



Government of Haryana

Annexure to the Report of the Sixth State Finance Commission Haryana

Empowering Local Bodies for Resilient Governance



December 2021



**Annexure to the Report
of the
Sixth State Finance
Commission Haryana**

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Summary of Annexure to the Report

This Annexure to the report of the Sixth State Finance Commission Haryana, presents the supporting documents associated with the analysis conducted and recommendations proposed in the main report. The annexures include notification orders relating to the constitution and extension of the Commission. Memorandums received from various departments, highlighting the status quo of the services delivered by those departments in the state, are also attached to this report along with the detailed questionnaires prepared for collection of data from the local bodies.

The Annexure also lists out the Minutes of the Meetings attended and conducted by the Commission at various levels of the Central and State governments. Further, this Annexure includes the additional relevant tables and graphs that support the analysis conducted and recommendations proposed by the Commission in the main report.

Collectively, all the documented data supplied in this Annexure has provided a strong base for the Commission's understanding, analysis and drafting of the report and we believe that this would assist the next Commissions to a certain degree in collecting and presenting detailed disaggregated data.



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HARYANA GOVERNMENT

POLITICAL & PARLIAMENTARY AFFAIRS DEPARTMENT

Notification

The 22nd September, 2020

No. 18/1/2020-2POL.— In pursuance of the provisions of the Article 243 I and 243 Y of the Constitution of India and section 213 of the Haryana Panchayati Raj Act, 1994 (Act 11 of 1994) and rule 3 of the Haryana Finance Commission Rules, 1994, the Governor of Haryana hereby constitutes the Sixth State Finance Commission, Haryana (6th SFC) consisting of Shri P.Raghavendra Rao, IAS (Retd), as the Chairman and Sh.Vikas Gupta IAS, as the Member Secretary of the Commission. The other members of the Commission will be appointed later on.

2. The Commission shall make recommendations relating to the following matters:-

1. (a) the principles which should govern-
 - (i) the distribution between the State and the Zila Parishads, Panchayat Samitis and Gram Panchayats, of the net proceeds of the taxes, duties, tolls and fee leviable by the State which may be divided between them under Part IX of the Constitution of India and the allocation between the Zila Parishad, Panchayat Samiti and Gram Panchayats at all levels of their respective shares of such proceeds;
 - (ii) the determination of the taxes, duties, tolls and fee which may be assigned to, or appropriated by, the Gram Panchayats, Panchayat Samitis and Zila Parishads;
 - (iii) the grants-in-aid to the Zila Parishad, Panchayat Samiti and Gram Panchayat from the Consolidated Fund of the State;
- (b) the measures needed to improve the financial position of the Gram Panchayats, Panchayat Samitis and Zila Parishads;

2008 HARYANA GOVT. GAZ. (EXTRA.), SEPT. 22, 2020 (BHDR-31, 1942 SAKA)

2. (a) the principles which should govern-
 - (i) the distribution between the State and the Municipalities of the net proceeds of the taxes, duties, tolls and fee leviable by the State, which may be divided between them under Part IX A of the Constitution of India and the allocation between the Municipalities at all levels of their respective shares of such proceeds;
 - (ii) the determination of the taxes, duties, tolls and fee which may be assigned to, or appropriated by the Municipalities;
 - (iii) the Grants-in-aid to the Municipalities from the Consolidated Fund of the State;
- (b) the measures needed to improve the financial position of the Municipalities.
In making its recommendations, the Commission shall have regard, among other considerations, to:-
 - (i) the objective of balancing the receipts and expenditure of the State and for generating surplus for capital investment;
 - (ii) the resources of the State Government and demands thereon particularly in respect of expenditure on Civil Administration, maintenance and upkeep of capital assets, maintenance expenditure on plan schemes and other committed expenditures or liabilities of the State; and
 - (iii) the requirements of the Panchayati Raj Institutions and the Municipalities, their potential for raising resources and for reducing expenditure.
3. The Commission shall make its report available to the Governor of Haryana on expiry of its period. The report shall cover a period of five year from 2021-22 to 2025-26.
4. The Chairman of the Commission shall hold office for a period of one year from the date on which he assumes charge.
5. The Chairman's HQ is fixed at New Delhi. However he would also be provided office space in Swarna Jayanti Haryana Institute for Fiscal Management, Panchkula. Other terms and conditions of service of the Chairman will be issued later on.
6. This is issued with the concurrence of Finance Department conveyed vide their U.O. No. 02/08-2015-SBFM(FD) dated 20.07.2020.

KESHNI ANAND ARORA,
Chief Secretary to Government, Haryana.

HARYANA GOVERNMENT
Political & Parliamentary Affairs Department
NOTIFICATION
The 1st September, 2021


No. 18/1/2020-2Pol-The Governor of Haryana is pleased to extend the term of the 6th State Finance Commission, Haryana as constituted vide Haryana Government Notification No. 18/1/2020-2Pol dated 23.9.2020, up to 31.12.2021.

VIJAI VARDHAN
Chief Secretary to Government, Haryana.

No. 18/1/2020-2Pol Dated, Chandigarh the 1st September, 2021.

A copy is forwarded to the Controller, Printing & Stationery Department, Chandigarh for publishing the above notification in the Haryana Government Gazette (Extra Ordinary) of today.


It is requested that 50 printed copies of the above notification may please be supplied to the Haryana Government (Political Department).


Joint Secretary Political,
for Chief Secretary to Government, Haryana.

No. 18/1/2020-2Pol Dated, Chandigarh the 1st September, 2021.

A copy is forwarded to the following for information and necessary action:-

1. The Principal Accountant General (A&E), Haryana, Chandigarh.
2. The Principal Accountant General (Audit), Haryana, Chandigarh.
3. The Treasury Officer, Haryana, Panchkula/Chandigarh.


Joint Secretary Political,
for Chief Secretary to Government, Haryana.

No. 18/1/2020-2Pol Dated, Chandigarh the 1st September, 2021.

A copy is forwarded to the Chairman, 6th State Finance Commission, Haryana, Swarna Jayanti Haryana Institute for Fiscal Management, Panchkula, Haryana for information and necessary action. It is also requested that the Commission may complete their work and submit the final report within the stipulated period.


Joint Secretary Political,
for Chief Secretary to Government, Haryana.

A copy, each, is forwarded for information and necessary action to the :-

1. The Additional Chief Secretary to Government, Haryana, Development & Panchayats Department;
2. The Additional Chief Secretary to Government, Haryana, Urban Local Bodies Department;
3. The Secretary to Government, Haryana, Secretariat Establishment.


Joint Secretary Political,
for Chief Secretary to Government, Haryana.

- To
1. The Additional Chief Secretary to Government, Haryana, Development & Panchayats Department;
 2. The Additional Chief Secretary to Government, Haryana, Urban Local Bodies Department;
 3. The Secretary to Government, Haryana, Secretariat Establishment.

U.O. No. 18/1/2020-2Pol Dated, Chandigarh the 1st September, 2021

A copy is forwarded to the Additional Chief Secretary to Government, Haryana, Finance Department with reference to his U.O. No. 1/7/2020-1FGI/PP/17284 dated 31.08.2021 for information.


Joint Secretary Political,
for Chief Secretary to Government, Haryana.

To
The Additional Chief Secretary to Government,
Haryana, Finance Department.

U.O. No. 18/1/2020-2Pol Dated, Chandigarh the 1st September, 2021

Memorandum by Departments

**Memorandum
of
Development & Panchayats Department
Government of Haryana**

From

Additional Chief Secretary to Govt. of Haryana,
Development & Panchayats Department
Haryana, Chandigarh

To

The Member Secretary,
6th State Finance Commission Haryana,
Yojana Bhawan, Hays No.21-28,
Sector-4 Panthkhula.

Memo No: DFA-3-2021/ 99264 Dated 11-10-21
Subject:- Submission of charter of demands in the shape of memorandum.

Kindly refer to the letter U.O. No.1/7/2020-SHFM(FD), dated 19.07.2021 received from the Finance Department, a copy of which has been endorsed to you.

Please find enclosed herewith a charter of demands in the shape of memorandum, for further necessary action.



Joint Director,
for Additional Chief Secretary to Govt. Haryana
Development & Panchayat Department

Enclt. No.DFA-3-2021/

Dated

A copy is forwarded to the Additional Chief Secretary to Govt. of Haryana, Finance Department, with reference to their U.O. No. 1/7/2020-SHFM(FD), dated 19.07.2021 for information.



Joint Director,
for Additional Chief Secretary to Govt. Haryana
Development & Panchayat Department

1. BACKGROUND

- 1.1 73rd Constitutional Amendment requires, under Art. 243-I & Y of the Constitution of India, every State Government to constitute the State Finance Commission after every 5 years to make recommendations regarding devolution of State resources to the local bodies (both rural & urban), determination of the taxes and duties to be assigned to these bodies and also to suggest measures needed to improve the financial status of these bodies.

2. CONSTITUTION OF 6TH STATE FINANCE COMMISSION

- 2.1 Pursuant to the 73rd amendment in the Constitution of India, the State Legislature of Haryana enacted the Haryana Panchayati Raj Act, 1994 providing the constitution of State Finance Commission after every 5 years under section 213 of the Haryana Panchayati Raj Act, 1994. The award period of the 1st State Finance Commission was 1997-2001; 2nd State Finance Commission was 2001-06; 3rd State Finance Commission was 2006-11; 4th State Finance Commission was 2011-16; 5th State Finance Commission was 2016-21 and the 6th State Finance Commission has been constituted vide notification dated 22.09.2020 and its award period is 2021-26.
- 2.2 **Term of Reference-** The State Finance Commission shall make recommendations relating to the following matters:-
- (a) The principles which should govern-
- (i) The distribution between the State and the Zila Parishad, Panchayat Samitis and Gram Panchayats, of the net proceeds of the taxes, duties, tolls and fee leviable by the State which may be divided between them under Part IX of the Constitution of India and the allocation between the Zila Parishad, Panchayat Samiti and Gram Panchayats at all levels of their respective shares of such proceeds;

- (ii) The determination of the taxes, duties, tolls and fee which may be assigned to, or appropriated by, the Gram Panchayats, Panchayat Samitis and Zila Parishads;
 - (iii) The grants-in-aid to the Zila Parishad, Panchayat Samiti and Gram Panchayat from the Consolidated Fund of the State;
- (b) The measures needed to improve the financial position of Gram Panchayats, Panchayat Samitis and Zila Parishads.

In making its recommendations, the Commission shall have regard, among other considerations, to:-

- (i) objective of balancing the receipts and expenditures of State and for generation surplus for capital investment;
- (ii) resources of the State Government and demands in respect of expenditure on civil administration, maintenance and upkeep of capital assets, maintenance expenditure/liabilities of the State; and
- (iii) requirement of Panchayati Raj Institutions, their potential for raising resources and reducing expenditure.

3. PANCHAYATI RAJ INSTITUTIONS

3.1 73rd constitutional amendment made the Panchayati Raj Institutions a third tier of governance i.e. Rural Local Bodies in the democratic set-up. Article 243-B provides for constitution of Panchayats at the village, intermediate and district levels. Accordingly, in the State of Haryana, Zila Parishads, Panchayat Samitis and Gram Panchayats have been constituted at District, Block and village level respectively from the year 1994.

3.2 Article 243-G of the Constitution also authorises the State Government to endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions

for the devolution of powers and responsibilities upon Panchayats, at the appropriate level, subject to such conditions as may be specified therein, with respect to-

- a) the preparation of plans for economic development and social justice;
- b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule.

3.2 Pursuant to the above constitutional provision, the Haryana State also enacted the Haryana Panchayati Raj Act in year 1994.

4. ADMINISTRATIVE SET-UP

- 4.1 There are two Directorates namely, Development and Panchayats Department and Rural Development Department at the State Level headed by senior IAS officers. An Engineering wing for execution of development works is also established at State Headquarter headed by Chief Engineer, Panchayati Raj,
- 4.2 At the district level, Chief Executive Officers have been appointed for looking after the affairs of the Zila Parishads and District Rural Development Agency (DRDA). Also, there is a District Development and Panchayats Officer for implementation and monitoring of the various schemes of the department, likewise there is Executive Engineer, Panchayati Raj for execution of development works.
- 4.3 At block level, Block Development and Panchayats Officer is Executive Officer of Panchayat Samiti and who also implement and monitor the various schemes of the department, likewise there is Sub-Divisional Engineer, Panchayati Raj for execution of development works.
- 4.4 At Gram Panchayat level, a Gram Sachiv has been appointed as secretary for a cluster of Gram Panchayats.

5. DUTIES AND FUNCTIONS OF PANCHAYATI RAJ INSTITUTIONS

5.1 Eleventh schedule of Indian Constitution provides for the following functions within the purview of the Panchayats:

1. Agriculture including agricultural expansion
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Animal Husbandry, Dairying and poultry
4. Fisheries Industry
5. Minor irrigation, water management and watershed development
6. Social forestry and farm forestry
7. Small scale industries in which food processing industry is involved
8. Minor forest produce
9. Safe water for drinking
10. Khadi, village and cottage industries
11. Rural housing
12. Fuel and fodder
13. Rural electrification, including distribution of electricity
14. Road, culverts, bridges, ferries, waterways and other means of communication
15. Education including primary and secondary schools
16. Non-conventional sources of energy
17. Technical training and vocational education
18. Adult and non-formal education
19. Public distribution system
20. Maintenance of community assets
21. Welfare of the weaker sections of the in particular of the schedule caste and schedule tribes
22. Social welfare, including welfare of the handicapped and mentally retarded
23. Family welfare

24. Women and child development
25. Markets and Fairs
26. Health and sanitation including hospitals, primary health centres and dispensaries
27. Cultural activities
28. Libraries
29. Poverty Alleviation Programmes

5.2 Accordingly, various functions have been devolved upon the Gram Panchayats, Panchayat Samities and Zila Parishads under section 21, 75 and 137 of the Haryana Panchayati Raj Act, 1994 respectively.

6. SOURCES OF PANCHAYAT FUNDS

6.1 Article 243 H of the Constitution provides that the State Government may—

- a) authorise the Panchayats to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;
- b) assign to a Panchayat such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits;
- c) provide for making such grants in aid to the Panchayats from the Consolidated Fund of the State; and
- d) provide for constitution of such Funds for crediting all moneys received, respectively, by or on behalf of the Panchayats and also for the withdrawal of such moneys therefrom, as may be specified in the law

6.2 Accordingly, section 39 of the Haryana Panchayati Raj Act, 1994 provides the funds to be credited in the Gram Fund, section 40 provides for the sources of Gram fund and section 41 of the Haryana Panchayati Raj Act, 1994 authorises Gram Panchayats to levy and collect following taxes, cess and fees:

- (i) House Tax;

- (ii) Property Tax on transfer in the form of surcharge;
 - (iii) Any other tax, duty or fees which the Legislature may impose;
 - (iv) Tehbazari, Mela fees, water fees, fees for registration of cattle sold;
 - (v) Fee on the erection of communication tower in rural areas;
 - (vi) Lease money from ponds/lands/shops etc.;
 - (vii) Auction money of HaddaRori.
- 6.3 Likewise, section 88, 89 and 91 of the Act of 1994 authorises Panchayats Samities to levy taxes and fees etc. Similarly, Section 147 and 149 of the Act of 1994 authorises Zila Parishad to levy & collect tax, fee etc.
- 6.4 Various sources of Panchayats' fund are lease money from Panchayat land, ponds etc.; Grant-In-Aid (Central Finance Commission and State Finance Commission); House Tax; Surcharge on Stamp Duty and Electricity Cess.
- 6.5 Source of Panchayats Funds received under various heads during last 5 years are given below:

**Table 1: Source of Panchayats fund during last 5 years
(Actuals)**

(In Rs. in crore)

Year	Panchayats fund from lease money from land, ponds etc.	Central Finance Commission Grant	State Finance Commission (including Special Development Works funds)	House Tax
2016-17	267.66	656.72	312.45	3.08
2017-18	298.33	756.98	455.00	3.82
2018-19	323.77	775.99	631.00	4.13
2019-20	350.82	1048.53	1140.00	3.89
2020-21	331.05	1264	254.62	2.62
Total	1571.63	4502.22	2793.07	17.54
Total Panchayats Funds, CFC and SFC in 5 years - Rs. 8884.46cr.				
Panchayats Funds, CFC and SFC per year average - Rs. 1776.89 cr.				

Table 2: Status of Panchayat funds (estimated) for the FY 2021-22
(In Rs. in crore)

Year	Panchayats funds from lease money from land, ponds etc.	Central Finance Commission Grant	State Finance Commission Grant	House Tax
2021-22	331.05	935.00	1715 No amount released	2.62

- 6.6 From 2021-22 onwards, it is estimated that Income of Rs.150 cr. from Surcharge on Stamp duty and Rs.100 cr. from electricity cess is likely to be generated which will be credited to the Panchayat fund.
- 6.7 It is pertinent to mention here that 30% Gram Panchayats do not have Shamilat lands and 10% Gram Panchayats have minimal holdings. Similarly, Income from surcharge on Stamp duty will also not be available to all the Gram Panchayats. Besides, the Gram Panchayats are reluctant not to levy local taxes like house tax, property tax etc. Hence, the Panchayats do not have their own sources of Income to meet these expenditures.

7. DISTRIBUTION OF REVENUES

- 7.1 There are two approaches commonly being used for sharing revenues with local level government. One is sharing of revenues in Specific taxes. The other is universal sharing meaning thereby share of local bodies in the total divisible pool instead of share in Specific taxes. Thus, there are two alternatives of revenue sharing:-
- (i) Specific tax sharing; and
 - (ii) Universal Sharing
- 7.2 All the State Finance Commissions in Haryana or in other States generally treat net own tax revenue of the State as sole component of divisible pool, as every citizen has a stake in the States taxes. Out of above two principles, the universal sharing is the best suitable. Universal sharing means all State taxes are pooled together and a fixed percentage becomes the share of local bodies. It is more

transparent, certain and predictable. All State Finance Commissions in the Haryana have followed universal sharing mechanism for determination of share of local bodies in divisible pool of the State taxes.

- 7.3 5th State Finance Commission constituted on 26th May 2016 had submitted its report to the Haryana Government on 13th September 2017. In the said report, it was recommended that the share of local bodies will be 7% of the State Own Tax Revenue (SOTR) further divisible between rural and urban local bodies in the ratio of 55:45. Distribution criteria were recommended on the basis of population and area in the ratio of 80:20. The inter-se allocation was recommended among GPs:PSs:ZPs in the ratio of 75:15:10 on the basis of population (as per latest census). The recommendations were made applicable from year 2018 onwards.
- 7.4 In para 6.2.7 of the report of 5th State Finance Commission submitted on 13th September 2017, it has been observed that State Finance Commission grants in total devolution of State funds to the Urban Local Bodies and the Rural Local Bodies have been relatively small, and declining. This share declined from a peak of 21.1 percent in 2013-14 to 16.9 percent in 2015-16.
- 7.5 Before implementation of Goods and Service Tax (GST), Panchayati Raj Institutions were getting Value Added Tax (VAT) on surcharge and Liquor share which seized after implementation of Goods and Service Tax (GST), which resulted in reduction of funds being devolved to the Panchayati Raj Institutions. In addition to this, committed liabilities such as wages to village Chowkidars, Safal Karamcharies, pension to ex-Sarpanches, Ex-Chairmen and Ex-Presidents etc. of the Panchayati Raj Institutions have increased.
- 7.6 **Devolution of State taxes to the Local Bodies** –The State Own Tax Revenue (SOTR) for the year 2021-22 is projected as Rs. 45832 cr. (as per information provided by the Finance Department). Funds to be devolved to the Local Bodies, as per the recommendation of 5th

State Finance Commission, i.e. 7% of the net State Own Tax Revenue (SOTR), is Rs. 3208.24 cr. which is further divisible between Rural Local Bodies and Urban Local Bodies in the ratio of 55:45. Thus the Rural Local Bodies will get 55% of Rs. 3208.24 cr. i.e. Rs. 1764.53 cr. The Development and Panchayats Department has worked out detailed estimate of funds required for the Rural Local Bodies to meet out the committed liabilities such as wages, pension, honorarium, operation & maintenance etc. and providing basic infrastructure such as Solid and Liquid Waste Management, Faecal Sludge Management, Gram Sachivalayas etc. This fund requirement for the Rural Local bodies has been estimated at Rs.6007.21 cr, which has been explained in para 9 of this memorandum. Hence, the 7% share of State Own Tax Revenue (SOTR) is required to be increased to 20 %.

7.7 Divisible pool of State Own Tax Revenue (SOTR) between Urban and Rural Local Bodies – Table 16 titled as ‘Proportion (Percent) of Projected Urban Population to Total Population by sex as on 1st October - 2011-36’ given in ‘Population Projections Report for India and States (2011-2036)’ submitted in November 2019 by the ‘Technical Group on Population Projections, National Commission on Population, Ministry of Health and Family Welfare, Government of India’ states that Haryana projected proportion (%) of urban population is 41.26% and accordingly the rural projected population would be 58.74%. Therefore, the divisible pool of the State Own Tax Revenue (SOTR) between Urban and Rural Local Bodies should be in the ratio of 41:59 so that rural local bodies may get proportionate funds.

7.8 Distribution criteria of funds – 5th State Finance Commission recommended the distribution criteria of the fund on the basis of population and area in the ratio of 80:20. However, distribution of funds on the basis of area is not practically feasible as firstly, the area of each Gram Panchayat is not available and secondly, many

times part of Gram Panchayats shifts to Municipal area or vice versa. Therefore, it is proposed that the State Finance Commission may recommend distribution criteria of funds on population basis only.

- 7.9 Inter-se distribution of funds among Rural Local Bodies** -The 5th State Finance Commission had recommended 75 percent to be devolved to Gram Panchayats, 15 percent to Panchayat Samitis, and 10 percent to Zila Parishads. This has been a standard allocation since the past years. Therefore, it is proposed to continue with the same allocation criteria.

8. GAP IN ENTITLEMENT AND RELEASE OF STATE FINANCE COMMISSION GRANTS

- 8.1 3rd State Finance Commission had recommended to devolve 2% of State Own Tax Revenue (SOTR) to RLB:ULB in the ratio of 65:35 for the Financial Years 2016-17 and 2017-18. Recommendations of the 4th State Finance Commission were not implemented. Thereafter, 5th State Finance Commission recommended to devolve 7% of State Own Tax Revenue (SOTR) to RLB:ULB in the ratio of 55:45. These recommendations were made applicable from 2018-19 onwards.
- 8.2 However, Panchayati Raj Institutions have not been devolved the funds as per the recommendation of 5th State Finance Commission. Details of last 3 years are given below:

Table 3: Comparison of entitlement and releases of 5th State Finance Commission Grants (actual) to Panchayati Raj Institutions

(Rs. in crore)

Year	SOTR (Net)	State Finance Commission share of SOTR	GIA to SJIFM	PRI entitlement @ 55% of 7% of SOTR	Funds released to the deptt.	Gap in release
2018-19	41942	2935.94	64	1579.57	631.00	948.57
2019-20	42188	2953.16	65	1588.49	1140.00	448.49
2020-21	42188	2953.16	66	1587.94	254.62	1333.32
2021-22	45832	3208.24	66	1728.23	0	1728.23
Total	172150	12050.50	261	6484.23	2025.62	4458.61

8.3 From perusal of table 3 above, it is evident that the Finance Department has devolved only 31% funds against entitlement falling the spirit of empowering the Panchayati Raj Institutions.

8.4 In the recent past, Finance department is emphasising that the committed liability of the Panchayati Raj Institutions in terms of wages of the functionaries engaged by the Gram Panchayats and honorarium of the Panchayati Raj Institutions members should be borne from Panchayat fund. Details of the funds released to the Panchayati Raj Institutions for this purpose through State budget during the last 3 years are given below:

Table 4: Details of the funds released to the Panchayati Raj Institutions during last 3 years for wages etc.

(Rs. in crore)

Year	Release of wages to Chowkidars	Release of wages to Safai Karamcharies	Release of wages to Tube well Operators	Release of Honorarium to PRI members
2018-19	44.47	124.35	-	16.02
2019-20	47.67	147.49	-	84.07
2020-21	46.93	172.46	43.15	80.56
Total	139.07	444.20	43.15	180.65
Total 3 year budgetary release Rs. 807.07 cr.				
Per year budgetary release Rs. 269.02 cr.				

8.5 If the annual budgetary release of Rs. 269.02 cr. may be considered as devolution grant, even then the release of State Finance Commission grant to the Panchayati Raj Institutions is less than their entitlements.

8.6 State Finance Commission is requested to recommend that Finance Department shall ensure to release the funds to the Panchayati Raj Institutions as per their entitlements including the earlier gap in release.

9. PROJECTED LIABILITY OF PANCHAYATI RAJ INSTITUTIONS

9.1 In order to honour the mandate given by the Constitution of India to the Panchayati Raj Institutions and to become self-reliant and self-sustainable, the following obligations are required to fulfil by them:

- ❖ committed liabilities and
- ❖ basic infrastructure

9.2 Providing committed liabilities and basic infrastructure -

Panchayats are currently providing basic services in terms of safety, sanitation, cleanliness, social security by way of engaging Chowkidars, Safai Karamcharies, Door-to-door collection of solid waste, Grey water management, faecal sludge management, wages of Tube-well Operators, Honorarium to members of Panchayati Raj Institutions and Pension to Ex-PRI heads. These basic services are the committed liabilities of the Gram Panchayat to fulfil their social obligation towards inhabitants of the Sabha area. This expenditure on committed liability will be incurred annually.

Table 5: Projection of Committed Liabilities (recurring) for FY 2021-22

(Rs. in crore)

S. No.	Activity	Projected amount
1	Wages of Chowkidar	48.18
2	Wages of Safai Karamcharies	192.35
3	Wages of Tube well Operators	65.26
4	Honorarium to PRI members and pension to Ex-PRI heads	107.23
5	Door-to-door collection of solid waste @ Rs. 172/- per capita	315.00
6	Operation and Maintenance of basic infrastructure @ Rs. 250/- per capita	467.00
7	Disaster Management @ Rs. 100/- per capita	183.00
8	Administrative Expenses like electricity bill,	34.79

	water bill, other misc. Office expenses etc.
Total projected amount for one year	Rs. 1421.81 cr.

Note: Projected rural population is 1.83 cr.

- 9.3 In addition to the committed liabilities, some basic infrastructure are also required to be provided in the Gram Panchayats in order to provide better standard of living to the rural inhabitants such as Solid Waste Management, Liquid Waste Management, Faecal Sludge Management, Pavement of streets with street lights, Gram Sachivalayas and Community Centres.
- 9.4 Under phase-II of Swachh Bharat Mission, Hon'ble Prime Minister has a vision for States to achieve the status of Open Defecation Free (ODF) plus within next 5 years. To achieve this status, all Gram Panchayats will have to provide basic infrastructure of Solid and Liquid Waste Management including Faecal Sludge Management. Without the financial assistance from the State Finance Commission grants, it is not possible to achieve Open Defecation Free (ODF) plus status.
- 9.5 To institutionalize the Gram Panchayats, as well as, to bring transparency in their functioning, it is imperative to operate from office building i.e. Gram Sachivalaya to bring Gram Panchayat and Village Level Functionaries of all the departments under one roof for better functioning and coordination. Gram Sachivalaya will act as a centre of activity for village community, Government and Semi Government agencies. Gram Sachivalayas will also have digital libraries and a room for Common Service Centres (CSCs) for providing various Government services to the rural inhabitants at their door step.
- 9.6 With the increase of socio-economic status of the villagers, it has become the need of the hour that they also be provided with a public building for social gatherings and functions, thus Community centre is also a basic need of the villagers. These Community centres will be

open for all communities, castes, etc. which will promote social inclusion and social harmony in the villages.

9.7 Projection of capital expenditure required to be made during next 5 years to provide basic infrastructure in the Gram Panchayats lacking these facilities are given in the table below:

Table 6: Projection of Capital cost for basic infrastructure
(Rs. in crore)

S. No.	Activity	Projected expenditure
1	Solid Waste Management sheds in 5000 GPs @ Rs.5 lacs per shed.	250.00
2	Liquid Waste Management in 5000 GPs @ Rs.75 lacs per project.	3750.00
3	Faecal Sludge Management in 300 clusters of GPs @ Rs.4 Crore per project.	1200.00
4	Pavement of streets and installation of streets lights in all 6227 Gram Panchayats @ Rs.1 crore per Gram Panchayat.	6227.00
5	Construction of Gram Sachivalaya in 3000 Gram Panchayats @ Rs.50 lacs per project.	1500.00
6	Construction of Community Centre in 5000 Gram Panchayats @ Rs.2 crore per project.	10000.00
Total capital cost for basic infrastructure for 5 years		Rs. 22,927 cr.
Per year basic infrastructure requirement		Rs. 4585.40 cr.

Note: Above projection of the basic infrastructure is based on assessment of the requirement in the Gram Panchayats lacking these facilities.

9.8 Total annual projected requirement of funds for committed liability and basic infrastructure would be as under-

- (i) Requirement to meet out committed liability - Rs.1421.81 cr.
- (ii) Requirement for funds for basic infrastructure- Rs.4584.40 cr.
- (iii) Total annual requirement of funds -Rs.6007.00 cr.

9.9 Recently, Ministry of Panchayati Raj, Government of India has urged States to devolve 15th Finance Commission grants also for Health Infrastructure maintenance, maintenance of school infrastructure,

Therefore, the divisible pool of the State Own Tax Revenue (SOTR) between Urban and Rural Local Bodies should be in the ratio of 41:59. Thus, Rural Local Bodies are entitled for Rs. 5,408.17 cr. i.e. 59% (projected rural population) share of 20% of net State Own Tax Revenue.

10. PROVIDING DEVELOPMENTAL INFRASTRUCTURE

10.1 The villages in their pure rural and rudimentary form cannot meet or sustain the needs and expectations of its citizens with an increase in accessibility, education, awareness and income levels, the expectations of citizens have rightfully been increased. To act a third tier of Government, Panchayati Raj Institutions are duty bound to provide their inhabitants better living standard or civic infrastructure services and facilities.

10.2 In the aforesaid context, developmental infrastructure needs are catered through:

A. Schemes of the Rural Development and Development & Panchayats Department

B. Schemes of other line departments

10.3 Schemes of the Rural Development and Development & Panchayats Department

10.3.1 Few schemes provides infrastructure from Centrally Sponsored Schemes with specific objectives like sanitation under Swacch Bharat Mission (Gramin), employment generation through Mahatma Gandhi National Rural Employment Guarantee Scheme, housing under Pradhan Mantri Awas Yojna-Gramin, water harvesting projects under Integrated Watershed Management Programme, streets, street lights, drains, buildings etc. under Rurban, MPLADS, Pradhan Mantri Adarsh Gram Yojna. Works under these schemes are executed as per the scheme guidelines

through various agencies with the participation of Panchayati Raj Institutions.

Table 7: Details of funds released for development work sunder Centrally Sponsored schemes of Rural Development and Development & Panchayats Department in last 5 years

(Rs. in crore)

Year	SBM(G)	MGNREGS	Rurban	IAY/ PMAY-G	MPLADS	IWMP	PMAGY
2016-17	91.50	325.46	-	93.19	30.60	13.41	-
2017-18	36.09	320.05	-	177.81	52.97	28.87	132.90
2018-19	45.58	367.03	5.08	44.67	46.45	22.59	159.87
2019-20	52.98	387.96	110.77	62.02	19.50	27.98	182.55
2020-21	66.50	802.62	198.53	12.26	0	19.23	183.99
Total	312.74	2203.12	314.38	389.95	140.52	112.08	650.31

Grand Total Rs. 4141.10 cr.

10.3.2 Similarly, State Government also provides funds under its various schemes for developmental infrastructure. Works under these schemes are mostly taken up on the recommendation of Members of Parliament/ Members of Legislative Assembly etc. and are specific in nature. Works upto Rs.20.00 lac are being executed directly by the Gram Panchayats and above Rs.20.00 lac by the Engineering Wing of the Development and Panchayats Department. Gram Panchayats passes resolution for these works.

Table 8: Details of funds released for development works under State Government schemes in last 5 years

(Rs. in crore)

Year	Haryana Gramen Vikas Yojana	Special Development Works	Haryana Rural Development Fund	Surcharge on VAT	Vidhayak Adarsh Gram Yojana
2016-17	281.25	297.24	316.65	230.16	-
2017-18	449.56	86.45	677.81	245.00	-
2018-19	454.13	108.78	954.19	175.00	42.00
2019-20	405.73	277.47	620.76	-	63.79
2020-21	331.12	-	101.83	-	127.10
Total	1921.79	769.94	2671.24	650.16	232.89

Grand Total Rs. 6246.02 cr.

10.3.3 Development works under both Centrally Sponsored schemes or State Sponsored Schemes are being executed with the help of Gram Panchayats by the Executing Agency i.e. Panchayati Raj Engineering Wing but are actually not proposed by the Gram Panchayats, thus limiting their role as Local Self Government. In order to empower Gram Panchayats in true spirit, all development works irrespective of any scheme must be included in Gram Panchayat Development Fund (GPDP) duly approved and passed by the Gram Sabha.

10.3.4 Funds under the State Sponsored Schemes may also be devolved upon the Panchayati Raj Institutions on per capita basis and be distributed in the ration of 75:15:10 to the ZP:PS:GP.

10.4 Schemes of line departments:

10.4.1 With the advent of urbanisation in rural areas, there is need for providing better facilities in the rural areas like tapped drinking water supply to all villages, 24x7 electricity to all villages, educational institutions, medical facilities, all weather roads, small scale industries, play way schools, creches etc.

10.4.2 Various departments of the State Government are working for development in rural areas within their own ambit and through their own Central/ State Government schemes. Though few departments have constituted village level committees with Sarpanch as member but Gram Panchayats are not directly involved in execution or planning of the projects. Consequently, funds and functionaries are also not being devolved or bring under the administrative control of Panchayati Raj Institutions, whereas the Constitution of India provides that 29 subjects enlisted in its 11th Schedule shall be devolved upon the Panchayati Raj Institutions.

- 10.4.3 With the view to devolve these subjects upon the Panchayati Raj Institutions, the State Government has constituted an Inter-District Council on 24th July 2018 to assess the development needs and to delegate the powers to the Panchayati Raj Institutions and three meetings have been conducted so far. Various departments like Women and Child Development, Transport, Health, Environment, Education, Agriculture etc. were requested to implement their selected schemes through Panchayati Raj Institutions by devolving funds and functionaries. However, these have been reluctant to devolve these functions to the Panchayati Raj Institutions because of their limited capacity and technical knowhow.
- 10.4.4 Government of India in year 2015 launched Gram Panchayat Development Plan scheme with objective of wholistic planning and development of Gram Panchayats including 29 subjects of various Departments. Thus, the Gram Panchayat Development Plan shall include all the planned activities of all the Departments based on the needs of the inhabitants.
- 10.4.5 As a new initiative, Gram Darshan has been conceptualised by the State Government to collect the demands, suggestions and grievances from the rural citizens regarding development works and various schemes of all the departments of the State. This will also provide useful insight to the Govt. to understand the development needs of the rural masses.
- 10.4.6 To abide by the Constitutional mandate, the State Government should devolve all the 29 subjects including fund, function, functionaries to the Panchayati Raj Institutions so that it may work as Local Self Government. All development works being undertaken in the villages by any Department must be included in the Gram Panchayat Development Plan, Panchayat Samiti Development Plan and Zila Parishad Development Plan.

- 10.4.7 Funds of these works may be released to the Panchayati Raj Institutions as a tied fund to be used for that specific purpose and it may be implemented by the functionaries of the concerned Department under supervision and control of the Panchayati Raj Institutions.**
- 10.4.8 For this purpose, administrative control of the functionaries of the respective Departments may be given to the Panchayati Raj Institutions. In addition, Panchayati Raj Institutions should have their own functionaries to assist the Panchayati Raj Institutions in supervising and monitoring of various development works and other related activities.
- 10.4.9 Panchayati Raj Institutions may ensure that social audit of all these development works. State Government has recently decided that social audit of all the development works of all the departments will be conducted by the Social Audit Unit of the Rural Development Department. Accordingly, Social Audit Act is being enacted by the State Government.

11. SPECIAL GRANT-IN-AID FOR SUSTAINABLE DEVELOPMENT GOALS BASED INCENTIVISATION OF PANCHAYATS

- 11.1 Panchayats are expected to play an influential role in the planning and implementing functions related to 29 subjects enlisted in the Eleventh Schedule of the Constitution. Many Sustainable Development Goals (SDG) targets are within the purview of these subjects. Panchayats may play a crucial role in achieving the SDGs because these are universal goals with local implications and intervention possibilities.
- 11.2 Gram Panchayats across the country prepare Gram Panchayat Development Plans (GPD), which present an opportunity for the Panchayati Raj Institutions to synchronize their projects with SDGs. Resources from various Centrally and State-sponsored schemes can be leveraged and converged at the Gram Panchayat level. It is vital

to set Gram Panchayat-level targets with measurable indicators that will have vertical and horizontal linkages, convergence possibilities, resource mobilization potential and feasible action by the Panchayati Raj Institutions

- 11.3 It is felt that progress of the SDGs should be tracked based on Key Performance Indicator (KPI) score/ rankings for that thematic area of development. Example: Number of girl child admissions, domestic violence cases, the birth rate of baby girls etc., for SDG 5.
- 11.4 State Government launched 7-Star Rainbow Scheme in year 2018 with a vision to identify and incentivize best performing Gram Panchayats on socio-economic parameters. It is an attempt to shift the focus of the Gram Panchayats from infrastructure development to wholistic development of the Gram Panchayat.
- 11.5 Under this scheme, seven socio-economic parameters were identified namely (1) Sex Ratio; (2) Education & Dropouts; (3) Hygiene/ Serenity; (4) Peace and harmony; (5) Environment preservation; (6) Good Governance; (7) Social Participation. The Gram Panchayats were rewarded with Rs.1 lakh as award money for each Parameter and a special bonus of Rs.50,000 to those Gram Panchayats who achieved star rating in having equal or more girl population and Swachhta in their respective Gram Panchayats.
- 11.6 The Department proposes to incentivise the Gram Panchayats, Panchayats Samitis and Zila Parishads achieving Sustainable Development Goals using main parameters of Central and State Schemes, SDGs, Socio-economic Indicators, Human Development Index etc. Further, Department in collaboration with Swarn Jyanti Institute of Fiscal Management will prepare Sustainable Development Goal (SDG) Index for Blocks and Gram Panchayats so as to make Gram Panchayats sensitized to achieve Sustainable Development Goals in long term.
- 11.7 The Gram Panchayats, Panchayat Samitis and Zila Parishad will be selected on the basis of main parameters of Sustainable

Development Goals and under each parameter subsequent indicators will be there. Each parameter will have 100 marks. Gram Panchayats obtaining 100 marks against a parameter will get one star, thus, maximum of 10 stars.

- 11.8 Three Zila Parishads and ten Panchayat Samities under whose jurisdiction maximum percentage of Gram Panchayats will attain maximum stars, will also be incentivised.
- 11.9 1st ranked Zila Parishad will get an incentive of Rs.50.00 lac, 2nd ranked Zila Parishad will get an incentive of Rs.40.00 lac and 3rd ranked Zila Parishad will get an incentive of Rs.30.00 lac. Top ten Panchayat Samiti will get incentive of Rs. 25.00 lac each.
- 11.10 Maximum no. of stars that can be given to the 6227 Gram Panchayats will be 62270 stars. It is assumed that it is assumed that about 71100 stars will be achieved by these Gram Panchayats in the next 5 years and thus Rs.711 crores will have to be given as incentivisation to the Gram Panchayats.
- 11.11 As per this, total financial outlay, if all Panchayats secure 10 stars, will be as given below:

S. No.	Entity	Count	Annual Incentive
1	Zila Parishad	3 (Rs.50, Rs.40, Rs.30 lac to 1 st , 2 nd , 3 rd ranked ZP) every year for 5 years	Rs.6.00 cr.
2	Panchayat Samiti	10 (Rs.25 lac per PS) every year for 5 years	Rs.12.50 cr.
3	Gram Panchayats	1 st year 6227/10 = 623 2 nd year 6227/8 = 778 3 rd year 6227/6 = 1038 4 th year 6227/4 = 1557 5 th year 6227/2 = 3114 Total Stars 71100	Rs.62.30 cr. Rs.77.80 cr. Rs. 103.80 cr. Rs. 155.70 cr. Rs. 311.40 cr. Total Rs. 711 cr.
		Total amount for 5 years	Rs.729.50 cr.
		Amount of incentivisation for one year	Rs.145.90 cr.

12. State Finance Commission may recommend Special Grant in Aid of Rs. 150 cr. annually for Sustainable Development Goals based Incentivisation of Panchayats and Rs. 750 cr. for 5 years.

13. **SPECIAL GRANT-IN-AID FOR HARYANA INSTITUTE FOR ADVANCED AND INNOVATIVE RURAL TECHNOLOGIES (HIAIRT)**

13.1 It has been observed many times that there has been lack of quality in terms of poor workmanship, high maintenance costs, absence of standardized guidelines and model codes for rural infra development. Further, there has been lack of technological input in the Department and still Department is using inefficient, expensive technologies and implementation of semi-cooked solutions from urban areas. Also, there is no focus of the department towards rural, low-cost technologies. Thus, to develop and popularize innovative rural technologies aimed at improving the standard of living of rural inhabitants, Department proposes to set up a dedicated Institute of Advanced Rural Technologies.

13.2 In order to conceptualize Haryana Institute of Advanced and Innovative Rural Technologies (HIAIRT), various similar institutes across the country were studied like Rural Technology Park at National Institute of Rural Development and Panchayati Raj, Hyderabad, Center for Rural Development and Technology, IIT Delhi, Kerala Institute of Local Administration, Kerala etc.

13.3 National Institute of Rural Development and Panchayati Raj (NIRDPR) has established Rural Technology Park (RTP) in 1999 in Hyderabad. It was established with a view to uplifting the rural people in all aspects of life such as capacity building, rural employment generation and livelihood etc. It is established in an area of 65 acres of land with a scope to envisage for transfer of

- technology through live demonstrations. The development of RTP has been divided into various categories to cater to the needs of the rural people.
- 13.4 Centre for Rural Development and Technology is one of renowned academic units of Indian Institute of Technology, Delhi. It came into existence in 1979 with the aim of becoming an outreach centre of Indian Institute of Technology, Delhi to address challenges faced by rural communities and to improve their quality of life.
- 13.5 Kerala Institute of Local Administration (KILA) is an autonomous institution functioning for the Local governments in Kerala. The Central university of Kerala has recognized it as a Research Centre attached to the Department of International Relations.
- 13.6 Department studied their background, organization structure, infrastructure facilities, activities and functions performed by them especially in the areas such as advance rural technology, rural sanitation, skilling and training. Basis the study, department proposes following features for proposed Haryana Institute of Advance and Innovative Rural Technologies (HIAIRT).
- 13.7 The Haryana Institute of Advanced and Innovative Rural Technologies (HIAIRT) will focus on following critical areas:
- Rural Housing, Building and Construction Management
 - Drinking Water Supply
 - Sanitation
 - Solid and Liquid Waste Management
 - Faecal Sludge Management
 - Rural Roads
 - Rural Streets and Drainage
 - Information and Communication Technology
 - Rural Electrification and Renewable/Green Energy
 - Pond Rejuvenation
 - Planning and Innovative Rural Technologies

- Economic Development, Entrepreneurship and Employment generation

13.8 Main objectives of HIAIRT will be:

- Live demonstration/dissemination of cost-effective, local resource based and environment friendly technologies of different sectors of Rural Development
- Provide functional exposure to replicable models to meet location-specific, season-specific and social contextual needs
- Promote participative-cum-partnership collaboration between frontline / forward demonstration teams, other official and Non-Government Organisations, Institutions like National Institute of Rural Development and Panchayati Raj, Hyderabad.
- Facilitate transfer of technologies to users and help improve the operational skills to produce high quality products
- Link users and institutions (Panchayati Raj Institutions, Non-Government Organisations, Community Based Organisations) with technology developer / suppliers

13.9 The proposed Haryana Institute of Advance and Innovative Rural Technologies (HIAIRT) would have the following wings:

- 1. Innovation, Research and Development Wing** – This wing shall address the needs of the rural community, the department shall focus on development and dissemination of safe, cost effective and innovative technologies for rural infrastructure development.
- 2. Design and Development Wing** – This wing shall address lack of availability of standardized designs and model codes for rural infrastructure development agencies.
- 3. Quality Control Wing** - The wing shall be responsible for developing testing guidelines/ mechanisms and ensuring compliance of rural work with specifications, design standards,

statutory and regulatory requirements through in-situ and ex-situ testing.

4. Policy, Governance & Partnerships Wing - The activities to be undertaken by the wing are as follows:

- i. Policy advice and guidance to State government
- ii. Support to State government for preparation of schemes/ policies/ guidelines
- iii. Public Policy Research and Benchmarking
- iv. Policy Advocacy
- v. Collaboration with academic/research institutions, bilateral and multilateral agencies, corporates for development/ implementation/ commercialization of new technologies
- vi. Acting as Coordinator and Convener of various relevant stakeholders of Panchayat Raj and local governance
- vii. Information/ Statistical Data dissemination

5. Capacity Building and Training Wing - The wing shall be responsible for training and development of technical/ non-technical capabilities of Departmental employees, Elected Representatives of Panchayati Raj Institutions and Core Panchayati Raj Institution functionaries.

6. Academics, Entrepreneurship and Skill Development Wing - Skilling certification programs aligned to the needs of the industry shall be conducted on the lines of the National Occupation Standard guidelines.

13.10 Tentative cost to establish Haryana Institute of Advance and Innovative Rural Technologies (HIAIRT) is given below:

S. No.	Activity	Tentative Cost
1	Land (25 acres)	Rs.20 cr.
2	Administrative Building including lecture halls	Rs.15 cr.
3	Auditorium (500 persons capacity)	Rs.10 cr.

4	Library (100 person capacity)	Rs.2 cr.
5	IT Infrastructure and Labs	Rs.5 cr.
6	R&D Lab	Rs.15 cr.
7	Quality Testing Lab	Rs.15 cr.
8	Guest House	Rs.2 cr.
9	Residential Hostel and mess (100 beds)	Rs.16 cr.
10	Faculty and support staff (recurring) for 5 years	Rs. 50 cr.
11	Operation & Maintenance(recurring) for 5 years	Rs. 50 cr.
Total tentative cost for 5 years		Rs. 200 cr.

13.11 State Finance Commission is requested to provide Special Grant-in-Aid of Rs.110 crore to establish Haryana Institute of Advance and Innovative Rural Technologies (HIAIRT) in first year including CAPEX & OPEX and Rs.18 crore as OPEX per year for recurring expenditure i.e. wages, Operation & Maintenance etc.

14. SPECIAL GRANT-IN-AID FOR RESTRUCTURING OF HARYANA INSTITUTE OF RURAL DEVELOPMENT AND PANCHAYATI RAJ AND ITS EXPANSION AT DISTRICT LEVEL

14.1 In case all these subjects are devolved upon the Panchayati Raj Institutions, there would be dire need to train and build capacities of the members and functionaries of Panchayati Raj Institutions. At present, there are 3 training institutes under the administrative control of the Rural Development and Development & Panchayats Departments but they have limited capacity to impart training to the 70,000+ PRI members and 5000+ Panchayat functionaries.

