sub-Divisional Police Officer (SDPO). He is in-charge of a Police Sub-Division comprising of at least two or more Police Stations. In Police parlance, the Sub-Division ASP/DSP is known as 'Halqa Officer'. The SDPO provides first level of supervision to the Police Station and works as a vital link between District SSP and Police Stations. The ASP/DSP in-charge of a Sub-Division also works as Police counterpart of Sub-Divisional Magistrate/ Sub-divisional office(s).

In the year 2010, Police Sub-divisions were made co-terminus with Assembly Constituencies. This arrangement was commonly known as 'Halqa System'.

9.2 Governance Issues identified

9.2.1 Informal decisions ruling the roost- Due procedure laid down in section 12 of The Punjab Police Act, 2007- not followed

Section 12 of The Punjab Police Act, 2007 mentions "The State Government may, by notification in the Official Gazette, divide each police district into as many Sub-Divisions as may be deemed necessary, which would be headed by an officer of the rank of an Assistant Superintendent of Police or Deputy Superintendent of Police". This has to be done in a need based manner for ensuring efficient administrative functioning of the criminal justice system while keeping in view the public convenience

In the year 2010, the Government took an informal decision to make the territorial jurisdiction of Police Sub-Divisions co-terminus with Assembly Constituencies. It effectively established

one-to-one relationship between ASP/DSP Sub-division and Member of Legislative Assembly or the political person who was made in-charge of the Assembly Constituency. Accordingly Police Sub-Divisions were created/carved out without following due procedure as mentioned above.

a. The territorial jurisdiction of Police Sub-Divisions was changed to make the Police Sub-Divisions co-terminus with Assembly Constituencies. It was done by –

- Transfer of villages/ areas from one Police Station to another.
- Transfer of entire Police Station from one Sub-Division to another.
- Creation and abolition of Police Stations and Police Sub-Divisions.
- Informal carving out of Sub-Divisions and posting DSPs in unsanctioned Sub-Divisions and drawing salaries from other sanctioned posts.

b. While the legal provisions for creation of Police Stations or changing territorial jurisdiction of existing Police Stations were followed, the same does not hold good for Police Sub-Divisions.

c. Presently, there are 96 sanctioned Police Sub-Divisions against which 125 Police Sub Divisions were operating. The Remaining DSPs were posted against unsanctioned posts and their salaries were drawn against sanctioned posts of district Police and other wings, particularly Armed Battalions.

9.3 Impact

A) Professional Policing went for a toss

The effectiveness, efficiency, professionalism and quality/ speed of service delivery to citizens by the Police declined in public perception.

B) Adverse affect on functioning of Armed Battalions and Specialized wings

The functioning of Armed Battalions and Specialized wings was also adversely affected due to non posting of sufficient number of officers in the rank of DSP.

9.4 Way Forward

- a)** Rationalizing the territorial jurisdiction of Police Stations and Police Sub-Divisions for improving the policing in the State, while ensuring public convenience;
- b)** Restructuring the staffing of Police Department by making it more focused on operational efficiency and strengthening the established mechanism of command and control and synergy with Revenue Sub-Division;
- c)** Placement of DSPs Sub-Division in sanctioned Police Sub-Divisions only.

10. CONCLUSION

"We must become the change we want to see" - Mahatma Gandhi

10.1 This paper has highlighted major failures in governance of the State by identifying gaps in governance in some select Departments. It is now imperative on the part of State Government that in all Departments, action on the following is taken:

10.1.1 Every department and organization should define a vision, which can be fulfilled by setting measurable outcomes as targets, so that eventually public services are delivered in the most efficient manner.

10.1.2 Need based restructuring and reorganization is carried out to enhance efficiency, in line with e-governance interventions. The roles and functions of all functionaries are required to be delineated, processes laid out and accountability for the same be ensured.

10.1.3 Performance should be incentivized. At the same time, a distinction be made between performers and non-performers and suitable measures for weeding out the latter must be in place.

10.1.4 The State must put in place more enduring and institutionalized systems that can improve democratic governance.

10.2 Despite weakening of systems and falling levels of governance in the State, the Government is determined to fulfil the hopes and expectations of the people of Punjab. The Government looks forward to reinvigorating the administrative set up of the State and raise the State of Punjab to No.1 position in the nation, in social as well as economic development.

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