14.2 There are three training institutes in the State under Rural Development and Development & Panchayats Department namely, Haryana Institute of Rural Development at Nilokheri (apex training institute), Rajiv Gandhi State Institute of Panchayati Raj and Community Development at Nilokheri and Regional Institute of

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Panchayati Raj and Community Development at Bhiwani. In addition to these institutions, District Panchayat Resource Centres have been established at district level in make shift public building but need to be set up as District Rural Development & Panchayati Raj Training Institutes.

- 14.3 The capacity of these institutes is required to be enhanced in terms of facility, building, different wings like finance and accounts wing, audit wing etc. on the pattern of National Institute of Rural Development and Panchayati Raj, Hyderabad and Extension Training Centres.
- 14.4 Also, two more regional training institutes at Gurugram and Panchkula are also proposed to be established.
- 14.5 Financial outlay required to restructure existing training institutions and establish District Rural Development & Panchayati Raj Training Institutes:

S. No.	Activity	Fund requirement
1	Restructuring of HIRD including Faculty support, Research and studies, Impact assessment reports, digitization of training modules and adopting Learning Management system etc.	Rs. 50.00 cr.
2	Establishment of two more regional training institutes at Gurugram and Panchkula	Rs. 50.00 cr.
3	Establishment of District Rural Development & Panchayati Raj Training Institutes in all districts	Rs. 100.00 cr.
4	Recurring expenditure on Wages, Operation & Maintenance, Research Studies, Survey etc. @ Rs. 40 cr. per year for 5 years	Rs. 200 cr.
Total fund requirement for 5 years		Rs. 400 cr.

14.6 State Finance Commission may recommend Special Grant-in-Aid of Rs. 240.00 cr. for strengthening and expansion of rural training infrastructure in the State as one time grant and Rs. 40.00 cr. as recurring grant for wages, Operation & Maintenance, Research studies, surveys etc. in subsequent years. Total fund requirement for 5 years will be Rs. 400 crore.

15. SPECIAL GRANT-IN-AID FOR DIGITIZATION AND EFFECTIVE WORKS MONITORING OF PANCHAYATS

15.1 There are 6227 Gram Panchayats, 142 Panchayat Samitis and 22 Zilla Parishads in the State and these Panchayats are being provided more than Rs.3500 cr. for development works under Haryana Gramin Vikas Yojna, Swachh Bharat Mission Gramin, Special Development Works scheme, Haryana Rural Development Board funds etc. Therefore, there is need to development IT based work monitoring systems through which fund flow could be tracked and monitored on real time basis.

15.2 The Department proposes for faster adoption and migration of accounts data onto e-Gram Swaraj or any such State Application. An independent auditing agency will be engaged to do audit of all the Panchayats on yearly basis to improve fiscal management of Panchayats. Greater capacity building initiatives of PRI functionaries in accountancy is needed for which State Training Institutes will be leveraged. The vision should be towards creating a 'cashless system'. In order to curb malpractice of data theft and loss of historical records, Department will work for digitization of all accountancy data.

15.3 But due to inadequate manpower at Gram Panchayat level and lack of systems in place, these funds are being overlooked, thus, increasing the chances of mis-utilisation of funds. Therefore,

following contractual manpower is required at Block and Gram Panchayat level:

(Rs. in crore)

S. No.	Name of Post	Level	No. of Posts	Unit Cost	Cost liability per year
1	Audit Agency to be empanelled for audit of all Panchayats	State Headquarter			10.00 lumpsum
2	Clerk-cum-DEO	State Headquarter	4	0.002	0.096
3	System Analyst	State IT Cell	1	0.02	0.24
4	Programmer	State IT Cell	2	0.005	0.12
5	Junior Programmer	Block Level	143	0.003	5.15
6	Data Entry Operator	Block Level	143	0.002	3.43
7	One Accountant-cum-Data Entry Operator for a GP having population more than 3000 and one Accountant-cum-Data Entry Operator for cluster of GPs having population more than 3000	Gram Panchayat	3300	0.002	79.20
8	Development of Software solutions				02.00 lumpsum
Annual requirement					Rs. 100 cr.
Total requirement for 5 years					Rs. 500 cr.

- 15.4 State Finance Commission may recommend Special Grant-in-Aid of Rs. 100 cr. annually for Digitization and effective work monitoring of the Panchayati Raj Institutions and Rs. 500 cr. for 5 years.**

16. CONCLUSION:

- 1. It is proposed that State Finance Commission may recommend to devolve 20% of State Own Tax Revenue (SOTR) to local bodies in proportionate to the population of rural and urban local bodies.**
- 2. Inter-se distribution between Panchayati Raj Institutions and ULBs should be in proportionate to the population of these local bodies.**
- 3. State Finance Commission grants may be distributed on per capita basis only.**
- 4. State Finance Commission may recommend Special Grant In Aid of Rs. 150 cr. annually for Sustainable Development Goals based Incentivisation of Panchayats and Rs. 750 cr. for 5 years.**
- 5. State Finance Commission is requested to provide Special Grant-in-Aid of Rs.110 crore to establish Haryana Institute of Advance and Innovative Rural Technologies (HIAIRT) in first year including CAPEX & OPEX and Rs. 18 crore as OPEX per year for recurring expenditure i.e. wages, Operation & Maintenance etc.**
- 6. State Finance Commission may recommend Special Grant-in-Aid of Rs. 240.00 cr. for strengthening and expansion of rural training infrastructure in the State as one time grant and Rs. 40.00 cr. as recurring grant for wages, Operation & Maintenance, Research studies, surveys etc. in subsequent years. Total fund requirement for 5 years will be Rs. 400 crore.**

7. State Finance Commission may recommend Special Grant-in-Aid of Rs. 100 cr. annually for Digitization and effective work monitoring of the Panchayati Raj Institutions and Rs. 500 cr. for 5 years.

Grant requirement summary sheet

S. No.	Purpose	One time Grant	Annual Recurring Grant	Total Grant requirement of next 5 years
1	59 % of 20% of SOTR	-	Rs.5,408 cr.	Rs. 27,040 cr.
2	Special Grant in Aid for Sustainable Development Goals based Incentivisation of Panchayats	-	Rs. 150 cr.	Rs. 750 cr.
3	Special Grant-in-Aid for Haryana Institute of Advance and Innovative Rural Technologies (HIAIRT)	Rs.110 cr.	Rs. 18 cr.	Rs.200 cr.
4	Special Grant-in-Aid for strengthening and expansion of rural training infrastructure	Rs. 240 cr.	Rs. 40 cr.	Rs. 400 cr.
5	Special Grant-in-Aid for Digitization and work monitoring of the Panchayati Raj Institutions	-	Rs. 100 cr.	Rs. 500 cr.
Grand total		Rs. 350 cr.	Rs. 25,540 cr.	Rs. 28,890 cr.

Chandigarh, dated


 (AMIT JHA)
 Additional Chief Secretary to Govt. of Haryana
 Development and Panchayats Department.

**Memorandum
of
Urban Development Department
Government of Haryana**

शहरी स्थानीय
निकाय निदेशालय
हरियाणा



DIRECTORATE OF URBAN
LOCAL BODIES
HARYANA

MOST URGENT

12

The Member Secretary,
Sixth State Finance Commission,
Boys No. 23-28, Yojana Bhawan,
Sector- 4, Panchkula, Haryana

Memorandum No. DULB/SLA/2021/ 37000

Dated: 29/07/2021

Subject:- Minutes of the meeting with Sixth State Finance Commission and Urban Local Bodies Department held on 24th July, 2021 at Red Bishop, Panchkula – Submission of Revised Memorandum to Sixth State Finance Commission.

Please refer to your e-mail dated 09.08.2021 on the subject cited above.

I am directed to forward Revised Memorandum duly signed by the Principal Secretary to Government of Haryana, Urban Local Bodies Department as desired in the meeting with Sixth State Finance Commission and Urban Local Bodies Department held on 24th July, 2021 under the Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, Sixth State Finance Commission for consideration and further necessary action please.

End: As above

Accounts Officer (B)
for: Director, Urban Local Bodies
Haryana, Panchkula.

CC:

1. PS to PSULB for kind information of W/PSULB.
2. PA to DULB for kind information of W/DULB.

URBAN LOCAL BODIES DEPARTMENT, HARYANA
MEMORANDUM
SIXTH STATE FINANCE COMMISSION (6th SFC), HARYANA

1. BACKGROUND

After the passage of the 74th Constitutional Amendment Act, 1992 and in accordance with the provisions of the Article 243-Y of the Constitution of India, every State Government has to constitute the State Finance Commission (SFC) after every 5 years to make recommendations regarding devolution of State resources to the Local Bodies (both rural & urban), determination of the taxes and duties to be assigned to these Local Bodies and also suggesting measures required to improve the financial status of these Local Bodies.

2. CONSTITUTION OF SIXTH STATE FINANCE COMMISSION (6th SFC), HARYANA

- I. In pursuance of the provisions of Articles 243-I and 243-Y of the Constitution of India read with section 213 of the Haryana Panchayati Raj Act, 1994 (Act 11 of 1994) and rule 3 of the Haryana Finance Commission Rules, 1994, the State Government of Haryana constituted the Sixth State Finance Commission (6th SFC) vide notification No. 18/1/2020-2PCN, dated 22nd September, 2020.
- II. As per the Constitutional Amendment, each Commission should be established to give recommendations for five years and then the body of subsequent Commission will be constituted.
- III. The State Finance Commission shall make recommendations relating to the following matters :
 - a. distribution from the states to the Panchayats and municipalities of the net proceeds of taxes, duties, tolls, and fees;
 - b. determination of taxes, duties, tolls and fees to be assigned to the PRIs and ULBs;
 - c. grants-in-aid to the PRIs and ULBs; and
 - d. review measures required to mend and improve the fiscal position of the PRIs and ULBs.

⇒ play a crucial role in efficient fiscal decentralization scheme & methodology which aims to diminish adhocism and arbitrariness in the inter-governmental fiscal transfers system at the state and local levels.
- IV. The commission is required to complete this constitutional assignment in a stipulated time schedule.

3. Urban Local Bodies

Urban Local Bodies are important institutions of self-governance, providing physical infrastructure and civic amenities in urban areas. Haryana's steady transformation into a predominantly urban society is now a demographic, economic and political reality. With over 35% people living in urban areas, the state is one of the highly urbanised states in the Indian Union. As with any urbanized and industrialized economy, the urban centres are the hubs of activities with continued growth attracting potential investments, employment generation by creating high quality infrastructure, robust transport and communication linkages, provision of buzzing interactive

residential, industrial and commercial complexes. With improved high speed connectivity across the State, the dynamic growth pattern shall kick start a contiguous positive urban growth index along nearly all major corridors, resulting in the diminishing rural-urban divide. The impact of such a cluster oriented growth pattern along the corridors is creating pressure on the Urban Local Bodies to respond to the challenge of urban growth and ever demanding service delivery and will be a challenge in the coming years. Consequentially, the urban population increased from 24.6 % in 1991 to 28.93 % in the year 2001 which went up to 34.8% in the year 2011. This rapid growth in urban population apart from above-mentioned reasons is also attributable mainly to rapid industrialization and proximity of Haryana to National Capital Delhi due to which the migrant labourers tend to settle in towns around Delhi which has put additional pressure on existing infrastructure in terms of increased demand for housing, up-gradation of infrastructure, provision of civic amenities. The Urban Local Bodies in Haryana have neither been provided additional grants nor have they received any additional income on this account.

4. Administrative Set up for Urban Governance-

- I. The Directorate of Urban Local Bodies, Haryana was established on 1st April, 1982 to have better co-ordination and control on the working of municipalities in the State.
- II. At present, there are 93 Municipalities in the State comprising of 11 Municipal Corporations, 22 Municipal Councils and 60 Municipal Committees in the State which are headed by Municipal Commissioners in case of Municipal Corporations and Executive Officers/Secretaries in case of Municipal Councils and Municipal Committees respectively.
- III. 20 posts of District Municipal Commissioners have been created, who are the overall controllers/competent authorities for such works/powers which were vested with the Deputy Commissioners of the districts in respect of Municipal Councils/Committees of the respective districts except the district of Faridkot (there is no Municipal Council/Committee in this district) and Charkhi Dabri, which has been clubbed with District Bhiwani.

5. Functions of the Urban Local Bodies-

The enactment of the 74th Constitution amendment is a historic step in the evolution and development of Urban Local Bodies. The subsequent enactment of Haryana Municipal Act, 1973 and the Haryana Municipal Corporation Act, 1994 and formation of Haryana State Finance Commission were a logical sequel to these amendments.

After 74th Constitution amendment, vast type of responsibilities have been assigned to the municipalities enshrined in the 12th Schedule of the Constitution which have been incorporated in the Haryana Municipal Act, 1973 as well as Haryana Municipal Corporation Act, 1994. The amendment Act specifies the areas of responsibilities of the Municipalities and their powers to raise revenue through obligatory as well as discretionary taxation measures.

While earlier Municipal administrative system was synonymous with sanitation, it has now changed into multi-faceted functional concept of urban life embracing such multi-dimensional activities and programs like sanitation, pavement of streets, drinking water, sewerage, public utilities, drainage, development & maintenance of parks and open places, implementation of town

management of slaughter houses and poverty alleviation programmes for the urban poor.

6. Financial Resources of Urban Local Bodies:

- I. Municipalities raise their own resources from a variety of sources, as provided for in the respective municipal laws. Their own revenue sources are income from :
 - a. taxes;
 - b. fees and fines; and
 - c. earnings from municipal resources like land, markets, shops etc.
- II. The main taxes and fees collected by urban bodies are: Property Tax; Water and Sewerage charges, Fire Tax; Taxes on animals and vehicles; Theatre tax; Duty on transfer of property (Stamp Duty) etc. The other sources of income are fines and fees such as fees on Telbuzari, on Takhtas and Chaburras; licence fees-on cycle rickshaws, bicycles etc.; rent from municipal shop; and fines imposed for violation of municipal Bye-Laws.
- III. The Property Tax rates of different categories of properties have not been revised for several years. Property Tax is being collected as per formula/provisions of Property Tax Notification No. S.O.86/H.A.24/1973/S.69-2013 dated 11.10.2013. Current recovery of Property Tax is poor due to COVID-19 pandemic and due to this, Government of Haryana has waived off 25% Property Tax for the year 2021-22 and also extended annual rebate of 10% from 31.07.2021 upto 30.09.2021 to improve the recovery of Property Tax. Staff shortages and their capacity building are also major concerns.
- IV. The survey of properties for assessment of property tax in all the Municipalities is going on, which is near to completion. After completion of survey, Assessment Registers will be prepared and Property Tax bills will be distributed to property owners for recovery of Property Tax as well as pending dues of Property Tax.
- V. Urban Local Bodies Department has assigned the property tax survey to private agency after following the due procedures. There are approximately 32,36,361 properties in urban areas which may reach to more than 42 lakhs properties in the State of Haryana after the process of conducting the new survey is completed.
- VI. **Property Tax Survey - Salient Features:**
 - Door-to-Door Property survey, colony survey, street survey, license survey and numbering of all the vacant plots, residential, commercial, institutional and industrial buildings.
 - Geo-enabled property tax survey using mobile/handheld device for faster, transparent and better survey of Buildings/Property and integrated with Drone based Map Service API for Base reference for effective and accurate property tagging.
 - Unique Property Identification Code (UPIC) with QR Code affixed to their buildings using a metallic sheet board.
 - Generation of requisite Property Tax lists, Register and Bills/License record online on web application provided by DULB.
 - Supplementary Property Tax survey and issue the Assessment Notices & Bills.

VII. Property Tax Status:

The Survey Agency M/s Yashi Consulting Services Pvt. Ltd. (YCSPL) has surveyed approximately 40,45,752 properties i.e., 128.99% w.r.t. the properties assessed previously.

VIII. The financial position of Urban Local Bodies in Haryana is not so sound. The maximum amount of the total revenue of these bodies is spent on establishment, thereby having very little for development works and for providing civic amenities. Most of the urban local bodies are not even able to pay salaries to their employees and the State Government has to come to their rescue. The financial position of urban local bodies has further deteriorated due to revision of pay scale and other allowances of Municipal employees on State Government pattern.

IX. The Urban Local Bodies are now functioning as autonomous institutions. The resource base of these bodies requires to be substantially augmented in order to enable them to be viable units of local administration. Despite various enabling legislations for empowerment, the Urban Local Bodies could not become viable units of self-Government due to their poor financial base and weak organizational capacity. Hence, specific powers, authorities and funds from potential financial resources are essentially required to be developed for these bodies to enable them to become self-sustainable effective units of decentralized Governance.

X. There exists a mismatch in the financial resources and responsibilities between the State and Urban Local Bodies. The State has wide financial powers while Urban Local Bodies have inadequate and inelastic source of revenue and expanding responsibilities. The State Finance Commission is urged to lay down the foundation of a decentralized public finance system along with promotion of equity, touching upon a minimum level of basic services by inviting on reform linked MoUs between the State Government and ULBs. Therefore, State Finance Commission may make judicious and viable recommendations after examining the relevant factors. It is also observed that several State Governments did not transfer funds as per the recommendations of SFCs. The Convention is established at the Centre level for accepting major recommendations of Central Finance Commission without modification which should be replicated in the States in respect of State Finance Commission report.

XI. Some ULBs in the State are moving in vicious circle of accumulated liabilities, inadequate capital accommodation and financial liquidity.

XII. Financial Sources of ULBs:

Composition of Resources of ULBs 2016-17 to 2020-21 (Municipal Corporations, Municipal Councils and Municipal Committees-wise)					
(Rs. in Crore)					
Own Sources	2016-17	2017-18	2018-19	2019-20	2020-21
1. Own Tax Revenue	512.65	487.87	442.59	378.85	496.45
2. Own Non Tax Revenue	434.00	568.43	777.97	634.78	578.41
3. Loan Repayment	3.86	4.94	8.89	17.48	22.75
4. Any Other Income	1251.21	2081.05	980.18	835.28	326.00
Total (A)	2202.32	3142.29	2209.63	1866.38	1423.60

Grant in Aid						
1.	CFC Grants	301.21	433.28	177.87	730.11	560.99
2.	SFC Grants	241.32	250.00	318.00	936.42	1493.00
3.	Centrally Sponsored Schemes	131.98	130.51	197.74	72.32	196.86
4.	State Budget Funds	1217.80	1818.75	1305.03	48.78	292.08
5.	AMRUT	101.76	123.50	193.44	759.84	369.19
6.	SMART CITY	184.00	204.00	101.00	7.00	344.00
	Total (B)	2178.07	2960.04	2293.08	2554.47	3256.12
	Grand Total (A+B)	4380.39	6102.33	4502.71	4420.85	4679.72

XIII. Besides these, Urban Local Bodies receive grants from the State Government. Despite having income from various sources, the expenditure of all municipalities is increasing in manifold quantum because of developmental works going on at a very fast pace to ensure proper infrastructure facilities alongwith other civic services to the citizens of urban areas. In some smaller ULBs even recurring expenses such as monthly salaries, bills etc., are not fully payable out of this income. Hence, it is a general practice for States to give grants to their municipal bodies to improve their revenue positions. State grant-in-aid may be on adhoc basis, or it can be on the basis of certain principles like size of population, slum concentration, location of town etc. and total sanctioned budget for the financial year 2021-22 is Rs. 3981.62 Crores.

The Sixth State Finance Commission (6th SFC) may consider recommending special grants for such ULBs to take them out of the morass/liquidity trap.

7. Schemes of the Urban Local Bodies Department:

During the current financial year i.e., 2021-22, a budget provision of Rs. 5402.38 Crores (including supplementary) has been made in the State budget for the Urban Local Bodies Department for development works under various State Schemes, Central Sponsored Schemes and 100% Centrally Sponsored Scheme.

The Government of India has launched Swachh Bharat Mission Urban - 2.0 with the objective of sustainable sanitation and treatment of waste water, sustainable Solid Waste Management, awareness and creation of institutional capacity. Similarly, Government of India has launched Jal Jeevan Mission (Urban)/AMRUT 2.0 with the objective to ensure 100% coverage of sewerage/septage management. Jal Jeevan Mission (Urban)/AMRUT 2.0 is a step towards Atma Nirbhar Bharat with the aim of making cities 'water secure' and providing functional water tap connections to all households.

8. Distribution of State revenue among Urban Local Bodies

Sixth State Finance Commission as per its TOR is required to determine the principle governing the distribution of State revenue among Urban Local Bodies and allocation between PRIs and ULBs of their respective share of such proceeds and also the inter-se distribution between all tiers of PRIs and the Municipalities, assignment of taxes/duties to Urban Local Bodies, grants-in-aid to them and other devolution which may be necessary. The major categories are given as under:-

I. Revenue sharing criteria

The most critical function of the SFC is to determine the fiscal transfer from the State to Urban Local Bodies in the form of revenue sharing and grants-in-aid. The first and second SFC of Haryana adopted the system of sharing of specific taxes. The third SFC felt that the system is all arbitrary and not based on proper rational. The third State Finance Commission adopted the global sharing of State tax Revenue for making devolution to PRIs and ULBs. The system of global sharing has distinct advantages in terms of its inbuilt transparency, objectivity and certainty to local Govt. which can anticipate at the beginning of each fiscal year, their share in the divisible pool.

Therefore, Sixth State Finance Commission (6th SFC) is urged to adopt the global sharing mechanism for making devolution recommendation to PRIs and ULBs.

II. Grants-in-aid

A. The State Finance Commission can recommend grants-in-aid to fill the revenue gap of the Municipalities so that they can meet the expenditure on basic functions.

There can be -

(a) Conditional or specific grant meant for specified purpose, e.g., some schemes or projects, which can be further classified into matching or incentive grant and non-matching grant;

(b) General purpose grant or block grants based on some criteria or formulae meant for additional resources with no condition attached;

(c) Grant can also be statutory and non-statutory.

B. Most SFCs recommended the mechanism of grants-in-aid in various forms, block grants, conditional grants and incentive grants.

C. The successive Central Finance Commissions have been issuing the grants-in-aid under Article 275 of the Constitution of India mainly for filling up the revenue gaps of the States. It is difficult to find out whether deficits arise out of lower tax efforts, extravagant expenditure and unduly ambitious spending programme or out of sheer poverty and costliness of invariable functions.

D. Therefore, Sixth State Finance Commission (6th SFC) should lay emphasis on the refinement of criteria for assessing the fiscal performance of ULBs.

III. Consolidated Funds

As per the TOR of the State Finance Commission, the consolidated fund shareable with the local bodies consist of the proceeds of taxes, duties, tolls and fees leviable by the state.

Total revenue receipts of the State comprise of four parts i.e., share of central taxes, state's own tax revenue, state's own non-tax revenue, and grants-in-aid from centre. There is wide variation across the states in defining the components of divisible pool and principle of sharing. The few SFCs treated the total revenue receipt as the divisible pool, whereas some other SFCs used only state's own source revenue i.e., tax and non-tax revenue, as the consolidated fund. The Third State Finance Commission of Haryana adopted the state's own tax revenue as component of divisible pool. The 6th State Finance Commission may also consider this issue.

IV. Distribution of Local Bodies Share between PRIs and ULBs

The wide variation has been seen across SFCs in determining the respective shares of PRIs and ULBs. As per Third SFC recommendations the Urban Local Bodies share in divisible between PRIs and ULBs in the ratio of 65:35. There is larger growth in Urban Population than Rural Population due to rapid industrialization and Urbanization. The Urban population recorded a marked decadal growth of 44.25% as per 2011 census against the growth of 10.00% in rural areas. Fifth State Finance Commission had recommended distribution of funds in the ratio of 45% for Urban Local Bodies and 55% for Rural Bodies. Thus total funds amounting to Rs. 5558.00 Crores had been recommended for the ULBs for the period from 2016-17 to 2020-21, out of which Rs. 3238.74 Crores had been released under SFC.

Due to ever mounting pressure on Urban Infrastructure, the Sixth State Finance Commission may consider to recommend 50% share of Urban Local Bodies (instead of 45%) in the consolidated funds (ULB:PRI share):

After determining relative share of PRIs and ULBs from consolidated fund, the State Finance Commission is required to decide the share of PRIs and ULBs district-wise and among each tier of ULBs. While determining the Local Body share from consolidated fund, the Commission may adopt population & area as the main criteria for distribution among PRIs and ULBs.

It is pertinent to mention here that in recent years there has been tremendous growth in urban areas of the State, as such population as well as area of Urban Local Bodies has increased manifold which has put pressure on increased development works in such areas. Hence, urban areas require more financial infusion than rural areas where many other Departments such as PWD (B&RG Department is constructing roads, PHED is supplying water etc., thereby saving huge funds on account of expenditure being incurred on these infrastructure facilities. While in urban areas all such works are being carried out by the concerned Urban Local Bodies which require huge funds for execution of these essential citizen-centric works.

9. Strengthening of the District Planning Committee: -

The State Government shall, by notification in the official Gazette, constitute in each district, a District Planning Committee to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole.

In exercise of the powers conferred by sub-section (2) of Section 203B and clauses (xxii), (xxiii) and (xxiv) of sub-section (1) of Section 257 of the Haryana Municipal Act, 1973 and all other powers enabling him in this behalf and with reference to Haryana Government, Local Government Department, Notification No. G.S.R. 57/HA.24/73/Sections 203B and 257/97 dated the 12th March, 1997.

Since the role of this Committee in Planning process is to be indicative in nature and real assessment of area requirements are to be analyzed by local people for the purpose of planning, this Committee shall give emphasis on infrastructure and optimum human resource management as well as its handholding for capacity building with aim for development alongwith the provision of basic

socio-economic facilities by utilizing the existing resources. The present level of current expenditure be met from current revenue and additional resources be provided or generated.

The District Plan essentially considers three aspects, namely:

- I. Plan to be prepared by the Rural Local Bodies (RLBs) for the activities assigned to them in view of National/State schemes being implemented by them with their own resources and other Govt. funds earmarked for these purposes.
- II. Plan to be prepared by the Urban Local Bodies (ULBs) for the activities assigned to them in view of National/State schemes being implemented by them with their own resources and other Govt. funds earmarked for these purposes.
- III. Physical integration of the plans of Rural and Urban Local Bodies with the elements of the State Plan that are physically implemented within the geographical confines of the district.

10. Requirement of man powers at Directorate as well as municipalities level:-

- In order to overcome the problems of statistical data on ULBs, there is an urgent need for strengthening of Statistical Cells in Urban Local Bodies Department (HQ), as the present manpower of Statistical Wing is neither specially trained nor sufficient. In addition, there is also an urgent need for creation of Statistical Cells with fully equipped, well trained and dedicated manpower and modern electronic devices at the level of Municipal Corporations and District headquarter level Municipal Councils, which also cover all the Municipal Committees falling in the district.

Directorate of Urban Local Bodies:

The following is the proposed manpower requirement at Directorate of Urban Local Bodies:-

Sr. No.	Name of post	Existing sanctioned posts	Additional Required posts	Abolished	Total Posts
Group A					
1	Director	1	0	0	1
2	Additional Director	1	2	0	3
3	Deputy Director	1	2	0	3
4	Chief Engineer (Project)	1	0	0	1
5	Superintending Engineer	0	2	0	2
6	Executive Engineer	2	6	0	8
7	Chief Town Planner	1	0	0	1
8	Senior Town Planner	1	0	0	1
9	District Town Planner	1	3	0	4
10	Joint Director - cum - Controller of Finance	0	1	0	1
12	Chief Accounts Officer	1	0	0	1
13	District Attorney	0	1	0	1
14	Project Manager	0	1	0	1
15	Development Manager (Application Systems)	0	1	0	1
16	Development Manager (GIS Systems)	0	1	0	1
17	Administrator (IT & Monitoring)	0	1	0	1

Sr. No.	Name of post	Existing sanctioned posts	Additional Required posts	Abolished	Total Posts
Group B					
18	Assistant Engineer/ Sub Divisional Engineer	3	3	0	3
19	Senior Accounts Officer	1	0	0	1
20	Accounts Officer	2	2	0	4
21	Assistant Town Planner	3	0	0	3
22	Assistant District Attorney	1	1	0	2
23	Assistant Director	1	2	0	3
24	Land and Taxation Officer	0	1	0	1
25	Assistant Land and Taxation Officer	0	1	0	1
26	Naib Tehsilidar	0	1	0	1
27	Research Officer	0	1	0	1
28	Superintendent	4	4	0	8
29	Development Team Leader (Application Systems)	0	1	0	1
30	Development Team Leader (GIS Systems)	0	1	0	1
31	GIS Developer	0	3	0	3
32	Software Developer (Application Systems)	0	6	0	6
33	Information Security Officer	0	2	0	2
34	Assistant Engineer (IT & Monitoring)	0	3	0	3
Group C					
35	Junior Engineer	1	0	1	0
36	Section Officer	1	4	0	5
37	Deputy Superintendent	1	0	1	0
38	Personal Assistant	2	3	0	5
39	Patwari	2	0	0	2
40	Assistant Statistical Officer	1	0	0	1
41	Research Assistant	1	0	0	1
42	Statistical Assistant	1	0	0	1
43	Assistant	31	3	0	36
44	Senior Scale Stenographer	4	0	0	4
46	Junior Scale Stenographer	1	0	0	1
47	Head Draftsman	1	0	0	1
48	Senior Head Draftsman	1	0	0	1
49	Assistant Draftsman	3	0	0	3
50	Draftsman	5	0	0	5
51	Driver	13	0	0	13
52	Clerk	40	0	0	40
53	Steno Typist (Both Language)	14	0	0	14
55	Restroom	2	0	2	0
56	Gestetnor Operator	2	0	2	0
Group D					
57	Dafar	2	0	2	0
58	Pcm	31	0	0	31
59	Sweeper	1	0	0	1
60	Chowkidar	2	0	0	2
Total		192	69	8	253

Expenditure of Directorate of Urban Local Bodies is Rs. 4,09,78,400/- per annum only.

Municipalities:

The following is the staff strength in municipalities in the State:-

Sr. No.	Name of the MC	No. of Sanctioned posts	Filled on regular basis	Vacant Post	No. of Outsourced Staff
1	Municipal Corporations	20588	12832	7756	2627
2	Municipal Councils	7369	2450	4919	700
3	Municipal Committees	1791	292	999	837
Total		29748	16074	13674	4164

Sr. No.	Name of Post	No. of Sanctioned posts	Filled on regular basis	No. of Nigam/Palika Roll	Vacant Post
4	Safai Karamchari	20461	4800	14116	1545

It is proposed that the 13,674 vacant posts in all municipalities may be filled up. Further, it is also proposed that there is a need of an overall restructuring at all the municipalities.

11. Requirement of funds for upgradation of infrastructure of ULBs.

The rapid urbanization necessarily implies ULBs in the Haryana must be geared up to provide basic infrastructure to this rapidly growing population in terms of sewerage, drinking water, drainage, roads, street lights, solid waste disposal facilities etc. The enhancement of grants is necessary for ULBs to upgrade the civic amenities to the desired level as ULBs cannot upgrade these services from their own resources. Based on the Service Level Benchmarks set by Ministry of Housing and Urban Affairs, Govt for urban services, there is a significant gap between the present level of services and those set by the Government of India. The Urban Local Bodies Department has assessed its tentative additional requirements for providing minimum acceptable levels of basic civic amenities which have been worked out as under:-

- I. **Providing of New Public Infrastructure and upkeep/upgradation of existing Public Infrastructure:-** At present the existing 93 Municipalities are constructing and maintaining roads, drains/drainage services, sanitation services, parks, public utility services, community centres etc. In the previous 5 years approximately Rs. 4953.95 Crores have been released to the Municipalities under SFC and CM Announcements for the said works. In addition to this Development works of approximately Rs. 1500.00 Crores under CM Announcements are presently being executed or likely/proposed to be executed in the near future. Now it is estimated that approximately Rs. 5944.74 Crores will be required by the Municipalities for providing New Public Infrastructure and upkeep/upgradation of existing Public Infrastructure.
- II. **Solid Waste Management:-** As per the State Level Master Plan of Haryana, based on various factors such as existing treatment plants, free land pockets, optimal waste transport distance, the total of 93 ULBs of Haryana have been divided into 13 Clusters based on Integrated Solid Waste Management projects. These projects shall employ technologies such as waste to energy, bio-methanation, composting, RDF etc. for processing of MSW. These projects are to be developed on PPP mode. The scope of work of the selected developer will include door-to-door collection, transportation, processing and disposal of Solid Waste as per the Solid Waste Management Rules, 2016 and Hon'ble

NGT Guidelines. The selected developer will manage the entire municipal solid waste generated for a concession period of 20 years. A one-time capital grant as Viability Gap Funding (VGF) will be provided by Government of Haryana according to the guidelines of Swachh Bharat Mission for setting up collection, transportation, treatment and disposal of municipal solid waste. The tentative cost of 13 Clusters would be Rs. 1200.00 Crores approximately. Out of which, an assistance of Rs. 181.00 Crores would be provided by the Government of India and 232.00 Crores would be provided by the State Government under Swachh Bharat Mission and since the projects would be taken under PPP mode, hence, the remaining amount of Rs. 787.00 Crores is expected to be incurred by the private partners.

- III. **Bio-remediation works:-** The Solid Waste Management Rules, 2016 (SWM Rules) lay down statutory mandate for remediation of all the existing dumpsites within maximum of 5 years of publication of the Rules. But despite this mandate in the Rules, few States have remediated the dumpsites. Original Application (O.A.) No. 519/2019 was taken up by Hon'ble National Green Tribunal in view of a newspaper item published in "The Times of India" authored by Mr. Rajeev Gandhiok & Parm Singh titled "Below Mountains of Trash lie Poison Lakes" reporting that the said dumpsites are resulting in huge water contamination of Yamuna. Accumulation of huge waste at the said sites posed a serious danger to the environment, life and public health in the area. Hon'ble NGT in the orders dated 17.07.2019 directed all the Chief Secretaries of the states to ensure that remediation work on all other dumpsites be commenced from 01.11.2019 and completed within six months and in no case beyond one year. The dumpsites where the unprocessed waste is accumulated from past several decades are not only an eye-sore in the city but also occupying a considerable amount of valuable land of the cities. Most of these dumpsites are without any impermeable base and absence of leachate collection and treatment facility. Such dumpsites are an open source of environment degradation in shape of contamination of ambient air, ground water, surface soil and resulting into severe health impacts on the inhabitants.

Similarly in O.A. No. 514 of year 2018, Hon'ble Court directed the Chief Secretary of Haryana State to clear the 30 Lakh MT of the unprocessed waste at Handwari, Gurugram within six months. Failing which, the amount of Rs. 20.00 Crores of the ESCROW account already deposited by the state in compliance of the orders of Hon'ble NGT may be forfeited. Vide order dated 10.01.2020 of Hon'ble NGT in O.A. No. 606 of 2018, it had been directed that Legacy waste remediation was to 'commence' from 01.11.2019 in terms of order of this Tribunal dated 17.07.2019 in O.A. No. 519/2019 "even though statutory timeline for 'completing' the said step was till 07.04.2021 (as per serial No. 1) in Rule 22) which direction remains unexecuted at most of the places. Approximate 71.68 Lakh Metric Tons of legacy waste was present at the existing dumping sites in Municipalities. About Rs. 230.00 Crores would be required for bio-remediation works to implement the necessary measures for this purpose.

IV. Deendayal Upadhyaya Sewa Bashi Uthan Scheme:- The objective of the scheme is to provide benefits to SC Bashi.

The scheme is applicable in the urban areas for infrastructure development through provision of drinking water supply, sewerage, surface drains/storm water drains, roads/streets, street lights, parks and community centers on Municipal designated land having Schedule Caste population in a group of minimum 100 people. Directions stand issued to all municipalities vide this office memo No. XEN-1/A-1/DULB/2018/5755 dated 05.07.2018 for compliance.

During the current FY 2021-22, a provision of Rs. 35.00 Crores has been made in the budget. But budget provision made under the scheme is not going to fulfill the objectives of the scheme. It is proposed that Rs.150.00 Crores would be required during the next five years.

V. LPG/CNG/PNG based Crematoriums:- Due to COVID-19 Pandemic, Hon'ble CM has directed to set up LPG/CNG/PNG based Human Crematorium in different Municipalities of Haryana. Four agencies were empanelled for this work after adopting the procedure of e-tendering & reputation etc. 57 Nos. of crematoriums have been allotted involving an expenditure of Rs. 38.32 Crores, out of which 30 Nos. have been completed and 27 Nos. are in progress.

In addition to above, approximate 70 Nos. of crematoriums are to be constructed in all the ULBs during the next five years. A sum of Rs. 50.00 Crores would be required.

VI. Transfer of Water Supply, Sewerage and Storm Water Drainage Services from PHED

- The services of Water Supply, Sewerage and Storm Water Drainage are being looked after by Municipal Corporation, Faridabad since 1979 and by Municipal Corporation, Gurugram since 2013.
- During the meeting held on 22.06.2017 under the Chairpersonship of Hon'ble Chief Minister, it was decided that the services of Water Supply, Sewerage and Storm Water Drainage will be transferred to remaining 08 Municipal Corporations in due course of time but before the completion of the AMRUT Project.
- In compliance of this decision, the services of Water Supply, Sewerage and Storm Water Drainage were taken over by MC, Sonapat and Karnal w.e.f. 16.09.2018.
- As per decision, the various expenditures required for smooth running of these services will be incurred through concerned Municipal Corporations from 1st April, 2019. The Govt. will provide the necessary budget for the same.
- Finance Department has accorded approval for opening of new scheme namely "Services of Sewerage, Water Supply and Drainage in Municipal Corporations" under Major Head 2217-80-191-85-51-09-Grant-in-Aid General for this purpose and required budget has been allocated to Municipal Corporations, Karnal & Sonapat for Operation & Maintenance (O&M) of these services.
- A meeting was held on 02.12.2020 under the Chairpersonship of Hon'ble Chief Minister, Haryana, in which, it has been decided that in addition to these four

Municipal Corporations, Municipal Corporation, Panipat and Municipal Corporation, Panchkula will take over these services based on *One-Operator Principle*. The transfer of services to Municipal Corporations, Panchkula & Panipat is under process.

- It was also decided in the meeting that Public Health Engineering Department (PHED) will take over all the assets created under AMRUT for remaining 12 AMRUT Towns after its successful completion and commissioning. The new demand in these 12 AMRUT Towns will also be addressed by Public Health Engineering Department (PHED).

VII. Jagmag Shehar Scheme:- This Scheme has been launched by the State Government for "Implementation of Energy Efficiency Project for streetlights" by replacement of existing conventional lamps with LED lamps along with Centralized Control & Monitoring System (CCMS), with 10 years Operation & Maintenance in Project Areas.

Directorate of Urban Local Bodies, Haryana (DULB) has appointed Rajasthan Electronics and Instruments Ltd. (REIL) (Govt. PSU) as Project Development & Management Consultant (PDMC) to assist the Municipalities for execution of this project.

The PDMC shall support ULBs in development and implementation of projects including preparation of Detailed Project Reports, Contract Management, Supervision and Quality Control etc.

As per the data collected from all the municipalities, approximately 1,85,910 Nos. of conventional lights are required to be replaced and there are also requirements of approximately 2,23,246 Nos. of new street lights. So, a total of 4,08,256 Nos. of energy efficient LED streetlights are planned to be installed in the State. Taking view of the quantity of lights and geographical location of State, 4 zones have been framed.

The capital cost of the project including infrastructure development cost and supply & fixing of LED street lights fixtures and CCMS system is Rs. 395.43 Crores under this project. It has been proposed that 70% of financial assistance shall be provided by the State Govt. under JAGMACI SHEHAR YOJNA.

VIII. Restoration and Rejuvenation of Ponds:- Hon'ble NGT in O.A. No. 323/2013 has directed the States for Development/Restoration/Rejuvenation of ponds. Govt. of Haryana has constituted Haryana Pond and Waste Water Management Authority (HPWWMA) under the control of Administrative Secretary, Irrigation Department. This agency is Nodal Agency for coordination and execution of the project for Development/Restoration/Rejuvenation of ponds in the state of Haryana. As per latest data and details of Urban Ponds of Haryana on PDMS Portal, there are 623 Ponds (having area of more than 0.5 Acre per pond) and 59 Ponds (having area less than 0.5 Acre per pond) in the Municipal/Urban areas of the State of Haryana. Now the Municipalities in the State of Haryana will be Developing/Restoring/Rejuvenating the ponds as per orders and guidelines of NGT, CPCB, HPWWMA etc. in the Urban Areas for which there will be a tentative requirement of Rs. 400.00 Crores.

- IX. Re-use of Treated Waste Water:-** Public Health Engineering Department (PHED), Haryana is the Nodal Department of the Haryana State for utilizing recycled waste water. PHED has notified the policy on re-use of Treated Waste Water (TWW) and published vide notification dated 05.11.2019.

The policy envisages maximum re-use of Treated Waste Water on sustainable basis, thereby reducing dependency on fresh water resources and to promote treated waste water as an economic resource. The objective is to re-use minimum of 25 % of TWW generated by every Municipality within 2 years for maintenance of parks, gardens etc., to be used for emergency purposes like fire brigade etc. and construction activities.

Due to weak financial position of the Municipalities, about Rs.100.00 Crores would be required for re-use of Treated Waste Water for the next five years.

- X. Road Safety:-** The Hon'ble Supreme Court vide its Order dated 22nd April, 2014 in Writ Petition (C) No. 295 of 2012 had constituted a Committee under the Chairmanship of Hon'ble Justice KS Radhakrishnan, Retired Judge, Supreme Court of India to measure and monitor on behalf of the Court the implementation of various laws relating to road safety in respect of each State/UT. The Hon'ble Supreme Court Committee has issued various directions regarding road safety since then. Subsequently, a State Road Safety Council for Haryana State and District Road Safety Committee for each District of Haryana were constituted on 15th December, 2017.

Recently, directions were given by Hon'ble Transport Minister to carry out third party audit of roads all over Haryana for road safety and accordingly fix the timely targets for traffic calming measures to be implemented.

In this regard, Directorate of Urban Local Bodies has prepared an RFP to municipal agencies who will carry out Audit of roads within Municipal Limits of the State of Haryana and DPR report will also be prepared by them on the basis of which Traffic Calming Measures and Remediation of Accident Prone Points can be done. The RFP is under process. For this purpose, a sum of Rs. 50.00 Crores is required.

Brief of the requirement of funds is as under:-

(Amount in Crores)

Sr. No.	Name of component	Tentative requirement of funds for the period from 2021-22 to 2025-26
1.	Providing of New Public Infrastructure and upkeep/upgradation of existing Public Infrastructure	5944.74
2.	Solid Waste Management	413
3.	Bio-remediation works	230
4.	Deendryal Upadhyaya Sewa Basit Urban Scheme	150
5.	LPG/CNG/PNG based Crematorium	50
6.	Transfer of Water Supply, Sewerage and Storm Water Drainage Services from PHED	500
7.	JAGMAG SHEHAR Scheme	395
8.	Restoration and Rejuvenation of ponds	400
9.	Re-use of Treated Waste Water	100
10.	Road Safety	50
	Total	8232.74

Now, Hon'ble Chief Minister Haryana launched Local Bodies Vikas Nidhi Web Portal "स्वस्थता विकास निधि निधि एड" on 14th June, 2021 for release of funds to Local Bodies and its monitoring. It has been mandated that the fund distribution and monitoring would be done centrally via this portal only.

12. Suggestions:-

Sixth State Finance Commission (6th SFC) is requested to consider and recommend the following:-

- a. 50% share of Urban Local Bodies (instead of 45% share) in the consolidated funds (ULB – PRI share) as most of development activities are carried out by other Government Departments with their own expenditure in rural areas whereas in urban area all services are to be provided from their own funds by the municipalities.
- b. Currently the SOTR share for Local Bodies is 7%, it is proposed that it may be increased upto 10%.
- c. Minimum 25% of the total grant of SFC shall be utilized for development works.
- d. Compensation by the Government on account of rebate and waiver of taxes.
- e. Period for the establishment of the Urban Shared Service Centre may be extended upto 2025-26 as the same is under consideration/approval of the State Government.
- f. Municipal Bodies have been incurring heavy loss of income on account of abolition of tax on registration of motor vehicles and issue of driving licences by Transport Department vide its memo No. 19114-A1-2/AS-II dated 25.07.2014. This tax/fee may be restored so that revenue collection of Municipal Bodies can be enhanced.
- g. Property Tax rates had been announced in the year 2013 and have remained static since 2015-16 despite increase in cost of living & devaluation of money due to inflation. Hence, Property Tax rates need to be rationalized and revised to help financially sustain the Municipalities.

Further, Water & Sewerage Charges may also be revised as at present the cost of procurement of drinking water by Municipalities is much more than the charges being recovered from consumers. As such revision in Property Tax rates and Water & Sewerage Charges will augment the financial resources of Municipal Bodies to a great extent.

- h. Strengthening human resources, institutional strengthening measures needed to augment own sources of revenue of local bodies, other financial and accounting measures and general issues.
- i. There shall be one dedicated Cell in ULB Department with full-fledged staff to monitor the implementation of grants, submission of utilisation certificate, manner of utilisation of grants etc. and furnish information to Finance Department from time to time.



Arun Kumar Gupta
Principal Secretary to Government, Haryana
Urban Local Bodies Department

**Memorandum
of
Public Health Engineering Deptt.
Government of Haryana**



जनसंरक्षण अभियंत्रण विभाग, हरियाणा
PUBLIC HEALTH ENGINEERING DEPARTMENT, HARYANA



Block No. 14-18, Sector-4, Panchkula-134113
Ph. 0172-2551622, Website: <http://phedharyana.gov.in>
SNK Toll Free No. 1800-110-5478

From

The Engineer-in-Chief, Haryana
Public Health Engineering Department,
Panchkula.

To

The Member Secretary,
Sixth State Finance Commission, Haryana
Yojana Bhawan, Bays No. 21-28, Sector-4,
Panchkula.

Memo. No. ४७७२१ -PHE/Prog. Dated:- ०४-११-२०२१

Subject:- Details of expenditure of Water Supply & Sewerage System-Municipal Corporation-wise.

Kindly refer to your office Memo No. SSFC-2021/760 dated 22.10.2021 on the subject cited above.

I am directed to enclose a copy of information on expenditure incurred by Public Health Engineering Department on Water Supply and Sewerage & Storm water in the Corporation areas for the financial year 2020-21 for your information and further necessary action.

DA/as above

Executive Engineer (Programme)
For Engineer-in-Chief, Haryana, PHED
४/११/२१

Details of expenditure of Water Supply & Sewerage-Municipal Corporation-wise.

April to 1998

Sl. No.	Work Name	G&M	Salary of Staff	Repair of Structures/Machinery	Payment of Electricity Charge	Grand Total
Andhra City						
1	Andhra City Town Annual P.W. Works for Water Supply	56.32	413.74	348.74	1522.96	2341.76
2	Andhra City Town Annual P.W. Works for S.T.T/Sewerage	100.88	102.82	81.26	227.07	412.03
3	Andhra City Town Annual P.W. Works for Storm Water	0.00	0.00	16.28	0.00	16.28
	Town Total	157.20	516.56	446.28	1750.03	2770.07
Andhra State						
4	Andhra State Town Annual P.W. Works for Water Supply	126.70	390.78	88.24	1490.84	2106.56
5	Andhra State Town Annual P.W. Works for S.T.T/Sewerage	6.80	36.80	180.40	2.40	226.40
6	Andhra State Town Annual P.W. Works for Storm Water	0.00	1.40	2.00	0.00	3.40
	Town Total	133.50	428.98	270.64	1493.24	2326.36
Bihar						
7	Bihar Town Annual P.W. Works for Water Supply	11.04	126.47	176.40	217.20	531.11
8	Bihar Town Annual P.W. Works for Storm Water	0.00	1.20	10.80	1.00	13.00
9	Bihar Town Annual P.W. Works for S.T.T/Sewerage	21.20	101.41	100.00	408.24	630.85
10	Chhapra Town Annual P.W. Works for Storm Water (1997 No. 1) by S.T.T/Sewerage	4.72	24.10	11.00	110.00	159.82
11	Chhapra Town Annual P.W. Works for Storm Water (1997 No. 2) by S.T.T/Sewerage	21.40	8.00	21.00	87.20	137.60
12	Chhapra Town Annual P.W. Works for Storm Water (1997 No. 3) by Storm Water	0.00	0.00	0.00	0.00	0.00
13	Chhapra Town Annual P.W. Works for Storm Water (1997 No. 4) by S.T.T/Sewerage	0.00	0.00	0.00	0.00	0.00
	Town Total	58.36	260.18	309.40	812.44	1340.38
Goa						
14	Goa Town Annual P.W. Works for S.T.T/Sewerage	182.78	68.11	176.73	154.41	582.03
15	Goa Town Annual P.W. Works for Storm Water	608.29	201.67	112.23	3873.71	4095.90
	Town Total	791.07	269.78	288.96	4032.12	5181.93
Kerala						
16	Kerala Town Annual P.W. Works for Water Supply	1.80	201.37	128.87	168.88	499.92
17	Kerala Town Annual P.W. Works for Storm Water	0.00	0.00	173.27	360.84	534.11
18	Kerala Town Annual P.W. Works for S.T.T/Sewerage	107.71	17.50	114.30	268.24	507.75
19	Kerala Town Annual P.W. Works for Storm Water (1997 No. 1) by S.T.T/Sewerage	17.74	0.00	16.89	170.44	204.07
	Town Total	127.25	208.87	429.33	608.40	1173.85
Karnataka						
20	Karnataka Town Annual P.W. Works for Water Supply	71.07	294.30	118.70	2140.00	2824.07
21	Karnataka Town Annual P.W. Works for S.T.T/Sewerage	0.00	86.28	71.50	67.80	225.58
22	Karnataka Town Annual P.W. Works for Storm Water (1997 No. 1) by Storm Water	0.00	0.00	0.00	0.00	0.00
23	Karnataka Town Annual P.W. Works for Storm Water (1997 No. 2) by Storm Water	0.00	0.00	2.40	0.00	2.40
24	Karnataka Town Annual P.W. Works for Storm Water (1997 No. 3) by S.T.T/Sewerage	1.00	0.00	4.70	0.00	5.70
	Town Total	72.07	300.58	196.90	2207.80	2977.35
	Grand Total	1476.03	2245.54	3218.91	12884.54	17825.02

**Memorandum
of
Health & Family Welfare Deptt.
Government of Haryana**

From
Mission Director,
NHM Haryana,
Bays No. 55-58, Sector -2,
Panchkula

To
Chairman,
6th State Finance Commission,
Haryana


No. NHM/DFA/ 6th SFC/ 2021-22/6114

Dated: 28/10/21

Sub: - Submission of proposals for 6th State Finance Commission, Haryana.

Kindly refer to the meeting held under the Chairmanship of Shri P. Rahguvendra Rao, IAS (Retd) on 18th October 2021 at 11:00 am with the Administrative Secretaries of Health, Public Health Engineering and Education Department regarding proposals for 6th State Finance Commission, Haryana.

Please find enclosed proposal of Health Department for perusal and further action please.


Director (Finance & Accounts)
For Mission Director
NHM Haryana

Summary of Proposals (Health & Family Welfare) for 6th State Finance Commission, Haryana.

S.No	Proposal	Division	Amount Proposed (Rs.in Lakhs)
1	Construction of Vaccine Stores in Haryana	Immunisation	40.00
2	Procurement of 250- new Basic Life support (BLS) ambulances in place of Replacement of condemned Ambulances	Referral Transport	1000.00
3	Construction of MCH wings	Maternal Health	75000.00
4	Capital expenditure for effective implementation of e- Governance/ m- Governance initiatives	HMIS	1564.00
5	Opening of New AYUSH Institutions in Phase manner (1st Phase)	AYUSH	5000.00
6	Establishment of Panchikarma Centres	AYUSH	1380.00
7	Establishment of AYUSH Wing at PHCs	AYUSH	2095.00
8	Promotion of Yoga Wellness in villages	AYUSH	500.00
9	Maintenance of AYUSH Health & Wellness Centres	AYUSH	346.00
10	Additional alteration/Repair/Renovation for AYUSH dispensaries	AYUSH	305.00
Total AYUSH			9626.00
11	IT Infrastructure Work on both the floors of SIHFW	SIHFW	15.00
12	Replacement of already installed 16 Desktops in IT lab	SIHFW	10.00
13	Up gradation and maintenance of indoor and outdoor sports activities, lawns etc for benefit of participants/ trainees	SIHFW	12.00
14	Repair and maintenance of SIHFWTC Rohtak. (a) Repair of hostel of SIHFWTC (b) External repair of administrative block, electrical repair etc.	SIHFW	48.00

S.No	Proposal	Division	Amount Proposed (Rs.in Lakhs)
15	Implementation of facility for Video conferencing in SIHFW for benefit of COVID related trainings/meetings	SIHFW	17.00
16	Hostel upgradation and repairs	SIHFW	28.00
17	Upgradation of Canteen	SIHFW	8.00
18	Change of water coolers	SIHFW	5.00
19	Installation of lifts, hand rails and ramps for making the building disabled friendly	SIHFW	19.00
Total SIHFW			160.00
20	Repair/Maintenance of health facilities buildings @ unit cost of Rs. 1 Crores in each 22 District	DGHS	2200.00
G.Total Amount Proposed (Rs in Lakhs)			89690.00

Summary of Proposals (Health & Family Welfare) for 6th State Finance Commission, Maryland.

S/N	Proposal	Condition	No. of Units	Unit Cost (No. In Lakh)	Amount Proposed (Both Address)	Remarks
1	Construction of rooming Shires in Maryland	Immediate	4	<ul style="list-style-type: none"> 1) State Dry Store = \$1.32 2) District Vaccine Store (DVS) = \$0.8 Lakh 	\$2.12	<p>State dry store was already existing through the supply of Section A, Appendix and it was damaged few years back and hence construction of rooming dry store is required at respective District Headquarters. It also need rooming partner with District Vaccine Store (DVS) and hence construction of DVS for respective headquarters is also required.</p> <p>1) State Dry Store, Pennington proposed, at Prince-Ge, Section 25, Maryland. @ unit cost \$1.32 Lakh. (2) District Vaccine Store (DVS), Pennington, proposed at Lane Department, Sec 21, Zachary, SD, Section A, Appendix. @ unit cost of \$0.8 Lakh. Total amount proposed \$2.12 Lakh.</p>
2	Recruitment of 200- new staff (for vacant 185) appointments in place of appointments of discontinued appointments	Normal Recruitment	200	400000	100 Lakh	<p>Notice is proposed for procurement of 200 new appointments. @ unit cost of \$2000/-, i.e. recruitment of 1000 new appointments. These appointments need to remain frequently offered for replacement purposes. This, need to be release to those appointments will be considered in next year. Also vacant post of Maryland Inspector, @ 20000/- per year @ 22/04/2018 was considered to be filled in District, Maryland District Headquarters Department (MDHS) Proposed at unit cost \$20000/- per year. If cost requires the recruitment time in the year is 600 days to 360000/- or 5 years. The appointments have been in the year 5 years and 1 lakh appointments.</p>
3	Construction of MCH wing	Health facility	10 with 200 bedded and 3 MCH beds	\$1.80 L to 100 bedded and \$2.10 for 20 bedded	70000.00	<p>Design proposed for 10 MCH wing (20 beds) with 100 bedded ward. 5 MCH (30 bedded) at Annapolis, Pocomoke, Oceanview, Kirtland, Kirtland, Marmansville, Hawks, Kirtland, Seco, Yarmouthport, Seaside, Annapolis, Annapolis, Potomac, etc per annum.</p>
4	Capital expenditure for effective implementation of e-Governance in Governance Initiatives	Health		<ul style="list-style-type: none"> 1) Replacement of ICT hardware & peripheral systems @ \$20 Lakh 2) Replacement of internet server @ \$24 Lakh 3) Hardware and software for health systems @ Government of Maryland Initiative @ \$20 Lakh 	1024.00	<p>In addition this e-Governance / e-Operational initiatives in the state involving management of Electronic Health Record of patients are approximately 1000.00 Lakh is required for.</p> <p>1) Replacement of ICT hardware & peripheral systems @ \$20 Lakh, 2) Replacement of internet server @ \$24 Lakh 3) Hardware and software for health systems @ Government of Maryland Initiative @ \$20 Lakh.</p>

S.N.	Project	Division	No. of Units	Unit cost (\$/U. in Lakhs)	Amount Proposed (\$/U. in Lakhs)	Remarks
3	Opening of new AYUSH Traditions in Phase I (1st Phase)	AYUSH	100	500000	500000	<p>The opening of new AYUSH traditions in the state of Haryana, AYUSH departments has reduced a price in 2017. As per the policy, AYUSH departments can be open in rural areas and urban areas. Department of AYUSH has total of 711 (3000 State-507 and under 1000-209) AYUSH practitioners for promoting AYUSH services in 2017 (1.05 crore USD) population. As per the policy a new dispensary may be open to serve population of 5000 to more people who inhabit within a distance of 5 Km. There is a huge gap of facilities for AYUSH services in comparison to population and the area of state of Haryana. As per estimate received from Punjab (Fig) an amount of Rs. 50.00 Lakh approx is required for construction of new dispensary. Therefore, an amount of Rs. 5000.00 Lakh approx is required for the construction of new AYUSH dispensaries in state in phase manner. In first phase, 100 new dispensaries will be proposed and fund for the same including Rs. 5000.00 lakh may be sanctioned.</p>
4	Establishment of Panchkarma Centres	AYUSH	73	6400000	4680000	<p>As present 23 Panchkarma Centres are running at Chh. Hospitals in 23 districts under NHE and 4 centres (Sector-3, Sector-5, Sector-7, Sector-8, Sector-9, Sector-10, Sector-11 and Sector-12) are running under NHE. Budget provided for 23 Panchkarma centres may be approved in FY 2017-18. 2 centres in each district. As per the estimate received from Punjab (Fig) an amount of Rs. 60.00 Lakh is required for construction of one Panchkarma Centre. Therefore an amount of Rs. 4380 Lakh is required for the construction work of 23 Panchkarma Centres in Haryana. The proposal was already administratively approved by the Government.</p>
5	Establishment of ayush wing at PHCs	AYUSH	418	500000	2095000	<p>Department of AYUSH has submitted a proposal to establish AYUSH centres at PHCs level under Sector-3, Sector-5, Sector-7, Sector-8, Sector-9, Sector-10, Sector-11 and Sector-12. Out of these 329 PHCs, 173 PHCs are working under Health Department. Out of these 329 PHCs, department has already sanctioned AYUSH staff at 199 PHCs under Health Department. Therefore, AYUSH staff is so approved at remaining 130 PHCs. For the smooth functioning of PHCs equipments and furniture will also be required. In addition to the human resources, funds for educational materials (equipment) is required. This proposal was already administratively approved Government. An amount of Rs. 5 Lakh per PHC, proposal for additional intervention/implementation and for Materials & Equipment. Total fund of Rs. 2095.00 Lakh for establishment of Ayush Wing at 418 PHCs is required.</p>

S.N	Proposed	Division	No. of Units	Unit cost (Rs. in Lakhs)	Amount Proposed (Rs. in Lakhs)	Remarks
8	Provision of Yoga facilities in villages	AYUSH	1018	50000	509.00	To provide the Yoga facilities in villages it was decided by Government to open the Yagshalayas in 1000 villages of Marylanda State. During the process till on 01.12.2019 of the year the CM Marylanda with his personal visit to the villages it has been decided the name of Park and Yagshalaya to be assigned to 100 and Yagshalaya. As all the 100 and Yagshalaya are to be opened in villages, to provide yoga is necessary in villages. Yoga centres in the villages and Yagshalaya. An amount of Rs. 50.00 thousand for this purpose will be necessary to provide through response. Since the total fund available (Rs. 500.00 Lakhs) is required for the actuality. Amount of Rs. 509.00 Lakhs is required for the actuality.
9	Provision of AYUSH Health & Wellness Centres	AYUSH	348	110000	382.80	As per the guidelines of Ministry of AYUSH, Govt. New Delhi, all existing Ayurvedic dispensaries are to be established as AYUSH Health & Wellness Centres and Sub centres may also be upgraded as AYUSH Health & Wellness Centre. Outlets. As this scheme has been launched from Ministry of Health, Department of AYUSH has proposed to establish 407 Govt. Ayurvedic Dispensaries in AYUSH Health & Wellness Centres and 135 Health Sub Centres in AYUSH Health & Wellness Centres. (Total amounting Rs. 3.48 Lakhs) are proposed for establishment of 548 AYUSH. Amount of Rs. 348.00 Lakhs is required for establishment of AYUSH.
10	Admission of students in AYUSH Health & Wellness Centres	AYUSH	61	50000	30.50	Rs. 3 Lakhs for admission of students in existing building of AYUSH dispensaries is proposed.
Total AYUSH					9625.80	
11	IT Infrastructure work on both the floors of State	SOI/IT	SOI/IT Building		15.00	Checking of LAN networking system and setting for provision of wireless network across the conference halls and other administrative offices.
12	Replacement of mobile supplied in 18 vehicles in IT cell	SOI/IT	SOI/IT		10.00	18 desktops with LAN and other accessories need to be replaced as the mobiles are about 10 years old and it is difficult to find the training with these mobiles.

S.N	Proposal	Timeline	No. of Units	Unit cost (Rs. in Lakhs)	Amount Proposed (Rs. in Lakhs)	Remarks
13	Up gradation and maintenance of locker and indoor sports activities. (works etc for benefit of participants) -Bihar	5/19/20			12.00	Replacement of electric pipes/switches/light for indoor games, maintenance of items for the safety of the indoor participants and for the benefit of the trainers. The food hygienic standard under the indoor and require changes for the benefit of the participants.
14	Repair and maintenance of electric kitchen (a) Repair of boiler of S/W (b) External repair of administrative block, electrical repair etc.	5/19/20		Rs.24.00 for furnace and repair of boiler. Rs.17.00 for boiler for internal repair of administrative block. Rs. 5.00 for electrical repair of administrative block.	46.00	1) To be completed as the regional training center of IITRRIC and has been conducted since many years. It is not well maintained earlier but the boiler building the facilities of the boiler. It is a change for the internal facilities. 2) To be for furnace and repair of boiler. 3) Lack additional for external repair of administrative block and 5 for electrical repair of administrative block.
15	Supervision of facility for video conferencing in SCIP for benefit of COVID victims practical meetings	5/19/20		Lumpsum	17.00	Video conferencing facility for addresser hall along with installation of 100s in the conference hall for the conduct of online training.
16	Minor, approximations and repairs	01/19/20		Lumpsum	28.00	Budget proposed for: 1.3 replacement of all the 32 air conditioners and 30 systems in the month of 2019. 2. Minor repair of the premises situated for 23-27 electricity services for hospital. 3. Distribution of Covid-19 virus tests as recommended by the Government.
17	Appropriation of Computer	01/19/20		Lumpsum	8.00	Change of furniture, purchase of a refrigerator & a water cooler, floor mats, fans, etc., 20kg. freezer, replacement of water cooler, tea set, heater, 70 liter, 20kg. weighing scale etc.
18	Change of water supply	01/19/20		Lumpsum	5.00	Change of 4 water meters in administrative and hostel building.
19	Installation of fans, floor mats and repairs for making the building livable Haryana	03/19/20		Lumpsum	10.00	Installation of fans, floor mats and repairs in administrative block and hostel.
Total Grand Total					168.00	

S.N	Proposal	Division	No. of Units	Unit Cost (Rs. in Lakhs)	Amount Proposed (Rs. in Lakhs)	Remarks
20	<p>Repair/Maintenance of Health facilities buildings @ unit cost of Rs. 1 Crores in each 22 District.</p>	DCHS	22	1.00	22.00 (1)	<p>Major repair work of health facilities is being done by MHS (old) from Capital Budget and other maintenance work is done from Annual Maintenance Grant (AMG) provided from State. Annual Maintenance Grant is often found to be insufficient in the health facilities to carry out day to day maintenance of these health facilities.</p> <p>(Providing local bodies with provision of fund assistance and local empowerment around annual timely maintenance of the buildings in the districts which will greatly help in improvement of medicines and services delivery by health facilities annually across the State is taken as major repair and maintenance of health facilities in the State.</p> <p>Further, the local bodies may be provided 1 crore in each district with 50 beds for rural local bodies and 50 beds for urban local bodies for repair/maintenance work of health facilities amounting to a total of Rs. 22</p>
6. Total Amount Proposed (Rs in Lakhs)					296516.00	
6. Total Amount Proposed (Rs in Crores)					296.516	

A. Incentives for improving performance under existing health scheme.

Sr. No	Activity	Beneficiaries	Performance evaluation	Incentive proposed
1	Anemia	Pregnant	All the women of the respective area are not severely anemic at the time of delivery	For 100% achievement - Rs. 10 Lacs per PRI Area For above 90% but less than 100% achievement - Rs. 5 Lacs per PRI Area For less than 90% achievement - No Incentive
		Lactating women	If more than 90% lactating women are not moderate/severely anaemic	For more than 90% achievement - Rs. 10 Lacs per PRI Area If between 80% to 90% achievement - Rs. 5 Lacs per PRI Area For less than 80% achievement - No Incentive
2	Institutional deliveries	Pregnant women	100% institutional deliveries of their respective area	For 100% achievement - Rs. 10 Lacs per PRI Area For less than 100% achievement - No Incentive
3	Maternal deaths	Pregnant women and women in post-natal period	100% reporting of maternal deaths of their respective area and 100% community based maternal death audit	For 100% achievement - Rs. 5 Lacs per PRI Area For less than 100% achievement - No Incentive
4	Early ANC registration in first trimester	Pregnant women	If more than 90% pregnant women of their respective area are registered in first trimester	For more than 90% achievement - Rs. 10 Lacs per PRI Area If between 85% to 90% achievement - Rs. 5 Lacs per PRI Area For less than 85% achievement - No Incentive
5	Entitlements under Janani Shishu Suraksha Karyakram (JSSK)	Pregnant and lactating women	100% pregnant and lactating women getting all the entitlements under JSSK	For 100% achievement - Rs. 5 Lacs per PRI Area For less than 100% achievement - No Incentive

Sr. No	Activity	Beneficiaries	Performance evaluation	Incentive proposed
5	Pradhan Mantri Surakshit Matruva Abhiyan (PMSMA)	Pregnant women	100% Pregnant women checked by Doctor and screened for all risk factors at least once in 9 months on PMSMA day	For 100% achievement - Rs. 5 Lacs per PRI Area For less than 100% achievement - No Incentive
7	Jansani Suraksha Yojana (JSY)	Pregnant women (BPL/ SC/ ST)	100% Payment made to beneficiaries as per guidelines	For 100% achievement - Rs. 5 Lacs per PRI Area For less than 100% achievement - No Incentive
8	PPIUD insertion	Eligible Couples	More than 90% PPIUCD insertion in a facility	Rs.2.00 lakhs per PRI area.

Child Health

Indicators	Targeted beneficiaries	Performance evaluation	Incentive for PRI/Local Urban bodies
Infant Mortality Rate(IMR) and under 5 Mortality Rate	Under 5 age group children	<ul style="list-style-type: none"> • Weighing of all the newborns at birth through skilled birth attendants • Early initiation of breast feeding within 1hour • Full Immunization of children before 1yr of age 	<ul style="list-style-type: none"> • 100% weighing of all the newborns at birth through skilled birth attendants-5Lacs per PRI per year. Less than 100% Nil incentive. • 100% Early initiation of breast feeding/exclusive breast feeding for 6months/complementary feeding practices from 6months onwards within 1hour-5 Lacs per PRI per year. If less than 100% no incentive • 100% Full Immunization of children under 5year of age- 10 Lacs per PRI per year. If less than 100% no incentive

Indicators	Targeted beneficiaries	Performance evaluation	Incentive for PRI/Local Urban bodies
		<ul style="list-style-type: none"> • Zero deaths due to Pneumonia and diarrhoea • Zero case of SAM • Infant deaths and under 5 deaths • All children of 6 months-59 months consuming IFA syrup • All children from 1-5 yrs biannually dewormed with Albendazole • Management of all children under 5 suffering from birth defects 	<ul style="list-style-type: none"> • Zero deaths due to Pneumonia and diarrhoea-5Lacs per PRI per year. If more then no incentive. • Zero case of SAM-5Lacs per PRI per year and if more then no incentive. • Infant deaths and under 5 deaths-No infant death and no under 5 death-10 Lacs per PRI per year. If more then no incentive. • 100% distribution of ORS packets to all under 5 children through ASHAs-5 Lacs per PRI per year • 100% children of 6 months-59 months consuming IFA syrup- 5 Lacs per PRI per year • 100% children from 1-5 yrs biannually dewormed with Albendazole- 5 Lacs per year per PRI. If less than 100% no incentive • Ensuring treatment of all children under 5 suffering from birth defects-5 Lacs per PRI per year.

Anaemia Mukh Haryana.

Indicators	Targeted beneficiaries	Performance evaluation
Consumption of IFA Syrup	6-59 months children of area	All the children of 6-59 months of the area are consuming IFA Syrup
Biannual deworming		All the children of 6-59 months of the area are biannually dewormed
Consumption of IFA red tablet	WRA (20-49 years) non-pregnant & non-lactating married women	All the WRA of the area are consuming IFA Red tablet
Biannual deworming		All the WRA of the area are biannually dewormed

Immunization Programme

Activity	Beneficiaries	Performance evaluation
Full Immunization Coverage	Infant (0-12 months)	100% coverage of all antigens of Full Immunization before 1 year of age 1. BCG 2. Three doses of Oral Polio Vaccine (OPV), 3. Three dose of Pentavalent 4. MR-1

**Funds required for construction of Vaccine Stores in Haryana under
6th State Finance Commission**

State dry store was earlier functioning from old CS building at Sector 6, Panchkula and it was demolished few months back and hence construction of permanent state dry store is required at Panchkula. District Panchkula is also not having permanent District Vaccine Store (DVS) and hence construction of DVS for district Panchkula is also required. Funds are required for construction of these two stores as per details given here under :

S.No.	Description	Proposed Site	Approx. Area	Tentative Cost (Rs.in Lakhs)
1.	State Dry Store, Panchkula	Polyclinic, Sector 26, Panchkula.	2000 sq ft.	Rs.32.00 Lakhs
2.	District Vaccine Store (DVS), Panchkula.	Govt. Dispensary, Sec 21 Panchkula / CH, Sector 6, Panchkula	500 sq ft.	Rs. 8.00 Lakhs
Total				Rs.40.00 Lakhs

Proposal of Replacement of condemned BLS Ambulances for 6th State Finance Commission, Haryana.

All the districts of Haryana are covered under the scheme. Free transportation services are provided within the district to any patient in emergency, pregnant women, victims of road side accident, post natal cases in case of emergency till 6 weeks after delivery, sick infants & children under 5 years of age and freedom fighters. The objective of Referral Transport Scheme is to provide pre-hospitalization care and transport to the patients in emergency, and to increase institutional delivery by transporting pregnant women to health facilities and to tertiary care health facilities and back-home services within the districts.

The State has a fleet of 501 ambulances are operational (151 ALS, 172 BLS ambulances, 133 PTA and 39 Kikari/Back to home, 5 Neonatal ambulances) which are managed by Decentralized Control Rooms operational in 21 districts of Haryana. These ambulances have transported approx. 45 lakh patients till date thereby helping in improving the Infant Mortality and Maternal Mortality Rate of the State.

Moreover, as per Govt. of Haryana letter no. 38/32/97-4 Pol., dated 22-07-2008 under Secretary Protocol to Govt. Haryana General Administrative Department (RVS Branch) at point 12 in section "Life of cars/ vehicles the recommended km/s or life span in years for condemnation cars/ vehicles with price range Rs. 5.00 lacs- 6.00 lacs is 3 lacs KM or 5 years".

Therefore, 250 ambulances have been run more than 5 years and 3 lakh kilometers. These ambulances tend to remain frequently off-road for maintenance purposes. Thus, need to be replaced as these ambulances will be condemned in next year.

S. No.	No. of Ambulances	Type of ambulance	Funds per ambulance	Total funds required for procurement of ambulances
1	250	Basic Life Support	400000	100000000
				1000.00 (In lakhs)

Proposal for MCH Wings in 6th State Finance Commission

MCH wing will ensure that pregnant women and newborn get high-quality evidence-based care that they can afford and easily access. RMNCH+A approach essentially looks to address the major causes of mortality among women and children as well as the delays in accessing and utilizing health care and services.

MCH Wing-

MCH wing is created within the premises of existing health facility i.e. Civil Hospital/ SDH/ CHC for providing Comprehensive Reproductive, Maternal, Newborn and Child Health (RMNCH) Services include OPDs and Indoors under on roof.

Establishment of separate dedicated MCH will ensure:

- Quality intra-partum and immediate post-partum care services,
- Integrated facilities for obstetric and neonatal care at a single place ensuring comprehensive RMNCH services,
- 48 hours stay of the delivered cases at health facilities, thereby reduce the incidence of morbidity and mortality due to post-partum complications. This will reduce the incidences of maternal and neonatal morbidity and mortality including still births and accelerate the pace of decline of MMR and IMR to achieve our Sustainable Development Goal of reduction in MMR.
- Respectful maternity care to the mother.

MCH Wings proposed in 6 th SFC, Haryana				
Sr.No	Districts	Name of MCH Wing	No. of Beds proposed in MCH Wing	Budget proposed in 6 th SFC for MCH Wing (in crores)
1	Ambala	MCH Wing CH Ambala	100	60
2	Fatehabad	MCH Wing CH Fatehabad	100	60
3	Gurugram	MCH Wing CH Gurugram*	100	60
4	Kaithal	MCH Wing CH Kaithal	100	60
5	Karnal	MCH Wing CH Karnal	100	60
6	Mahendragarh	MCH Wing CH Mahendragarh	100	60
7	Rewari	MCH Wing CH Rewari	100	60
8	Rohtak	MCH Wing CH Rohtak	100	60
9	Sirsa	MCH Wing CH Sirsa	100	60
10	Yamunanagar	MCH Wing CH Yamunanagar*	100	60
11	Ambala	MCH SDH Ambala	50	30

		Cantt		
12	Sonapat	MCH SDH Gohana	50	30
13	Jhajjar	MCH SDH Bahadurgarh	50	30
14	Narnaul	MCH SDH Mahendergarh	50	30
15	Yamunanagar	MCH SDH Jagadhri	50	30
				750

The cost includes upgradation of Infrastructure & equipment required for MCH Wing.

Apart from the above MCH wings 6 MCH Wings are already approved by GoI at Panchkula, Palwal, Panipat, Sonapat, Faridabad & Medical College, Nalhar (Nuh)

Proposal for Allocation of Funds by 6th State Finance Commission on Capital expenditure for effective implementation of e-Governance / m-Governance initiatives in ensuring effective Health care service delivery to residents of State .

State Health Society, Health Department is implementing various e-Governance /m-Governance initiatives to support the public health institution(s) in state in delivering both preventive and curative health care services to residents in the State through its out-reach and facility in services. To strengthen further these services, Department need to establish reliable connectivity of its institution with Block, District and State as well as to strengthen the referral mechanism of health care services, need to connect remote institutions with secondary and tertiary health care institutions for timely and best available healthcare services to be delivered to residents in the state.

To strengthen the e-Governance/m-governance initiatives in the State including Management of Electronic Health Record of patients, following allocation is required.

Amount in INR lacs

Sr. No.	Description of activity	Funds allocation required in lacs	Remarks
1.	Replacement of ICT Hardware and power backup systems (old and obsolete)	500.00	Replacement of approx ICT system at approx 500 health institutions @ INR Rs. 1 lacs/Institution.
2.	Establishment of Internet Lease Link- ILL (1:1) @4mbps a. Erecting fibre connectivity for nearest node b. Annual Rental of ILL	664.00	Establishment of Internet lease link @4mbps to enable unified connectivity with Health institution in seamless implementation of e-Gov/m-Gov initiatives in approx 590 health institutions as per survey of BSNL.
3.	Network and Data Centre for hosting/staging e-Gov/m-Gov initiatives	500.00	
	Total	1664.00	

Proposals under 6th State Finance Commission

by

AYUSH Department, Haryana

Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH) Systems of Medicine have age old acceptance among various communities in India. They are time tested and validated by thousands of years of use during which they have played role in prevention and mitigation of diseases. AYUSH System of Medicine have important role in the prevention and mitigation of many life style related chronic ailments where modern medicines are not so successful. With the increase in number of life style disorders, there has been a resurgence of interest in the AYUSH Systems of medicine both globally and within the country.

AYUSH Department Haryana is providing Medical Relief, Medical Education and Health Awareness through AYUSH to the masses particularly in the rural areas of Haryana State. For this purpose 4 Ayurvedic Hospitals, 1 Unani Hospital, 6 Ayurvedic Prathmic Swasthya Kendras, 516 Ayurvedic Dispensaries, 19 Unani Dispensaries, 26 Homeopathic Dispensaries and 1 Institute of Indian Systems of Medicine and Research (IISM&R), Panchkula are functioning including 33 AYUSH dispensaries (29 Ayurvedic, 2 Unani & 2 Homeopathic) and 3 Specialty Clinics of AYUSH (Gurgaon, Hisar, Ambala) & 1 Specialized Therapy Centre (Jind) have been relocated and upgraded as AYUSH Wing in 2009-10. 21 AYUSH Wings at District Hospitals & 98 AYUSH IPD (Polyclinic) at CHCs, 109 AYUSH OPD at PHCs, are providing medical relief to the masses and also participation in National Health Programme in the Haryana State. Most of the AYUSH institutions are functioning in the rural and remote areas.

Opening of New AYUSH Institutions in the state of Haryana

AYUSH Department is being promoting Indian Systems of Medicine (ISM) in rural and urban areas. For opening of New AYUSH Institutions in the state of Haryana, AYUSH department has notified a policy in 2017. As per the policy, AYUSH dispensaries can be open at rural areas and urban area. According to Census 2011, total population of Haryana is 2.53 Crore and total area of Haryana is 44212 Km². Presently, Department of AYUSH has total of 796 (Under State-567 and under NHM-229) AYUSH Institutions for providing AYUSH services to 2.53 Crore (1.65 Crore Rural) population. As per the policy a new dispensary may be open to serve population of **5000 or more people**

who inhabit within a **distance of 6 Km**. There is a huge gap of between the AYUSH services in comparison to population and the area of state of Haryana. Following table showing comparison between infrastructures provided for health Service with AYUSH Service.

Comparison between Health Services and AYUSH Department					
Sr No	Type of Institution	Owned by	Count		Remarks
			Health Dept.	AYUSH Dept.	
1	Community Health Centre (CHC)	Health Department	128	101	At CHC and PHC, Ayurvedic or Homoeopathic services is provided by National Health Mission. One Sub Centre is equal to one AYUSH Dispensary
2	Public Health Care (PHC)	Health Department	531	106	
3	Sub Centre	Health Department	2650	---	
4	AYUSH Dispensary	AYUSH Department	---	529	

During COVID-19, World got knows the benefit of AYUSH sectors, due to this more and more people are now switching from Allopathic medicine to AYUSH Medicines. To increase the use of low cost medicine system in the people of Haryana, new establishment/ up gradation of existing AYUSH Infrastructure is required. Therefore, it is proposed that new dispensary may be established in rural and urban area for the benefit of people of Haryana.

Therefore, all District Ayurvedic Officers are instructed to do the GAP analysis as per the policy-2017 and submit the case for new dispensaries. As per GAP analysis new AYUSH dispensaries can be open in more 300 villages. These new dispensaries required fund for construction as per the drawing approved by Government. It is to be mentioned here that as per estimate received from Panchyat Raj an amount of Rs. 50.00 Lakh approx is required for construction of new dispensary. Therefore, an amount of Rs. 15000.00 Lakh approx is required for the construction of new AYUSH dispensaries in state in phase manner. In first phase, 100 new dispensaries will be proposed and fund for the same amounting Rs. 5000.00 Lakh may be sanctioned.

Establishment of Panchkarma Centres:-

A meeting regarding establishment of Panchkarma Centres was held under the chairmanship of Hon'ble Health & AYUSH Minister on 15.01.2020 and as per the minutes of meeting Department of AYUSH require to open at

least 02 Panchkarma Centre in every district of Haryana. At present 21 Panchkarma Centres are running at Civil Hospitals in 21 districts under NHM and 4 centres (Sector-9, Panchkula, Village Thapli, Panchkula, Subhash Colony, Ambala and Behadurgarh, Jhajjar) are running under state. There is a need to open 23 more Panchkarma Centres to achieve the target. Hence, it is proposed that 23 centres may be opened in Haryana by establishing 2 centres in each district. As per the estimate received from district an amount of Rs. 60.00 Lakh is required for construction of one Panchkarma Centre. Therefore an amount of Rs 1380 Lakh is required for the construction work of 23 Panchkarma Centres in Haryana. The proposal was already administratively approved by the Government.

Establishment of AYUSH Wing at PHCs:-

A decision regarding to appoint the AYUSH Doctors at PHCs level was taken in the meeting held on 04-03-2015 under the Chairmanship of Hon'ble Chief Minister, Haryana. As desired by the Government, Department of AYUSH has submitted a proposal to establish AYUSH doctors at PHCs level under Swarn Jayanti Yojna. It is mentioned here that as per the latest information collected from Health department a total of 528 PHCs and 131CHCs are working under Health Department. Out of these 528 PHCs, department has already appointed AYUSH staff at 105 PHCs under National Health Mission Scheme. Therefore, AYUSH staff is to appointed at remaining 419 PHCs. For the smooth functioning of PHCs equipments & furniture will also be required. In addition to the human resource, funds for Additional alternation/Repair/Renovation will also be required. The proposal was already administratively approved Government. An amount of Rs. 5 Lakh per PHCs may be proposed for Additional alternation/Repair/Renovation and for furniture & Equipment. Total fund of Rs. 2095.00 Lakh for establishment of AYUSH Wing at 419 PHCs is required.

Promotion of Yoga Wellness in villages:-

To promote the Yoga Wellness in states it was decided by Government to open Yog Vayamshalas in 6500 villages of Haryana State. In the first phase the construction work of 1100 Park and Vyayamshalas will be completed out of 6500 Yog Vyayamshalas and the work of 594 Vyayamshalas has been completed. The work of 320 Vyayamshalas is in progress and the

construction work of 203 Vyayamshalas has not been started as yet. During the meeting held on 02.12.2020 of the Hon'ble CM Haryana with Haryana Yog Aayog it has been decided the name of Park and Vyayamshalas be changed to Yog and Vyayamshalas. As all the Yog and Vyayamshalas are to be opened in villages, to promote yoga it is necessary to organise Yoga Camps in Yog and Vyayamshalas. An amount of Rs. 50.00 thousand for this purpose and for maintenance/ smooth running of these centres funds will be required. Expenditure will be made through respective Sarpanches. Total fund amounting Rs. 500.00 Lakh is required for this activity annually.

Maintenance of AYUSH Health & Wellness Centres:-

As per the guidelines of Ministry of AYUSH, Govt. New Delhi, all existing Ayurvedic Dispensaries are to be established as AYUSH Health & Wellness Centre and Sub centres may also be upgraded as AYUSH Health & Wellness Centre Clusters. As this scheme has been launched from Haryana State, Department of AYUSH has proposed to establish 407 Govt. Ayurvedic Dispensaries as AYUSH Health & Wellness Centre and 138 Health Sub Centres as AYUSH Health & Wellness Centres. On 30th August 2019, 10 AHWCs were launched digitally by Hon'ble Prime Minister of India from Haryana State. MOU has already been signed with HLL Lifecare limited (A Govt. of India enterprises) to complete all works and requirement for the establishment of AYUSH Health & Wellness Centres. As per latest report, 346 AYUSH Health & Wellness Centre are established in Haryana and work on remaining centres is to be completed after Additional alteration/Repair/Renovation on existing building of AYUSH Dispensaries. Buildings of AHWCs and remaining dispensaries required timely maintenance on annual basis so that it may run smoothly and no major repair required in the future. Therefore, Fund amounting Rs. 1. Lakh per AHWC for maintenance of 346 AHWCs and an amount Rs. 5 Lakh for Additional alteration/Repair/Renovation on existing building of 61 AYUSH Dispensaries is to be proposed. Amount of Rs. 346.00 Lakh is required for maintenance of AHWCs and Rs. 305.00 Lakh for Additional alteration/Repair/Renovation of 61 AYUSH dispensaries.

Summary of budget:-

Sr No	Particulars	Units	Total Amount (In Lakhs)
1	Opening of New AYUSH Institutions In Phase manner	100	5000.00
2	Establishment of Panchkarma Centres	23	1380.00
3	Establishment of AYUSH Wing at PHCs	419	2095.00
4	Promotion of Yoga Wellness in villages	1000	500.00
5	Maintenance of AYUSH Health & Wellness Centres	346	346.00
	Additional alteration/Repair/Renovation for AYUSH dispensaries	61	305.00
		Total	9626.00

6th Finance Commission Budget Proposal of SIHFV, Panchkula and SHFWTC Rohtak			
S. No.	Works	Details	Estimated Budget requirement.
1	IT Infrastructure Work on both the floors of SIHFV	Changing of LAN networking switches and wiring for provision of seamless network across the conference halls and other administrative offices	Rs. 15 lacs
2	Replacement of already installed 18 Desktops in IT cell	18 desktops with UPS and other accessories need to be replaced as the models are about 10 years old and it is difficult to hold the trainings with these models	Rs. 10 lacs
3	Upgradation and maintenance of indoor and outdoor sports activities, lawns etc for benefit of participants/ trainees	Replacement of electric wires/LED/Flood lights for outdoor games, maintenance of lawns for the security of the hostel participants and for the benefit of the trainees. The flood lights installed earlier are redundant and require changes for the benefit of the participants.	Rs. 12 lacs
4	Repair and maintenance of SHFWTC Rohtak (a) Repair of hostel of SHFWTC (b) External repair of administrative block, electrical repairs etc	To be developed as the regional training center of SHFWTC and has been defunct since many years. Rs. 40 Lacs were transferred earlier but the hostel buildings and furniture of the hostel require changes for its optimal utilization. 24 lacs for furniture and repair of hostel, 17 Lacs additional for external repair of administrative block and 5 lacs for electrical repair of Administrative block	Rs. 24 lacs
			Rs. 22 lacs
5	Implementation of facility for Video conferencing in SIHFV for benefit of COVID related trainings/meetings	Video conferencing solution for conference hall along with installation of LEDs in the conference halls for the conduct of online trainings	Rs. 17 lacs
6	Hostel upgradation and repairs	<ul style="list-style-type: none"> Replacement of all the 32 air conditioners and 30 geysers in the rooms as per recommendation of Energy Audit Repair of the generator installed for 24*7 electricity services for hostel 	Rs. 18 lacs
		Installation of Grid Solar Power Plant as recommended by the Energy Audit	Rs. 10 lacs
7	Upgradation of Canteen	Change of furniture, purchase of a refrigerator & a water cooler, Bain Marie, Freezers, Deep Freezer, Freezer-cum-showcase, Hot case, Juicer, Tandoor, Digital weighing scale etc.	Rs. 8 lacs
8	Change of water coolers	Change of 4 water coolers in administrative and hostel building	Rs. 5 lacs
9	Installation of lifts, hand rails and ramps for making the building disabled friendly	Installation of lifts, hand rails and ramps in administrative block and hostel	Rs. 18 lacs
			Rs. 160 lacs

**Memorandum
of
School Education Deptt.
Government of Haryana**



GOVERNMENT OF HARYANA / हरियाणा सरकार
Directorate School Education
विद्यालय शिक्षा निदेशालय



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सेवा में

श्री कुलवन्ता सुल्तन
ADO, 6th SFC, हरियाणा।

घाटी क्रमांक- 39/35-2021 ACD (4)
दिनांक- 18.11.2021

विषय-

Meeting with Chairman, 6th State Finance Commission Haryana on
18th October, 2021.

उपरोक्त विषय के संदर्भ में आपके कार्यालय से प्राप्त ई-मेल दिनांक
18.10.2021 की सन्दर्भ में मंगी गई सूचना Annexure-1 (संलग्न) में आपको उपलब्ध कराई जा रही
है।

संलग्न- उपरोक्तानुसार।

सहायक निदेशक (शैक्षणिक)
कुल निदेशक माध्यमिक शिक्षा
हरियाणा पंचकुला

दिनांक, पंचकुला 18.11.2021

पृष्ठ/कम क्रमांक सभ

इसकी एक प्रति निम्नलिखित की सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित है-

1. हरिष्चंद्र सचिव, सामंतीय अतिरिक्त मुख्य सचिव, विद्यालय शिक्षा हरियाणा, पंचकुला।
2. निजी सचिव, सामंतीय निदेशक सैकनवरी शिक्षा हरियाणा, पंचकुला।
3. निजी सहायक, सामंतीय निदेशक शैक्षणिक शिक्षा हरियाणा, पंचकुला।

सहायक निदेशक (शैक्षणिक)
कुल निदेशक माध्यमिक शिक्षा
हरियाणा पंचकुला



Annexure -I

पंचायती राज विभाग तथा स्थानीय शहरी निकायों को विद्यालय शिक्षा विभाग द्वारा निम्न तीन शरणों में कार्य सौंपा जा सकता है:-

1. तुरन्त प्रभाव से सौंपे जाने वाले कार्य:-

- विद्यालयों का सौन्दर्यकरण, विद्यालयों तक पहुँच रास्ते का कार्य जल भराव रोकने के लिये, पानी के प्रदूषण को रोकने, मत्तरेगा से करवाये जाने वाले सभी कार्य CEO जिला परिषद के माध्यम से करवाये जा सकते हैं।
- विद्यालयों की सफाई का कार्य तुरन्त प्रभाव से सौंपा जा सकता है।
- विद्यालयों के पर्यवेक्षण का कार्य।
- विद्यालयों का प्रबंधन, सार्वजनिक आदि का कार्य भी PRU/ULB को सौंपा जा सकता है।

2. अगले वर्ष से सौंपे जाने वाले कार्य:-

अध्यापकों की आपूर्ति- विद्यालयों में आर्थिक रूप से उपजने वाली रिक्तियों जैसे शिक्षु, वैशाखाव अवकाश, प्रसूति अवकाश तथा सेवा-निवृत्ति के कारण रोजाना वर्ष के मध्य उपजने वाली रिक्तियों को अस्थायी तौर पर भरने के लिये स्थानीय स्तर पर व्यवस्था की जा सकती है।

3. योजना बनाकर सौंपे जाने वाले कार्य:-

राष्ट्रीय शिक्षा नीति की अनुपालना में सौंपे जाने वाले कार्य- राज्य में ऐसी पंचायतें जो 100% नामांकन तथा 100% FLN काल में सफल होंगी उन्हें सम्मानित करने के लिये विशेष योजना बनाई जा सकती है। NEP-2020 में उल्लेखित Gender Inclusion Fund (GIF) को भी इसमें शामिल किया जा सकता है। राज्य के 19 खण्डों को SETs में शामिल किया जा सकता है।

राज्य की शहरी तथा ग्रामीण विद्यालयों की संख्या निम्नानुसार है:-

School Category	Rural	Urban	Grand Total
Sr. Sec. School	1832	256	2,088
Sanskriti Sr. Sec. School	74	63	137
High School	1026	72	1,098
Middle School	2239	185	2,424
Primary School	7721	936	8,657
Aarnhi School	35	1	36
KGBV	29	4	33
Lab School (BOSE Bhiwani)	0	1	1
Institute (GETI, DIET)	20	8	28
Grand Total	12,976	1,526	14,502



Questionnaires

Preliminary Questionnaire

Panchayati Raj Institutions

1. Whether the capacity constraints of DDPO and BDPO have been ascertained and redressed? If so, give details. (Para 5.3.17)
2. Whether any exercise has been carried to rationalise the number of the Gram Sachiv posts sanctioned as well as steps taken to improve their quality of performance for better administrative services? Pl provide details. (Para 5.3.18)
3. Whether any unified website of the Department of Panchayats, integrated with the websites of various PRIs, has been designed? If so, whether there is any provision therein to enable the elected representatives and the public to place their queries or give suggestions? (Para 5.3.21)
4. Who is responsible for updating, operating and maintaining the website of the PRIs? (Para 5.3.24)
5. Whether the recommendations of 5th SFC to set up a Special Task Force for convergence of Central and State Schemes in terms of activities undertaken in specified functional areas (health, water supply, sanitation, etc.), outcomes expected and funds, human resources and technology available, have been implemented? (Para 5.4.35)
6. Whether efforts have been made to consolidate various states schemes which have similar objectives? (Para 5.4.37)
7. Whether any activity chart has been prepared for Gram Panchayat, Panchayat Samiti and Zila Parishad functionaries, both elected and administrative? If so, pl give details including the manner, format and instructions for undertaking these activities. (Para 5.4.42)

8. Whether sufficient focus has been given to bring operational level clarity about expected outcomes and respective rules? (Para 5.4.48)

9. Whether there is any proposal for revision of house tax rates, after allocation of house numbers in rural areas? (Para 5.5.7)

10. Please provide the details of own tax revenue for the Gram Panchayats for the period 2016-17 to 2019-20 and BE of 2020-21, as under:

Table 5.1

Own Tax Revenue (House Tax) Collection

(Rs in Crores)

Components	2016-17	2017-18	2018-19	2019-20	2020-21
Own Tax Revenue					

11. Please provide details of share of excise revenue passed on to PRIs for the period 2016-17 to 2019-20 and 2020-21 BE, as under:

Table 5.2

Share of Excise Revenue to PRIs in Haryana 2016-17 to 2020-21

(Rs in Crores)

Years	2016-17 Actuals	2017-18 Actuals	2018-19 Actuals	2019-20	2020-21 BE

12. What is the share of 5 % surcharge on VAT given to PRIs surcharge on VAT given to PRIs for the period 2016-17 to 2018-19 as per the following table:

Table 5.3

Share of 5% Surcharge on VAT to PRIs

(Rs in Crores)

Years	2016-17	2017-18	2018-19	2019-20	2020-21 BE

13. Please provide Own Non Tax Revenue for PRIs for the period 2016-17 to 2018-19 and BE 2020-21:

Table 5.4

Own Non-Tax Revenue of PRIs

Components	2016-17	2017-18	2018-19	2019-20	(Rs in Crores)
					2020-21 BE
Own Non Tax Revenue					

14. Whether any exercise has been carried out to record of shamlai lands? Also clarify whether suite application developed by the Central Government for maintenance of land records is being utilized for the purpose? (Para 5.5.21)
15. Please provide the details of CFC C and SFC grants given to PRIs for the period 2016-17 to 2019-20 and BE of 2020-21, as under:

Table 5.5

Haryana: Details of CFC and SFC Grants

Component	2016-17	2017-18	2018-19	2019-20	(Rs in Crores)
					2020-21 BE
CFC Grants					
SFC Grants					

16. Please provide the details of basic grants and performance grants devolved to the PRIs in Haryana for the period 2016-17 to 2019-20 and 2020-21 BE.

Table 5.6

CFC Grants to be devolved to the PRIs in Haryana

Components	2016-17	2017-18	2018-19	2019-20	(Rs in Crores)
					2020-21 BE
Basic Grants					
Performance Grants					

17. Please provide the resource envelope of PRIs for the period 2016-17 to 2019-20 and BE 2020-21, as per table below:

Table 5.8

Haryana: Resource Envelope of PRIs 2016-17 to 2020-21

Components	(Rs in Crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Own Tax Revenue					
Own Non Tax Revenue					
CFC Grants					
SFC Grants					
CSS					
State Budget Funds					
Loan Repayments					
Total Revenue					

18. Please provide the details of revenue expenditure incurred by PRIs in Haryana for the period 2016-17 to 2019-20 and BE 2020-21, as per table below:

Table 5.9

Details of Revenue Expenditure by PRIs

Component	(Rs in Crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Revenue Expenditure					

19. Whether the Department of Panchayats has taken any decision on the types and rates of taxes that may be allowed to be collected by PRIs, in addition to House Tax? (Para 5.6.11)
20. Whether any digital platform has been developed at the state level for PRIs to streamline tax collection mechanism? If so, pl give details. (Para 5.6.12)
21. Whether CSR contributions by the Corporate sector are being utilized for village development by PRIs? If so, please give details. (Para 5.6.15)
22. Whether any exercise has been carried out on augmentation of revenue by the PRIs (newer ways of earning revenue for efficient collection of existing taxes) by involving professional institutions by SJHIFM? (Para 5.6.16)

23. Whether funds being released under state schemes are routed through PRIA soft system, by using appropriate accounting heads and whether PFMS is being fully utilised for the purpose? (Para 5.7.14)
24. Whether it is mandatory for the person making entries in the Panchayat accounting books to necessarily write narration for receipts and expenditure; and whether the SOP has been put in place for the purpose? (Para 5.7.15)
25. Whether the recommendations of the 5th SFC for shifting the entire accounting of PRIs to the PRIA soft has been carried out? (Para 5.7.16)
26. Whether requisite number of system analysts and Chartered Accountants have been provided at the Directorate level to take care of the capacity constraints. (Para 5.7.17)
27. Whether the recommendations of 5th SFC to enhance basic qualification requirements of a Gram Sachiv to graduation, with accounting degree, has been implemented and for the existing Gram Sachivs, what kind of capacity building programmes have been designed? (Para 5.7.21)
28. Whether appropriate measures have been taken for recording and management of cash, bank accounts, assets and properties of PRIs and whether recommendation for operating only one bank account, in place of multiple banking accounts, has been implemented? (Para 5.7.23)
29. Whether any steps have been taken, in consultation with the Local Audit Department and the CAG, to enhance audit capacity of the Department so that appropriate coverage and timelines of audit could be ensured. (Para 5.7.31)
30. Whether audit report of every PRIs is placed in the respective website of the concerned PRI unit and a system of sending mails; and getting acknowledgement of the receipt of audit report has been put in place? (Para 5.7.34)

31. Whether there is any system of analysing audit reports to identify the nature of frequent observations and transactions that occur frequently and the modus operandi used to check unfair means or plugging leakages? (Para 5.7.35)
32. Whether a one-time exercise has been carried out to close long pending audit observations within a given timeframe? (Para 5.7.36)
33. Whether appropriate timelines and monitoring mechanism has been established for recording of assets of PRIs fully in the National Asset Directory of the Govt. of India, clearly specifying 'person responsible' for the job, with respect to each Gram Panchayat? (Para 5.8.13)
34. Whether SJHIFM has been assigned the task of carrying out contingencies, research and identification of works done; and whether a system of periodical MIS reporting has been created and followed? (Para 5.8.15)

Urban Local Bodies

1. Whether the recommendation of 5th SFC for establishing a State level Urban Shared Services Centre (USSC) has been implemented? (Para 4.2.17)
2. Is Anbala Cantonment currently included in the list of beneficiaries for SFC and other grants, as per the recommendations of the 5th SFC? (Para 4.3.6)
3. Whether Standard Operating Procedures for conversion of a Rural Local Body to Urban Local Body, or for upgradation of a Committee to a Council and further to a Corporation, have been established along with SOPs for handing over charge by the administrative functional head of the municipalities? Also, clarify whether at the time of sanction/upgradation of a Local Body, clear cut status of assets, liabilities and outcomes are prepared? (Para 4.3.9)
4. Whether the recommendations of the 5th SFC for strengthening the Directorate of Urban Local Bodies (based on scientific assessment of human resource requirements for various functional responsibilities entrusted) have been implemented? What kind of information sharing between all the Boards and Authorities, including the ULBs responsible for urban development, has been put in place for achieving better outcomes? (Para 4.3.20)
5. What is the Standard Operating Procedure put in place for collection of data and information through MIS for various ULBs and the manner in which they are analysed? Also, what is the system in place for monitoring the quality of data and for taking follow up action based on the data of analysis? (Para 4.3.32)
6. Has an integrated website for the Directorate of ULBs, with linkages to all ULBs, with respect to their functional areas, been made operational? Also, clarify the way instructions/ notifications, etc. are passed on by the Directorate to various ULBs and the way the queries raised by the ULBs are sent to the Directorate. (Para 4.3.33)
7. What system is in place to indicate specific service delivery activities undertaken by each ULB, that considers the needs of the citizens for transparency and accountability? (Para 4.4.7)
8. Whether the recommendation of the 5th SFC for mapping of activities by functions, related to ULBs, has been put in place? (Para 4.4.13)
9. What is the mechanism in place for taking feedback from residents of municipal areas about various activities being undertaken by ULBs and whether there is any system of analysing such feedback so as to bring in improvements? (Para 4.5.17 & 4.5.18)
10. Please provide information, regarding composition of resources to ULBs, in the following table, for the period 2016-17 to 2019-20 and BE of 2020-21:

Table 4.3
Haryana: Composition of Resources to ULBs, 2016-17 to 2020-21
(Municipal Corporations/Municipal Councils and Municipal Committees wise)

(Rs. in Crore)

SLNo.	Component	2016-17		2017-18		2018-19		2019-20		2020-21 BE
		RE	Actual	RE	Actual	RE	Actual	RE	Actual	
	Own Source									
1.	Own Tax Revenue									
2.	Own Non Tax Revenue									
3.	Loan Repayment									
4.	Any Other									
	Total (A)									
	Grant in Aid									
1	CFC Grants									
2	SFC Grants									
3	Centrally Sponsored Schemes									
4	State Budget Funds									
5	AMRUT									
6	SMART CITY									
	Total(B)									
	Grand Total (A+B)									

11. Please provide information regarding accuracy of BE for select categories, in the following table, for the period 2016-17 to 2019-20 and BE of 2020-21:

Table 4.4
Haryana ULBs: Accuracy of Budget Estimates for Select Categories

Component	2016-17	2017-18	2018-19	2019-20	2020-21
Total Receipt					
Own Source Revenue					
Own Tax Revenue					
Own Non Tax Revenue					
Loan Repayment					
Any Other					
Grant in Aid					
Central Finance Commission					
State Finance Commission					
Centrally Sponsored Schemes' Funds					
State Budget Funds					
AMRUT					
Smart City					

12. Please provide information regarding resource envelope of ULBs, in the following table, for the period 2016-17 to 2019-20 and BE of 2020-21:

Table 4.5
Haryana, Resource Envelope of Urban Local Bodies

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 (B.E)
Total Resources					
% of GSDP					
Own Source Revenue (OSR)					
% of GSDP					
Grants					
% of GSDP					

13. Please provide data regarding per capita receipt, as per the following tables, for 5 major Municipal Corporations, 5 major Municipal Councils and 5 major Municipal Committees for the for the period 2016-17 to 2019-20 and BE of 2020-21:

Table 4.6
Haryana, Per Capita Receipt of Selected Municipal Corporations:
by Broad Categories, 2019-20

Components	Faridabad	Gurugram	Panchkula	Panipat	Rohtak
Population as per Census 2011					
Total Receipt (Rs. in crore)					
Per Capita Receipt as per 2011 Census (Rs.)					
Own Tax Revenue (in crore)					
Per Capita Receipt as per 2011 Census (Rs.)					
Own Non Tax Revenue (in crore)					
Per Capita Receipt as per 2011 Census (Rs.)					
Any Other (in crore)					
Per Capita Receipt as per 2011 Census (Rs.)					

Table 4.7
Haryana, Per Capita Receipt of Selected Municipal Councils:
by Broad Categories, 2019-20

Components	Bahadurgarh	Jind	Kaithal	Palwal	Sirsa
Population as per Census 2011 (in thousand)					
Total Receipt (in lakh)					
Per Capita Receipt as per 2011 Census (Rs.)					
Own Tax Revenue (in lakh)					
Per Capita Receipt as per 2011 Census (Rs.)					
Own Non Tax Revenue (in lakh)					
Per Capita Receipt as per 2011 Census (Rs.)					
Any Other (in lakh)					
Per Capita Receipt as per 2011 Census (Rs.)					

Table 4.8

Haryana, Per Capita Receipt of Selected Municipal Committees:
by Broad Categories, 2019-20

Components	Jhajjar	Meham	Nilokheri	Nuh	Samalkha
Population 2011 Census (in thousand)					
Total Receipt(in lakh)					
Per Capita Receipt as per 2011 Census (Rs.)					
Own Tax Revenue (in lakh)					
Per Capita Receipt as per 2011 Census (Rs.)					
Own Non Tax Revenue (in lakh)					
Per Capita Receipt as per 2011 Census (Rs.)					
Any Other (in lakh)					
Per Capita Receipt as per 2011 Census (Rs.)					

14. Whether the revenue raising powers of Municipal Corporations/ Councils/ Committees have been rationalised and whether Municipal Corporations have been authorised to levy and collect taxes, fee and toll which can be collected by the Municipal Committees and Councils, and vice-versa?
(Para 4.7.9)
15. Whether SOP regarding levying or collection of a new tax or fee or toll has been put in place?
(Para 4.7.12)
16. Whether a database has been created at the State level about all the heads under which tax may be collected along with rates and manner of collection including the lists of licence fee under various bye-laws with secure guidelines about coverage of assesses and potential tax or fee which can be collected?
(Para 4.7.20)
17. Please provide a requisite information in the following table about revenue receipts of various municipalities for the years 2016-17 to 2019-20 and BE of 2020-21

Table 4.12

Revenue Receipts of Municipalities in Haryana, 2016-17 to 2020-21

All Sources	2016-17	2017-18	2018-19	2019-20	2020-21
Property Tax					
Motor Tax					
Fire Tax					
Vehicle Driving License Fee					
Advertisement Fee					
Development Charge					
Teh Bazar					
Fee and Fines					
Rent					
Interest					
Licence Fees					
Sales on land					
Miscellaneous					

18. Please provide the figures for collection of property tax by Municipal Corporation, Gurugram and Municipal Corporation, Faridabad, out of total State property tax collections, for the year 2019-20, as per the following table:

Table 4.13

Haryana, Property Tax Collection by ULBs in 2019-20

Sl.No.	Particulars	Amount (in crore)
1.	Total State Property Tax Collection	
2.	Gurugram	
3.	Faridabad	

19. Whether a review has been made of design of current property tax rates and base, alongwith steps to be taken to improve service standards, which would, in turn help to place demand for more taxes: (Para 4.7.24)
20. Whether a Standard Operating Procedure is in place regarding collection of taxes and internal control mechanisms in various ULBs? (Para 4.7.28)
21. Whether property survey of the entire urban area of the State has been carried out in the recent past, using appropriate technologies, and whether third party information is being utilised for the same? 4.7.29) (Para
22. Please provide the updated information about motor vehicle tax, driving licence fee, fire tax, teh bazari, ULB receipts of shared taxes (stamp duty, state excise duty, surcharge on VAT, vehicle tax), share of ULBs in stamp duty, allocation of funds for the year 2019-20 and 2020-21 in urban department schemes (as contribution to local bodies from the proceeds of stamp duties of Municipal Corporations, Councils and Committees), as per the tables indicated below:

Table 4.14

Haryana: Motor Tax Receipts by ULBs, 2016-17 to 2020-21 BE

Particulars	(in Crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Motor Vehicle Tax					
Driving Licence Fee					

Table 4.15

Haryana: Fire Tax collection by the ULBs, 2016-17 to 2020-21 BE

Particulars	(in Crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Fire Tax					

Table 4.16

Teh Bazari Fee Receipt, 2016-17 to 2020-21 BE

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Teh Bazari					

Table 4.17

ULBs Receipts of Shared tax 2016-17 to 2020-21 BE

Component	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Stamp Duty					
State Excise Duty					
Surcharge on VAT					
Vehicle Tax					
Total					

Table 4.18

Share of ULBs in Stamp Duty in Haryana, 2016-17 to 2020-21 BE

(in Crore)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Stamp Duty					

Table 4.19

Allocation of Funds for the year 2020-21 BE under Department Schemes

Contribution to Local Bodies from the proceeds of Stamp Duty to Municipal Corporations		
Contribution to Local Bodies from the proceeds of Stamp Duty to Municipal Committees/ Councils		

23. What is the current system in place for transfer of duty collected by the Registrar or Sub Registrar on account of duty levied by the Urban Local Bodies? (Para 4.7.54)
24. Whether the issue of adjustments being made by the power companies for the electricity consumption of ULBs, against their share of electricity duty, has been effectively addressed? (Para 4.7.66)
25. What had been the impact of introduction of GST and changes made with regard to levy/collection of advertisement fee and entertainment tax on the finances of Urban Local Bodies? (Para 4.7.73 & 4.7.74-79)
26. Whether ULBs are obtaining credit rating to access bond markets? (Para 4.7.80)
27. Whether any research has been carried out on the augmentation of revenue for various Urban Local Bodies? (Para 4.7.81)
28. Please provide updated information about disaggregation of expenditure by Municipal Bodies and accuracy of their BEs, as per the following tables, for the period 2016-17 to 2019-20 and BE of 2020-21.

Table 4.21

Haryana Disaggregation of Expenditure from Municipal Fund 2016-17 to 2020-21 (BE)

Components	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Total Expenditure (as % of GSDP)					
Expenditure from Municipal Funds (as % of GSDP)					
Expenditure from Grants (as % of GSDP)					

Table 4.22

**Haryana: Accuracy of Budget Estimates of the ULBs, Select Categories 2016-17 to 2020-21 (BE)
Actual/Budget Estimates**

Components	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Total Expenditure (A+B)					
Total Expenditure from MC Funds (A)					
Revenue Expenditure					
Lending for Depths and other purposes					
Capital Expenditure					
Contingency Fund					
Any Other (Misc.)					
Repayment of Loans					
Total Expenditure from Grants in Aid (B)					

29. Whether a uniform accounting system with uniform coding has been adopted and being used by all the ULBs in Haryana, as recommended by the 5th SFC? (Para 4.9.5)
30. What is the current status of putting in a system for recording and maintaining assets, land and property in the Urban Local Bodies? (Para 4.9.11)
31. Please confirm that the recommendations of the 5th SFC for numbering and recording of assets along with indication of physical local thereof in a standard format has been carried out by all the ULBs. It may also be clarified whether SOPs for maintaining all records of such assets as well as their disposal has been put in place. (Para 4.9.16)
32. Whether specified officials have been entrusted with responsibility for maintaining and updating all asset records? (Para 4.9.16)
33. Whether the application developed by the Govt. of India as "National Asset Directory" has been adopted by ULBs? (Para 4.9.16)

34. Whether the recommendations of the 5th SFC to carry out a onetime exercise to take stock of all the properties owned by ULBs, including status of encroachments, legal cases, if any, has been undertaken in the recent past and whether an SOP is in place for maintaining such record of properties and its regular upd (Para 4.9.20)
35. Whether only one bank account is being maintained by every ULB for crediting or debiting all its income and expenditure and what is the status of recommendation for accounting of scheme-wise receipt and expenditure of funds and reporting of yearly status of closure of schemes? (Para 4.9.25 & 4.9.27)
36. What is the status of implementation of the 5th SFCs recommendation for use of strategic and modern technology for timely and effective audit of ULBs? (Para 4.10.8)
37. Whether ULBs have adopted system of e-procurement? (Para 4.10.8)
38. Whether scientific assessment of manpower requirements for the purpose of audit has been carried out and what steps have been taken for ensuring sufficient and quality audit staff? (Para 4.10.11)
39. Whether ULBs are following the recommendations of the 5th SFC for timely follow up on the observation of audit and for fixing of responsibility, wherever required? (Para 4.10.12)
40. Whether a timeframe has been fixed for action on the ATIRs of CAG and foreclosure of future audit reports? (Para 4.10.17)
41. Whether internal control mechanisms for ULBs in the form of statements in specified formats to be filled and transmitted to the Directorate and development of software to identify larger deviation and risk areas has been implemented? (Para 4.10.21)
42. Whether a provisional assessment of staffing requirements of DULB has been undertaken and if so, what are the outcomes? Further, whether any analysis has been carried out regarding outsourcing of identified functions and hiring of contractual staff by ULBs? (Para 4.11.8)
43. Whether any role mapping of work position in ULBs and SOPs for such roles, including reporting and MIS responsibility, has been carried out? (Para 4.11.9)
44. Whether ULBs budget documents are based on a uniform format, including function-wise estimation of expenditure and revenue attributed to that function? Further, whether explanations are being provided whenever a significant difference between estimation and actual realisation is noticed? (Para 4.11.2.17)
45. Whether the recommendations of the 5th SFC for establishment of an Urban Shared Service Centre in the Directorate of Urban Local Bodies for allotment of resources, capacity and functions to be performed by the ULBs, has been implemented? (Para 4.13.4)

Preliminary Questionnaire

Haryana Public Finances

1. Please provide the audited/provisional figures for the following items for the period 2016 to 2019-20 and BE of 2020-21 (Rs. in Cr.)

Table 3.1
Haryana, Total Revenue and Non-Debt Capital Receipt (TRNDCR)

Category	2016-17	2017-18	2018-19	2019-20	2020-21 BE
1. Total Revenue and Non-Debt Capital Receipts (TRNDCR)					
As % of Revenue Expenditure					
As % of Total Disbursement					
As % of Expenditure out of Consolidated Fund					
As % of GDP					
2. Revenue Receipts					
As % of Revenue Expenditure					
As % of TRNDCR					
As % of GDP					
3. Tax Revenue					
As % of Revenue Expenditure					
As % of Expenditure out of Consolidated Fund					
As % of TRNDCR					
As % of GDP					
4. Non-Tax Revenue					
As % of TRNDCR					
As % of GDP					
5. State's share in Union Taxes and duties					
As % of TRNDCR					
As % of GDP					
6. Grants-in-aid from Govt. of India					
As % of TRNDCR					
As % of GDP					
7. Non-Debt Capital Receipts					
As % of TRNDCR					
As % of GDP					
8. GDP					

2. Please provide the following details for the period 2016 to 2019-20 and BE of 2020-21:

Table 3.2
Haryana: State Own Tax Revenue (SOTR) and its Composition,
2016-17 to 2020-21 BE

(Rs. in crore)

Category	2016-17	2017-18	2018-19	2019-20	2020-21
1. State own Tax Revenue (SOTR)					
As % of GDP					
Revenue Expenditure plus					

	Repayment of Public Debt (RERPD)					
	As % of RERPD					
2.	Taxes on Sales, Trade, etc.					
	As % of Own Tax Revenue					
3.	State Excise					
	As % of Own Tax Revenue					
4.	Taxes on Vehicles					
	As % of Own Tax Revenue					
5.	Stamps Duty and Registration Fee					
	As % of Own Tax Revenue					
6.	Land Revenue					
	As % of Own Tax Revenue					
	As % of GSDP					
7.	Taxes on goods and passengers					
	As % of Own Tax Revenue					
8.	Taxes and Duties on Electricity					
	As % of Own Tax Revenue					
9.	Other Taxes					
	As % of Own Tax Revenue					

3. Please clarify whether a tax expenditure statement is included in the Budget document of the State. (Para 3.2.9)
4. Please clarify whether various components of Public Accounts are being included in the Public Financial Management Statements. (Para 3. 2.17)
5. Please provide the relevant figures of the following for the period 2016 to 2019-20 and BE of 2020-21:

Table 3.3
Haryana, Composition of Governments Expenditure and Disbursements
2016-17 to 2020-21 BE

(Rs. in crore)

Category	2016-17	2017-18	2018-19	2019-20	2020-21 BE
1. Total Disbursement by the State(2+3+4)					
A. % of GSDP					
2. Expenditure out of Consolidated Fund					
As % of GSDP					
As % of Total Disbursement					
3. Contingency Fund Disbursement					
A. % of GSDP					
As % of Total Disbursement					
As % of Consolidated Fund					
4. Public Accounts Disbursements					
A. % of GSDP					

	As % of Total Disbursement				
	As % of Consolidated Fund				
5.	Revenue Expenditure				
	As % of GDP				
	As % of Total Disbursement				
	As % of Consolidated Fund				
6.	Capital Expenditure				
	As % of GDP				
	As % of Total Disbursement				
	As % of Consolidated Fund				
7.	Disbursements from Loans and Advances				
	As % of Consolidated Fund				
8.	Loans and Advances from Government of India				
	As % of GDP				
	As % of Total Disbursement				
	As % of Consolidated Fund				
9.	Repayment of Public Debt				
	As % of GDP				
	As % of Total Disbursement				
	As % of Consolidated Fund				

6. Please provide information about the following for the period 2016 to 2019-20 and BE of 2020-21:

Table 3.4
Haryana: Select Budget Deficit Indicators, 2016-17 to 2020-21BE
(Rs. in Crore)

Category	2016-17	2017-18	2018-19	2019-20	2020-21BE
Revenue Deficit					
As % of GDP					
Fiscal Deficit					
As % of GDP					
Primary Deficit					
As % of GDP					

7. Please provide information about the following period 2016-17 to 2019-20 and BE of 2020-21:

Table 3.6
Haryana: Trends in Fiscal Liabilities from 2016-17 to 2020-21 BE
(Rs. in Crore)

Components of fiscal liability	2016-17	2017-18	2018-19	2019-20	2020-21 BE
Internal debt					
Loans from Central Government					
Public Accounts Liabilities					
Total					
Growth Rate					
% of Revenue Receipts					
Buoyancy with respect to Revenue Receipts					
As % of GDP					

8. Whether CAG or any other external agency is independently monitoring the mandatory FRBM arrangements? If so, please provide details. (Para 3.3.19)
9. Please clarify whether the State is preparing a Statement of Contingent Liabilities? If so, please provide details. (Para 3.3.20)
10. Whether cash basis accounting is still being used for preparing financial accounts and accrual basis of accounting is used for recognition of fiscal liabilities? (Para 3.3.20)
11. What action is being taken on the recommendations of the 5th SFC for preparing a Statement of Contingent Liabilities, Indian Government Financial Reporting Standard (IGFRS)-5 on contingent liabilities (other than guarantees) and contingent assets? (Para 3.3.21)
12. What is the current status of adoption of PFMS, by the Directorate of Urban Local Bodies and by the Development and Panchayats Department and further by various Urban and Rural Local bodies? (Para 3.4)
13. Please provide information about receipt and expenditure of all Centrally Sponsored Schemes (CSS) for the period 2016 to 2019-20 and BE of 2020-21, as per the following table:

Table 3.7
Haryana – A Summary of Receipts and Expenditure of CSS, 2019-20
(Rs in Crore)

Scheme/Programme	Revised Budget Expenditure	Actual Release of Amount	Actual Expenditure	Actual Expenditure (as % of RE)
	State Centre Total	State Centre Total	State Centre Total	State Centre Total
A. Core of the Core:				
B. Core Scheme				
C. Optional Schemes (50:50)				
D. Other Schemes				
Grand Total				

14. Whether Govt. of Haryana is utilising SJHIFM to undertake research and initiation of pilot projects on issues related to public fiscal management? (Para 3. 5.16)
15. How many State Public Enterprises are registered under the Companies Act and how many under the Cooperative Societies Act 1964? (Para 3.6.9)

16. Please provide group-wise details of number of employees working in various State Public Enterprises and the total number of sanctioned posts filled up, as on 31st March 2020. Also, indicate corresponding figures for the temporary/contractual employees.

Table 3.9
Haryana: Human Resource Profile of the SPEs
(as on March 31, 2020)

Employee Category	No. of Employees	% of Total filled up posts
Total Employees		
Permanent (A)		
Group A		
Group B		
Group C		
Group D		
Temporary (B)		

17. Please provide information pertaining to State Public Enterprises, as on 31st March 2020, as per the following table:

Table 3.10
Haryana, Select Aggregate Financial Indicators of Haryana's SPEs
(as on 31.3.2020)
(Rs. in Crure)

Particulars	Consolidated PSU profile	Consolidated PSU profile under Companies Act	Consolidated PSU profile under Cooperative Societies Act
	Amount	Amount Consolidated PSU profile (in %)	Amount Consolidated PSU profile (in %)
1. Authorized Capital			
2. Paid up Share Capital Share of State Govt.			
3. Reserves & Surplus			
4. Total Loans Share of State Govt.			
5. Grants in Aid			
6. Current Assets, Loans and Advances			
7. Current Liabilities and Provisions			
8. Networking Capital			
9. % of Current Assets to Current Liabilities:			
10. Turnover			
11. Profit & Loss A/c			
12. Accumulated Profit & Loss A/c			
13. Dividend paid during the year			
14. Dividend as % of paid up share capital			
15. Manpower Cost			
16. Manpower Cost as % of Turnover			

18. What had been the impact of implementation of UDAY scheme for power sector reforms in the performance of SPEs in the power sector? (Para 3.6.14)

19. Please specify the type of accounting (cash basis or accrual basis) used by different SPEs in the financial year 2019-20. (Para 3.6.16)
20. Whether any new SPEs have been formed in the State in partnership with other public and private sector organisations, from the year 2015-16 onwards? (Para 3.6.19)
21. Whether Govt. of Haryana and its agencies, including Urban and Rural Local Bodies and PSEs, are fully utilising GeM platform for procurement of goods and services? (Para 3.7.15)
22. Whether any work plan has been initiated to expand State's fiscal resource generation and if so, provide the details? (Para 3.8.3)

**SIXTH STATE FINANCE COMMISSION HARYANA
BAYS No.21-28, YOJANA BAWAN, SECTOR-4 PANCHKULA**

Preliminary Questionnaire for Data Collection from ULB's of the States

ULB LEVEL QUESTIONNAIRE

PART A: General Background of ULB

I. ULB Profile

- i) Name of the ULB _____
 ii) Civic Details:

Civic Status (Please Tick)	Class of Municipal Body(I/II/III)
Municipal Corporation	
Municipal Council	
Municipal Committee	

- iii) Population (Actual Number)
- 2001 census _____
 - 2011 census _____
 - 2021 projected _____
- iv) Present Area in sq. Km
- Under the Municipal jurisdiction _____
 - Outside Municipal Jurisdiction (Planning Area) _____
 - Date of last revision of Municipal Limits _____
- v) Date of Last Municipal Election _____

II. STAFFING PATTERN

Table 1.1 (a): Staffing Pattern as on 31st March 2021

Department/Branch	Designation	Appointing Authority/Cadre	Status			If Vacant, Since When	Permanent/Contract/ Daily Wage	Remarks, if any
			No. of Sanctioned Posts	Filled	Vacant			
Genral Administration								
Revenue Collection (all Tax & Non-Tax levies)								
Engineering Branch (Excl. Water Supply & Sewerage)								
Roads, Streets, Building and Bridges								
Street Lighting								
Parks, Playgrounds and Other Recreation								
Property Resources								
Engineering Branch (Water Supply and Sewerage)								
Sanitation and Solid Waste Management								
Regulatory Functions								
Others (specify)								
G. Total								

Table 1.1 (b): Establishment Costs

Year	Total Staff Strength	Total Expenditure on Establishment	Pensionary		Outstanding Liability in r/o pension and retirement benefits
			contributions remitted and other retirement benefits paid		
2016-17					
2017-18					
2018-19					
2019-20					
2020-21					

(Rs. in Lakhs)

Note:

- Total Staff Strength, including all Class I, II, III and IV employees should be mentioned while giving total staff strength.
- In respect of Engineering, water supply and sewerage branch, all permanent and non-permanent employees (i.e., temporary, adhoc, work-charged, casual/contract staff) may be included while mentioning staff strength.
- Total Expenditure will include Salary, D.A. HRA, CCA, PF, MA, uniform allowance, liveries, if any, and other payments excluding retirement benefits etc.

III. FUNCTIONAL DOMAIN OF ULB

- a) Functions actually being performed/ discharged:
- i) Obligatory under the Haryana Municipal Act, 1973 & 1994 and Haryana Municipal Corporation Act, 1994 (Specify)
 -
 -
 - ii) Discretionary
 -
 -

IV. SCHEMES/PROGRAMS BEING IMPLEMENTED BY THE ULB (With their status as on 31.3.2021)

(Please use a separate sheet for each of the scheme/ program)

- i) Centrally Sponsored Schemes/Programs (Specify)
 -
 -
- ii) State Government Schemes/Programs (Specify)
 -
 -

pension and
- iii) Any other Functions/Programs
 -
 -

PART B: Revenue Structure of the UJLB

I. SOURCES OF REVENUE

Table I.1 (1) - Sources of Revenue

Component	Receipts during the Year (Rs. in Lakhs)											
	2006-07			2007-08			2008-09			2009-10		
	Revised Budget Estimate	Actual (Rs. in Lakhs)	Total	Revised Budget Estimate	Actual (Rs. in Lakhs)	Total	Revised Budget Estimate	Actual (Rs. in Lakhs)	Total	Revised Budget Estimate	Actual (Rs. in Lakhs)	Total
A. TAX REVENUE												
1. Other Tax Revenue												
a. Property Tax												
b. Advertisement Tax												
c. Vehicle Tax												
d. Tax on Trademark Rights												
e. Tax on Profits												
f. Stamp Tax												
g. Entertainment Tax												
h. Development Tax												
i. Goods & Services Tax												
j. Tax on Consumption of Energy/Electricity												
k. Toll Tax												
l. Tax on Draying Licenses												
m. Cinema (Specify)												
n. Share in State Taxes												
o. Share of New Taxes (as per SSC)												
p. Sugar Duty												
q. Stamp and Registration duty												
r. Local Area Elev. Tax (L.A.E.T)												
s. Other (Specify)												
Total Tax Revenue (A)												

II. CAPITAL EXPENDITURE

Table 1.3: Capital Expenditure

Name of the Service/Schemes	Total Amount Sanctioned		Expenditure incurred during the Year												Remarks (If Any)
	Year Sanctioned	Physical Target (Scheme/Service)	2016-17		2017-18		2018-19		2019-20		2020-21		Physical Progress		
			Amount	Physical Progress	Amount	Physical Progress	Amount	Physical Progress	Amount	Physical Progress	Amount	Physical Progress			

III. RATES OF TAXES, DUTIES/ TOLL CHARGES

Table 1.4: Taxes, Duties & Charges

ITEMS	Existing Rate 2020-21 (Specify Unit)	Rate as per the schedule		Date of last revision		Revision by MC (if State) (Specify)	Reasons for Revision
		Max.	Min.	Max.	Min.		
A. Taxes							
a. Property Tax							
b. Advertisement Tax							
c. Vehicle Tax							
d. Tax on Trades/Callings							
e. Tax on Profession							
f. Shop Tax							
g. Entertainment Tax							
h. Development Tax							
i. Electricity Tax							
j. Tax on Consumption of Energy/Electricity Tax							
k. Toll Tax							
l. Tax on Driving Licenses							
m. Excise/Auction Money							
B. Duties							
n. Stamp & Registration Duty							
o. Local Area Devt. Tax							

(LADT)										
P. Others (Specify)										
C. Charges										
q. Water & Sewerage Charges										
r. Building Application Fees (Development Charges)										
s. Fees & Fines										
t. Others (Specify)										

IV. ASSESSMENT OF PROPERTY TAX ON PROPERTIES FOR THE YEARS 2016-17 TO 2020-2021

**Table 1.5 (a): Property Taxes
 Estimated Number of Properties**

Year	Residential		Commercial		Institutional		Total	
	Self-Occupied	Rental	Self-Occupied	Rental	Self-Occupied	Rental	Self-Occupied	Rental
2016-17								
2017-18								
2018-19								
2019-20								
2020-21								

**Table 1.5 (b): Properties Assessed
 Property Assessed for Property Tax Purpose**

Year	Residential		Commercial		Institutional		Total	
	Self-Occupied	Rental	Self-Occupied	Rental	Self-Occupied	Rental	Self-Occupied	Rental
2016-17								
2017-18								
2018-19								
2019-20								
2020-21								

Table 1.5 (c): Properties Paying Tax
Properties Paying Tax

Year	Residential			Commercial			Institutional			Total		
	Self Occupied	Rented	Amount Demanded / Actual	Self Occupied	Rented	Amount Demanded / Actual	Self Occupied	Rented	Amount Demanded / Actual	Self Occupied	Rented	Amount Demanded / Actual
2016-17												
2017-18												
2018-19												
2019-20												
2020-21												

Table 1.5 (d): Units Exempted

Year	Number of Units Exempted				Estimated Amount Exempted				Reasons for Exemption	
	Residential		Commercial		Residential		Commercial			
	Self Occupied	Rented	Self Occupied	Rented	Self Occupied	Rented	Self Occupied	Rented		
2016-17										
2017-18										
2018-19										
2019-20										
2020-21										

Table 1.5(e): Total Property Tax Demand & Collection as on 31.3. 2021

(Rs. in Lakhs)

Type of Properties	Demand		Collection		Criteria & Basis of Levy of Property Tax (Specify)
	Current	Arrears	Current	Arrears	
A. Residential					
1. Self Occupied					
2. Rented					
All					
B. Commercial					
1. Self Occupied					
2. Rented					
All					
C. Institutional					
1. Self Occupied					
2. Rented					
All					

V. LEVEL OF MUNICIPAL SERVICES

Table 1.6 : Level of Municipal Services		31.3.2016	31.3.2021
1. Percentage of population covered by water supply:			
a. Municipal water supply		(%)	(%)
b. Private hand Pumps, wells, etc.		(%)	(%)
2. Designated Capacity of municipal water supply system			
a. Per capita water supply		(MLD)*	(MLD)*
b. Per capita water supply		(MLD)*	(MLD)*
c. Per capita water supply		(LPCPD)*	(LPCPD)*
3. Percentage of population covered by sewerage system			
4. Percentage of population covered by toilet facilities			
a. by flush latrines		(%)	(%)
b. by low-cost sanitation		(%)	(%)
c. by public conveniences		(%)	(%)
5. Percentage of area covered by street lighting			
a. Surface drainage		(%)	(%)
b. Covered Storm water drainage		(%)	(%)
6. Percentage of population covered by sweeping and garbage collection			
7. Total garbage generated daily		(tonnes)	(tonnes)
8. Total garbage lifted daily		(tonnes)	(tonnes)
9. Street Lights			
a. Number of streetlights per km. road length		(Nos.)	(Nos.)
b. Lighted road length as % of total road length		(%)	(%)
10. Road Length			
a. Length of surfaced roads		(Kms.)	(Kms.)
b. Length of unsurfaced Roads		(Kms.)	(Kms.)
c. Length of total roads persq. k.m of area.		(Kms.)	(Kms.)
11. Percentage of roads out of total length requiring major repairs			
12. Basic civic services provided in slum areas:			
a. Total population in slum areas		(Nos.)	(Nos.)
b. Percentage of slum population covered by:			
(i) Bycle paved streets		(%)	(%)
(ii) Drinking water Supply		(%)	(%)
(iii) Pucca surface drains		(%)	(%)
(iv) Streetlights		(%)	(%)
13. Any other information the MC considers relevant for study.			

- MLD Stands for Million Liters Per Day.
- LPCPD Stands for Liters Per Capita Per Day *

Note:

- ❖ A brief note be attached explaining the problems being faced by the Municipal Body and the financial requirement for improving the level of various services for the next 5 years/period (2020-21 to 2021-26) both of augmentation and O&M of services with physical targets of each of the services (with facts & figures).
- ❖ Projections: Please use a separate sheet for each service to furnish year wise information on the service in reference (2020-21 to 2021-26)

VI. INCOME & EXPENDITURE ON PROVISION OF SERVICES: A SUMMARY.

(Please provide a separate Statement for each year, i.e., for 2016-2017, 2017-18, 2018-19, 2019-20, 2020-21)

Table 1.7: Income & Expenditure Summary

Description of service	Capital Receipts during the year	Capital expenditure during the year	O&M expenditure during the year	Expenditure on administration & establishment during the year	Total revenue expenditure During the year	Revenue Income during the year		Income as % age of O & M expenditure
						Own Sources	Transfers	
a. Water supply								
b. Sewerage								
c. Surface drainage								
d. Sanitation & Solid waste management								
e. Street lighting								
f. Roads/Streets & Bridges								
g. Bus stands/ Shelters/Bus stops etc.								
h. Firefighting Services								
i. Parks, Gardens, playgrounds								
j. Slaughter houses								
k. Cattle ponds								
l. Burial/ Cremation Grounds								
m. Registration of births &								

details									
a. Parking lots									
o. Others (specify)									
GRAND TOTAL									

VII. PRIVATISATION OF SERVICES

Table 1.8: Privatization of Services

1. Name of the service/activity privatized	
2. Whether whole or part of service has been privatized. In the latter case which part	
3. From which date was the service privatized	
4. Estimated savings due to privatization of a service in reference to the financial year in which the service was privatized.	
5. Mode of privatization, viz. contracting out, leasing etc.	
6. Approximately how long did it take to finalize the contract/ taken to privatize.	
7. Obligation of the private party as per the contract.	
8. Obligation of the ULB as per the contract, e.g. concession granted by the ULB to the private party.	
9. Extent to which it has resulted in induction of private funds for the construction and maintenance of the service.	
10. Improvement in the quality of service as a result of privatization.	
11. Adverse effects, if any, exp. ordered and steps taken to mitigate them.	
12. Problems, if any, encountered in the process of privatization including while entering into the contract and the methods/strategies adopted to overcome them	
13. Problems, if any, encountered in the post privatization period.	
14. If so, to what extent has this led to reduction in the staff requirement and how has the surplus staff been utilized.	

Note:

- Please use a separate sheet for each service privatized.

VIII. PROJECTS UNDERTAKEN BY URBAN LOCAL BODIES WITH ASSISTANCE FROM FIVE YEARS FROM 2016-17 TO 2020-21

Table 1.9: Projects Undertaken

Year	Name of the Project	Total Cost of the Project	Name of the Financial Institution from which loan assistance obtained	Total amount of Loan/assistance sanctioned by the Financial Institution for the project	Amount availed for five years (Year wise) from 2016-17 to 2020-21	Physical Progress
2016-17						
2017-18						
2018-19						
2019-20						
2020-21						

Note:

- ◆ If more than one project has been taken up during the same year the same may be mentioned against the said year in the relevant column.

IX. POSITION REGARDING REPAYMENT OF LOANS TAKEN BY THE MUNICIPAL BOD V

Table 1.10: Repayment of Loans

Year	Name of the Project	Name of the Lending Financial Institution	Total amount of loan	Loan Repaid (Rs.) 31.3.2020		Loans over-due as on 1.4.2020	
				Principal	Interest	Principal	Interest
2016-17							
2017-18							
2018-19							
2019-20							
2020-21							

Note:

- ◆ If more than one project has been taken up during the same year, 1 column.
- ◆ Loan overdue under columns 6 & 7 means the non-payment of principal & interest, which has become due on or before 1.4.2019 and had not been paid by 1.4.2020.

FINANCIAL INSTITUTIONS DURING FIVE

the same may be mentioned against the said year in the relevant

X. CRITERIA FOR GRANTS FROM STATE GOVT.

Table 1.11: Grants Criteria
EXISTING CRITERIA AND BASIS FOR GRANTS-IN-AID

COMPONENTS OF GRANTS
I. General Purpose Grant
a- Basic per capita grant (per head per capita)
b- Grants-in-aid from education cess
c- Other general purpose grants (Specify)
II. Specific purpose Grant
a- Grants for education
b- Grants for malaria eradication
c- Grants for road maintenance
d- Grants for hospitals
e- Grants for water supply & drainage
f- Other specific purpose grants (specify)
III. Compensatory Grants (Specify)
IV Other Grants (Specify)

PROJECTIONS OF INCOMES & EXPENDITURES OF MUNICIPAL BODY FOR THE PERIOD 2021-22 TO 2025-26

Table 1.12 (a): Projections of Revenue Incomes

(Rs. In Lakhs)

Sources	Projections of Incomes from different sources				
	2021-22	2022-2023	2023-2024	2024-2025	2025-2026
A- Total Tax Revenue					Total
1. Own Tax Revenue					
a. Property Tax					
b. Advertisement Tax					
c. Vehicle Tax					
d. Tax on Trains/Callings					
e. Tax on Profession					

h. Complimentary Grants								
i. Others (specify)								
Total								

- o Any other information that the Municipality considers relevant, please specify.
- p Note: Attach additional sheet(s) where necessary.

Table 1.12 (b): Projections of Revenue Expenditure

Sources	Projections of Expenditure on different services/functions					Total
	2021-22	2022-2023	2023-2024	2024-2025	2025-2026	
a. General Administration & Collection of Revenue						
b. Water supply						
c. Sewerage						
d. Surface drainage						
e. Sanitation & Solid waste management						
f. Street lighting						
g. Roads/Streets & Bridges						
h. Bus stands/ Shelters/Bus stops etc.						
i. Firefighting Services						
j. Parks, Gardens, playgrounds						
k. Slaughter houses						
l. Cattle ponds						
m. Burial/ Cremation Grounds						
n. Registration of births & deaths						
o. Parking lots						
p. Repayment of Loans						
q. Others (specify)						
GRAND TOTAL						

(Rs. In Lakhs)

XI. TRANSFER FROM REVENUE ACCOUNT FOR CAPITAL WORKS DURING THE LAST 5 YEARS, FROM 2016-17 to 2020-21

Table L.13: Capital Works undertaken by transferring from the Revenue Account

Year	Revenue Surplus	% of Revenue Income	Transferred for Capital Work		(Rs. in Lakhs)
			Purpose	Amount	
2016-17					
2017-18					
2018-19					
2019-20					
2020-21					

Note:

- Please use a separate sheet for separate project/ works

PART C: Opinion Based Questions

> TAXATION POWERS

Q1. a) Do you think that the present powers of taxation under the act of ULBs are adequate?

b) Do you think that more additional powers of taxation should

c) It is correct that ULBs are not or should not be exercising their full taxation powers? If yes, give reasons thereof.

Q2. Presently, rates of taxes levied by ULBs are determined and approved by the of State Govt. Should ULBs be allowed full freedom to levy taxes within their limits prescribed by the Act subject to floor or ceiling rates to be fixed by the State Govt.?

> RESOURCE MORILIZATION

Q3. a) Are ULBs making recovery up to the desired levels from all their taxes and duties presently levied.

b) If not, what is the extent in respect of each tax separately, of

i) Short assessment

ii) Eviction or Eruption

iii) Shortfall in collection.

be conferred on Municipal bodies? If so, what powers? Explain.

Q4 What measures would you suggest improving collection from existing taxes and to reduce evasion or evasion of taxes?
Q5. Should the State Govt., be required to compensate the municipality for any tax or exemptions?
reduction in rates or abolition of

Q6.a) Do you think ULBs should ultimately be financially self-sufficient?

b) If not, to what extent should their resources be supplemented by devolution of State taxes?

Q7.a) Do you think additional revenues can be generated by sale or better utilization of the properties of ULBs?

b) If so, what are your suggestions in this regard?

> CREDIT RATING SYSTEM

Q8. Was your municipality rated? Yes or No? If yes, what was the rating? _____; Year of Last rating _____; Organisation _____
(Please Specify the parameters of rating with details)

> OCTROI ABOLITION

Q9. a) In your opinion, have the urban local bodies continued to be adequately compensated by the State Govt. since abolition of octroi through other sources of revenue?

b) If not, can you suggest any equally buoyant and elastic alternative source of revenue to the Urban Local Bodies, which is easy to implement?

> HOUSE TAX (PROPERTY TAX)

Q10. a) Your suggestions for improving property Tax assessment and valuation system that bodies for any loss of revenue due to any circumstances or?

Q11. a) Will privatization of collection of house tax and other

b) If this Service is privatized, how should it be regulated, so as to avoid harassment of public?

> WATER SUPPLY AND SEWERAGE

Q12. One of the core functions assigned to ULBs under the 12th schedule of the Constitution was water supply and sewerage. In Haryana, this function has been taken over by the Public Health Deptt. for operation, maintenance, and augmentation.

a) In your opinion, should it remain with the Public Health Deptt. or given back to Urban Local Bodies?

b) If it remains with Public Health Deptt., are you satisfied with the level of service being provided?

c) In case, it is transferred to ULBs, would you like to suggest the types of service being provided?

- Q13. What measures would you suggest to?
- Effect economy in operation and maintenance of expenditure on water supply & sewerage, and
 - Avoid wastage of water?

➤ **DEVOLUTION OF STATE RESOURCES-METHODOLOGY AND APPROACH**

- Q14. What should be the basis for determining the total amount to be transferred from State Govt. to ULBs, and FRs:-
- A proportion of the anticipated revenue deficit by projecting revenue on the basis of historical growth or traditional approach.
 - A proportion of normative revenue deficit (i.e., by projecting revenue on the basis of optimum recovery of tax & non-tax revenues)
 - Should they have a share in the net proceeds from all?

Q15. If not satisfied with the existing method of Devolution, then please suggest a suitable devolution criterion.

➤ **GENERAL-ULBs**

- Q16. a) Do you think that ULBs are over-staffed?
 b) If so, please suggest specific measures for reduction of staff to reasonable levels.
 c) Do you think that ULBs have adequately qualified staff to implement development projects?
 d) Do you think ULBs staff requires training, particularly in accounting and town planning?

Q17. How to improve the performance of ULB's in delivery of services? Your suggestions are welcome.

Q18. Auditing and Accounting are important and essential areas in which local bodies need to develop their capacities. Can you suggest any changes in the present accounting and audit arrangements and procedures in ULBs to ensure transparency and effective control over expenditure & income?

Q19. Do you have citizens charter of services? If yes, how effective is the charter to bring efficiency and effectiveness on delivery of various services to the consumers?

Q20. Have you developed Standard Operating Procedures (SOPs)? If yes, are they implemented and improve the efficiency of the different departments of the ULBs levied and collected by the State Govt.?

ULB? Please attach a copy of the SOP's.

Q21. Any other points (s), that you wish to mention relevant to the Terms of Reference of the Commission.

Note:

- Please attach copies of the following documents:
- Organisational chart of the Municipal Body.
- Budget from 2016-17 to 2020-21
- Annual Administration report for the last 5 years.
- Municipal Byelaws and service rules
- Audit reports for the last 5 years.
- Credit Rating report (latest – 2020-21)
- Any other document which you think is relevant for SFC Recommendations.

Agriculture and Farmers' Welfare Department

1. Agriculture including Extension has been one of the subjects listed in the 11th Schedule of the Constitution. Keeping this in view, whether activities and sub-activities have been transferred at three levels of Panchayati Raj in the State on the basis of subsidiary principle (What can be done at particular level should be done at that level only) of work allocation? Yes/No
If yes, please list it out GP, PS and ZP level.
If no, reason thereof.
2. Gram Panchayats (GPs) with cooperation of other tiers of Panchayats are expected to develop and maintain the grazing lands and prevent the unauthorized alienation and use. Whether these institutions are capable enough to handle this task at their level Yes/No
If yes, please spell out some success stories in this regard.
And if no, whether agriculture department has helped in this regards. If so details thereof.
3. It has been observed that most of the times, only the concerned Department implements and monitors the programmes with no or little cooperation from the PRIs. What do you suggest should be done in order to promote the active participation of elected representatives and members of Gram Sabha of the PRIs?
4. During the interaction with elected representatives of PRIs in the state, it was observed that in several Gram Panchayats, waste lands are not developed. Therefore, GPs are deprived of potential revenue generation from those lands. Whether any efforts were made by your Department in this regard Yes/No
If yes, details thereof
If no, reason thereof.
5. There are sub-committee system in the PR Act with the aim of addressing different issues squarely. Agriculture Development is also one of the subjects to be handled by these Committees. For instance, at GP level production sub-committee should be constituted to perform the functions related to agriculture production. Whether these Committees are addressing the issues relating agriculture properly Yes/No
If yes, on what basis, you can say that these are addressing the issues properly.
If no, reasons thereof and what are your suggestions to improve the functioning of these sub-committees?
6. What are your expectations from the 6th SFCs? How can the SFC helping strengthening agriculture department vis-à-vis the PRIs?
7. Is there any innovative idea/project you have in your mind for the development of agriculture?

Horticulture Department

1. How many Farmers Collective -Farmers Produce Organization (FPOs) and Primary Agriculture Cooperative Societies (PACS) are there in the state? Whether they are functioning effectively, yes/no
If yes, what are the indicators on which it is adjudged as functioning effectively?
If no, what are the reasons, please explain.

Animal Husbandry and Dairying Department

1. Animal Husbandry and Dairying & Poultry including Extension has been one of the subjects listed in the 11th Schedule of the Constitution. Keeping this in view, whether activities and sub-activities have been transferred at three levels of Panchayati Raj in the State on the basis of subsidiary principle(What can be done at particular level should be done at that level only) of work allocation? Yes/No
If yes, please list it out GP, PS and ZP level.
If no, reason thereof
2. As per Haryana Panchayati Raj Act (PR Act) 1994, GPs are responsible for the improvement of breed of cattle, poultry and other livestock, promotion of dairy farming, poultry and piggery, and grassland development. What are the measures/programmes implemented under these functions?
3. A few GPs have constructed 'animal hostels' in their areas to facilitate the locals' needs, these 'animal hostels' are not only taking care of the animals in the rural area but also generating revenue for the Panchayats. No. of Animal Hostels constituted so far in the State? What could be other innovative initiatives to be introduced and implemented that can promote animal husbandry and dairying at local level? How could the 6th SFC cater for the requirements to strengthen the same?
4. What are your expectations from the 6th Finance Commission for effective implementation of your programmes?

Fisheries Department

1. Fisheries has been one of the subjects listed in the 11th Schedule of the Constitution. Keeping this in view, whether activities and sub-activities have been transferred at three levels of Panchayati Raj in the State on the basis of subsidiary principle (What can be done at particular level should be done at that level only) of work allocation? Yes/No
If yes, please list it out GP, PS and ZP level.
If no, reason thereof
2. After the interaction with elected representatives of PRIs, it has been observed that despite of efforts being made by the state government, community ponds are not maintained properly. If the ponds are cleaned and maintained for fisheries, it may contribute to the income of GPs. In this regard, what are the initiatives taken by the department and what are the outcomes of those initiatives?

PRI- Panchayati Raj Institutions, GP- Gram Panchayat, PS- Panchayat Samiti, ZP- Zila Parishad

3. Does the department facilitate the PRIs with extension facilities for aquaculture?
If yes, provide detail of those facilities alongwith numbers of GPs.
If no, reasons thereof
4. What are the possible avenues of promoting Fisheries in the state and how can the 6th SFC contribute in doing so?

Forests Department

1. Forests has been one of the subjects listed in the 11th Schedule of the Constitution. Keeping this in view, whether activities and sub-activities have been transferred at three levels of Panchayati Raj in the State on the basis of subsidiary principle (What can be done at particular level should be done at that level only) of work allocation? Yes/No
If yes, please list it out GP, PS and ZP level.
If no, reason thereof
2. GPs and PSs are given the responsibility of planting and preservation of trees on the sides of roads and other public lands under its control, how does the forests department cooperate with the PRIs while implementing these functions?
3. Has the department taken any initiatives to promote farm forestry? Please, provide details of such initiatives.
4. In order to manage and protect the forests and to promote afforestation of barren and deforested lands with the purpose of helping environmental, social and rural development, function of social forestry was devolved to the PRIs, under this function which programmes are implemented in the state? Please name them. What are the issues to be addressed for effective implementation of programmes
5. The idea of ranking all of the GPs on the basis of a few environmental indicators may also be considered. The GPs who might have performed better on those indicators, may be given an incentive. Do you support this idea? Yes/No
If yes, what are those possible indicators and how the idea put into practice
If no, reason thereof
6. During the interaction with elected representatives, it was notified that there is a lack of cooperation between the department and PRIs. What is the current mechanism of interaction between the department and the PRIs? Pl explain
7. What are your expectations from the 6th State Finance Commission?

Health & Family Welfare Department

1. In the backdrop of Covid-19 pandemic what were the measures taken by the department? Were these measures implemented directly by the department or in collaboration with the PRIs?
2. What are the financial and administrative requirements of the department for ensuring the functioning of the Oshdhalyas, dispensaries, Unani or Homoeopathic dispensaries, Veterinary Centres, Primary Health Centres (PHCs) and Community Health Centres (CHCs) at local level?
3. During the interaction with the elected representatives and officials, it was suggested that PRIs should be given a tied grant for health and sanitation. What are your views in this regard? What are the major areas in which funds are required?
4. What are your expectations from 6th SFC in this regard?

Women & Child Development Department

1. Women and child development has been one of the subjects listed in the 11th Schedule of the Constitution. Keeping this in view, whether activities and sub-activities have been transferred at three levels of Panchayati Raj in the State on the basis of subsidiary principle (What can be done at particular level should be done at that level only) of work allocation? Yes/No
If yes, please list it out GP, PS and ZP level.
If no, reason thereof
2. GPs are supposed to participate in the implementation of women and child welfare programmes implemented by the department. How many programmes are implemented through PRIs by the department for women and children?
3. If SFC allocates a grant for women empowerment, what area would it be on which this grant may be spent specifically? Or suggest schemes/programmes for which more funds are needed.
4. 50% of the seats in PRIs are reserved for women in Haryana. However, it has been observed that women's participation in local planning is negligible except a few instances. Less participation of women often results in less importance given to women centric activities in Panchayats. Keeping above in view: What do you suggest that should be done in order to promote women participation in rural local planning? How may the 6th SFC contribute to the department in doing so?
5. Please provide a few success stories relating to women and child development.

Development and Panchayats Department

1. What is the current status of staff positions in your department? Does the department have sufficient staff to run the assigned activities?

PRI- Panchayati Raj Institutions, GP- Gram Panchayat, PS- Panchayat Samiti, ZP- Zila Parishad

2. What are your suggestions regarding the important changes required in the training to make more effective the decentralization of powers and democratic administration?
3. What are the works and activities that are covered under SFC's grant? It's been observed that SFC's grants are often not properly utilized by the PRIs. Does the department issue any specific guidelines on the basis of which the PRIs spend the grants?
4. What are your suggestions for making the local administration system and implementation of administration more transparent and democratic?
5. Whether the current system of the subject committees is effective? Yes/ No
If yes, what are the indicators for their success?
If no, reasons thereof.
6. Is sufficient Functions, Finance and Functionaries given to PRIs (GPs, PSs & ZPs) Yes/No
If no, what are your suggestions to empower them?
 - ✓ Functionally
 - ✓ Financially and
 - ✓ Administratively
 so that they can act as institutions of Self-Government at their levels.
7. How do the line departments ensure that the funds are being utilized properly? What is the current mechanism in place to acquire utilization certificate?
8. It has been observed that GPs are not preparing the GPDP properly. Therefore, there are a lot works that should be done on priority basis, but these works are being ignored by the GPs. Is there any mechanism implemented by the department to ensure that GPs prepare the GPDP?
If yes, provide the details.
If no, what could be done in order to ensure the same?
9. For making PRIs financially viable, these institutions can impose taxes which the state assembly is empowered to impose. Please suggest, what are the possible taxes which these Panchayats can impose and collect? Recent initiative at Department level for property tax at ZP level is an example in this regard. For instance, at GP level what are the other taxes may be imposed by it besides house tax?
10. What measures would you suggest to improve collection from existing taxes and non-taxes by PRIs?
11. What do you think of how much percentage of total state's own tax revenue should be shared with local bodies?

12. What should be the basis for division the total amount devolution between Panchayats and Municipalities? And what should be the share of Panchayats and Municipalities from the total kitty.
13. Of the total funds recommended for devolution to Panchayats, how much in percentage term may be given to GP, PS and ZP? Basis of such share may also be explained.
14. How do you think PRIs can increase their non-tax revenue? Can you suggest a few services (for example: sanitation, street lights, water, drainage etc.) on which user charges may be imposed.
15. Do you think share of IMFL and Country Liquor payable to PRIs may be increased from existing level?
If yes, what should it be?
16. Besides the common (Shamlat) land and other assets such as shops etc, what should be the other sources of non-tax revenue for PRIs?
17. What measures would you suggest for augmenting income of Panchayats from Shamlat lands?
18. Performance of the PRIs is not homogenous in the state, some PRIs are performing better while some are lagging behind. Should there be any incentives for better performing PRIs to promote competitiveness among them? Suggest a few indicators (e.g: active functioning of Gram Sabha and Gram Panchayat, constitution & functioning of subject committees, level of sanitation, preparation of ward level plan under GPDP etc.) on the basis of which the performance of PRIs can be measured.
19. Department of Local Audit prepares the reports after auditing a number of PRIs. Does the development and panchayats department takes action on the basis of those reports?
Yes/No
If yes, what type of actions have been taken?
If no, reason thereof
20. According to the audit reports, there are a lot of discrepancies during the implementation of schemes such as Mahatma Gandhi Gramin Basti Yojana etc. What are the actions taken in this regard?
21. Whether your accounts are audited regularly? Can you suggest any other alternative in addition to the current practice of auditing so that transparency and accuracy of accounts are ensured?
22. Section 214 of the Haryana Panchayati Raj Act says that "District Planning Committee constituted under the Haryana Municipal Act, 1973 shall consolidate the plans prepared by the Gram Panchayats, Panchayat Samitis and Zila Parishads and also prepare a draft

development plan for the district as a whole as per the provisions of article 243ZD of the Constitution of India". The provisions of article 243ZD of the Constitution of India are as follow:

- (1) There shall be constituted in every State at the district level District Planning Committee to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole.
- (2) The Legislature of a State may, by law, make provision with respect to—
 - (a) The composition of the District Planning Committees;
 - (b) The manner in which the seats in such committees shall be filled; Provided that not less than four-fifths of the total number of members of such Committee shall be elected by, and from amongst, the elected members of the Panchayat at the district level and of the Municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district;
 - (c) The functions relating to district planning which may be assigned to such Committees;
 - (d) The manner in which the Chairpersons of such Committees shall be chosen.
- (3) Every District Planning Committee shall, in preparing the draft development plan, —
 - (a) have regard to—
 - i. Matters of common interest between the Panchayats and the Municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;
 - ii. The extent and type of available resources whether financial or otherwise;
 - (b) Consult such institutions and organisations as the Governor may, by or specify.
- (4) The Chairperson of every District Planning Committee shall forward the development plan, as recommended by such Committee, to the Government of the State.

In view of above, replies of following questions are requested :

- 22.1 Whether, the District Planning Committees have been constituted at the district level Yes/No
If yes, whether regular meetings are being held. Meeting notice with agenda is being issued. What is the composition of Panchayats and municipalities in the form of members in the DPC?
If no, reason thereof.
- 22.2 Whether the district Plan after integrating plans of GPs, PSs and ZPs with plans of municipalities are prepared Yes/No
If yes, what is the mechanism of integration and how the plan is executed? Whether any difficulties are being faced in the implementation of the plan. If yes how it is resolved?
If no, reason thereof.

- 22.3 Who is the chairperson of the DPC?
President of ZP or DC
If DC is the chairman of it, why in place of an elected representative an official has been made the chairman of the Committee
- 22.4 While DPC preparing the draft district Plan, whether the following have been looked into
- 22.4.1 Matters of common interest between the Panchayats and the Municipalities including spatial planning Yes/ No
If yes, what are the common interests between the Panchayats and Municipalities have been solved. Secondly, what are the steps have been taken to prepare spatial planning and how it is implemented at district and sub-district levels in the state
If no, reasons thereof
- 22.4.2 Sharing of water and other physical and natural resources Yes/No
If yes, is there consultation between different departments dealing with these subjects and what are the outcomes of such consultation in this regard be specified.
If no, reason thereof
- 22.4.3 The integrated development of infrastructure and environmental conservation Yes/No
If yes, what are the initiatives taken in this regard and what are the outcomes of such steps at the grassroots levels.
If no, reason thereof
- 22.4.4 The extent and type of available resources whether financial or otherwise Yes/No
If yes, there is any regular exercise has been carried out for knowing the status of resources. Pl explain
If no, reason thereof
- 22.4.5 Whether such institutions and organizations have been consulted as specified by order by the Governor. Yes/No
If yes, please name the institutions which have been consulted and what are the recommendations/suggestions for such exercise. If so outcomes of these
If no, reason thereof
- 22.4.6 Whether the Chairperson of every District Planning Committee has been forwarding development plan, as recommended by such Committee, to the Government of Haryana. Yes/No
If yes, whether the draft plan has been approved as suggested by the DPC or there has been any suggestions received from the state to revise the plan as for the directions given by the Planning Department of the State Government and submitted again to the government.

23. What are your expectations for the Commission with regard to deepen decentralized democracy at district and sub-district levels?

Department of Land Records

1. Land improvement, implementation of land reforms, land consolidation and soil conservation has been one of the subjects listed in the 11th Schedule of the constitution. Keeping this in view, have the activities and sub-activities been transferred to each level i.e. GP/PS/ZP of Panchayati Raj in the State on the basis of subsidiary principle (what can be done effectively at particular level should be done at that level only)of work allocation?
If yes, provide the details of activities and sub-activities transferred to each tier of the PRIs.
If no, provide the reason, and explain how is it being implemented across the Panchayats?
2. To complete the function given above at Sr. No 1, what are the schemes/programmes that are implemented by the department in Panchayats/ with Panchayats? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
5. What are your expectations from the 6th SFC?
6. Any other comments.

Irrigation & Water Resources Department

1. Whether minor irrigation, water management and watershed development transferred to the PRIs? Yes/No
If yes, please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, reason thereof and how is it being implemented currently?
2. What are the schemes/programmes that are implemented by the department in Panchayats? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?

PRI= Panchayati Raj Institutions, GP= Gram Panchayat, PS= Panchayat Samiti, ZP= Zila Parishad

5. What are your expectations from the 6th SFC?
6. Any other comments.

Industries and Commerce Department

1. Whether Small scale industries, including food processing industries, and Khadi, village and cottage industries functions transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how are they being implemented?
2. What are the schemes/programmes that are implemented by the department in the Panchayats to address the functions listed at Sr. no 1? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. Does the department organizes seminars/training programmes and agricultural and industrial exhibitions in order to promote the Khadi and village industries? Provide the detail of such activities.
5. Whether the Department has convergence with other department dealing with similar types of programmes like SRLM, NABARD etc.?
6. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
7. What are your expectations from the 6th SFC?
8. Any other comments.

Rural Development Department

1. Are the following functions transferred to the PRIs? Yes/No
1.1 Rural housing, and Poverty alleviation programmes,
1.2
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how are they being implemented currently?
2. To implement these functions, what are the schemes/programmes that are implemented by the department in Panchayats? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.

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3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. According to the audit reports, there are a lot of discrepancies during the implementation of schemes such as MGNREGS etc. What are the actions taken in this regard?
5. Does the department take help of sub-committees constituted at GP level Yes/No?
If yes, what are the improvements noticed?
If no, reasons thereof.
6. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
7. What are your expectations from the 6th SFC?
8. Any other comments.

Public Health Engineering Department

1. Is the following function transferred to the PRIs? Yes/No
1.1 Drinking water
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. To implement this function, what are the schemes/programmes that are implemented by the department in Panchayats? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. It was suggested during the interaction with representatives of PRIs that there should be a tied grant for the activities such as establishment, repairs and maintenance of rural water supply, prevention and control of water pollution and implementation of rural sanitation. What are your views in this regard? Suggest a few other activities that may require tied grants from SFC.
5. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries of the PRIs?
6. What are your expectations from the 6th SFC?
7. Any other comments.

Public Works Department (Building & Roads)

1. Whether Roads, culverts, bridges, ferries, water ways and other means of communication functions have been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. To implement this function, what are the schemes/programmes that are implemented by the department in Panchayats? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries of the PRIs?
5. What are your expectations from 6th SFC?
6. Any other comments.

Power Department

1. Whether rural electrification, including distribution of electricity functions have been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. To implement this function, what are the schemes/programmes that are implemented by the department through PRIs? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the initiatives taken for the promotion of rural electrification? Provide the detail, if any.
4. It has been pointed out in the audit report of PRIs that often a huge amount of funds have been misutilised while purchasing the street lights. What are the actions taken against the misappropriation of funds while maintaining and installing the street lights? Provide the detail.
5. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
6. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?

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7. What are your expectations from the 6th SFC regarding the activities looked after by the department?
8. Any other comments.

New & Renewable Energy Department

1. Whether Non-conventional energy sources function has been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. To implement this function, what are the schemes/programmes that are implemented by the department in Panchayats? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. It has been brought to the notice by the elected representatives that bio-gas plants are not working effectively and usually the fund being spent on these plants is considered to be wasted. What are the reasons responsible for the failure of such initiatives and what could be done to improve it?
5. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
6. What are your expectations from the 6th SFC?
7. Any other comments.

Department of School Education

1. Whether Education, including primary and secondary schools functions have been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. Whether Adult and non-formal education functions has been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?

PRI= Panchayati Raj Institutions, GP= Gram Panchayat, PS= Panchayat Samiti, ZP= Zila Parishad

3. To implement this function, what are the schemes/programmes that are implemented by the department in Panchayats? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
4. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
5. The quality of education and infrastructure in primary schools is very poor. So much so that a few elected representatives even suggested permanent shutting down of the schools and divert that fund to other activities. What are the initiatives taken by the department to improve the quality of education in primary and secondary schools?
6. Is there any specific activity related to promotion of education for which tied funds are required? Provide the detail.
7. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
8. What are your expectations from the 6th SFC?
9. Any other comments.

Department of Technical Education

1. Whether Technical training and vocational education functions have been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. To implement this function, what are the schemes/programmes that are implemented by the department through PRIs? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
5. What are your expectations from the 6th SFC?
6. Any other comments.

Department of Higher Education

1. To implement above function, what are the schemes/programmes that are implemented by the department through PRIs? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
2. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
3. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
4. What are your expectations from the Commission?
5. Any other comments.

Social Justice and Empowerment Department

1. Whether Social welfare, including welfare of the handicapped and mentally retarded functions has been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. To implement above function, what are the schemes/programmes that are implemented by the department through PRIs? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. Social justice sub-committee is supposed to look after the schemes and programmes implanted by the department. Are these committees there in place to cooperate with the department? How does the department ensure the implementation and monitoring of the schemes with the help of the sub-committee? Please elaborate.
5. What could be other areas, under this department, on which more funds are needed? Provide the detail.
6. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
7. What are your expectations from the 6th SFC?
8. Any other comments.

Information, Public Relations and Languages Department

1. Whether cultural activities function has been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. To implement above function, what are the schemes/programmes that are implemented by the department in Panchayats? Please, provide the detailed objectives and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
5. What are your expectations from the 6th SFC?
6. Any other comments.

Department of Welfare of Scheduled Caste and Backward Class

1. Whether welfare of the weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes functions have been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. To implement above function, what are the schemes/programmes that are implemented by the department through PRIs? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. What are the areas for which the department may require more fund? Provide the detail.
5. Whether sub-committees constituted at Panchayat level has been used to address the issues of marginalized groups squarely Yes/No
If yes, what are the improvements noticed in the effectiveness of the programmes?
If no, there thereof
6. What are your recommendations to the 6th SFC, regarding the devolution funds, functions and functionaries of the PRIs?
7. What are your expectations for the 6th SFC?

PRJ= Panchayati Raj Institutions, GP= Gram Panchayat, PS= Panchayat Samiti, ZP= Zila Parishad

8. Any other comments.

Department of Food, Civil Supplies and Consumer Affairs

1. Whether Public distribution system function has been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented?
2. To implement above function, what are the schemes/programmes that are implemented by the department through PRIs? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
5. What are your expectations from the Commission?
6. Any other comments.

Department of Art and Cultural Affairs

1. Whether Markets and fairs function has been transferred to the PRIs? Yes/No
If yes, to which tier? Please, specify the activities transferred to each tier i.e. GP/PS/ZP.
If no, how is it being implemented currently?
2. To implement above function, what are the schemes/programmes that are implemented by the department through PRIs? Please, provide the detailed objectives, guidelines and framework of the schemes/programmes.
3. What are the issues and challenges faced by the department during the implementation of these schemes/programmes in the Panchayats?
4. What are your recommendations to the 6th SFC, regarding the devolution of funds, functions and functionaries to the PRIs?
5. What are your expectations from the 6th SFC?
6. Any other comments.

PRJ= Panchayat Raj Institutions, GP= Gram Panchayat, PS= Panchayat Samiti, ZP= Zila Parishad

1. Directorate of Urban Local Bodies, Haryana (DULBs)

Function Assigned to ULBs (Municipal Corporations / Municipal Councils / Municipal Committees)	Key Questions/observations
Burials and burial grounds, cremations, cremation grounds crematoriums	<ul style="list-style-type: none"> - In what ways have each of the functions assigned to the ULBs, been devolved to them? - What is the status of staff in these ULBs to discharge each of these functions (please explain it designation wise)? Do the concerned departments have adequate personnel to carry out the tasks and functions assigned? Any norm/SOPs?
Provision of urban amenities and facilities such as parks, gardens, and playgrounds.	<ul style="list-style-type: none"> - Since some of these functions are being discharged by other line departments also, what are your suggestions in improving the inter-departmental coordination issues and challenges?
Fire Services	<ul style="list-style-type: none"> - How are the different functions shared between different line departments in a city, (where one function has been assigned to multiple organizations), how do then finance, operate, and maintain them as well as share revenue if any?
Public health, sanitation conservancy and solid waste	<ul style="list-style-type: none"> - What is the current mechanism in place to ensure the effective utilization of funds by the line departments as well as ULBs to discharge the functions efficiently?
Cattle ponds and preventions of cruelty to animals	<ul style="list-style-type: none"> - What is the resource sharing mechanism?
Vital statistics including registration of births and deaths	<ul style="list-style-type: none"> - Are your accounts maintained on double entry accrual-based system and audited regularly?
Public amenities including street lighting, parking lots, bus stops and public convenience	<ul style="list-style-type: none"> - Are you publishing your accounts and audit report on-line as per 15th FC recommendations?
Regulation of slaughterhouses and tanneries	<ul style="list-style-type: none"> - What are the schemes/ programs being implemented by the department for each of the functions assigned? Provide details along with the expenditure incurred on them, as well as the targets achieved for each of the schemes.
Urban planning including town planning	<ul style="list-style-type: none"> - What are the issues and challenges faced by the department in implementing these schemes/programs?
Regulation of land Use and construction of buildings	<ul style="list-style-type: none"> - Provide an account of the distribution of expenditure incurred on establishments and operations and Maintenance of the institution for carrying out each of the functions (at least for the last five years)
Slum Improvement and upgradation	<ul style="list-style-type: none"> - Please provide function wise financial estimates both for augmentation as well as o&m of the services for the next

Urban Poverty Alleviation	<p>five years to carry out assigned / devolved functions.</p> <ul style="list-style-type: none"> - What is the role of different Line departments to prepare a city development plan and financing mechanism of different components of CDP or zonal or local area development plan? - What are your suggestions to the 6th State Finance Commission (SFC), Haryana on the devolution of funds, functions, and functionaries to the ULBs? - What other suggestions would you like to provide to the 6th SFC, Haryana to improve the current financial status of the department? - What is your opinion on transferring all these functions to ULBs alongwith funds and functionaries to implement CAA in letter and spirit? - How are the commonly assigned functions shared between you and other line departments in the city, (where one function has been assigned to multiple organizations), how do you finance, operate, and maintain them as well as share revenue if any? - Does the department take regular feedbacks from the citizens? What is their perspective on the delivery of services? How have you strengthened your grievance cell? - Any other comments
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2. Social Justice and Empowerment Department

Function Assigned	Questions
Planning of economic and social development Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	<ul style="list-style-type: none"> - In what ways have each of the functions mentioned, have been devolved to your department and how you are discharging these functions in the Municipal Corporations, Councils and Committees of the state? - What is the status of staff in these ULBs to discharge each of these functions (please explain it designation wise)? Do the concerned departments have adequate personnel to carry out the tasks and functions assigned? Any norm/SOPs? - Is there adequate technical staff in the department? Is proper technical training provided to the technical staff before assuming their roles? - What is the expenditure on staff in a year? - Since some of these functions are being discharged by other line departments also, What are your suggestions in improving the inter-departmental coordination issues and challenges? - What are the schemes/ programs being implemented by the department to safeguard the interests of the weaker sections of the society as well as plan for their socio-economic development? Provide details along with the expenditure incurred on them, as well as the targets

	<p>achieved for each of the schemes.</p> <ul style="list-style-type: none"> - How are the commonly assigned functions shared between you and other line departments in the city, how do you finance, operate, and maintain them as well as share revenue if any? - What are the issues and challenges faced by the department in implementing these schemes/programs? - Your department's financial requirements to carry out the existing functions in the urban centers of Haryana for the next 5 years including capital for augmentation of services and recurring for Operations & Maintenance. - Does your department take regular feedbacks from the citizens? What is their perspective on the delivery of services? How have you strengthened your grievance cell? - What are your suggestions to the 6th State Finance Commission (SFC), Haryana on the devolution of funds, functions, and functionaries to the ULBs? - What other suggestions would you like to provide to the 6th SFC, Haryana to improve the current financial status of the department? - Any other comments
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3. Public Works Department

Function Assigned	Questions
Roads and bridges	<ul style="list-style-type: none"> - In what ways have each of the functions mentioned, have been devolved to your department and how you are discharging these functions in the Municipal Corporations, Councils and Committees of the state? - What is the status of staff in these ULBs to discharge each of these functions (please explain it designation wise)? Do the concerned departments have adequate personnel to carry out the tasks and functions assigned? Any norm/SOPs? - What is the expenditure on staff in a year? - Roads and bridges form an integral part of development in an urban area. What are the schemes/ programs being implemented by the department to carry out and maintain roads and bridges in the municipalities? Provide details along with the expenditure incurred on them, as well as the targets achieved. - What are the issues and challenges faced by the department in implementing these schemes/programs? - How are the commonly assigned functions shared between you and other line departments in the city, how do you finance, operate, and maintain them as well as share revenue if any? - How many projects have been completed in the past 10 years, and what projects are in progress? Provide details of

	<p>their financial outlays.</p> <ul style="list-style-type: none"> - Does the department take regular feedbacks from the citizens? What is their perspective on the delivery of services? How have you strengthened your grievance cell? - Provide an account of the distribution of expenditure incurred on establishment and operations and Maintenance of the institution for carrying out each of the functions. - What are your suggestions to the 6th State Finance Commission (SFC), Haryana on the devolution of funds, functions, and functionaries to the ULBs? - What other suggestions would you like to provide to the 6th SFC, Haryana to improve the current financial status of the department? - Any other comments
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4. Public Health and Engineering Department

Function Assigned	Questions
<p>Water supply for domestic, industrial, and commercial purposes</p> <p>Public health, sanitation conservancy and solid waste</p>	<ul style="list-style-type: none"> - In what ways have each of the functions mentioned, have been devolved to your department and how you are discharging these functions in the Municipal Corporations, Councils and Committees of the state? - What is the status of staff in these ULBs to discharge each of these functions (please explain it designation wise)? Do the concerned departments have adequate personnel to carry out the tasks and functions assigned? Any norm/SOPs? - Please provide the status of sanitation workers enrolled with the department. - What is the expenditure on staff in a year? - What are the schemes/ programs being implemented by the department to promote sanitation in urban areas, as well as for supply of water? Provide details along with the expenditure incurred on them, as well as the targets achieved for each of the schemes. - What are the issues and challenges faced by the department in implementing these schemes/programs? - How are the commonly assigned functions shared between you and other line departments in the city, how do you finance, operate, and maintain them as well as share revenue if any? - Provide your department's financial requirements to carry out the existing functions in the urban centers of Haryana for the next five years including capital for augmentation of the services and recurring for Operations & Maintenance of the services. - The devolution of funds to the ULBs are now tied to the achievement of solid waste management targets, as recommended by the 15th Finance Commission. What are

6. Information, Public Relations & Languages Department

Function Assigned	Questions
Promotion of cultural, educational, and aesthetic aspects:	<ul style="list-style-type: none"> - In what ways have each of the functions mentioned, have been devolved to your department and how you are discharging these functions in the Municipal Corporations, Councils and Committees of the state? - What is the status of staff in these ULBs to discharge each of these functions (please explain it designation wise)? Do the concerned departments have adequate personnel to carry out the tasks and functions assigned? Any norm/SOPs? - What is the expenditure on staff in a year? - What are the schemes/programs being implemented by the department to promote education in the Urban Areas? Provide details along with the expenditure incurred on them, as well as the targets achieved. - What are the issues and challenges faced by the department in implementing these schemes/programs? - Provide your department's financial requirements to carry out existing functions in the urban centers of Haryana for the next 5 years including capital augmentation of the services and recurring for operations & maintenance of services? - Does your department take regular feedbacks from the citizens? What is their perspective on the delivery of services? How have you strengthened your grievance cell? - What are your suggestions on the devolution of funds, functions, and functionaries to the ULBs? - What other suggestions would you like to provide to the 6th State Finance Commission, Haryana to improve the current financial status of the department? - Any other comments

	<p>the plan outlays to achieve them in the coming years?</p> <ul style="list-style-type: none"> - Does your department take regular feedbacks from the citizens? What is their perspective on delivery of services? Have you strengthened your grievance cell? - What are your suggestions to the 6th State Finance Commission (SFC), Haryana on the devolution of funds, functions, and functionaries to the ULBs? - What other suggestions would you like to provide to the 6th SFC, Haryana to improve the current financial status of the department? - Any other comments
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5. State Forest Department

Function Assigned	Questions
Urban forestry, protection of the environment and promotion of ecological aspects	<ul style="list-style-type: none"> - In what ways have each of the functions mentioned, have been devolved to your department and how you are discharging these functions in the Municipal Corporations, Councils and Committees of the state? - What is the status of staff in your institution to discharge each of these functions (please explain it designation wise)? Do the concerned departments have adequate personnel to carry out the tasks and functions assigned? Any norm/SOPs? - Please provide the expenditure incurred on staff. - What are the schemes/ programs being implemented by the department to promote conservation and protection of the environment in the Urban Areas? Provide details along with the expenditure incurred on them, as well as the targets achieved. - What are the issues and challenges faced by the department in implementing these schemes/programs? - Provide your department's financial requirements to carry out existing functions in the urban centers of Haryana for the next 5 years including capital augmentation of the services and recurring for operations & maintenance of services? - Does the department take regular feedbacks from the citizens? What is their perspective on the delivery of services? - What are your suggestions to the 6th State Finance Commission (SFC), Haryana on the devolution of funds, functions, and functionaries to the ULBs? - What other suggestions would you like to provide to the 6th SFC, Haryana to improve the current financial status of the department? - Any other comments

Summary of Recommendations of Studies

**Study on “Assessing the Technical and Expenditure Efficiency of
Panchayati Raj Institutions in Haryana”**

by IIT Roorkee

A Study Report on Assessing the Technical and Expenditure Efficiency of Panchayati Raj Institutions in Haryana by IIT Roorkee

This study aims to assess the technical and expenditure efficiencies of Panchayati Raj Institutions (PRIs), especially Gram Panchayats, in Haryana. More specifically, it enlightens the status of resources and infrastructural facilities with GPs; examines the extent of GP's governance and finances; assesses technical and expenditure efficiencies of GPs; and ranks them on their performance for decision-making. It also reviews the State Finance Commission (SFC) reports of Haryana and various other states to understand the devolution of funds to PRIs. The empirical assessment presented in this report intends to complement the 6th SFC Report of Haryana (2021-2026). It provides valuable inputs for mobilization of Panchayats' own resources and suggests measures to improve expenditure (spending) and technical (goal-oriented) efficiencies of GPs. The findings can also support the Commission to identify and set the indicators based on which the performance grant may be judiciously allocated to GPs.

The study is based on both primary and secondary data. A field survey of 60 GPs was conducted from July 2021 to August 2021 to collect primary data. The GPs were selected randomly across six districts in consultation with the 6th SFC. The secondary data were collected from various sources, including eGramSwaraj, Statistical Abstracts of Haryana, MGNREGS's official website, Mission ANTYODAYA, previous SFC reports, and Block Development and Panchayat Offices. The GP questionnaire outlines GP profile and infrastructure; Gram funds and expenditure; input-output variables and performance indicators for efficiency measurement; GP governance, and own-source revenues. Focus Group Discussions (FGDs) were also conducted with the elected representatives, Gram Sachivs, Sarpanchs, and Block Development and Panchayat Officer.

For the empirical investigation, the study uses the mathematical programming based non-parametric directional distance function data envelopment analysis (DEA-DDF) approach and a range of statistical and econometric tools to draw robust inferences. We have chosen an output-oriented DDF framework to measure the maximum possible capacity of a GP to earn its own revenues with available input resources, which we termed as "*expenditure efficiency*" or "*revenue-generating efficiency*." On the other hand, the "*technical efficiency*" of a GP, defined as optimizing the resource utilization in achieving their development goals based on functions devolved to them, is estimated using an input-oriented version of the model. We have drawn the following observations.

First, as far as infrastructure in the village area is concerned, the rural streets are in good condition. A poor drainage system is a major concern in the majority of the GPs. The sampled GPs in Fatehabad, Karnal, Palwal, and Rohtak districts have achieved the goal of 100 percent electrification of households, while Ambala and Mahendragarh districts are lagging in this regard. Streetlights had been installed, but due to the lack of regular upkeep, these became non-functional in most of the GPs. Tube-wells and Pipelines are the major sources of drinking water. Water tanks are available in the GPs for common use, and these tanks are filled with tube-well water. Except for Palwal, a majority of GPs in the study area had open defecation-free status.

Second, the sampled GPs adhere to the provisions mandated for the constitution of Gram Panchayat as mentioned in the Haryana Panchayati Raj (PR) Act. On average, the number of Gram Sabha meetings held during 2020-21 vary from two to four and GP meetings vary from 13 to 28. Average GP in Karnal district had conducted the highest number of meetings (28), while this average is least in Rohtak district (13). Many times the meetings were canceled due to COVID 19 and the nationwide lockdown. Gram Sachiv is the key official functionary of GP. He looks after several GPs and is overburdened, which can adversely affect his performance in dealing with the GP activities, including maintenance and update of accounts. Looking at computerization and internet facilities, only about 39 percent GPs reported having computer desktop/laptop facilities. Fatehabad and Ambala have a relatively better status in access to computer facilities than their counterparts. The field observations and the FGDs reveal that both elected and official functionaries are unaware of the activity mapping.

Third, the expenditure and technical efficiency results reveal some interesting conclusions: a) Average GP in the sample has a significant potential to augment its revenues from tax and non-tax sources, given the same level of its per capita committed expenditure; b) Only seven sampled GPs are found to be on the *best-practice frontier* of "revenue-generating efficiency," and none of the sampled GP from Mahendragarh district has earned the status of 100 percent revenue-generating efficiency; c) On average, the revenue-generating efficiency of GPs with Shamilat land is higher than those who do not possess Shamilat land. GPs without Shamilat land will have to place 15.8 percent additional efforts to attain the status of expenditure efficient GP; d) On the technical efficiency front, an average GP could achieve the underlined development goals by spending less per-capita resources; e) The sample GPs have performed relatively well on developing better roads, followed by sanitation & water supply and employment under MGNREGS; and f) Only two GPs, Bhirdana (Fatehabad) and Bansa (Hodal), are the top-performing GPs in our sample, and three GPs – Talwari from Jhakai, Iqbalpur Nangli from Nangal Choudhary, and Badoli from Badoli block

bottom the rank list. Putting together, GPs have immense potential to augment their revenues from tax and non-tax sources and reduce waste of per-capita resources allocated. The own source revenue to total outlay, size of GP, and overburdening of Sachiv are the key factors that determine the GP efficiency and are critical to its functioning.

Fourth, the analysis of PRIs' finances for the last ten years (2011-12 to 2020-21) shows more than a three-fold increase in their revenue receipts. However, the increase was mainly due to a steady rise in the CFC and SFC funds, while own source revenue (OSR) shows a decelerated trend, demonstrating a higher resource dependence of PRIs on external funding. In 2020-21, OSR consisted of 15.26 percent of the total revenue of PRIs, with their own tax and non-tax revenue shares of 0.12 percent and 15.14 percent, respectively, indicating their high dependence on grants and other external sources. House tax is the only source of own tax revenue. The non-tax revenue mainly comes through the leasing of Panchayat agricultural/Shamilat land. Other sources, such as the sale of trees, lease money on ponds, mining, constituted a minuscule proportion of total OSR. We note that although per capita OSR is higher than the per-capita committed expenditure of a GP in the selected districts, it is significantly lower than the total per capita outlay for the majority of the sampled GP. Therefore, there is a dire need to increase tax and non-tax revenues. For this, the imposition of new taxes and a revision in the existing house tax rates are instruments that can be used to augment tax revenue. To generate additional non-tax revenue, GPs can explore new areas to generate non-tax revenue. For example, GPs should develop their own market infrastructure, such as local haat, etc. GPs can also levy a fee for extracting mineral resources and installing a mobile tower in their jurisdiction.

Based on the findings, the study recommends: i) enhancing GP facilities and infrastructure; ii) training and capacity building of GPs' elected representatives and other functionaries; iii) effective enforcement of provisions in the Haryana PR Act; iv) rationalizing the workload and responsibilities of Gram Sachiv; v) data quality, digitization and proper maintenance of GP records; vi) proper accounting and pre-auditing of GP records; vii) monetization of GPs' dysfunctional assets after their fabrication and repair; viii) adoption of effective ways and means to augment own revenues from tax and non-tax sources; ix) re-working on activity mapping and coordination of line departments with PRIs; and x) clustering and networking of GPs on a watershed basis to get the benefits of economies of scale.

The study also recommends that GPs use the allotted funds judiciously to achieve desired goals to the maximum extent. For this, the following initiatives can be taken: a yearly conclave of GP functionaries may be organized to exchange innovative ideas, experiences and best practices, and to extend honours/awards to Sachivs/ Sarpanchs/

Panchas of the GPs having outstanding performance in their own source revenue generation and attaining local service outcome goals. The State Government can incentivize the best-performing GPs, which put their significant efforts in timely achieving the development goals to bring positive spill over effects. With the use of technology and minimal human intervention, an in-built mechanism can be evolved for future allocation of performance grants funds to Panchayats. We recommend that a GP be eligible for a performance grant if it satisfies the criteria of fiscal discipline and transparency. The criteria can include *data quality, digitization and maintenance of account on the standard software, own revenue generation and ranking of GPs on local area development, and attainment of the targeted outcome goals*. The incentive grant is to be utilized for the creation and maintenance of income-generating assets. Finally, while deciding the post-devolution gap funding to the relatively poor GPs, two aspects—the size of the GPs and the extent of availability of Common Property Resources, may also be taken into consideration. The optimum size of GPs can be identified by linking the GPs resource envelope with their population sizes.

Study on "Trends and status of municipal finances and services in the ULBs of Haryana- A Road Map for Sustainable and efficient delivery of services "

by HIPA

1 INTRODUCTION

Haryana's rapidly changing urban landscapes has bestowed the state with potential for greater socio-economic development, provided it is reinforced with decentralized democratic governance that underlines the principle of equity and sustainability. With the state manoeuvring around 34.88% (Census 2011) of urbanization, well above the national average of 31.16%.

The contrasting Spatio-Temporal variation which exists in highly urbanizing Faridabad (79.51%), Gurugram (68.82%), Panchkula (55.81%) in comparison to least urbanized Mewat (11.39%), Mahendraghar (14.41%), Fatehbad (19.06%) reflects the need for governance solution which is contextualized and decentralized in nature. With responsibilities propelled by increasing urbanization-generating considerable bearing on Municipalities' finances and services, an essential need is induced to channel ULB's resources in terms of Functions, Functionaries and Finances. Wherein the study gauges the status of Urban Local Bodies based on their performance to identify the current needs and address future demands based on sustainability.

1.1 PROFILE OF URBAN LOCAL BODIES IN HARYANA

The Urban Local Bodies of Haryana are classified into Municipal Corporations, Municipal Councils and Committees encompassing -

- **11 Municipal Corporations**
- **22 Municipal Councils**
- **60 Municipal Committees**

Governed by Haryana Municipal Corporation Act, 1994 and The Haryana Municipal Act, 1973 prominently. Organizationally the Department of Urban Local Body (DULB), headed by Hon'ble Minister, Urban local body and Additional Chief Secretary to the Government, acts as a nodal department for governing all the ULB's. It operates as an interface between the State Government and ULB's.

The status of devolution concerning 18 subjects specified in the 12th Schedule is analyzed. It is observed that five functions are fully devolved, eight functions are partially devolved, and five remain state-dominated. Fully devolved refers to complete delegation of autonomy with respect to corresponding activity where the local is given complete jurisdiction in terms of planning, implementation and O&M., whereas partially devolved reflects overlapping jurisdiction with state/parastatal organizations. At the same time, the pre-set of state-dominated refers to activities where ULB roles are limited to assisting parastatal bodies in implementation. With ambiguity in the perception of activities with the vision of state government being driven towards decentralization through effective devolution of functions, it is recommended to develop a Standard Operating Procedure (SOP) and a parametric-based activity mapping for better collation of functions, functionaries and finances during transfer. The classification of the overall status of devolution can be stated to be partial.

2 ANALYSIS

The analysis comprehends the status of ULB's through capturing the profile of municipal finances, functionalities and service delivery based on the parametric analysis method to achieve the objectives using primary and secondary data.

2.1 PROFILE OF MUNICIPAL FINANCES

With the responsibilities of local bodies expanding propelled by the increasing urbanization, the fiscal stress is set to propel the momentum of economic sustainability, driving a need for a critical reappraisal of municipal finances. The fiscal trends in Haryana's ULB's are assessed based on a normative and standard approach and is described below.

2.1.1 Own Revenue Share (ORS)

The following analysis evaluates the own revenue share of ULB's by comparing Own revenue resources to the total Revenue resources, which is often reflected to be a prominent factor of Fiscal autonomy. A higher mobilization capacity depicts the potential for financial independence in decision making.

It can be noted that Municipal Corporations and Committees grew at a positive average of 3.3% and 5.87%, respectively. In contrast, the Growth of the municipal council's ORS shrank by 7.7%, slogging the overall growth rate to 0.36%. Despite this, the Average revenue mobilization capacity stands at 26.27%, inducing a need for its own revenue-generating strategy. While increasing user charges and tax collection efficiency remains a sustainable option, revenue generated through land sale can be substituted by Land-value capture and PPP models as a sustainable alternative.

2.1.2 Revenue Differential

Revenue differential was analyzed by capturing proportionality of Revenue Surplus/deficit with Revenue income. It was observed most of the ULB's across Municipal Corporations, Committees and Councils were earning in positive proportional value of 32.25% lending potential for spending on revenue expenditure.

2.1.3 Self-Reliance Capacity analysis

The analysis depicts the proportion of revenue expenditures that are covered through the own revenue sources. Positive growth of 1.16% is sighted, attributing to mobilization capacity of own resources. Wherein Municipal Corporations were observed to perform well in SRC average compared to smaller ULBs.

2.1.4 Dependency Ratio (DR)

The parameter of dependency ratio reflects the proportion of Total expenditures covered through the own revenue sources. Wherein, an average DR Value of 75.07% was observed propelled by own revenue mobilization capacities of municipalities. Along with a growth of 3.48% during the period of 2016-2021, attributing to hit during fiscal years of 2019-20 and 2020-21 propelled by the pandemic.

2.1.5 Tax: Non-tax Proportion

The analysis of tax to non-tax proportion was done to capture proportional dependency in revenue streams wherein the analysis reflected that Larger Municipal Corporations tend to earn from tax

revenues predominated (50%) by property tax compared to Municipal Committees (20.2%) and councils (16.2%) sourcing their revenue from non-tax revenue. Further analyzing, it was inferred that Higher Non-tax revenue proportion in smaller ULB's can be attributed to lesser efficiency in tax resources and not better collection of non-taxes. The difference in proportion resulting from a lesser tax revenue stream in comparison to non-tax sources depicts larger untapped potential existing in non-tax and non-property taxes.

2.1.6 Property tax to total tax revenue

An average of 92.61% property tax reflected the gravity of property tax in total taxes, making it a predominant source of income for most of the ULB's. It reflects a need for revenue diversification, inducing sustainability and resilience in the self-financing ULB's.

2.1.7 Property Tax: Total Revenue

It was analyzed to depict proportionality and efficiency to derive detrimental recommendations from the ground scenario regarding collection, coverage, and diversification. It is inferred that the proportion of property tax-based revenue in total revenue remains high in Municipal Corporations, whereas the overall average across ULB's remained 13.65%, with the average growth rate during 2016-2021 being +19.35% showing untapped potential, which exists among other ULB's which can be improvised through better collection and coverage.

2.1.8 Tax Collection Efficiency (Property tax)

The collection efficiency of property tax was assessed based on demand and actuals. The overall collection efficiency remained 34.44%, whereas the growth rate remained -3.52%, attributing especially to the years of 2019-20, 2020-21 marked by the covid pandemic.

2.1.9 Property tax growth: GSDP Growth

It was analyzed to capture proportional growth of property tax to the state GSDP as suggested by the 15th CFC. Wherein average proportional growth of +7.30% was observed across ULBs during 2016-2021, with GSDP growing at 6.30%, 61.11% (11 out of 18 ULBs) qualified the proportional growth criteria set up by the 15th CFC for performance grants.

2.1.10 Establishment Expenditure Share

The factor propels the level of service delivery as it depicts the scope of expenditure post establishment cost concomitantly. Higher Establishment cost proportion becomes a detrimental factor with respect to both the expansion of capital assets and maintenance of existing facilities. Whereas too low proportion also reflects unsustainability, lesser establishment cost proportional to the total revenue illustrates higher capacity to spend on service delivery, too low a proportion may hamper the capacity for service delivery, and too high proportion induces unsustainability in the long term a rational expenditure proportion considering staffing and Capital is deemed ideal. While an average establishment share of 28.33% was observed, and rational expenditure proportion considering staffing and Capital is considered to be ideal.

2.2 FUNCTIONARIES

2.2.1 Staffing Capacity Analysis

Sector-wise, sanctioned staff and staffing capacity was analyzed based on filled and sanctioned posts. Wherein it was inferred that a critical staffing gap persists across ULB's where staffing capacity terms hovers around 48.25%. Essentially reflecting that approximate workload handled by one ULB is 2.07 factors.

2.2.2 Capacity Building

The gaps were derived based on analyzing task profile of stakeholders through primary surveys and TNA by DULB in the cohorts of technical, administration, financial, legal, revenue (As depicted Figure 1), extracting critical gaps in terms of -

- **Knowledge:** knowing what and how to do it, facts, procedures, standards work environment
- **Skills:** having the ability to do it, physical, interpersonal, social, intellectual
- **Attitude:** For being prepared to do it for people, quality, safety and willingness to change

Technical

- **Town Planning:** Technical Advocacy tools, Time management, Tactful communication, Importance of PPP in Infrastructure projects, Best enforcement practices in the field, land record, Urban Transport, Urban land Management system, GIS Integration & Remote sensing, understanding city microclimate on planning.
- **Engineering Cell:** Technical Advocacy tools, Time management, Tactful communication, Importance of PPP in Infrastructure projects, Best enforcement practices in the field, land record, project management & building information modelling, GIS & TSS, understanding city microclimate on planning.

Administration

- Business etiquettes, conflict resolution, email etiquettes, inter personal skills, organizational skill, File management system, time management, productivity, proactiveness, office computation, information processing.

Financial

- Double Entry Accounting System, Best practices in accounting, Business etiquettes, conflict resolution, email etiquettes, Inter personal skills, organisational skill, cost management, File management system, time management, productivity, proactiveness, office computation, information processing.

Legal

- File management system, time management, productivity, proactiveness, office computation, information processing.

Revenue

- Land management system, GIS mapping, time management, productivity, proactiveness, office computation, information processing.

Figure 1 Capacity Cohorts

2.3 SERVICE DELIVERY ASSESSMENT

Service delivery was assessed across three categories and further nine sub-categories based on citizen perception under the cohorts of

- 1. **User-Centered Service Delivery Responsiveness and Perception**- covering overall citizen perception on key services delivered
- 2. **Governance**-including awareness of what the role of ULB is to the citizen and inclusivity in terms of participation in decision-making
- 3. **Grievance Redressal and Response**- perception of citizens based on their experiences in grievance redressal, financial disclosure and how effective the response has been in terms of the recent pandemic

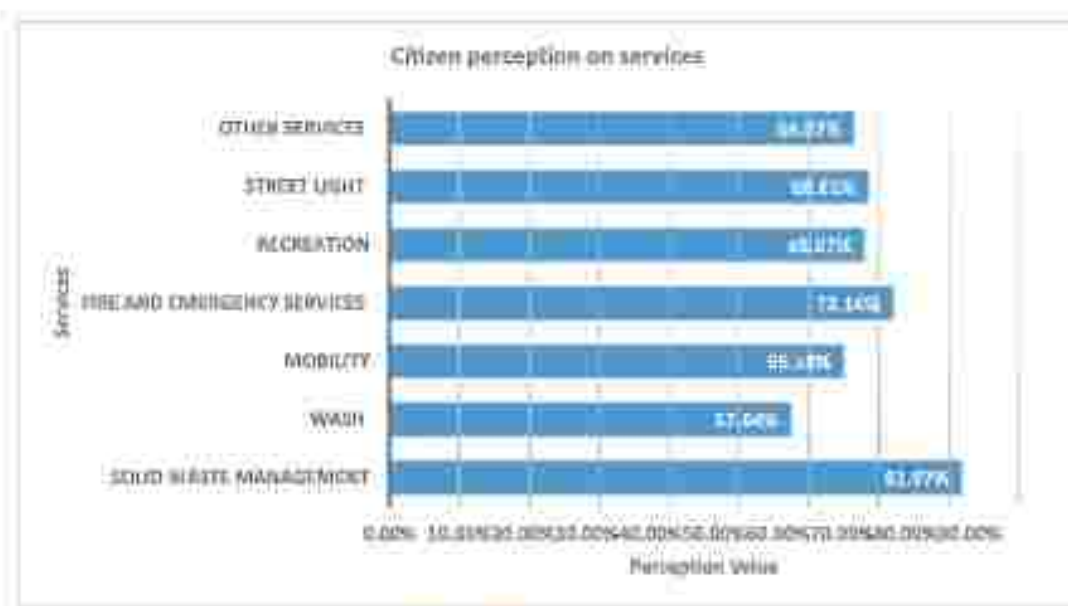


Figure 2: Citizen perception on ULB

Solid waste sector was found to be most impactful in perception building. Wherein WASH is deemed as a critical requirement based on service delivery perception.

It is observed that smaller ULBs across various services levels have improved significantly in the past five years, which would have certainly led to a change in citizens' perception of these ULBs towards the better, giving a higher score. While service level records are largely unpublished and citizens lack awareness regarding service levels, there is a need to bring in data-driven transparency.

3 RECOMMENDATIONS

3.1 RECOMMENDATIONS ON FINANCES

- **Tax Board**

- A **Tax board** is recommended at the state level to assist and monitor ULB's tax collection, coverage, and assessment and to overview the setup of tax rates and user charges (Services) in adjusting to current costs and inflations. As also reinforced by the property tax analysis, the requirement for an assisting body at the state level is deemed ideal.
- **Case Reference Consulted:** Tamil Nadu, Gujarat and 13th CFC.

- **Property Tax Reforms**

- An **integrated interdepartmental property database** is recommended to be created by DULB, wherein a Unique property ID is generated based on the digitized database of electricity meter number, water meter number, trade license number, building ID. Based on which an integrated billing for property tax, water and sewerage charges can be generated.
- **Case Reference Consulted:** It is also supported and recommended by MoHUA reforms through a national initiative of technical assistance to States and ULBs called PRAPTI- Policy and Reforms for Augmentation of Property Tax in India.
- Andhra Pradesh, along with E-Governments Foundation, implemented the idea, wherein it led to a 25% increase in coverage, 30% in the collection and 111% in revenue during FY 15-16 and FY 18-19.
- It is suggested to adopt the Capital Value Method based on floor rates of **property tax** in ULBs in consonance with the **prevailing circle rates** (i.e., guideline rates for property transactions) as a part of ULB reforms, as also
- **Case Reference Consulted:** ULB reforms suggested by Ministry of Finance, Government of India.

- **Area Based Betterment Charges**

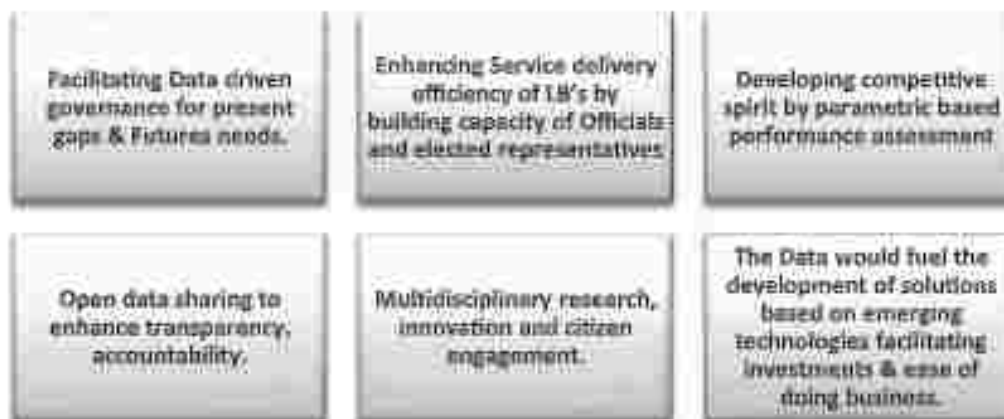
- For increasing self-sustainability by improving **own revenue mobilization**, With property tax encompassing a significant proportion of tax revenue, there exists a need for **diversifying revenue streams through non-tax revenues** to induce the component of financial sustainability;
- **Betterment charges** are recommended to be introduced as a VCF tool where rapid investment in mass infrastructure has been made.
- **Case Reference Consulted:** BBMP (Bengaluru).

- **Credit Rating**

- It is recommended to carry out investment-grade credit rating across all Municipal Corporations to improve access to finances through Municipal bonds.

- **Data Management Center**

- To forgo Data inconsistency and instill a monitoring system. with the biggest limitation of the study being data inconsistency where the same ULB's had presented different data sets, attributed to lack of common data repository and common format budgeting format, wherein it is recommended to establish a **Data management center** at the state level in HIPA, as a center which collects and monitors Realtime data pertaining to municipal finances; services and knowledge garnered by the finance commission. Additionally, it can also act as a rating agency monitoring Municipalities performances and ease of living.



- **Geospatial Dashboard**

- Developing a geospatial dashboard with Service delivery details and financial details aligning to the link book concept is recommended to induce transparency, efficiency & Accountability, as the awareness factor was found to be a significant lack (Primary survey).

- **SOP's**

- As an effort to facilitate functional devolution with ambiguity encircling the activity, It is recommended to develop SOP's for the transfer of functions encompassing activity mapping as a critical need. To collate transfer of functions, functionaries and funds.

3.2 RECOMMENDATIONS FOR FUNCTIONARIES

- **Revising Sanctioned Posts**

The changing nature of work propelled by new challenges and emerging technologies has brought a need to relook into staffing patterns. Wherein it is recommended to revise ULB's "sanctioned posts" based on sectoral needs.

- **Strengthening Capacity of Center for Urban Governance**

- Developed by HIPA & DULB to strengthen the ULB's of Haryana, The Center for Urban governance can be further strengthened through enhancing scope in terms of Functions, functionaries and finances encompassing –

Functions

- **Capacity Development Cell** - Enhancement of service delivery efficiency based on training need of all stake holders (Elected representatives, officials and officers of all ranks) of Department of Urban Local Bodies and Line Departments.
- **Performance Assessment & Monitoring Unit** - of ULB's on annual basis identifying gaps & potentials.
- **Data Management Center** - HIPA may be identified as a nodal agency for data management center, which is to be established as a data repository of urban and rural local bodies.

Domain-Specific Capacities –

- **Urban Planning & Service Cell** – To provide consultatory support in creating, implementing, and monitoring development plans.
- **Municipal Finance Cell** – developing knowledge and research support on urban finance, taxation, accounting and auditing services.
- **Research & Development cell** – To capture innovation and best practices contextual to Haryana's urban landscape.

Functionaries & Finances

- Enhancing human resources for Strengthening the Center through permanent employees.
- Fiscal support to cater establishment and functional needs.

Capacity building courses

- It is recommended that CUG at HIPA to developing a structured module for the certified course to strengthen the ULB officials, Elected representatives in terms of – **Knowledge, Skills and Attitude**
- The course is to be linked to incentivization in terms of professional benefits and recognition through awards.

3.3 RECOMMENDATIONS ON IMPROVING SERVICE DELIVERY

- **Helpdesk**

It should be a common practice that a **helpdesk** should be set up in every ULB so that those who need assistance with using online services or even do their work offline in the ULB office in order to remove the information asymmetry which was noted during primary surveys.

- **Urban Shared Service Center (USSC)**

- With The staffing capacity analysis reflecting the disparity in capacity in terms of functional and financial capacity, resource optimization of service delivery remains a critical need. As a part of which **Urban shared service center (USSC)** is recommended. It is envisioned to function at state, divisional and local scale.

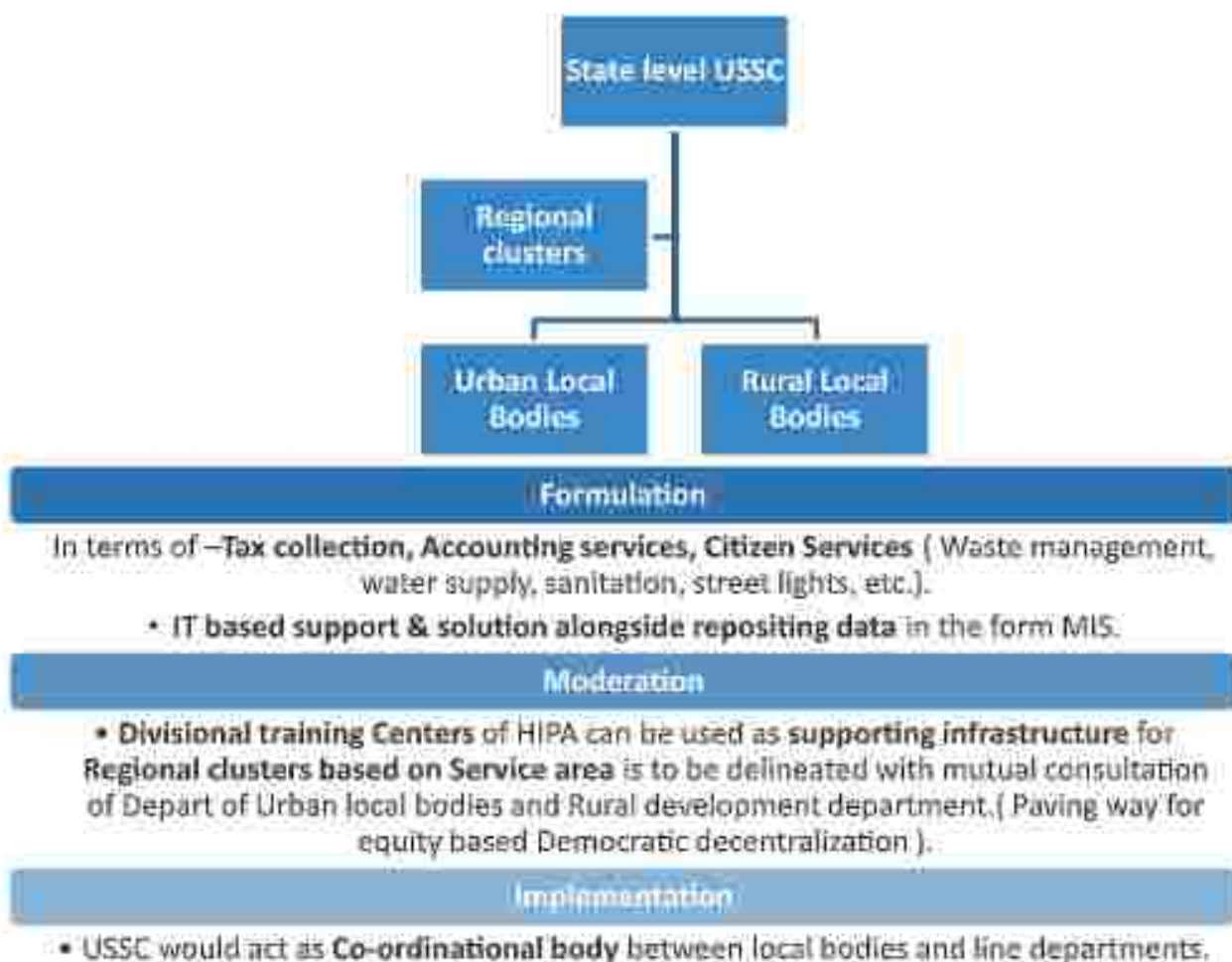


Figure 3 Stages of support for USSC

- **Collating HIPA's, HIRD, SJHIFM Resources** - A **symbiotic partnership** could be established between **CUG (Center for Urban governance)** and **USSC** based on a shared mutual vision of good governance in terms of -
- **Capacity Building** of (Officials & Elected Representatives) based on gaps & needs identified.

- **Monitoring Performances of Local bodies** – based on parametric assessment to develop Competitive spirit among local bodies.
- **Research-based data-driven solutions** in terms of **action plans, best practices** to address current gaps and future needs.
- **PPP model in SWM**
 - 64.56 Lakh metric ton (NGT) being legacy waste located in 83 dump sites. Innovative strategies such as WTE, Plastic Roads, Composting plants etc., can be introduced through the PPP model.
 - Disincentivizing landfills and incentivizing sustainable waste processing remains way ahead.

4 CONCLUSION

The spatial variation in the rate of urbanization across Haryana has propelled the need to catalyze the process of decentralization in local bodies, prompted by this unprecedented wave of democratization to strengthen the urban local bodies. The study captures the status of municipal finances and services through a comprehensive parametric assessment. Wherein factors such as Own revenue share, Self-refinance capacity, despite showing positive growth in the last five years, they indicate the need for prioritization towards own revenue generation reflecting the untapped potential that exists. The impact of pandemic was mainly observed across the parameter of fiscal autonomy, with the municipal councils and committees being most affected.

While property tax growth (7.30%) has exceeded state GSDP growth (6.30%), the collection efficiency average remains at 34.44%, reflecting the scope to improve the tax revenue stream through effective collection and coverage. It contemplates the potential of revenue that can be extracted if the ULB's synchronously grow with the state. While the service delivery perception overall remained satisfactory, the citizens perceived the sectors of WASH to be of critical concern. Whereas coverage efficiency of solid waste performed well in benchmarks, the issue of legacy waste lying in 83 dump yards brings in a need to adopt sustainable techniques in services, propounding the need for awareness regarding SDG's.

Study on “Devolution of funds to ULBs under State Finance Commissions in Haryana: A critical review”

by NIPFP

Executive Summary

- The objective of the study commissioned by the Sixth State Finance Commission (SFC) of Haryana is to conduct a critical review of the devolution of funds to ULBs in the state of Haryana recommended by successive SFCs, analyse the extent up to which conditions imposed by the SFCs have been adhered to in the release and utilization of funds by the urban local bodies (ULBs) and ascertain whether fund flows to ULBs are in compliance with the stated objectives of timely release and untied nature of the grants. The study also examines whether the SFC's grants to ULBs have been subsumed and used for substitution of state grants to municipalities. The study was also required to suggest devolution criteria, quantum, and distribution method among the ULBs of different categories to the Commission.
- The methodology involved examining the reports of all the five SFCs of Haryana along with the explanatory memorandums as to the Action taken on the recommendations made by each of the SFCs submitted by Government of Haryana. It also involved holding discussion/meetings with officers of Department of Finance and Directorate of Urban local bodies, Government of Haryana and senior officials of selected ULBs. The orders/instructions issued by the Department of Finance that operationalized the process and conditions for the release of grants to ULBs were also examined.
- Six urban local bodies - 2 Municipal Corporations, 2 Municipal Councils and 2 Municipal Committees were selected for survey – one from each of the six Administrative divisions of Haryana. The sample was selected in consultation with the Commission.
- The Constitution provides for setting up of the SFCs within one year from the commencement of the Constitution Amendment Act 1992, and, thereafter, at the expiry of every fifth year. Government of Haryana constituted its first SFC on 31 May 1994. Subsequent SFCs in Haryana were constituted on a regular basis. Currently, the 6th SFC is in office which was constituted on 22 September 2020 and its recommendations will cover the period from 2021-22 to 2025-26 which is in sync with the award period of the Fifteenth Finance Commission.
- The SFCs in Haryana have taken considerable time in submitting their report. With the exception of the 5th SFC which took 1 year 3.5 months to submit its report all the other SFCs took around 34 months or more to submit their reports. In case of the 2nd and 4th SFCs, almost the entire award period had passed by the time the report was submitted.
- The reasons for SFCs taking so much of time in the submission of their reports, as highlighted by them in their reports include (a) considerable loss of time in getting office accommodation, setting up the office of the Commission, sanctioning and recruitment of the staff and arranging supporting facilities, (b) inadequate budgetary allocations causing delays in the purchase of office equipment like computers, furniture and other supporting

logistics; (c) non-availability of records of previous SFCs which meant considerable time is lost in redesigning questionnaires and other information formats to collect primary & secondary data.

- As regards the tabling of Action Taken Report by the Government of Haryana is concerned, it is observed that in case of all the five SFCs, the ATR was submitted after the commencement of the award period and in the case of 1st, 2nd and 4th SFCs it was submitted in the final year of the award period of the Commission implying that the entire 5 years of the award period was not available for implementing the recommendations of the Commission.
- The first and second SFCs of Haryana adopted source-specific criteria of sharing state revenues with the local bodies. The taxes to be shared with the local bodies included stamp duty and registration fees, proceeds from cattle fairs, conversion charges for land use, tax on vehicles, entertainment tax, show tax and royalty on minor minerals.
- The scheme of devolution adopted by the third SFC involved both sharing of specific taxes (i.e., shared taxes) and sharing a specific proportion of State's Own Tax Revenues (SOTR) net of the shared taxes and cost of collection with the local bodies. The devolution between RLBs and ULBs was done in the ratio 65:35. The Commission recommended district wise distribution among the local bodies using a number of criteria and weights. Within a district the devolution among ZP:PS:GP was done in the ratio 10:15:75. Further, the inter-se distribution among individual tiers, in both urban and rural areas is based on population and area in the ratio of 80:20.
- The Fourth SFC adopted global sharing mechanism. For the period 2011-12 to 2014-15, the scheme of devolution adopted by the Commission involved sharing specific taxes (i.e., shared taxes) and a specific proportion of State's Own Tax Revenues (SOTR) with the local bodies. During this period, the recommended distribution between RLBs and ULBs was in the ratio 65:35. For 2015-16 the commission adopted global sharing mechanism and recommended sharing 7 percent of SOTR (inclusive of shared taxes) net of Stamp Duty and 2 percent as cost of collections with the local bodies. The distribution between RLBs and ULBs was in the ratio of 50:50. However, due to the delayed submission of the report by the Commission, the Government did not accept its recommendations.
- The Fifth SFC adopted the principle of global sharing of resources. It recommended sharing 7 percent of divisible pool with the local bodies during its award period in the ratio of 55:45 for RLBs and ULBs respectively. Distribution of the RLBs' share between ZP:PS:GP was to be in the ratio of 10:15:75 whereas the distribution between each tier of PRI was on the basis of population and area in the ratio of 80:20. Similarly, the distribution of ULB share, after deducting grants-in-aid for Urban Shared Services Centre, between ULBs in the states was on the basis of population and area in the ratio of 80:20. The distribution scheme used by other states for devolution of funds between RLBs and ULBs was also examined.

- The grants recommended by each of the successive SFCs of Haryana along with the status of their implementation as per the reports were also examined. Grants recommended by SFCs in Haryana accounted for about 2.47-2.65 percent of the total SFC transfers recommended by them.
- We find that there has been a gradual increase in per capita actual devolution to local bodies in Haryana. The per capita devolution show an increase (at constant 2011-12 prices) from Rs. 297.57 in 2006-07 to Rs. 1119.77 in 2017-18 there after declining to about Rs. 659.20 in 2020-21.
- The study also examined the scheme of devolution recommended by latest SFCs in 16 states. We find that with the exception of SFC in Himachal Pradesh, in all other states SFCs have recommended global sharing of resources. While some SFCs have recommended sharing SOTR net of cost of collection, others have netted out some of the state taxes from the SOTR in addition to cost of collection. SFCs in three states have recommended sharing own revenue receipts (i.e., state's own tax and own non-tax revenues) with local bodies. The 5th SFC of Himachal Pradesh adopted a gap filling approach.
- SFCs in other states have used a variety of criteria to derive the share of PRIs and ULBs. While some SFCs (Maharashtra and Punjab SFCs) have used rural-urban population shares as per 2011 census, others (Sikkim and Rajasthan SFCs) have used projected population ratio during the award period of the Commission or projected population ratio in 2020 to determine such shares. In many states SFCs have recommended the sharing ratio in an ad hoc manner. For distribution of resources across different tiers of local governments, we find that the SFCs have used a number of indicators (assigning different weights) viz. Population, Area, SC/ST Population, Slum Population, Revenue Effort, index of infrastructure, number of BPL families, backwardness index etc.
- The Fifteenth Finance Commission in its report for the period 2021-22 to 2025-26 recommended grants of Rs.4,36,361 crore for local governments. This includes Rs. 70,051 crore as health grant to be channelized through local bodies to strengthen and plug the critical gaps in the health care system at the primary health care level.
- The local body grants for Haryana works out to Rs.9066 crores of which Rs. 2520 crore is meant for ULBs. As per the information from the Finance Department, Government of Haryana, in the current fiscal year 2021-22 (till mid October 2021) Rs. 218 crores has been released to Haryana as part of the 15th Finance Commission's ULB grants. This includes Rs. 24 crore for Faridabad which is the only Million-plus city in the state.
- The Commission had recommended several entry level conditions for availing local body grants. The study also examines the guidelines issued by the Ministry of Finance for operationalising these grants.
- Although 15th FC has recommended a much higher quantum as local body grants but a large percentage of it is performance/conditional/tied grants. The share of untied local

body grants recommended by the Commission is much lower than that recommended by 13FC and 14FC. In case of Haryana, the share of untied grants works out to 37.84 percent of aggregate local body grants meant for the state (excluding those for health and on the assumption that the entry level conditions are met). If one were to consider health grants as untied grants, the share of untied would increase to about 48.92 percent.

- From the Interaction with the officials and elected representatives of the selected ULBs we find (a) availability of SFC funds (both quantum and frequency) is not known to the ULBs at the beginning of a financial year, (b) SFC funds are spent on development activities and during covid these were used for payment of salaries and meeting establishment expenses, (c) slow progress of computerization in ULBs especially in councils and committees, (d) lack of training of ULBs staff at all levels, (e) shortage of manpower, (f) lack of awareness about SFC among elected representatives and (g) limited scope for raising own revenues at the council and committee level.
- The study recommends that (a) ULBs should be informed about SFC funds that are likely to be transferred at the time of preparation of the annual budget before the start of the fiscal year to enable them to plan their activities better, (b) there is a need for greater digitization/computerization especially at the council and committee level, (c) there is a need for training (including induction training) of the staff at all levels in the ULBs on a regular basis, (d) there is also a need to educate the elected representative of ULBs about SFCs, (e) government should fill up vacant posts in the ULBs. Further, there is a need to restructure the entire administrative setup routinely to check for posts that may have become redundant and create new ones as per the demands of the ULBs, (f) there is a need for devolving more funds by the SFC to the Municipal Councils and Municipal Committees as their sources of own revenues are limited.
- The study recommends that the Commission adopt global sharing mechanism and devolve 7.5 of the net SOTR during 2021-22 to 2023-24 and 8 percent of net SOTR during 2024-25 and 2025-26 to local bodies. The amount thus devolved is to be apportioned between RLBs and ULBs in the ratio of 50:50. It is recommended that the distribution of ULB share between Municipal Corporation, Municipal Council and Municipal Committees should be in the ratio of 50:30:20. Further distribution among individual tiers should be on the basis of Population and Area in the ratio of 75:25.

Study on “Accountability ULBs Audit Frame-Work and Process”

by AIILSG

Study Report on Accountability and ULBs Audit Framework and Process by All India Institute of Local Self Government (AIIISG)

Local Bodies are accountable to resource providers, particularly to taxpayers and other stakeholders. One of the major areas, which at present does not exist or is grossly unattended, is internal financial management. And to perform its duties, local bodies must develop capacities, competencies and characteristics of efficiency, transparency and accountability in their operations, actions, deeds, service deliverance and resource management.

Rising population and the aspirations of people, are exerting more and more pressure on local resources. With constantly changing demographics, local bodies have to play much significant role than ever.

Further, with the emphasis of the citizens on value for money, higher capital investment and better management of existing resources, is absolutely essential for their sustainability, thus making public finance management increasingly vital.

Another integral part of governance is Public Information – without which there cannot be a meaningful participation or shared decision-making. The citizen expects a transparent account of how the government is faring in its job. It requires timely, meaningful and user-friendly reporting that provide reliable financial information and facilitate effective decision-making. Ensuring high quality of transparency and accountability is the very basis of any level of government.

Considering the benefits of accountability and transparency in the system of accounting, auditing and budgeting, the 6th State Finance Commission, Haryana has decided to get this study performed.

This report/study discusses the accountability framework of the local bodies in Haryana with a focus on presentation, availability, relevance, compliance with legislation and regulation and timeliness of financial reporting. It comprises study of systems of accounting, auditing and budgeting in the local bodies of Haryana State.

The study also includes review of existing systems, legal framework, adequacy of controls, decision-making, stakeholder participation, effectiveness of audit, staff competence and strength, capacity building and training, areas requiring strengthening and preparedness for grants eligibility as suggested by 15th Central Finance Commission (15th CFC). It also sheds light on the Public Financial Management practices implemented by other states in India. It

Includes analysis of Account Statements and their compositions, the status of State Municipal Accounts Manual, maintenance of centralized database, use of Accounting Software, and recommendations to reform/modernize/upgrade the existing system.

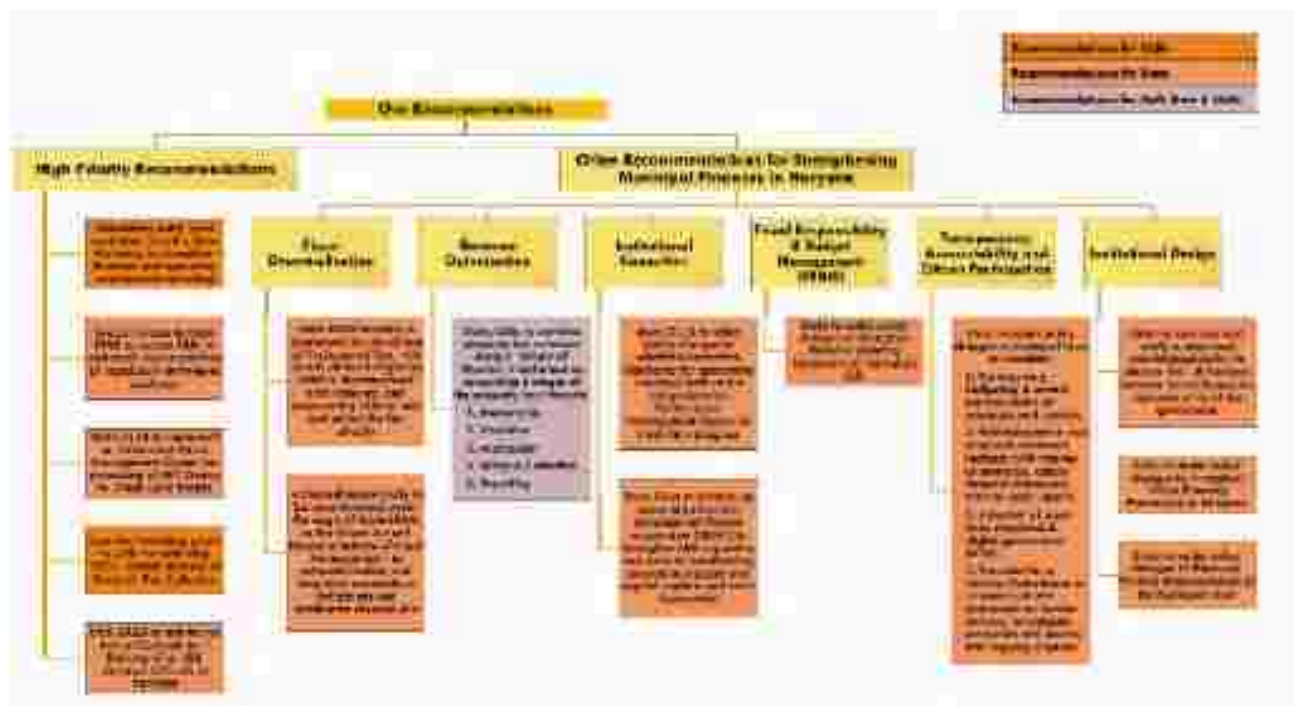
Study on “A New Urban Agenda for Haryana”

by Janaagraha

Summary of Recommendations

Our recommendations for the 6th State Finance Commission, Haryana (SFC) are divided into two categories –

- A) **High-Priority Recommendations**, including Mandatory Entry-level Conditions for all ULBs to be eligible for the SFC grants; and
- B) **Other Recommendations for strengthening Municipal Finances in Haryana**, arising out of the investigative chapters that follow an order mimicking a roadmap to financial sustainability and accountability for ULBs, which includes six aspects –
 - B.1) Fiscal decentralisation,
 - B.2) Revenue optimisation,
 - B.3) Institutional capacities,
 - B.4) Fiscal responsibility,
 - B.5) Transparency, accountability & citizen participation, and
 - B.6) Institutional design.



A. High Priority Recommendations

A.1– Mandatory entry-level conditions for all ULBs in Haryana, to strengthen financial and operating performance reporting - in line with recommendations of the 15th Finance Commission for ULBs to avail CFC grants

A.1.1 - Publish online in the public domain provisional annual accounts of the previous year (t-1) and audited annual accounts of the year before previous year (t-2), by 30th September each year, starting from 30th September 2023. The set of annual accounts should include atleast - a) balance sheet; b) income and expenditure statement; c) cash flow statement; d) schedules to balance sheet, income and expenditure statement; and e) Signed and Stamped Auditor's Report.

A.1.2 - Publish online in the public domain signed and stamped Annual Budgets along with Minutes of Meetings from the proceedings, each year starting from 30th September 2023.

For enabling this, the State DULB should provide the Grants in Aid allocation figures (including from CFC, SFC, other State transfers etc.) to ULBs, ideally for a 3-5 year period, else at least for the subsequent financial year, by 31st March each year, to enable the ULBs to prepare more comprehensive and realistic annual budgets.

A.1.3 - Publish online in the public domain all 32 Service Level Benchmarks (SLBs) on Water Supply, Sewerage, Solid Waste Management and Storm Water Drainage, each year starting from 30th September 2022.

A.2 –Special Grants to State Department of Urban Local Bodies (DULB) to enable ULBs to fast-track implementation of mandatory entry-level conditions on financial and operating performance reporting, and to help shift all ULBs to the Double-Entry Accounting System by FY'23

A.2.1 - Special grant for publishing and implementing a Municipal Accounting Manual by 30th September 2022

A.2.2 - Special grant for empanelling CA firms by 30th September 2022 for preparing accounts and conducting independent audits

These grants shall cover expenses on fees for technical consultants to draft an accounting manual in line with NMAM, and expenses on hiring of private CA firms to hand hold ULBs in preparation of opening financial statements for all ULBs as per the new municipal accounting manual.

A.2.3 - Special grant to implement centralized IT system for financial reporting, budgeting and asset management by 30th September 2023

This grant shall cover expenses related to fees of technical consultant for design and development (including customization) of financial management IT/ERP software and on-boarding of legacy data on new system, and hiring Project Manager for timely execution in line with State Requirements.

A.2.4 - Special grant for implementing training across all ULBs of finance and accounting officers and LAD officials on the new accounting manual and IT system

A.3-Recommendation for State DULB to implement an Automated Grant Management System for processing of SFC Grants to Urban Local Bodies

Since November 2020, MoHUA, the nodal ministry at Union level for administering the 15th Finance Commission grants (15th FC) to ULBs, has been using a web-based grant management system on www.cityfinance.in/fc_grant for managing activities related to the processing and disbursement of the 15th FC grants. The 15th FC grants management system has digitized the work flows and all the data is being generated in digital, machine readable format. Dashboards at State and MoHUA levels help in monitoring the progress of ULBs on compliances for 15th FC grants on a real time basis.

We recommend that a similar web-based, fully digitized and paperless Automated Grant Management System be developed by the State DULB for managing the 6th SFC grants to be disbursed to Haryana's ULBs for the award period 2022-26. The portal should assist in digitizing and streamlining the compliances and work flows related to 6th SFC Grant transfers to Haryana's ULBs, including the mandatory entry-level conditions for ULBs prescribed above, for online publishing of audited and provisional annual accounts, annual budgets and the 32 Service Level Benchmarks (SLBs) each year. The portal can subsequently be expanded to include other state transfers made to ULBs, and can eventually be extended to include all state transfers (including 6th SFC grants) to PRIs as well.

Such a grant management system can be built as additional feature of the 'Local Bodies Vikas Nidhi Portal' launched by the Haryana Chief Minister in June 2021, which was conceived to facilitate the transfer of funds as per needs of local bodies in a transparent manner by the Finance Department in coordination and consultation with Development and Panchayats Department, Urban Local Bodies Department and Local Bodies concerned.

A.4–Incentive/Matching grants to ULBs for motivating ULBs to increase their Property Tax Collection annually by 15% or more

Ensuring growth in property tax collections is not only important to improve the self-sufficiency of Haryana ULBs, but also a mandatory entry-level condition to avail the 15th Finance Commission (FC) grants. ULBs have to demonstrate annual increase in property tax collections equivalent to the average growth rate of State GSDP for the most recent five years. Haryana's 5-year average growth rate in GSDP between 2015-16 and 2019-20 is around 9%.

To motivate Haryana's ULBs to augment their year-on-year property tax collections corresponding to the GSDP growth rate, we recommend **Incentive/Matching grants to ULBs which demonstrate at least 15% increase in Property tax collection (excluding arrears) from previous year, starting from 2022-23. The quantum of incentive grant will be equivalent to 100% of increased property tax from previous year, subject to following ceilings per ULB per year: For Corporations: Rs. 3.5 crore, For Councils: Rs. 80 Lakhs, and For Committees: Rs. 30 Lakhs. The overall annual outlay of these incentive grants shall be no more than Rs. 75 crores in any year.**

A.5 –Recommendation for State DULB to institute an Annual Competition/Ranking of all Revenue Officials of ULBs in Haryana

There is a need to improve the own revenue collection efficiency for Haryana's ULBs, including for property tax whose collection efficiency currently ranges between 10-40%. The efficiency and effectiveness of the available resources can be best optimised by motivating its revenue officials and rewarding improved performance.

We recommend that the State DULB institutionalizes an annual Competition/Ranking of all Revenue Officials (including Property Tax Collectors) from all ULBs in Haryana. Adoption of innovative technology-driven practices such as Mobile Point of Sale (MPOS) devices for digitizing tax collections, and deployment of real-time IT-enabled dashboard to monitor and manage performance would play an important role in operationalizing the competition.

Such a competition would significantly improve the overall ULB revenue collections, increase the proportion of online collections, motivate the tax officials through awards & recognitions, promote peer learning and sharing of knowledge and best practices among various tax officials, and most importantly encourage data-driven decision making among ULB officials, which can benefit the ULBs in achieving financial self-sustainability in the long run.

Odisha has successfully implemented such a competition among its property tax/revenue officials (called Municipal Premier League¹) for two years in a row, in February 2020 and 2021, wherein the outcomes were as follows:

- MPL 1.0 (Feb 2020) covered 9 AMRUT cities (out of total 114 ULBs), 214 property tax functionaries, and delivered a 24% increase in property tax collections for FY 19-20. The digital collections increased from less than 10% to 43%.
- MPL 2.0 (Feb 2021) covered all 114 ULBs in Odisha and their 655+ tax functionaries,

and resulted in increased collections by 15% for FY 20-21 and digital collections of 85% despite a pandemic year. Also, 67 Mission Shakti Self Help Groups (SHGs) were involved in property tax collection for the first time in the State.

B. Other Recommendations for Strengthening Municipal Finances in Haryana

B.1 –Fiscal Decentralisation

B.1.1–Recommendation for State DULB to notify a framework for devolution of Professional Tax

B.1.2 - Recommendations to estimate medium and long-term expenditure obligations and destination revenue mix

We recommend that a comprehensive study be commissioned under the aegis of the State DULB, to the Swarna Jayanti Haryana Institute of Fiscal Management - to undertake an effort to draw up a standard framework or a financial model that the State and ULBs can use to:

- i. Estimate expenditure obligations for various functions listed under schedule XII to the constitution, vis-à-vis underlying key drivers such as population, service levels, per unit capital and operations and maintenance cost etc.
- ii. Estimate revenue potential of major revenue streams that could potentially be devolved or assigned to ULBs
- iii. Estimate the extent of devolution that could meet expenditure obligations estimated in (a) above, depending on the extent of functional devolution
- iv. Estimate the underlying expenditure obligations on ULBs of particular revenue streams (e.g. stamp duties and registration charges, motor vehicle registration charges, profession tax) and recommend appropriate formulae for ascertain percentage share that could be considered for assignment to ULBs

This would serve as objective research for the state to evaluate the extent of revenue foregone in respect of fees and user charges and evolve a mechanism to continuously compute and report the same, and factor performance on the same while determining untied grants.

B.2 –Revenue Optimization

B.2.1 - Recommendations for State/ULBs on optimising property tax revenues

We recommend a 'Whole of Systems' transformation comprising of five stages of the property tax lifecycle in Haryana:

1. Enumeration:

- i. Time-bound completion of the GIS-based digital property survey and implementation of a single, state-wide digital register/ database of all properties, with a mechanism to build capacities of ULB officials to ensure regular updation of the digital register/database on an ongoing basis

¹ Odisha Municipal Premier League 1.0 & 2.0 Awards Ceremony & Launch of Odisha MPL 3.0 (article dated 25th Sep 2021): <https://ommcnews.com/odisha-news/minister-pratap-jena-launches-municipal-premier-league-mpl-3-0>

- ii. Provision for mandatory periodic enumeration in State Acts/ Rules.
- iii. Creation of single digital property database which can be used by all stakeholders, including ULBs, DULB and Line Departments (water, sanitation, inter alia)

2. Valuation:

For Gurugram, Faridabad and other Municipal Corporations-

- i. Introduce formula-based valuation system linked to guidance values

For other ULBs, i.e., Municipal Councils and Committees-

- ii. Re-orient existing framework towards a regime of minimal exemptions and rebates
- iii. Increase in flat rates adopted in the present framework
- iv. Introduce provisions for fixed periodic increase of property tax

3. Assessment:

- i. Introduction of online-self assessment mechanism with a system of demand/ reminders and random scrutiny of Self-Assessment forms
- ii. Inclusion of revenue foregone (as a result of exemptions) in the Annual Budgets of Municipalities, to bring greater transparency and accountability
- iii. Dispute redressal system to be systematic and timely with involvement of senior officers & mandatory payments

4. Billing and Collection:

- i. Integrate billing for property tax with other utility charges such as water, sanitation and electricity charges.
- ii. Boost digital payments through usage of point-of-sale devices, mobile and internet payment options
- iii. Dedicated cadre of tax collectors and separation of collection from assessment function to reduce discretion
- iv. Strong penal provisions for defaulters

5. Reporting:

- i. Quarterly reviews of property tax MIS at city/ ward/revenue official levels.
- ii. Online publishing of ward-wise demand and collection data in public domain.

B.3-Institutional Capacities

B.3.1 –Recommendation for State to establish Normative Standards for appointing municipal staff and comprehensive Performance Management System to track their progress

- i. Mandate a minimum tenure of two years for commissioner/ chief officer across all ULBs of Haryana
- ii. Overhaul cadre and recruitment rules to bring them up to modern, contemporary standards of HR management, particularly in respect of revenue and finance functions
- iii. Normative standards need to be established for each role in revenue and finance functions. Skills and competencies need to be defined in contemporary terms.

- iv. Mandate a periodic and normative basis of estimation of workforce for each ULB on the basis of functions to be performed and keeping in mind population and area-based requirements.
- v. ULBs to devise a medium-term and annual workforce plan, aligned to medium term fiscal plan and annual budgets.
- vi. Conceive a systemic framework for training and capacity building of ULB staff based on assessment of training needs, in order to equip municipal employees with the latest skills given the rapidly evolving job requirements.
- vii. Mandate ULBs to have a performance management system by putting in place quantitative performance metrics at staff and department level, to assess the performance of ULB staff against intended objectives.

B.3.2 – Recommendation for State to strengthen ULB capacities to engage with capital markets and raise borrowings

We recommend the State Govt to institute an urban infrastructure development finance corporation (UIDFC), on the lines of the Kerala model². The newly created UIDFC in Haryana may undertake the following functions³:

- i. Provide technical or any other assistance and guidance to Urban Local Bodies in the matter of their developmental schemes, including implementation of the Master Plans prepared for the Urban Local Bodies;
- ii. Provide assistance and guidance to Urban Local Bodies for improving their administrative machinery and procedure
- iii. Undertake the schemes in collaboration with the Urban Local Bodies or with public undertakings
- iv. Establish viable and sustainable financing arrangements, which enable creation, upgradation and maintenance of cost effective and quality civic infrastructure in the State
- v. Mobilize resources for infrastructure projects using various financing instruments and financial structures such as bonds or debentures, equity, pooled financing arrangements, etc.
- vi. Enable the local authorities to access capital markets, financial institutions and private investors for setting up infrastructure projects in the State either individually or through such arrangements like pooled financing, guarantees and securitization
- vii. Guarantee the performance of any contract or obligations and the payment for any bond issue or mobilization of resources by the local authorities
- viii. Assist the local authorities in getting the participation of non-government sector in creation and maintenance of civic infrastructure through joint ventures and other innovative partnerships
- ix. Act as nodal or nominated agencies on behalf of the Central and/ or the State Governments for infrastructure projects in the State

The UIDFC can also be responsible for providing the following specialized capacity building and hand-holding support to ULBs to engage with markets:

- x. Handholding assistance in identifying projects, drawing up project financials and evaluating cost-benefits of various funding options
- xi. Conducting feasibility studies, project appraisals, drawing up model RFPs & concessional agreements, project structuring, and contract management
- xii. Appointment of credit rating agency and assistance to ULBs on the credit rating process
- xiii. Engaging with merchant bankers/ arrangers and finally with potential investors and stock exchanges to make bond issues a success

B.4– Fiscal Responsibility & Budget Management (FRBM)

B.4.1 - Recommendations for State to strengthen financial planning framework in Haryana's ULBs

We recommend that the Haryana Municipal Act, 1973 and Haryana Municipal Corporation Act 1994 are amended in order to:

- i. Mandate ULBs to draw up and present standardized budgets that are comparable and provide information on both operational and function cost-types, including geographic allocations within the ULB (at zone / area or division or ward level) to the best extent possible. Also, mandate ULBs to check on budget variance, to ensure realistic budgets are drawn up by them and variances are explained in detail along with next year's budget.
- ii. Mandate ULBs to have a Medium-Term Fiscal Plan with annual explanatory statements alongside annual budgets for variances from medium-term fiscal plans. The Karnataka Local Fund Authorities Fiscal Responsibility Act 2002 presents a model that is worth emulating across states.
- iii. Empower ULBs to raise borrowing within a comprehensive debt limitation policy, within a framework of fiscal prudence.

B.5 –Transparency, Accountability and Citizen Participation

We recommend that the State undertakes the following measures:

1. Notify corresponding rules to the Municipal Citizens' Participation Act, 2008
2. Amend Haryana Municipal Act, 1973 and Haryana Municipal Corporation Act, 1994, to
 - i. Mandate participatory budgeting and public disclosure of actionable financial and operational information
 - ii. Mandate annual internal audit of process and controls, and publication of the report in public domain including on the ULB website
 - iii. Mandate ULBs to adopt open data standards through a comprehensive open data policy and disclosure of important actionable information in open data formats as per
- iv. Mandate out in the National Data Sharing and Accessibility Policy (NDSAP)
- v. Mandate ULBs to publish annual budget, annual financial statements, internal audit reports and the minutes of meetings and proceedings of the council
- vi. Mandate ULBs to adopt a digital governance policy, to: a) Enable them to capture all transactions electronically at source and through the entire lifecycle of transactions, e.g. from DPR to tender to selection to work order to measurement book to quality certification to running bill payments/final settlements to contractors. In the case of civil works; b) Prohibit manual record-keeping in ULBs in a phased manner; and c) Enable ULBs to capture financial data at disaggregated level (as individual transactions) and in open data format, and not in aggregated form

¹ Haryana Urban and Rural Development Finance Corporation Limited (HURDF) was established with an authorized capital of ₹1000 crore (Rs. 12 crore). Also, a Development Fund is constituted under the Haryana Local Authorities Loans (H.L.A.) Act, 2012.

² In line with the indicative objectives and objectives of HURDF and the Development Fund under H.L.A. Act, 2012.

8.6 –Institutional Design

B.6.1 -Recommendations for State to conceive and notify a clear and unambiguous policy to allocate the 18 functions between the ULBs and the numerous arms of the government.

B.6.2 - Recommendations for State to strengthen Urban Planning Framework in Haryana

We recommend that the State undertakes the following policy changes to enrich the urban planning framework in Haryana:

1. Amend Haryana Shehri Vikas Pradhikaran Act, 1977 to mandate:
 - i. Creation of regional plan for non-metropolitan cities
 - ii. Decentralised plan approvals, State to approve regional/metropolitan plan, MPC to approve municipal level plan, and ULBs to approve ward plans
 - iii. Participation of all parastatals or civic agencies in the preparation of spatial plans
2. Amend the Haryana Municipal Act, 1973 and Haryana Municipal Corporation Act, 1994, to mandate all ULBs of Haryana to draw up:
 - i. City Sanitation Plan
 - ii. City Resilience Strategy
 - iii. Comprehensive Mobility Plan
3. Amend Haryana Shehri Vikas Pradhikaran Act, 1977/ Punjab Scheduled Roads and Controlled Area Development Act, 1963 to prescribe urban design standards to guide the execution of urban projects such as roads & streetscapes, footpaths, underground public utilities, residential and commercial complexes along with the measurements for each guidelines
4. Undertake a comprehensive assessment of possible plan violations as applicable for Haryana cities, and strengthen plan penalization provisions of Haryana Shehri Vikas Pradhikaran Act, 1977/ Punjab Scheduled Roads and Controlled Area Development Act, 1963 by introducing penalty for violations such as fire code, building refurbishment, FAR, business signage, nuisance violation, urban design regulations etc
5. Amend Haryana Shehri Vikas Pradhikaran Act, 1977/ Punjab Scheduled Roads and Controlled Area Development Act, 1963 to prevent approval of plans not in conformity with the spatial plan by bringing in the following provisions.–

Tables

SFC: Revenue & Expenditure Heads (Urban Local Bodies, Haryana) Urban Local Bodies, Haryana:

Total Municipalities	92
Municipal Corporations	11
Municipal Councils	22
Municipal Committees	59
Approx. Total Area	2830 Sq. Km.
Total Population (Census 2011)	92,14,803

ULBs have been divided into 6 categories based on the population census on 2011 as following:

Sr. No.	Population Category	Census Population	No. of ULBs	Population
1.	Category 1	Less than 50 K	61	14,47,151
2.	Category 2	50 K – 1 Lac	10	6,75,945
3.	Category 3	1 Lac – 3 Lac	13	22,93,844
4.	Category 4	3 Lac – 5 Lac	6	23,19,394
5.	Category 5	5 Lac – 10 Lac	1	9,69,613
6.	Category 6	More than 10 Lac	1	15,08,856
Total			92	92,14,803

Revenue / Expenditure Data Sheets compiled for 92 ULBs	
Revenue Heads	1) Property Tax Demand 2) Development Charges for last 5 Years - Applications & Area approved 3) 4 Heads of tax, duty and fees. i. Advertisement Tax, ii. Stamp Duty, iii. Electricity Duty, iv. License Fees
Expenditure Heads	1) Sanitation 2) Streetlight O&M and Electricity Bills 3) Parks Maintenance 4) Salary Statutory etc.

A. Revenue Heads:

1. Property Tax Demand:

Tentative Property Tax has been calculated based on the properties surveyed and property category. Of the total calculated tentative tax, 75% of the 80% of the calculated tentative tax demand has been considered. The rationale for 80% is deductions after all rebates given to the citizens and 75% is considered as the possible collection of the calculated tax (80% of Tentative Tax Demand).

2. Development Charges:

For calculation of Development Charges, the data is compiled for Development Charges taken in last 5 years for all the Residential as well as Non-Residential (including all the Commercial, Industrial, Institutional Commercial, etc.) areas for respective ULB for Total No. of Applications Approved, Total Area Approved (In Sq. Mts.), Total Development Charges collected for last 5 Years (2016-2017), (2017-2018), (2018-2019), (2019-2020), (2020-2021), as on 30.11.2020 in the State of Haryana.

Average for the given values have been considered for further evaluation.

3. Advertisement Tax:

Average of last 5 years (2016-2017), (2017-2018), (2018-2019), (2019-2020), (2020-2021) has been considered for calculation

4. Stamp Duty:

Average of last 5 years (2016-2017), (2017-2018), (2018-2019), (2019-2020), (2020-2021) has been considered for calculation

5. Electricity Duty:

Average of last 5 years (2016-2017), (2017-2018), (2018-2019), (2019-2020), (2020-2021) has been taken for calculation

6. License Fee:

Average of last 5 years (2016-2017), (2017-2018), (2018-2019), (2019-2020), (2020-2021) has been taken for calculation

B. Expenditure headers considered for recommendation (SFC)

1. Sanitation:

Total Sanitation Expenditure has been calculated @ Rs. 2 per capita per day has been considered.

2. Street-Light:

To calculate expenditure for Streetlights, Total No. of Streetlights (Existing plus New to be installed), Yearly Expenditure on O&M per Streetlight @ Rs 700 and Yearly Expenditure on Electricity Bills @ Rs 1,500 have been taken into consideration. Total Yearly Expenditure for O&M and Electricity Bill is taken for calculation.

3. Park Maintenance:

Park maintenance expenditure has been calculated @ Rs. 3 per Sq. Mt. per month for the given area of the parks in a ULB.

4. Salary + Statutory:

To calculate salary and statutory expenditure, following heads have been considered for FY 2019-2020 and 2020-2021:

a. *Actual Committed Expenditure on Salaries / Pension for Regular / Palika Roll / Adhoc / Outsourcing Part - II / Daily Wage (In Lacs)

b. *Actual Committed Expenditure on Services Outsourced under Part-1 (In Lacs)

c. *Actual Committed Expenditure on Statutory liabilities like Electricity, Water, Taxes, Telephone Bills etc. (In Lacs)

d. Committed Expenditure i.e a+b+c

e. Total Committed expenditure i.e Sum of committed expenditure of FY 2019-2020 and 2020-2021

f. Average of Total Committed expenditure

g. 10% price index has been added to the average of total committed expenditure

DETAILS OF STATE PUBLIC ENTERPRISES: Haryana

S.No.	PUBLIC ENTERPRISES	YEAR OF INCORPORATION	ACCOUNTS AUDITED UPTO THE YEAR
1	Public Enterprises Registered under the Companies Act, 1956		
1	Haryana Agro Industries Corporation Limited	30.08.1967	2015-16
2	Haryana Seeds Development Corporation Limited	13.08.1974	2018-19
3	Haryana Land Reclamation & Development Corporation Limited	27.08.1974	2018-19
4	Haryana State Warehousing Corporation	01.11.1967	2017-18
5	Haryana Police Housing Corporation Limited	28.12.1989	2014-15
6	Haryana Scheduled Castes Finance & Development Corporation Limited	02.01.1971	2017-18
7	Haryana Backward Classes & Economically Weaker Sections Nigam Limited	10.12.1980	2014-15
8	Haryana Women Development Corporation Limited	31.03.1982	2015-16
9	Haryana Forest Development Corporation Limited	07.01.1983	2017-18
10	Haryana State Roads & Bridges Development Corporation Limited	13.05.1999	2017-18
11	Haryana Financial Corporation Limited	01.04.1967	2017-18
12	Haryana State Industrial and Infrastructure Development Corporation Limited	1967	2016-17
13	Haryana Power Generation Corporation Limited	14.08.1998	2018-19
14	Haryana Vidyut Prasaran Nigam Limited	14.08.1998	2018-19
15	Uttar Haryana Bili Vitran Nigam Limited	15.03.1999	2018-19
16	Delhi Haryana Bili Vitran Nigam Limited	15.04.1999	2018-19
17	Haryana Tourism Corporation Limited	01.05.1974	2016-17
18	Haryana State Electronics Development Corporation Limited	18.05.1982	2017-18
19	Haryana Roadways Engineering Corporation Limited	27.11.1987	2017-18
20	Haryana State Medical Services Corporation Limited	05.06.2014	2015-16
21	Haryana Mass Rapid Transport Corporation Limited	24.03.2012	2018-19
22	Haryana Knowledge Corporation Limited	10.09.2013	2018-19
23	Gurgaon Technology Park Limited	07.02.1996	2018-19
II	Public Enterprises Registered under the Cooperative Societies Act, 1984		
1	Haryana State Cooperative Supply & Marketing Federation Limited (HAFED)	13.09.1966	2017-18
2	The Panipat Cooperative Sugar Mills Ltd., Panipat	11.12.1966	2018-19
3	The Karnal Cooperative Sugar Mills Ltd., Karnal	03.01.1966	2018-19
4	The Kaithal Cooperative Sugar Mills Ltd., Kaithal	03.06.1970	2018-19
5	The Sonapat Cooperative Sugar Mills Ltd., Sonapat	10.12.1970	2018-19
6	The Shahabad Cooperative Sugar Mills Ltd., Shahabad	09.01.1976	2018-19
7	The Meham Cooperative Sugar Mills Ltd., Meham	09.10.1967	2018-19
8	The Jind Cooperative Sugar Mills Ltd., Jind	01.08.1980	2018-19
9	The Palwal Cooperative Sugar Mills Ltd., Palwal	08.11.1973	2018-19
10	The Haryana Cooperative Sugar Mills Ltd., Rohtak	1956	2018-19
11	Dr. Dev. Lal Cooperative Sugar Mills Ltd., Gohana	06.07.1979	2018-19
12	Haryana State Federation of Cooperative Sugar Mills Limited	26.10.1966	2018-19
13	Haryana State Federation of Consumers Cooperative Wholesale Stores Limited (HCOFED)	01.10.1966	2014-15
14	Haryana State Cooperative Apex Bank Limited	01.11.1966	2018-19
15	Haryana State Cooperative Agriculture & Rural Development Bank Limited	01.11.1966	2016-17
16	Haryana State Cooperative Development Federation Limited (HARCOFFED)	01.11.1966	2018-19
17	Haryana Dairy Development Cooperative Federation Limited	1977	2015-16
18	Haryana State Cooperative Labour & Construction Federation Limited	14.10.1966	2014-15
19	Haryana State Cooperative Housing Federation Limited	07.06.1973	2018-19

Haryana: selected indicators of the performance of the SPEs

S.No.	Public Enterprises	Year Of Incorporation	Accounts Audited (Up to the Year)	Paid Up Share Capital (Rs. in Lakh)	Turnover (Rs. in Lakh)	Profit (Rs. in Lakh)	Dividend (Rs. in Lakh)	Current Assets (Rs. in Lakh)	Current Liabilities (Rs. in Lakh)	Margin % (Rs. in Lakh)	Substantial Gain (in Rs.)	Filled Up Posts (in Nos.)	Minors: Cost as % of Turnover	% of of Current Assets to Current Liabilities	Contract as % of Paid up Share Capital
POWER															
1	Haryana Power Generation Corporation Limited	14.08.1996	2018-19	805113.04	649523.20	23978.95	0	158445.24	35343.91	80138.25	1814	3780	18.07111165	3643010622	0
2	Haryana Power Generation Corporation Limited	14.08.1996	2019-20	320195.83	235200.08	19637.81	0	61798.08	121032.7	84348.34	1040	0000	35.90012567	7200222258	0
3	Haryana Power Generation Corporation Limited	15.02.1998	2018-19	1251337.83	144940.02	18271.08	0	316508.05	754248.7	81918.34	18183	12217	8.543814825	8711410655	0
4	Haryana Power Generation Corporation Limited	15.02.1998	2019-20	878828.87	183368.32	15231.11	0	312777.30	850501.17	110158.2	18825	18188	8.485078824	4618561548	0
SUGAR															
5	The Anand Cooperative Sugar Mills Ltd., Bahawal	11.12.1955	2018-19	5465.72	1283.42	8327.38	0	17042.42	38514.01	3981.32	888	464	25.28186777	2718888727	0
6	The Anand Cooperative Sugar Mills Ltd., Bahawal	02.01.1956	2019-20	1876.53	1028.17	8745.74	0	11858.78	9267.45	2384.38	483	353	21.1882038	1402530417	0
7	The Anand Cooperative Sugar Mills Ltd., Bahawal	01.08.1979	2018-19	8703.32	1523.23	9349.71	0	17275.24	29844.28	3523.33	458	838	43.1771918	4746718801	0
8	The Anand Cooperative Sugar Mills Ltd., Bahawal	02.12.1979	2018-19	4028.08	7574.21	8612.5	0	2241.41	13829.08	2578.72	471	503	81.1079219	201851858	0
9	The Anand Cooperative Sugar Mills Ltd., Bahawal	05.01.1979	2018-19	1074.32	2363.07	6880.13	0	27656.38	31008.88	5077.8	482	558	13.3445318	817422587	0
10	The Anand Cooperative Sugar Mills Ltd., Bahawal	06.01.1980	2018-19	6283.00	9073.23	6405.18	0	10354.9	16005.31	3731.75	478	868	17.6823684	857311088	0
11	The Anand Cooperative Sugar Mills Ltd., Bahawal	07.08.1980	2018-19	3788.50	7671.08	6480.70	0	8070.87	16246.08	2537.83	489	424	30.28718738	301091007	0
12	The Anand Cooperative Sugar Mills Ltd., Bahawal	08.11.1979	2018-19	3000.47	7658.74	6683.75	0	7318.57	15704.57	3157.4	445	513	30.23381218	463333554	0
13	The Anand Cooperative Sugar Mills Ltd., Bahawal	05.01.1980	2018-19	4044.34	10340.51	8688.83	0	17160.21	31016.3	2558.07	470	584	15.64704331	5478641681	0
14	The Anand Cooperative Sugar Mills Ltd., Bahawal	08.07.1979	2018-19	8163.37	8611.78	6782.21	0	11101.48	18220.43	3116.88	400	588	72.2102888	186238878	0
15	Haryana State Federation of Cooperative Sugar Mills Limited	28.01.1958	2018-19	118.2	0	0	0	1832.31	688.68	411.75	53	44		113881164	0

Sl. No.	Entity Enterprises	Year of Incorporation	Accounts Audited Upto The Year	Paid-Up Share Capital (Rs. in Lakh)	Turnover (Rs. in Lakh)	Profit (Rs. in Lakh)	Dividend (Rs. in Lakh)	Current Assets (Rs. in Lakh)	Current Liabilities (Rs. in Lakh)	Members (Rs. in Lakh)	Secured Loans (Rs. in Lakh)	Filed in Form (No.)	Ministry Data as of Summer	No. of Current Loans to Current Depositors	Provision of % of Paid-Up Share Capital
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
OTHERS															
24	Maryland Agro Industries Corporation Limited	30.03.1987	2015-16	414.04	120252.45	4322.50	0	4158.23	59122.8	790.21	27	302	0.053023331	03.01.005454	0
25	Maryland Seeds Development Corporation Limited	02.08.1974	2016-17	500	14954.96	480.25	0	5074.89	4652.98	189.0	148	214	18.59479131	113.8532711	0
26	Maryland Seed Replacement & Development Corporation Limited	27.03.1974	2016-17	150.3	8765.81	125.81	0	2725.85	3482.41	1142.28	107	143	13.1330954	105.8105270	0
27	Maryland Farm Management Corporation	01.11.1984	2017-18	584.27	4843.7	4413.54	429.30	300194.83	183641.41	2397.18	880	445	0.021710087	108.8331086	15.5311543
28	Maryland Food Storage Corporation Limited	25.12.1984	2014-15	3409	7.79	-1.95	0	31526.02	89181.20	1007.93	207	012	32416.84048	148.1817021	8
29	Maryland Synchronized Growth Finance & Development Corporation Limited	03.04.1971	2017-18	5000.81	1119.12	215.88	0	11107.04	3443.54	882.36	201	177	78.04511493	301.1112626	0
30	Maryland Backward Classes & Communities Welfare Services Society (Private Limited)	30.03.1980	2014-15	4558.10	1300.18	0	0	6843.89	3159.91	360.81	131	208	32100.7311	170.3776748	8
31	Maryland Women Development Corporation Limited	01.08.1982	2016-16	1691	645	31	0	1832	18	834	81	71	1812945.7364	11307.5	9
32	Maryland Women Development Corporation Limited	07.01.1988	2017-18	30.03	7645	380	0	7494	1054	625.27	237	208	7.46409028	301.000113	0
33	Maryland Bani Bani & Brothers Development Corporation Limited	03.05.1988	2017-18	12004.23	3048.88	2347.33	0	47914.04	8129	629.78	90	69	3848120287	388.702096	0
34	Maryland Mutual Commodities Limited	01.04.1987	2017-18	27355.81	1711.22	805.16	0	2345.49	8174.06	643.23	203	49	11.91120441	42.6485279	0
35	Maryland Bani Industrial and Infrastructure Development Corporation Limited	1987	2016-17	4888	303812	-80795	0	227808	2654193	3897	1688	1426	1.1761644	80.3888786	8
36	Maryland Tourism Corporation Limited	01.06.1984	2016-17	3406.66	33169.26	294.66	0	14851.86	6433.15	6497.28	212	130	1842770013	270.5531713	0
37	Maryland Bani Industrial and Infrastructure Development Corporation Limited	15.05.1982	2017-18	888.70	7714.81	1647.63	0	33389.87	27634.88	4753.34	229	408	85.81180879	130.8502487	0

S.No.	Public Enterprises	Year Of Incorporation	Accounts Audited upto this year	Fixed Up Share Capital (Rs. in Lakh)	Turnover (Rs. in Lakh)	Profit (Rs. in Lakh)	Dividend (Rs. in Lakh)	Current Assets (Rs. in Lakh)	Current Liabilities (Rs. in Lakh)	Mapower Cost (Rs. in Lakh)	Sanctioned Posts (In No.)	Fixed Up Posts (In No.)	Mapower Cost as at Turnover (Rs. in Lakh)	Fixed Up Assets to Current Capital (Rs. in Lakh)	Diminished as at Fixed Up Share Capital
37	Maryans Roadworks Engineering Corporation Limited	27.11.1987	2017-18	685	-4013	563	0	8718	883	20757338	208	17	20757338	127221846	0
38	Maryans Bata (India) Services Corporation Limited	05.06.2014	2015-18	408.99	1364.27	295.22	0	15178	289.39	305146382	197	140	305146382	107.6852115	0
39	Maryans Bata (India) Textile Corporation Limited	14.07.2013	2018-19	382.26	171.95	8.16	0	-920.48	47.82	282423411	1	7	282423411	218.8821794	0
40	Maryans Bata (India) Textile Corporation Limited	10.10.2013	2018-19	205	3544.27	646.59	0	1575.14	382.07	3042718495	108	74	3042718495	322.9539825	0
41	Maryans Bata (India) Textile Corporation Limited	02.02.1988	2018-19	1472	483.82	141.17	0	3274.89	132.4	3078210001	1	38	3078210001	5810.628	0
42	Maryans Bata Cooperative Supply & Marketing Federation Limited (MSECD)	15.08.1966	2017-18	3333.49	1230720.42	4146.58	11	387987.83	52.39	11000248741	1320	778	11000248741	111728313	0
43	Maryans Bata Federation of Consumers Cooperatives Wholesale Stores Limited (MCOFCD)	03.10.1968	2018-19	413.26	42885.34	1285.38	0	28888.27	826.17	1481061344	317	141	1481061344	172784249	0
44	Maryans Bata Cooperative Bank Limited	02.11.1968	2018-19	14533.29	62387.72	2187.77	0	843348.24	224.13	448048485	381	384	448048485	112.8940274	0
45	Maryans Bata Cooperative Agriculture & Rural Development Bank Limited	02.11.1968	2018-17	4509.38	18845.88	1838.23	0	28887.44	868.25	834841139	2037	880	834841139	1050661782	0
46	Maryans Bata Cooperative Development Corporation Limited (MBCDCL)	02.11.1968	2018-19	347.26	108.40	64.86	0	1644.31	905.89	3477298352	544	87	3477298352	1623207469	0
47	Maryans Dairy Development Cooperative Federation Limited	1977	2015-18	2389.87	731.88	314.99	0	9529.4	224.28	704886000	988	2349	704886000	5491004079	0
48	Maryans Bata Cooperative Labour & Construction Federation Limited	14.10.1966	2014-18	488.8	2794.23	183.97	0	2607.27	809.24	1347143207	137	84	1347143207	874.8051199	0
49	Maryans Bata Cooperative Housing Federation Limited	07.06.1973	2015-18	8220.24	949.52	164	0	9658.38	227.83	4397716235	47	35	4397716235	1095210236	0

STATUS OF INCOME AND EXPENDITURE UNDER CENTRALLY SPONSERED SCHEME FROM 2015-16 TO 2019-20

(₹ in Lakhs)

Sr.No.	Name of the Centrally Sponsored Scheme	2015-16			
		CS Released by GoI (As per PFMIS)	CS Released by FD (As per QPR, 6)	Centres	
				5	6
1	2	3	4	5	6
A	Core of the Core Schemes	31613.62	33535.43	35707.34	308917.62
1	National Social Assistance Programme	6329.55	8736.90	8736.90	300266.06
2	Mahatma Gandhi Rural Employment Programme	12470.72	12470.72	18098.15	2010.91
3	Umbrella Programme for Development of SCs	10313.41	10190.25	6768.86	353.95
4	Umbrella Programme for Development of STs	0.00	0.00	0.00	0.00
5	Umbrella Programme for Development of Minorities	1210.55	507.69	507.69	0.00
6	Umbrella Programme for Development of Other Vulnerable Groups	1494.29	1629.87	1595.74	286.70
a	Schemes for Backward Classes	1494.29	628.49	594.36	3.00
b	Schemes for DNTs	0.00	0.00	0.00	0.00
c	Schemes for Differently Abled Persons	0.00	1001.38	1001.38	286.70
d	Schemes for Drug De-addiction	0.00	0.00	0.00	0.00
e	Schemes for Senior Citizens	0.00	0.00	0.00	0.00
B	Core Schemes	233097.19	304395.87	273775.06	142845.57
7	Green Revolution (Department of Agriculture, Cooperation)	22411.01	40542.19	38600.58	5450.13
8	White Revolution	444.39	1722.33	1473.41	401.28
9	Blue Revolution	173.54	166.52	166.36	223.38
10	Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)	7657.85	11922.87	11000.07	12350.23
a	PMKSY: Har Khet Ko Pani	3470.27	7738.57	7738.87	9422.37
b	PMKSY: Per Drop More Crop	3486.58	2000.00	2000.00	2087.08
c	PMKSY: Integrated Watershed Development Programme	691.00	2184.30	1261.20	840.80
d	PMKSY: Accelerated Irrigation Benefit Programme				
11	Pradhan Mantri Gram Sadak Yojana	30459.75	27700.00	27700.00	14000.00
12	Pradhan Mantri Awas Yojana (PMAY)	9174.59	14461.01	8876.33	5764.22
a	PMAY: Rural	9174.59	14481.01	8676.33	5784.22
b	PMAY: Urban	0.00	0.00	0.00	0.00
13	National Rural Drinking Water Mission	12264.68	14160.30	13546.42	0.00
14	Swachh Bharat Mission (SBM)	4440.28	7021.44	7021.44	8820.27
a	SBM: Rural	3275.50	4064.68	4064.68	1440.37
b	SBM: Urban	1164.76	2956.76	2956.76	5379.90
15	National Health Mission (NHM)	33724.04	42820.66	45974.78	9585.19
a	National Rural Health Mission	31874.68	39019.20	43115.68	9272.33
b	National Urban Health Mission	0.00	0.00	0.00	0.00

1	2	3	4	5	6
c	Tertiary Care Programmes.	0.00	0.00	0.00	0.00
d	Human Resources for Health and Medical Education	0.00	0.00	0.00	0.00
e	National AYUSH Mission	579.79	775.71	775.71	312.86
f	Ayushman Bharat	0.00	0.00	0.00	0.00
g	Food and Drug Administration	0.00	0.00	0.00	0.00
h	Other Programmes	1289.27	3025.75	2083.38	0.00
16	National Education Mission	51607.78	57976.77	57370.37	48019.46
a	Sarva Shiksha Abhiyan	34501.21	27477.50	27477.50	18233.57
b	Rashtriya Madhyamik Shiksha Abhiyan	7726.57	21656.75	21626.23	25100.40
c	Teachers Training and Adult Education	3444.29	3061.08	2528.40	2556.46
d	Rashtriya Uchchar Shiksha Abhiyan	6135.71	3187.20	3187.20	2124.80
e	Other Programmes	0.00	2594.23	2551.04	4.23
17	National Programme of Mid Day Meal in Schools	12282.80	16305.11	13148.45	9233.39
18	Integrated Child Development Services	17581.92	35603.00	24142.75	18023.26
a	Anganwadi Services (Erstwhile Core ICDS)	16081.19	33983.00	23046.25	17176.73
b	National Nutrition Mission (Including ISSNIPY Poshan Abhiyan)				
c	Maternity Benefit Programme/ PMMVY	171.82	250.00	184.47	35.00
d	Scheme for Adolescent Girls	812.47	950.00	504.41	364.41
f	Child Protection Scheme	496.44	420.00	367.62	245.07
g	National Creche Scheme				
19	Mission for Empowerment and Protection for Women	602.43	800.00	385.47	0.00
20	National Livelihood Mission - Aajeevika	2122.44	3645.53	1914.38	1276.22
a	NRLM: Rural	2122.44	2037.93	1914.36	1276.22
b	NRLM: Urban		1607.60		
21	Jobs and Skill Development	1281.71	6227.62	3324.57	903.01
a	Employment Generation Programmes	1281.71	6227.62	3324.57	903.01
b	Pradhan Mantri Kaushal Vikas Yojana				
22	Environment, Forestry and Wildlife	298.06	3204.73	4133.89	1140.28
a	National Mission for a Green India	150.22	150.22	146.13	266.03
b	Integrated Development of Wildlife Habitats	109.33	100.00	90.30	60.16
c	Conservation of Natural Resources and Ecosystems	28.51	44.51	33.21	56.42
d	National River Conservation Programme		3000.00	3864.25	717.67
23	Urban Rejuvenation Mission : AMRUT & Smart Cities Mission	5300.90	5050.00	5280.00	4380.00
24	Modernisation of Police Forces	1331.28	1418.00	1050.00	
25	Infrastructure Facilities for Judiciary	5000.00	3577.00	3512.09	2850.13

1	2	3	4	5	6
26:	Border Area Development Programme			63.16	
27:	Shyama Prasad Mukherjee Rurban Mission				
28:	Rashtriya Gram Swara Abhiyan (RGSA)	0.00	120.00	0.00	0.00
a:	Rashtriya Gram Swara Abhiyan (R.G.S.A)				
b:	Fardhan Mantri Adarsh Gram Yojana (PMAGY)		120.00		
c:	Saansad Adarsh Gram Yojana (SAGY)				
29:	Rashtriya Swasthya Bima Yojana	467.10	725.00	646.23	15.75
30:	Others	14190.66	9035.79	4655.32	2380.37
/bf	Grand Total of Core of the Core Schemes and Core scheme	264915.81	337931.30	309462.40	451763.19

STATUS OF INCOME AND EXPENDITURE UNDER CENTRALLY SPONSERED SCHEME FROM 2015-16 TO 2019-20

(₹ in Lakh)

Sl. No.	Name of the Centrally Sponsored Scheme	2015-17				2017-18			
		CS Released by Govt (As per PFMR)		Expenditure		CS Released by Govt (As per PFMR)		Expenditure	
		7	8	9	10	11	12		
1	A	35734.00	36544.08	283366.81	18007.54	43264.15	262107.92		
	1	13441.66	8511.67	288508.30	15453.10	8740.02	358716.00		
	2	7406.92	7496.92	2468.97	4686.54	28834.41	3220.48		
	3	13548.81	1744.61	277.83	2298.86	4337.38	689.92		
	4	0.00	0.00	0.00	0.00	0.00	0.00		
	5	1894.51	2162.06	2493.16	938.21	1071.32	1600.01		
	6	382.91	682.81	438.06	595.81	321.82	1.51		
	7	342.63	191.95	181.85	126.13	301.52	1.51		
	8	0.00	0.00	0.00	0.00	0.00	0.00		
	9	101.08	370.66	247.11	484.68	0.00	0.00		
	10	0.00	0.00	0.00	0.00	0.00	0.00		
	11	0.00	0.00	0.00	0.00	0.00	0.00		
	12	227119.95	228736.70	191700.00	227796.43	27274.85	204400.35		
	13	20586.25	22251.25	20381.80	24383.40	25935.92	32517.27		
	14	847.60	571.63	488.23	997.11	658.06	867.83		
	15	1122.06	617.48	182.72	776.36	526.77	118.96		
	16	3882.00	3677.26	14342.84	2466.94	3669.68	12809.03		
	17	0.00	0.00	10501.00	0.00	0.00	10793.36		
	18	2700.00	2695.28	2888.17	1401.34	1620.00	1049.21		
	19	1282.00	1282.00	854.87	1064.00	1238.68	829.45		
	20	0.00	0.00	0.00	0.00	0.00	0.00		
	21	4401.00	5146.00	12687.00	0.27	2150.00	1350.00		
	22	8427.58	8188.54	5258.29	3215.48	11703.02	7862.02		
	23	7418.46	7153.42	4768.95	2153.84	10668.80	7112.80		
	24	1012.82	1012.82	489.34	1061.86	1034.12	689.42		
	25	1152.94	11783.14	0.00	8862.05	9072.01	7451.08		
	26	11367.67	11387.35	9084.55	8206.00	4206.00	7087.00		
	27	6679.07	6679.05	4586.05	3966.00	3966.00	0.00		
	28	4108.00	4508.50	4508.50	4340.00	4240.00	7187.00		
	29	37048.58	37271.73	20885.41	39333.85	40582.88	23180.80		
	30	23296.65	3828.71	20103.00	32792.91	38383.69	22609		
	31	0.00	0.00	0.00	0.00	0.00	0.00		

1	2	7	8	9	10	11	12
c	Tertiary Care Programmes	0.00	0.00	0.00	292.80	1215.03	0.00
d	Human Resources for Health and Medical Education	2627.53	0.00	0.00	6430.00	0.00	0.00
e	National AIDB Mission	1034.40	866.81	832.41	648.44	916.33	616.80
f	Ayushman Bharat	0.00	0.00	0.00	0.00	0.00	0.00
g	Food and Drug Administration	0.00	0.00	0.00	0.00	0.00	0.00
h	Other Programmes	0.00	44.41	60.00		27.83	61.00
16	National Education Mission	53946.25	53446.36	44712.86	62687.68	62741.07	47123.97
a	Sarva Shiksha Abhiyan	32000.88	34893.38	30391.42	38355.00	40070.20	25538.65
b	Rashtriya Madhyamik Shiksha Abhiyan	14724.44	13918.11	11275.67	21243.50	17130.84	17248.22
c	Teachers Training and Adult Education	3509.64	3916.79	1913.21	3310.51	2924.36	1949.50
d	Rashtriya Uchchatar Shiksha Abhiyan	2698.96	690.71	460.48	1773.65	2073.66	1382.37
e	Other Programmes	502.35	1028.31	671.36		642.12	9.33
17	National Programme of Mid Day Meal in Schools	11539.51	12358.99	10465.38	9933.83	11966.16	14247.35
18	Integrated Child Development Services	21099.70	20375.76	25417.11	24211.17	24516.75	18071.62
19	Anganwadi Schemes (Estimate Code ICDS)	21099.70	18687.02	18325.77	20974.78	21763.44	16234.93
20	National Nutrition Mission (Including ISKMPY Poshan Abhiyan)	0.00	0.00	0.00	400.92		
a	Maternity Benefit Programme (PMKVY)	0.00	0.00	270.38	415.99	1306.21	891.20
b	Schemes for Adolescent Girls	0.00	603.88	571.07	586.92	454.16	366.59
c	Child Protection Scheme	0.00	1074.86	1248.99	1858.22	825.02	660.00
d	National Creche Scheme	822.10	448.69	0.00	31.84	179.94	0.00
e	Mission for Environment and Protection for Women	1017.64	3429.13	4029.97	262.15	58.37	6.00
f	NRLM - Rural	1017.64	1621.83	2688.24	433.56	375.76	3130.95
g	NRLM - Urban	0.00	1607.40	1071.73	0.00	0.00	0.00
21	Jobs and Skill Development	0.00	2699.79	1166.91	2898.99	3517.64	79.64
a	Employment Generation Programmes	0.00	2689.79	1198.91	2898.99	3360.94	79.64
b	Pratihar Mantri Kausal Vikas Yojana	0.00	0.00	0.00		2157.02	0.00
22	Environment, Forestry and Wildlife	633.77	2205.70	917.66	558.46	1080.10	3969.85
a	National Mission for a Green India	443.01	54.26	26.17	348.38	783.48	545.34
b	Integrated Development of Wildlife Habitats	134.66	98.98	65.98	181.44	205.01	156.68
c	Conservation of Natural Resources and Ecosystems	86.20	3.15	66.73	30.96	91.61	115.71
d	National River Conservation Directorate	0.00	2129.31	785.78		0.00	3182.12
23	Urban Rejuvenation Mission - AMRUT & Smart Cities Mission	14288.00	14293.00	14283.00	16145.00	16322.00	16728.00
24	Modernisation of Police Forces	3988.00	2092.45	1902.08	1570.79	2231.90	531.23
25	Infrastructure Facilities for Judiciary	0.00	363.68	3876.67	1620.00	912.03	4238.86
26	Border Area Development Programme	0.00	0.00	0.00	0.00	0.00	0.00
27	Sriyama Prasad Mukherjee Rurban Mission	3345.00	3275.00	2160.00	0.00	0.00	0.00
28	Rashtriya Gram Sadak Abhiyan (RGS-A)	132.00	132.00	0.00	1117.00	1187.00	0.00
a	Rashtriya Gram Sadak Abhiyan (RGS-A)	0.00	0.00	0.00		1055.00	0.00
b	Rashtriya Gram Sadak Abhiyan (RGS-A)	132.00	132.00	0.00	1117.00	132.00	0.00
c	Sanskat Sadak Gram Yojana (SAJY)	0.00	0.00	0.00	0.00	0.00	0.00
29	Rashtriya Swasthya Bima Yojana	86.22	0.00	0.00	80.22	80.22	0.00
30	Others	17406.71	9383.43	1343.70	12269.83	2592.79	3638.30
Grd	Grand Total of Core of the Core Schemes and Core Schemes	263854.76	263931.64	486074.99	246693.97	286538.90	566598.26

STATUS OF INCOME AND EXPENDITURE UNDER CENTRALLY SPONSERED SCHEME FROM 2015-16 TO 2019-20 (₹ in Lakh)

Sl. No.	Name of the Centrally Sponsored Scheme	2015-16			2016-17			2017-18			2018-19			2019-20					
		CS Released by Govt (As per PFMS)			Expenditure			CS Released by Govt (As per PFMS)			Expenditure			CS Released by Govt (As per PFMS)			Expenditure		
		Centre	State	Total	Centre	State	Total	Centre	State	Total	Centre	State	Total	Centre	State	Total			
1	2	13	14	15	16	17	18	19	20	21	22	23	24	25	26				
A	Core of the Core Schemes	35231.01	23937.02	425916.02	24679.98	20626.12	470365.73												
1	National Social Assistance Programme	10113.79	6739.18	422672.29	12273.38	15476.70	472494.44												
2	Maternal Health Rural Employment Programme	13153.87	9295.26	571249	9594.53	8397.95	2615.83												
3	Umbrella Programme for Development of SCs	8650.42	6162.50	593.11	1582.81	1155.52	1040.10												
4	Umbrella Programme for Development of STs	0.00	0.00	0.00	0.00	0.00	0.00												
5	Umbrella Programme for Development of Minorities	150.00	150.00	40.33	752.48	323.44	215.55												
6	Umbrella Programme for Development of Other Vulnerable Groups	2963.73	1670.98	0.00	517.00	160.57	0.00												
8	Schemes for Backward Classes	1425.65	0.00	0.00	190.00	85.84	0.00												
0	Schemes for OBCs	0.00	0.00	0.00	0.00	0.00	0.00												
c	Schemes for Differently Abled Persons	880.02	1470.98	0.00	0.00	74.87	0.00												
d	Schemes for Drug De-addiction	668.25	0.00	0.00	252.00	0.00	0.00												
e	Schemes for Senior Citizens	0.00	0.00	0.00	75.00	0.00	0.00												
8	Core Schemes	257476.98	216437.01	247102.62	282416.98	268290.71	245675.45												
7	Green Revolution (Department of Agriculture, Cooperation)	26279.01	23276.95	61563.23	16391.12	18617.86	42265.91												
8	White Revolution	1098.97	841.58	429.22	2215.68	1152.55	639.63												
9	Blue Revolution	605.90	623.71	397.90	696.47	497.99	189.18												
10	Pradhan Mantri Kisan Sinch Yojana (PMKSY)	3741.00	1988.12	12649.14	2069.00	657.19	10347.21												
a	PMKSY (Khet Koo Pan)	0.00	0.00	9676.00	0.00	0.00	9075.00												
b	PMKSY (Per Drop More Crop)	2741.00	1988.12	2974.14	1860.00	333.19	389.21												
c	PMKSY (Integrated Watershed Development Programme)	1000.00	0.00	0.00	389.00	1324.00	883.00												
d	PMKSY (Accelerated Irrigation Benefit Programme)	0.00	0.00	0.00	0.00	0.00	0.00												
11	Pradhan Mantri Gram Sadak Yojana	1320.00	0.00	0.00	1603.02	2923.02	1949.02												
12	Pradhan Mantri Awas Yojana (PMAY)	12436.00	11859.71	12481.00	6166.20	487.65	1807.07												
a	PMAY: Rural	0.00	0.00	5170.09	3495.28	0.00	0.00												
b	PMAY: Urban	12436.00	11859.71	7310.91	2710.92	487.65	1807.07												
13	National Rural Drinking Water Mission	7676.47	9797.86	9334.69	14995.41	7505.86	7393.21												
14	Swachh Bharat Mission (SBM)	7588.77	7105.41	5165.93	17386.66	11333.68	738.78												
a	SBM: Rural	7023.87	7023.61	4632.93	11539.46	11333.68	738.78												
b	SBM: Urban	564.90	81.80	483.00	5947.40	0.00	0.00												
15	National Health Mission (NHM)	56830.98	45897.08	39871.49	59600.20	59742.23	43934.46												
a	National Rural Health Mission	52542.65	40547.24	31061.34	56770.72	56233.61	34200												
b	National Urban Health Mission																		

1	2	13	14	15	16	17	18
c	Tertiary Care Programmes	809.97	0.00	810.02	0.00	1200.00	3987.86
d	Human Resources for Health and Medical Education	4536.60	67.91	45.51	0.00	0.00	0.34
e	National AYUSH Mission	943.36	981.93	654.62	2299.48	2308.62	1539.08
f	Ayushman Bharat	0.00	0.00	1300.00	0.00	0.00	4200.00
g	Food and Drug Administration	0.00	0.00	0.00	550.00	0.00	7.48
h	Other Programmes	0.00	0.00	0.00	0.00	0.00	0.00
16	National Education Mission	64914.08	58980.87	44248.11	64370.53	57037.87	47010.93
a	Sarva Shiksha Abhiyan	33734.54	32480.23	19096.78	19927.44	30917.15	21720.81
b	Rashtriya Madhyamik Shiksha Abhiyan	22213.00	19842.46	19251.59	19341.38	17874.67	19793.30
c	Teachers Training and Adult Education	1664.41	3614.32	2407.11	2577.74	3782.09	2527.51
d	Rashtriya Uchchar Shiksha Abhiyan	7072.13	4050.13	3700.08	2523.97	4450.95	2567.31
e	Other Programmes	0.00	3.73	2.95	0.00	3.00	2.00
17	National Programme of Mid Day Meal in Schools	15216.95	10264.52	18112.28	16889.91	12429.44	16553.81
18	Integrated Child Development Services	29143.57	19761.45	18388.19	20395.21	24292.13	18786.02
a	Organic Services (Erisma Core ICDS)	21131.73	16838.43	17134.79	18029.88	19329.58	12841.07
b	National Nutrition Mission (including ISNPI) Poshan Abhiyan	5992.46	344.38	34.96	0.00	2957.20	1029.14
c	Maternity Benefit Programme PMMVY	374.84	481.30	1110.98	0.00	903.22	3043.36
d	Scheme for Adolescent Girls	37.41	16.57	62.65	70.56	20.39	20.88
f	Child Protection Scheme	1387.60	2086.59	1038.63	2217.99	2173.95	1826.65
g	National Credit Scheme	219.83	38.16	30.99	47.00	148.39	24.90
19	Mission for Empowerment and Protection for Women	16.31	113.35	0.78	94.57	31.00	7.28
20	National Livelihood Mission - Aajeevika	9160.13	7723.26	5737.16	6448.06	6091.83	4453.43
a	NRLM - Rural	9160.13	7723.26	5737.16	5486.54	3989.31	2478.41
b	NRLM - Urban	0.00	0.00	0.00	2962.52	2962.52	1975.02
21	Jobs and Skill Development	748.19	734.85	621.84	50.90	493.56	249.78
a	Employment Generation Programmes	748.19	734.85	621.84	50.90	493.56	249.78
b	Pradhan Mantri Kaushal Vikas Yojana	0.00	0.00	0.00	0.00	0.00	0.00
22	Environment, Forestry and Wildlife	306.82	855.48	319.53	352.80	379.25	208.16
a	National Mission for a Green India	0.00	0.00	0.00	49.26	14.68	8.78
b	Integrated Development of Wildlife Habitats	154.68	143.32	96.56	254.41	314.70	143.13
c	Conservation of Natural Resources and Ecosystems	151.03	87.40	58.33	49.93	78.87	63.25
d	National River Conservation Directorate	0.00	624.67	185.64	0.00	70.00	0.00
23	Urban Rejuvenation Mission, AMRUT & Smart Cities Mission	6043.63	6387.70	23075.93	31972.00	43228.00	33458.00
24	Modernisation of Police Force	1201.70	1218.57	340.06	2474.52	994.05	467.53
25	Infrastructure Facilities for Judiciary	1191.00	1114.95	3964.90	1795.00	946.38	2438.02
26	Border Area Development Programme	0.00	0.00	0.00	0.00	0.00	0.00
27	Rashtriya Prasth Mukherjee Rurban Mission	2230.00	1220.00	720.00	0.00	447.58	886.44
28	Rashtriya Gram Sakshari Abhiyan (R.G.S.A)	2233.00	1594.90	468.00	633.90	280.80	0.00
a	Rashtriya Gram Sakshari Abhiyan (R.G.S.A)	688.00	688.00	468.00	0.00	0.00	0.00
b	Pradhan Mantri Adarsh Gram Yojana (PMAGY)	1534.00	895.90	0.00	633.60	280.80	0.00
c	Sanseed Adarsh Gram Yojana (SAGY)	0.00	0.00	0.00	0.00	0.00	0.00
29	Rashtriya Bhushtiya Bima Yojana	0.00	0.00	200.00	0.00	0.00	0.00
30	Others	8370.25	10588.36	3878.36	28174.01	14960.81	2146.00
30f	Grand Total of Core of the Core Schemes and Core scheme	280788.20	242274.03	676720.64	307090.96	288116.83	722041.38

Table showing area and population of Urban Local Bodies

Sr. No.	Name of Urban Local Bodies	Area (In Sq KM)	Population (as per Census 2011 and present area)
(a)	(b)	(c)	(d)
MUNICIPAL CORPORATIONS			
1	AMBALA	62.40	2,59,787
2	FARIDABAD	295.77	15,08,458
3	GURUGRAM	311.61	9,69,613
4	HISAR	92.78	3,59,324
5	KARNAL	88.00	3,45,441
6	MANESAR	124.32	1,10,715
7	PANCHKULA	90.00	2,67,634
8	PANIPAT	60.63	4,15,569
9	ROHTAK	139.30	4,17,355
10	SONEPAT	103.90	3,13,423
11	YAMUNA NAGAR	165.45	4,67,982
Total		1,654.16	54,35,999

MUNICIPAL COUNCILS			
1	AMBALA SATAR	55.15	2,03,133
2	BAHADURGARH	29.00	1,70,767
3	BHIWANI	28.00	2,09,781
4	CHARKHI DADRI	15.30	66,337
5	FATEHABAD	11.40	70,777
6	GOHANA	11.51	66,708
7	HANSI	10.05	86,770
8	HODAL	37.30	61,711
9	JHAJJAR	12.05	48,424
10	JIND	42.00	1,67,592
11	KATHAL	42.00	1,44,915
12	KALKA	33.50	1,10,266
13	MANDI DABIWALI	22.10	52,873
14	NARNAUL	14.42	95,660
15	NARWANA	9.60	62,090
16	NUH	6.00	18,260
17	PALWAL	56.80	1,60,828
18	REWARI	24.53	1,44,780
19	SIRSA	26.00	1,82,534
20	SOHNA	60.10	55,148
21	THANESAR	32.25	1,58,162
22	TOHANA	13.75	63,871
Total		602.61	23,96,337

Sr. No.	Name of Urban Local Bodies	Area (In Sq Km)	Population (as per Census 2011 and present area)
(a)	(b)	(c)	(d)
MUNICIPAL CORPORATIONS			
MUNICIPAL COMMITTEES			
1	ADAMPUR (NEW)	19.90	25,531
2	ASSANDH	4.00	27,481
3	ATELI MANDI	2.24	7,619
4	BADALI (NEW)	39.80	14,456
5	BARARA	4.52	22,780
6	BARIVALA	25.70	43,364
7	BASS	58.50	16,469
8	BAWAL	4.68	16,776
9	BAWANI KHERA	5.00	20,289
10	BERI	2.00	15,934
11	BHUNA	5.00	90,094
12	CHEERA	32.00	36,952
13	DHARUHERA	11.49	30,344
14	ELLENABAD	2.50	96,623
15	FARUKH NAGAR	23.50	13,513
16	FEROZPUR JHIRKHA	8.85	24,750
17	GANNAUR	17.20	95,603
18	GHARAUNDA	13.00	37,816
19	HAILY MANDI	16.27	29,906
20	HATHIN	2.00	14,421
21	INDRI	5.00	17,487
22	ISMAILABAD	11.97	13,726
23	JAKHAL MANDI	3.61	14,578
24	JULANA	13.82	18,755
25	KALANAUR	6.80	23,319
26	KALANIWALI	2.20	22,095
27	KALAYAT	5.00	18,660
28	KANINA	2.50	12,989
29	KHARAKHODA	5.34	26,051
30	KUNDLI	7.77	21,633
31	LADIYA	7.00	28,887
32	LOHARU	5.00	13,937
33	MAHINDRAGARH	7.00	25,128
34	MEHAM	4.50	20,484
35	NANGAL CHALIDHARY	7.00	15,178

Sr. No.	Name of Urban Local Bodies	Area (In Sq KM)	Population (as per Census 2011 and present area)
(a)	(b)	(c)	(d)
MUNICIPAL CORPORATIONS		7.00	16,178
36	NARAINGARH	7.93	22,832
37	NARNAUND	6.00	17,242
38	NILOKHERI	4.50	17,938
39	MISSING	6.00	17,438
40	PATAUDI	13.00	20,416
41	PEHOVA	11.14	36,853
42	PUNDRI	3.89	33,484
43	PUNHANA	10.00	24,734
44	RADAUR	10.08	16,176
45	RAJOUND	48.00	17,434
46	RANIA	6.80	25,123
47	RATIA	8.00	37,152
48	SADHURA	6.75	14,818
49	SAFIDON	10.30	34,728
50	SAMALKHA	4.48	39,710
51	SAMPLA	7.00	20,583
52	SHAHABAD	14.00	42,607
53	SISAI	35.73	14,339
54	SIWAN (NEW)	41.68	23,882
55	SIWANI	3.50	19,143
56	TAORU	4.50	22,589
57	TAPAORI	7.00	25,944
58	UCHANA	6.00	16,815
59	URLANA	3.69	28,847
Total		672.73	13,82,467

Present status of Number of Districts, Blocks, Villages and respective area and population

S.No.	District	Area (Sq.km)	Urban Area (Sq. km.)	Rural Area (Sq. km.)	Urban Population	Rural Population	Total Population	Total No. of Towns	Blocks	Total No. of GPs
1	Ambala	1574	133	1441	500774	623576	1128350	15	6	400
2	Bhiwani	3408	53	3355	264905	367184	1132169	5	7	312
3	Charkhi Dadri	1370	6	1365	56337	645939	502276	1	4	167
4	Faridabad	741	218	521	1438853	370878	1809733	3	3	100
5	Fatehabad	2538	34	2504	179508	762423	942011	4	7	259
6	Gurgaon	1258	281	977	1042253	472179	1514432	9	4	166
7	Hisar	3983	147	3836	553488	1190443	1743931	11	9	300
8	Jhajjar	1834	81	1753	243339	715066	958405	5	7	247
9	Jind	2701	75	2627	305583	1028569	1334153	6	8	300
10	Kaithal	2317	104	2213	236011	838293	1074304	4	7	277
11	Karnal	2520	89	2431	454810	1050514	1505324	8	8	395
12	Kurukshetra	1530	74	1456	279225	685430	964655	5	7	404
13	Mahendragarh	1899	33	1866	132835	789233	922068	5	8	343
14	Mewat	1507	65	1442	124106	903157	1089263	8	7	325
15	Palwal	1359	47	1312	236544	806164	1042708	6	6	263
16	Panchkula	898	70	828	313230	248063	561293	8	4	135
17	Paripat	1268	79	1189	555085	650352	1205437	13	6	178
18	Rewari	1594	65	1529	233430	666901	900331	9	7	365
19	Rohatak	1745	106	1639	446164	615040	1061204	5	5	142
20	Sirsa	4277	59	4218	319248	975941	1295189	5	7	341
21	Sonapat	2121	82	2040	453364	996637	1450001	8	8	318
22	Yamunanagar	1768	91	1677	472829	741376	1214205	13	7	490
	Total	44212	1972	42238	8842103	18509389	25351462	154	142	6227

List of Schemes to be implemented by the Department of Development & Panchayats through the MLAs

S.No.	Scheme	Activity	Fund allocation ₹ Crore
STATE SCHEMES			
1	Matching Grant-in-aid for Development works (People share) introduced in the year 1979-80	Specific projects like school buildings, veterinary dispensaries, health centres, recreation centres, Milk/Matka Bhandars, Harjan and Backward Chakrats and other development works through Panchayats/Panchayat Samitis, PWC (B&F) and Local Committees. The rural people themselves identify the projects and make their public contribution and are associated throughout the implementation of the project.	2
2	Matching Grant-in-aid for Development Works (Govt. Share) introduced during the year 1979-80	The scheme of matching grant was introduced during the year 1979-80 to improve the living conditions of the rural masses and to give them incentive. The scheme is executed under specific rules for projects namely School Buildings, Veterinary Dispensaries, Kshetrasani Centres, Paving of Streets, Harjan and Backward Classes Chakrats and Other Development Works. The people make contribution for development works and the Government provide grants to beneficiaries equal to the people's share except in the case of Girls School, Girls College & Hostels in the State, where the amount of grant is twice that of the contribution.	200
3	Financial Assistance to Panchayat Raj institutions on the recommendation of SFC scheme continuing since 1957-58	The First State Finance Commission was set up on 31.05.1994. The entire period of the Finance Commission was 1957-95 to 2000-01. The State Government had accepted the recommendation of the State Finance Commission regarding sharing of the taxes/duties/tolls and had also recommended central grants to PAs. The fifth State Finance Commission was set up on 26.05.2016 to review the financial position of PAs.	1875.00
4	Scheme for Special Development Works in Rural villages on the recommendation of State Finance Commission	To eradicate the rural backwardness of that particular area. The works of construction of CC paved streets and drains are being taken up mainly under this scheme. The individual projects for execution of the works in villages are prepared in consultation with elected representatives.	61
5	Surcharge on VAT for PAs retained as Financial Assistance to Panchayat Raj institutions (PAs) out of Surcharge on VAT	In order to mobilize additional resources for Local Bodies the Government decided to impose 0.5% surcharge on VAT collected by Excise and Taxation Department. The amount of surcharge is further distributed in the ratio of 80:20 to the Urban Local Bodies and PAs respectively.	230
6	Construction of New Block Office Buildings including Panchayats/20th Panchayat building & State Panchayat Bhandar, District office Gram Panchayats	In this scheme, State has 142 Development blocks at present. For the proper and efficient functioning, it is essential that the block offices, 20th Panchayat offices housed in rented buildings are provided the own buildings. Besides, with the passage of time, the buildings for new blocks become and get dilapidated, become unsafe and have to be replaced with new buildings. During the current year, 800 Gram Panchayat will be constructed.	25.00
7	Scheme for Swam Jayanti Mata Gram Vikas Yojana (SMAGY) (Normal Plan)	In this scheme was being used for a wide range of activities including health & sanitation, education, rural sports, rural roads, information education and communication (IEC), and maintenance of Women's Self-Help Groups (particularly benefiting the Scheduled Caste families) till December, 2006. Later on, it was felt that the range of activities is very wide whereas the funds are comparatively meagre. In January 2007, it was decided that the funds should be utilised for drainage of waste water and maintenance of Community Toilets under Total Sanitation Campaign. From the year 2009-10, the funds are being utilised for the management of local water i.e. substitution of water ponds.	10.00
8	Scheme for Swam Jayanti Mata Gram Vikas Yojana (SMAGY) for Scheduled Caste	The 10 panch Swam Jayanti Mata Gram Vikas Yojana (SMAGY) to cover the 135 villages having population more than 10,000. The existing infrastructure shall be upgraded, such as, all streets to be paved with interlocking paver blocks/tarmac road, provision of street lights, water supply of 135 LPH, sewerage system (preferably on PPP Model), solid waste management system i.e. garbage collection system, public parks/playgrounds, management of ponds through liquid waste management system, cremation ground with all facilities for seating and toilets etc. Besides it, better educational facilities up to 30+2 level, offices, facilities of 50 bedded Hospital cum Community Health Centre, Veterinary hospital, Community Centre with Banquet Hall (Banyan, Barka, Panch Office etc. In addition to it, to improve the standard of living and to provide livelihood opportunities, the provision of housing for all under Indira Awas Yojana (IAY)/ Pradhanmantri Awas Yojana (PMAY), laying out of developed sectors through Haryana Rural Development Authority, schemes for all under Sarva Shiksha Mission (SSM), employment generating activities under MDRREGA and NRM and skill training under various Government initiatives will be taken up. Promotion of entrepreneurship program, design and marketing support to cottage industry and Impetus to non-form sector growth. The scheme has been entrusted to the Public Health Department for the purpose of laying sewerage pipelines in Mahagram villages during the year 2018-19.	10.00

S.No.	Scheme	Activity	Fund Allocation ₹ Crore
8	Scheme for construction of backward class channels renamed as scheme for Haryana Gramin Vikas Yojana (HGVY)	This scheme came into existence in 1970-71. It was transferred to Social Welfare Department in the year 1991 and to Development & Panchayats Department. The aim of the scheme is to provide a common platform to the communities for celebrating their community functions like marriages, festivals and to discuss the issues of common importance. The development of villages like provision of streets, drains, community centers, recreation grounds, blood and rendering of ponds etc. having population less than 10000 (approx. 8180 villages) will be taken up under this scheme.	350
	Scheme for Haryana Gramin Vikas Yojana (HGVY) for Scheduled Caste	Special Development Yojana Scheme has been merged in Haryana Gramin Vikas Yojana in the year 2020-21.	350
9	Scheme assistance of Haryana Rural Development Authority	The scheme was introduced during the year 2007-08. The Government had constituted the Haryana Rural Development Authority to promote regulated growth in and around the villages. The intention of the scheme is to provide financial assistance to HRDA enabling it to provide facilities like urban including housing facilities, particularly for the weaker sections of the society in the rural areas. The authority has been set up on the pattern of Haryana Sehari Vikas Pradhikaran to provide town amenities and residential facilities in villages and their periphery. The task providing such facilities requires availability of creative funds. The resources will be mobilized through different sources.	20.00
	Scheme for Assistance to Haryana Rural Development Authority (HRA)		10.00
10	Assistance through village Youth Volunteers for Rural Development	It is well known that the Government is implementing wide range of programs in the rural areas but the delivery of these programs needs to be improved. It is often felt that the people in the rural areas are either not aware of the opportunities that are being provided by the programs of various departments/banks/privates/Institutions or they do not have an easy access to them. It is felt that the youth if trained can become a facilitative link. With this background, Government had decided to initiate a new scheme called "Youth for Rural Development". It aims to tap the energy and potential of the youth to trigger faster development of rural areas. Under this scheme, youth will be selected and trained as volunteers in the villages. Around 17000 volunteers have been selected so far. The scheme aims to inspire the young to become volunteer and build their capacity to identify change facilitators in the village community in order to ensure faster, inclusive and sustainable social, human and economic development in rural areas.	7.50
11	Haryana State-Grisin Sewachhata Prasthuti Scheme	In this scheme, the financial is being given to the Gram Panchayats who have done excellent work in keeping their Panchayats clean and plastic free. Under one of the parameters i.e. "Sanitation and Hygiene" of the Swachh Bharat Mission (SBM) Sarva Shiksha Yojana (SSY) was given to 3838 Gram Panchayats with amount money of ₹500.00 lakh.	15.00
12	Scheme for the Rural Infrastructure Development Programme for Scheduled Caste renamed as Scheme for Scheduled Caste Gram Vikas Yojana (SCVY) for Scheduled Caste	The existing infrastructure may be upgraded, such as, all streets to be paved with interlocking sewer blocks/stone roads, provision of street lights, water	85
13	Scheme for the construction of Haryana Channel for Scheduled Caste renamed as Scheme for Haryana Gramin Vikas Yojana (HGVY) for Scheduled Caste	The aim of this scheme is to provide a common platform to the communities for celebrating their community functions like marriage, festivals and to discuss the issues of common importance. Under this scheme, the Department provides an amount of 10000.00 for repair of Old Channel and 20000.00 for the	220
14	Scheme for the Employment Generation Programme for Scheduled Caste	This scheme was launched on Gandhi Jayanti (2nd Oct. 2017). It is proposed to employ Self Help Groups for general cleanliness in the villages. The number of Self Help Groups would range from 1-6 depending on population of villages. About 11475 Self Help Groups have been deployed throughout the State.	200
15	Scheme for assistance to Haryana Rural Development Authority (HRA)	To promote regulated growth in and around the villages. The intention of the scheme is to provide financial assistance to HRDA enabling it to provide urban like facilities including housing facilities, particularly for the weaker sections of the society in the rural areas. The authority has been set up on the pattern of HRDA to provide such amenities and	80

S.No.	Schemes	Activity	Fund Allocation ₹ Crore
18	Mahatma Gandhi Gramin Neech Yojana (MGN)	Mahatma Gandhi Gramin Neech Yojana was launched in Haryana in the year 2008. The scheme is aimed to allot free residential 100 Square yards plots to the eligible Scheduled Caste families, Backward Class (Category A) families and Baidhy Panchayati (BP) families in the villages out of available suitable premier lands. In the first phase, the plots are being provided out of the shambh land wherever suitable land is available with the Panchayats and in the villages where no suitable Panchayat land is available, it is being made available either by way of exchange with that of the private land owners or by acquisition. Basic infrastructural facilities such as streets, drinking water, drainage, power supply etc. are provided along with these residential plots in a phased manner. Further, a sum of ₹10,000/- per acre per year is being paid as annuity to those Gram Panchayats whose land had already been utilized for the purpose of allotment of plots. As of now, 5,00,268 families have been reported as eligible by the govt. authorities and 8,75,750 eligible families have been allotted plots up to 31-03-2020.	30.00
19	Financial Assistance to Scheduled Castes under State Finance Commission.	The first State Finance Commission was set up on 03.05.1994. The second round of the Finance Commission was 1997-98 to 2000-01. The state Government had accepted the recommendation of the State Finance Commission regarding sharing of the taxes/duties/fees and has also recommended some grants to PPs. Second State Finance Commission was set up on 06.09.2000 and third State Finance Commission was set up on 22.12.2005. The fourth State Finance Commission was set up on 18.04.2010. The fifth State Finance Commission was set up on 26.05.2016 to review the financial position of PPs.	340
20	Special development works in Rural Areas for schedule castes as the recommendation of the State Finance Commission.	The funds will be utilised on the basis of list head of the villages. The items of construction of DC streets and drains will be taken up mainly under Special Development Works in Village Schemes. The Schemes for execution of the works in villages will be prepared in	8
21	Financial Assistance to Panchayati Raj Institutions (PRIs) out of Surcharge on VAT for Scheduled Castes	In order to mobilise additional resources for local bodies the Government decided to impose 0.5% surcharge on VAT collected by Excise and Taxation Department. The amount of surcharge is further distributed in the ratio of 60:20 to the Urban Local Bodies and PRIs respectively.	29
22	Haryana Gram Uday Yojana for up-grading of infrastructure renamed as Desikandhu Haryana Gram Uday Yojana (DHARYU).	State has introduced the Haryana Gram Uday Yojana aimed at developing big villages having population between 3000-10,000, by upgrading basic infrastructure and services in order to provide better living condition at par with towns. There are total 585 villages having population 3000 to 10000 and 1156 villages having population 3000 to 3000. Hence under this scheme, total 1741 villages are proposed to be covered. These villages would be strengthened with the required amenities by getting financial assistance from National Bank for Agriculture and Rural Development (NABARD) under the 5% term, for focused development of these villages. 30% of the amount shall be contributed by the State Government and 70% will be availed from NABARD as loan. The major outcome of the scheme are to upgrade critical gaps in infrastructure facilities, service & management structure in villages in order to bring them at par with towns, to improve standard of living and quality of life in rural areas and to create healthy, clean green environment for citizens. All streets, main artery roads, straight, water supply, solid waste management system, Public Park, Playground, Vymehala, Bus Stand, Gram Sachivalaya, Community Centre, Crematorium Ground, Sanitation Services.	150
23	Subsidy to village Panchayat for Revenue Generate schemes.	This scheme is being implemented since 1957-58. The interest free loan (repayable in 30 yearly installments) is provided to the Gram Panchayats/Panchayat Samitis in the State with a view to augment their financial position. The loan is granted for installation of tube-wells, pumping sets on atomised land, construction of shops at bus stand, construction of staff quarters etc. The financial assistance is released on the basis of sanction by the respective Gram Panchayat/Panchayat Samitis based on estimates prepared by the competent authority and on the recommendations of the respective DMO/BBPO. 14th Finance Commission in its recommendations has emphasized the need for improvement of revenues of the Gram Panchayats.	1.05
STATE-CENTRE SCHEME (Sharing Basis)			
1	Community Development Setting up of Haryana Institute of Rural Development Noida (renamed as Scheme for Training and Capacity Building Haryana Institute of Rural Development Noida)	This scheme is sponsored by the Government of India with all the States on 50:50 sharing basis. In pursuance of the scheme of Government of India for setting up State Institute of Rural Development through out the country with the aid from European Economic Community. The IIRD was set up in 1991-92 for imparting training to Civil and Class II Officers of this Government, as well as officers of other Departments, who are engaged in the implementation of rural development programmes.	3.14

S.No.	Schemes	Activity	Fund allocation ₹ Crore
2	Statutory Gram Saakshari Abhiyan (SSA)	The Ministry of Panchayati Raj, Government of India had launched Rajiv-Gandhi Panchayat Sakhshikaran Abhiyan Scheme to strengthen the Panchayati Raj System across the country and address critical gaps during the 12th five year plan. Its implementation started from 2nd March, 2015 to enhance capacities and effectiveness of Panchayats and the Gram Sabhas and to enable democratic decision making and accountability in Panchayats and promote people's participation. The scheme also provides distribution of powers and responsibilities to Panchayats according to the spirit of the Constitution. This scheme has been renamed as Sarvika Gram Saakshari Abhiyan (SSA) during the year 2018-19. The funding of Sarvika Gram Saakshari Abhiyan (SSA) under the component activities are shared between Centre and State in the ratio of 75:25. An amount of 20,00,00,000 (₹ 20,00,00,000) - State share i.e. 15,00,00,000/- (Centre share) has been sent for the year 2021-22.	20
3	Scheme for Sanitation under Swachh Bharat Mission (Gramin) Normal Plan	The sanitation campaign under the Restructured Centrally Sponsored Rural Sanitation Program was initiated in the year 2010-11. All the districts of Haryana State are covered under this programme. The individual household toilets, Community Sanitary Complexes, School Toilets, Anganwari Toilets, IEC activities, as well as, Solid & Liquid Waste management activities were taken up under this programme. The programme funding is shared between Central Government, State Government and Beneficiaries. From 1.4.2014, the programme Normal Bharat Abhiyan has been renamed as Swachh Bharat Mission-Gramin with effect from 1.10.2014. In the restructured programme, the total cost of ₹.12000/- (incentive money, i.e. 9000/- as Centre share and ₹.3000/- as State share) is given to the beneficiary on construction and usage of individual household latrine through PMS preferably, in another needed Bank AYS (individually), NWM Project, Gobarpan, community Sanitary complexes and community projects. Such assistance is extended to the beneficiary i.e. Below Poverty Line (BPL) and identified Above Poverty Line (APL) i.e. all Scheduled Caste, small & marginal farmers, landless labourers with homestead, Physically Handicapped and Women headed household. The Gram Panchayats have to contribute 10% of the total cost of ₹.3.00 lakh for construction of School Toilets and Anganwari Toilets have been transferred to the Elementary Education Department and Women & Child Development Department respectively with effect from 1.12.2014. The objective is to sensitize the village community regarding the ill effect of open defecation. Swachh Bharat Mission-Gramin (SBM-G) is a Centrally Sponsored scheme funded by Centre and the State Government in the ratio of 60:40. An amount of 240,00,00,000/- (120,00,00,000/- State share i.e. 120,00,00,000/- Centre share) under Normal Plan is an outlay of 20,00,00,000/- (20,00,00,000/- State share & 20,00,00,000/- Central share) under SCSP component has been sent for the year 2021-22.	200.00
3	Scheme for Sanitation under Swachh Bharat Mission (Gramin) for Scheduled Caste	This is a Centre Grant 10:40 scheme to Gram Panchayats on the recommendations of the 15th Finance Commission. The funds deposited by Central Finance Commission to Gram Panchayats/Panchayat Samit/27th Panchaj in the ratio of 75:25:00 on the basis of population (90%) and on the basis of area (10%). The 15th Finance Commission, Government of India has recommended that the funds should be provided to PML only. The duration of 15th Finance Commission is from 2020-23 to 2024-25. As per recommendations of 15th Finance Commission, the funds can be utilized for services within the functions assigned to them under relevant legislation i.e. on water supply, sanitation including sewage management, sewerage, solid waste management etc. The Central Finance Commission is providing grants in the shape of Basic Grants and Tied Grants in equal ratio of 50:50.	50.00
4	50% of AID to Gram Panchayats on the Recommendations of the 15th Finance Commission	This is a Centre Grant 10:40 scheme to Gram Panchayats on the recommendations of the 15th Finance Commission. The funds deposited by Central Finance Commission to Gram Panchayats/Panchayat Samit/27th Panchaj in the ratio of 75:25:00 on the basis of population (90%) and on the basis of area (10%). The 15th Finance Commission, Government of India has recommended that the funds should be provided to PML only. The duration of 15th Finance Commission is from 2020-23 to 2024-25. As per recommendations of 15th Finance Commission, the funds can be utilized for services within the functions assigned to them under relevant legislation i.e. on water supply, sanitation including sewage management, sewerage, solid waste management etc. The Central Finance Commission is providing grants in the shape of Basic Grants and Tied Grants in equal ratio of 50:50.	1040.00
5	Rajiv Gandhi Panchayat Sakhshari Abhiyan (RGPASA)	To enhance capacities and effectiveness of Panchayats and the Gram Sabhas and to enable democratic decision making and accountability in Panchayats and promote people's participation. The Scheme also provides distribution of powers and responsibilities to Panchayats according to the spirit of the Constitution. The funding of Rajiv Gandhi Panchayat Sakhshikaran Abhiyan (RGPASA) under the component activities are shared between Centre and State in the ratio of 75:25.	36.8
6	Rural Sanitation Programme under total Sanitation Campaign/Normal Bharat Abhiyan (SSA) renamed as Scheme for Sanitation under Swachh Bharat Mission (Gramin)-Normal Plan	To sensitize the village community regarding the ill effect of open defecation, providing individual toilet to BPL, Scheduled Caste, Small Farmers and Marginal Farmers, landless labourers with homestead, physically Handicapped and Women headed families and to manage the solid and liquid waste of the villages. All the districts of Haryana State are covered under this programme. The individual Household Toilets, Community Sanitary Complexes, School Toilets, Anganwari Toilets, IEC activities, as well as, Solid & Liquid Waste management activities were taken up under this programme.	120
7	Scheme for the Rural Sanitation Programme under Total Sanitation Programme / Normal Bharat Abhiyan (SSA) for Scheduled Caste renamed as Scheme for sanitation under Swachh Bharat Mission (Gramin) for Scheduled Caste	In the restructuring programme, the total cost of ₹2000.00 (incentive money, i.e. 1000.00 as Centre share and 1000.00 as State share) given to the beneficiary on construction and usage of individual household latrine. Such assistance is provided to the beneficiary i.e. Below Poverty Line (BPL) and identified Above Poverty Line (APL) i.e. all Scheduled Caste, Small and Marginal farmers, landless labourers with homestead, Physically Handicapped and Women headed household. The Gram Panchayats have to contribute 10% of the total cost of 3.00 lakh for construction of school toilets and Anganwari Toilets have been transferred to the Elementary Education Department and Women and Child Development Department respectively w.e.f. 1.12.2014.	107.5

Details of interactions/meetings with stakeholders

Interaction of the Sixth Finance Commission, Haryana with elected representatives and officials of Panchayati Raj Institutions on 21-22 January, 2021 at Haryana Institute of Rural Development, Nilokheri

The State Government of Haryana has constituted the Sixth State Finance Commission under the Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.) on 22nd of September, 2020. In case of the State Finance Commission (SFC) is required to make recommendations regarding the principles of (i) the distribution of the taxes, duties, tolls and fees between the state and PRIs i.e. Gram Panchayat, Panchayat Samiti, Zila Parishad, (ii) the determination of the taxes, duties, tolls and fees assigned to, or appropriated by the PRIs (iii) grants-in-aid to the PRIs. In addition, the Commission is also to recommend measures needed to improve the financial position of the Gram Panchayats, Panchayat Samitis, and Zila Parishads. In making the recommendations, the Commission shall also have regard to the requirements of the Panchayati Raj Institutions' potential for raising resources and for reducing the expenditure.

In order to discharge this constitutional obligation, the Commission has decided to hold Division wise meetings with the elected representatives and officials of the three tiers (Gram Panchayat, Panchayat Samiti and Zila Parishad) of Panchayati Raj System in the State. In the 1st phase, the Commission interacted with the elected representatives and officials of Ambala & Karnal Divisions on 21-22 January, 2021, Nilokheri. The meeting has been organized in collaboration with HIRD.

The meeting started with the welcome of the Chairman, Member Secretary, Advisors and Officers of the Finance Commission by Sh. R. K. Mehta, Director of the Institute.

Sh. Vikas Gupta, IAS, Member Secretary, 6th Finance Commission, Haryana:

Sh. Vikas Gupta while initiating discussion on the expectations from the participants made the following observations:

- Apprised participants about the 73rd Amendment Act and importance and objectives of the Central Finance Commission and State Finance Commission.
- Apprised the participants about the awards of the Fifth State Finance Commission.
- Explained the importance of SFC's recommendations to local bodies.

He asked the elected representatives to present their feedbacks and experiences of their tenure as an elected representative to the SFC.

Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th Finance Commission, Haryana

While interacting with the participants made the following observations:

- While explaining the importance of 73rd Amendment Act, he drew the attention of the participants that Panchayat is a third level of government at decentralized level. First and second tiers of governments are at Centre and State levels respectively.
- Made participants aware about the objectives of 6th State Finance Commission, Haryana. SFC is expected to suggest the state government for developing funds to Panchayats in order to make them strong and effective of self-government.

- While mentioning the importance of governance, he drew the attention of participants towards the importance of the formation and working of Gram Sabha, various sub-committees like production, social justice, etc., utilization of funds by the PRIs, and proper coordination among them.
- He also asked participants about the benefits they received by implementing various rural development schemes/programmes and what types of economic, social benefits have been harnessed by the people in rural area.

Dr. Mahi Pal, IES (Retd.), Advisor, 6th Finance Commission, Haryana

Sh. Vikas Gupta requested Dr. Mahi Pal to raise issues to be deliberated during the discussion. Dr. Mahi Pal while making comments on the importance of the discussion and dialogue, requested the participants to give their views inter-alia on the following issues:

- Responsibilities of Panchs and Sarpanchs and to what extent they have completed them.
- Importance of Gram Panchayat Development Plan (GPDP), its preparations, engagement of different stakeholders and structure of planning.
- Importance of taxes levied at local level by Panchayats.
- Any initiatives by the PRIs towards improving Panchayats' governance and their financial endowments.
- There are Panchayats who have performed better than the other Panchayats. What were the factors responsible for these two scenarios may be kept in views while airing their views.

Prof. M. M. Goel, Advisor, 6th Finance Commission, Haryana

- Drew attention of participants about the importance of local governance in strengthening the democracy at all levels.
- He also mentioned that how voting turnout during local election is much higher i.e. almost 90%, than Assembly and Lok Sabha elections. Local governance may improve the participation of citizens at state and center level as well.
- Urged Elected Representatives (ERs) that local governments may generate their resources by imposing taxes and collecting user charges at local level.

Interaction with Sarpanchs/Panchs

After making the participants aware about the role of SFC among others devolution of funds to Panchayats and expectations from the participants, issue wise discussion took place. Following are issue-based main points.

Issues raised and Discussion:

After the comments of the Chairman, Member Secretary and Advisors of the Commission, issue based discussion took place. Dr. Mahi Pal raised issues and facilitated discussion for better outcomes.

I. Issue: Meeting of Gram Sabha

- No notice and agenda is issued; members do not come to the meetings rather they are busy with their personal works.

- Sometimes, Pancha do not get invited because the Sarpanch belongs to a rival group.
- Sarpanchs allege the same, "Panchs do not attend the meetings because they belong to the rival groups."
- Politics and rivalry at local level affects the functioning of Gram Sabha.
- Some participants proposed that meetings of Gram Sabha can be held online i.e. e-Gram Sabha, so that everyone can attend the meetings regularly.
- Photos and Videos of the meetings should be kept for the record.

2. Issue: Working of Sub-Committees

- No committees are constituted at ground level.
- It is recommended that an official should be present at every meeting and should ensure the working of subject committees.

3. Issue: Women's participation

- Women Sarpanchs/Panchs rarely participate in meetings, rather their husbands or father-in-law or any male members of their family take decisions in functioning of Panchayats.
- Sometimes, women's issues are addressed by the Woman Sarpanch and rest of the issues are addressed by their husband/father-in-law.

4. Issue: Imposing taxes and user charges at local level

- Currently no taxes are imposed at local level; neither any proposal to levy taxes has been sent to the state government for its approval.
- Because imposition of taxes might reduce the support of Sarpanchs resulting a defeat in next election, therefore they do not want to lose their 'vote banks.'
- A few Gram Panchayats are charging a user charge on the usage of Community centers, so that it can further be used in the maintenance of the same.
- User charge may be imposed on a few other services i.e. parks, street lights, playgrounds and gyms as well.
- Some of the participants suggested that property tax should be included with the electricity bill so that it can be collected regularly. Another suggestion was of linking it with ration distribution under public distribution system.
- Proposal of increasing property tax may also be considered.
- Solar energy may also be another source of nontax revenues by the Panchayats.
- Instead of constructing Chaupals, libraries, gyms, stadiums may be constructed with the contribution of villagers. These assets may be a regular source of income to the Panchayats.
- Rural tourism may also be developed in villages, which may again be a non-tax source of revenue to the Panchayats.
- As house tax rates are very low, its rate may be increased.

5. Issue: Participation of SCs and other marginalized groups

- If the Sarpanch belonging to SC is aware about his/her rights then nobody can hinder the proper functioning of Gram Panchayats. However, there are cases where caste factor play important role in determining the performance of the elected representatives of the Panchayats

6. Issue: Corruption at local level

- To reduce corruption in Panchayats, elected representatives proposed that they should be given a substantial amount of honorarium and that too regularly.
- Currently Panchs and Sarpanchs are getting 1000 and 3000 rupees respectively as an honorarium. If the amount of honorarium is increased up to Rs.10000-15000, then corruption may be reduced and it may also motivate the ERs to practice their duties more effectively.
- Sometimes, Sarpanchs collect the money directly from the persons engaged in mining. While, this income should go into the account of Gram Panchayats.
- Idea of organizing a public debate among all the contestants of Panchayats should be considered, so that every contestant may come up with a manifesto and the incumbents may be held accountable for whatever works they have done during their tenure.

7. Issue: Capacity Building

- Lack of awareness about Panchayati Raj System is commonplace. Sarpanchs and Panchs either have minimal or no knowledge of the 73rd amendment act.
- Training to make them aware about the functioning and other aspects of PRIs must be given at regular intervals like six monthly or so. Exposure visits of ERs and officials to those states where PRIs are performing better like Kerala may be organized by the training institutes.
- A couple of Sarpanchs visited the State of Gujarat to observe the functioning and performance of the Panchayats, where they learned about entrepreneurial aspects of the Panchayats. They have implemented some of the ideas e.g. library for students, appointing bank mitra to facilitate banking, opening CSC, collection of users charges from common property like chaupals of different communities and installation of loudspeakers for the public announcement in their Gram Panchayats as well. The idea of animal hostel along with bio gas plant is also adopted in these Panchayats.
- It is noticed that better performance by some Gram Panchayats may motivate other Sarpanchs to work; this will also promote competitiveness among Gram Panchayats.
- If the Sarpanchs have leadership qualities and capabilities to perform the duties and responsibilities assigned to them, performance of the Gram Panchayats may be improved.

8. Issue: Audit and Accounts

- Audit is not done regularly.
- Lack of functionaries to maintain the accounts is affecting the record keeping of the Panchayats.

9. **Issue: Sustainable Development Goals (SDGs) and Role of Panchayats.**
 - None of the elected representative is aware of SDGs.
10. **Issue: Coordination between the Panchayat Samiti and Gram Panchayats.**
 - No cooperation and coordination between GPs and PSs.

Sometimes the expenditure is done on the same projects by each tier of the local government which leads to wastage of resources. Such practices reflects the absence of decentralized planning.

Interaction with Chairmen and Members of Panchayat Samiti

Afternoon session was dedicated to the interaction with the members and Chairmen of the Panchayat Samitis. Discussion about the following issues took place:

Issues raised and Discussion:

- No meetings of Panchayat Samiti (PS); members are not invited.
- Chairmen of PSs suggest that they should be invited to the meetings of Gram Sabha and videography of the meeting should be done to ensure the functioning of Gram Sabha.
- Panchayat Samitis are not imposing any taxes, neither they have sent any proposal regarding imposing taxes to the state government.
- 10% of mining share may be given to PS and also 15% of share from common land income may also be given to PS.
- Due to politics of favour and electoral support, nobody wants to impose any taxes or user charges.
- No "Power" has been given to the Chairman or members of the Panchayat Samiti.
- A specific quota of grant should be given to each member of the Panchayat Samiti to be spent.

Interaction with Presidents and Members of Zila Parishad

Second day of the interaction was devoted to the interaction with the Presidents & members of the Zila Parishad and officials i.e. Gram Sachivs, BPDOs, DDPOs of the PRIs.

Sh. R K Mehta, Director, HIRD introduced the SFC and motives of the interaction.

Sh. Vikas Gupta, IAS, Member Secretary, 6th Finance Commission, Haryana:

Sh. Vikas Gupta while initiating discussion made the following observations:

- Apprised participants about the objectives of 6th State Finance Commission.
- Invited the questions and feedbacks regarding the functioning of Zila Parishad.

Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th Finance Commission, Haryana:

While interacting with the participants Sh. P. Raghavendra Rao made the following observations:

- Explained the importance and objectives of the 6th Finance Commission and its role in strengthening local democracy.

- Invited recommendations on how to improve the optimal utilization of resources, maintenance of accounts, audit and monitoring.

Dr. Mahi Pal, IES (Retd.), Advisor, 6th Finance Commission, Haryana:

- Explained the issues related to governance and mobilizing resources that may help the Finance Commission to come up with a report which may further empower the PRIs.
- He also talked about the importance of good governance and how it can improve the performance of the PRIs.
- He insisted the participants that they give their honest opinion and suggestions while discussing the issues.

Prof. M.M. Goel, Advisor, 6th Finance Commission, Haryana:

- Talked about the importance of awareness about rules and regulations.

After the comments and observations of the Chairman, Member Secretary and Advisors, issue wise discussion took place.

Issues raised and Discussion:

1. Issue: Meetings of Zila Parishad

- Members are not invited to the meetings.
- No notice and agenda is shared with the members.
- No need based planning is prepared.

2. Issue: Tied and Un-tied grants

- Tied grants are not well spent most of the times. More untied grants may improve the effective utilization. However, for management of ponds, a tied grant may be a better option.
- Elected representatives should decide the projects on which the grant should be spent.
- Share of SFC's grant is not sufficient. more percentage of share is given to the ZPs. It was suggested that out of total funds transferred to PRIs, 60 % may be given to GP, 20% may be given to PS and 20% may be given to ZP. Further, 10% of common land income may also be transferred to ZP.
- For creating revenue earning assets like construction of shops, Panchayats may be allowed to take loan from financial institutions.

3. Issue: Cooperation between officials and elected representatives:

- Due to lack of cooperation between elected representatives and officials, a number of projects are left incomplete.
- Projects under MGNREGA are decided arbitrarily, and most of the times labourers are not given full wages.
- Payments are done by officials without the approval of the President and members of Zila Parishad. Payment should be done only when the project is completed.

- Officials are often transferred within a few months which leads to instability and lack of coordination.
4. **Issue: Coordination among all the tiers of PRIs i.e. GP, PS & ZP**
- Less or no coordination among all the tiers of PRIs which often leads to unnecessary and repetitive expenditure on the projects.
 - Projects should be divided across the tiers to improve the outcome.
 - President & members of ZP and Chairman & members of PS should be invited to the meetings of Gram Sabha, so that they can get awareness of local issues and help in preparation, implementation and monitoring of local planning.
5. **Issue: Imposing taxes and user charges at local level**
- Most of the ZPs do not impose taxes, however they agree that imposition of taxes on some activities should be made.
 - Most of the elected representatives are not aware that they can impose taxes with the approval of the state government.
 - Only one President of the Zila Parishad sent a proposal to impose taxes at local level.
6. **Issue: Corruption**
- If the honorarium is increased, elected representatives will get motivated and that will further reduce corruption at local level.
 - Sometimes, MLAs get involved through officials which reduces the effective functioning of the PRIs.
7. **Issue: Capacity Building**
- Elected representatives are mostly dominated by the officials at local level due to their unawareness about their responsibilities and powers.
 - Regular training is required to make them capable and efficient in effective implementation of various schemes/programmes.

Interaction with Officials

During the interaction with the officials a number of Grams Sachivs, BPOs and a couple of DDPOs were present. Following issues were raised and discussion took place:

1. **Issue: Meetings of Gram Sabha**
 - Frequency of the meetings is high therefore people do not want attend the meetings.
 - Notice and agenda is not issued before the meetings.
2. **Issue: Own tax and non-tax revenue of the Panchayats**
 - No tax has been imposed by the Panchayats.
 - Tube wells are providing the services and user charge is being collected by some Panchayats.

- Ponds can be given away on lease, but due to sewage it is difficult to do so. Once the ponds are cleaned they may help in generating revenue to Panchayats.
- A few Panchayats have own shops and they are receiving rents. Other Panchayats may also construct shops and earn income for the Panchayat.
- House tax rate should be increased, that may help in generating Panchayats own resources.
- Toll tax and tax on mining can be imposed with the approval of state government.

3. Issue: Accounts and Audit

- Gram Sachivs are not better equipped to maintain accounts, they are also lacked of awareness of IT.
- There is extra workload assigned to Gram Sachivs because each Gram Sachiv has been assigned with a number of Gram Panchayats. It's difficult to keep a proper track of every activity in each Gram Panchayat.
- Capacity building of Gram Sachiv is required.
- Audit is not done regularly; pre-audit of accounts may improve the transparency.
- Panchayats are not inspected by the BDPOs as required under the Act.
- Instead of umpteen accounts, there should be one account for better accounting and proper managing financial resources.

4. Issue: Tied and Un-tied grants

- Tied grants are not being utilized by the Panchayats.

5. Issue: Criteria for allocation funds horizontally

- While recommending devolution of funds to Panchayats by the SFC besides population size, not having common land by GP may also be another criteria. Conversely, those GPs which are not having common land may get more resources than those of having common land.

6. Social Audit

- Capable SHGs formed under NRLM may be engaged in social audit and monitoring of various rural development programmes.
- A post of Legal Officer may also be created so as to enable PRIs to take legal assistance from him.

To summarize:

- There is a lack of awareness about duties, rights and rules and regulations about functioning of Panchayati Raj System among elected representatives of Panchayats. There is found a severe governance deficit in the functioning of Panchayats as these institutions of self-governance are not functioning as per rules and bye laws. In view of above, PRIs seem to be failed in practicing the principles of good governance; both elected representatives and officials are not enthusiastic and sincere enough to implement even the basic features of Panchayati Raj Act.

- Indicators like mobilization of own resources both tax and non-tax by Panchayats, availability of possible sources of income by Panchayats, not practicing provisions of Panchayats in their functioning may be criterions on the basis of which the funds may be transferred to the PRIs. This will not only bring competitiveness among them but also be instrumental in making PRIs as vibrant and pulsating institutions.
- Taxes and Non-taxes measures are not imposed in general by the PRIs. Elected representatives are not even aware of the fact that they can also impose the taxes with the approval of state government. No such effort to generate own taxes and non-taxes revenue have been made neither by the elected representatives nor by the officials. Such type of grant-diet economy of the PRIs is not sustainable in the present context.
- There is a great scope to implement property tax effectively, which has a potential of increasing Panchayats own revenue. Besides, rates of house tax may also be increased keeping in view inflation. The property tax would be collected in better way if its collection is linked with distribution of ration by ration dealers, while issuing or renewing various cards. Non tax measures like user charges on using chaupals, parks, construction of shopping complex on common land may also be options to be adopted by the PRIs.
- Need of the hour is the capacity building of both elected representatives and officials. There is a need to inculcate the qualities of leadership among the elected representatives of the PRIs. It must be focused in the training modules in future. There should be regular training and capacity building programmes by the training institutions. Exposure visits and practical training may also be an important component of capacity building. Adoption of debates among different contestants at different tiers particularly at GP levels may be proved a better way in improving leadership qualities among contestants. There may be a tied grant for the training and capacity building.
- Corruption level is severe at local level which further hinders the functioning of PRIs. The ineffective functioning of GS, GP, PS, and ZP is the main reason for this problem.
- Participation and engagement of the members and Chairman of the Panchayat Samitis negligible at Gram Panchayat level; lack of coordination among both of the tiers affects the outcomes of the developmental activities.
- Accounts are not maintained regularly and auditing mechanism is not efficient. In addition to financial audits, social audit may be useful method in this regard.
- Lack of sufficient officials at different tiers particularly at GP level adversely affects the financial management and accounts of Panchayats.

Interaction of the Sixth Finance Commission, Haryana with elected representatives and officials of Panchayati Raj Institutions on 28-29 January 2021 at Haryana Institute of Public Administration, Gurugram

The State Government of Haryana has constituted the Sixth State Finance Commission under the Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.) on 22nd September, 2020. The State Finance Commission (SFC) is required to make recommendations regarding the principles of (i) the distribution of the taxes, duties, tolls and fees between the state and Gram Panchayat (GP), Panchayat Samiti (PS), Zila Parishad (ZP), (ii) the determination of the taxes, duties, tolls and fees assigned to or appropriated by the Panchayats (iii) grants-in-aid to the Panchayats. Besides, the Commission is also required to recommend measures needed to improve the financial position of the GPs, PSs, and ZPs. While making the recommendations, the Commission shall also regard the requirements of the Panchayati Raj Institutions' potential for raising resources and reducing the expenditure.

To discharge this constitutional obligation, the Commission has decided to hold Division wise meetings with the three tiers' Elected Representatives (ERs) and officials (Gram Panchayat, Panchayat Samiti and Zila Parishad) of Panchayati Raj System in the State. In the 2nd phase, the Commission interacted with the elected representatives and officials of Gurugram & Faridabad Divisions on 28-29 January 2021, at Haryana Institute of Public Administration (HIPA), Gurugram. The meeting has been organized in collaboration with HIRD and HIPA. The list of participants is provided in Annex-1. From the Commission, Sh. P. Raghavendra Rao, IAS (Retd.) Chairman, Sh. Vikas Gupta IAS, Member Secretary, Dr. Mahi Pal, Advisor, Dr. Mukesh P. Mathur, Advisor, Sh. VK Sharma, OSD to Chairman and Sh. Kulwant Kumar, the Administrative Officer, were present during the interaction.

Shri R. K. Mehta while welcoming the Chairman, Member Secretary, Advisors and Officers of the 6th State Finance Commission and participants on behalf of HIPA and HIRD apprised the audience about objectives of the Commission and requested them to share their views freely and frankly.

Smt. Surina Rajan, IAS (Retd.), Director General, HIPA, Gurugram while welcoming the Chairman, Advisors and officers of the 6th State Finance Commission, Haryana on behalf of HIPA, asked elected representatives and officials of the PRIs to share their experiences and recommendations to strengthen the functioning of PRIs in the State.

Sh. Vikas Gupta, IAS, Member Secretary, 6th SFC, Haryana invited the Chairman to address the participants.

Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th Finance Commission, Haryana while interacting with the participants made the following observations:

- One of the objectives of SFC is to learn from the experiences of ERs and officials of PRIs so that the Commission recommend the principles: (i) to distribute funds to PRIs and Urban Local Bodies (ULBs), (ii) the determination of the taxes, duties, tolls and fees assigned to, or appropriated by the PRIs, (iii) grants-in-aid to PRIs. SFC is expected to suggest that the state government devolves funds to Panchayats to make them strong and effective self-government.
- What should be done to improve the functioning of the PRIs?

- To strengthen the PRIs, ensuring accountability and transparency is very important. Accountability ensures that there is efficient utilization of funds by the Panchayats. Transparency of the Panchayats' effective functioning, among others, is ensured through regular meetings of Gram Sabha and maintenance of accounts and regular audit.
- He also asked the participants to give feedback on whether the officials at the local level, i.e. Gram Sachivs and BPDOs, cooperate with the ERs or not.

Dr. Mahi Pal, IES (Retd.), Advisor, 6th Finance Commission, Haryana raised issues to be deliberated during the interaction. While doing so, he requested the participants to give their views inter-alia on:

- How much fund should be devolved to local bodies (i.e. PRIs & ULBs) from the State Government and out of that fund how much should be devolved to PRIs?
- After explaining the devolution done by the previous finance commission, he asked the participants to recommend the ratio of the funds to be devolved to GP, PS & ZP.
- Explained the tied and un-tied funds given to the PRIs, and then asked the participants whether they want tied or un-tied fund. If they wish tied funds then for what purposes they want it?
- Focused on the importance of tax generation at the local level. No taxes at all lead to the problem of "free-riding" which consequently promotes unaccountability. Therefore, Panchayats should find means to generate taxes and user charges at the local level. So that, local citizens have a sense of ownership regarding the conveniences, i.e. school, community centre, roads, etc., provided at the local level.
- Gave examples of resources and services on which taxes or user charges can be imposed.
- He asked the participants whether they would want to recommend providing an incentive to those GPs who perform better and disincentives to those who are not performing even the minimum duties of the Panchayat.
- If the current auditing practice is not fruitful in maintaining accounts and audits, what could be done to ensure accountability and transparency at the local level?

Interaction with Sarpanchs/Panchs

After making the participants aware of SFC's role, including devolution of funds to Panchayats and expectations from the participants, issue wise discussion took place. Following are issue-based main points emerged from the discussion.

Issues raised and Discussion:

Dr. Mahi Pal raised issues and facilitated discussion for better outcomes. Following is the issue-based discussion.

I. Issue: Imposing taxes and user charges at the local level

- Local resources are controlled by the state and central government; therefore, there are no taxes imposed on them.
- There is no user charge imposed on facilities provided by the PRIs. Firstly, even if the user charge is imposed, it is significantly less and hence will not make any significant

difference in Panchayat's revenue. Secondly, it affects the Sarpanch's popularity among people if the GPs impose taxes and charges under their Sarpanchship.

- House Tax is meagre, which needs to be increased. A separate functionary may collect it. If the Chullah tax is collected with electricity bill and ration depots, this may increase the collection rate. However, the issue was also raised by some of the participants that in some GPs, residents are migrated to towns and cities in search of livelihood, now they don't pay any taxes to the GPs. It's difficult to persuade them to pay taxes or user charges since they do not use Panchayats' services.
- Commercial vehicles, i.e. trucks, tractors etc. could be charged a tax for using local roads. Farmers should also pay the taxes so that the roads damaged by their agricultural equipment and machinery, can be rebuilt.
- Fine on the wastage of water should be either be collected by the government officials or by the police so that people are made accountable and they do not find an excuse to avoid tax payments.
- Taxes should be imposed on private schools, construction works, private tubewells, water supply and mining.
- User charges on sanitation can be levied so that sweepers can be paid their salaries through GP's own fund only.
- If the solar panels are installed for street lights and other activities, a user charge can be imposed.
- A percentage of electricity bill should also be shared with GPs. Sometimes, electricity poles are installed in the streets, for that electricity department digs and damages the roads built by the Gram Panchayats. Later on, GPs re-construct these roads, and a good amount of money is spent in this process. Therefore, it is proposed that each time such type of activities is done, GPs should be compensated.
- Usually, the Forest Department collects the remains of trees/wood. GPs should manage and maintain the trees around the village. That way, GPs can generate revenue by selling dead trees and other wildlife waste.

11. Issue: Tied and Un-tied Grants

- According to 5th SFC's recommendations, grants to the local bodies, both PRIs and ULBs, are 7% which is not sufficient. It should be increased up to 9-10%. In the report of 6th SFC.
- There may be tied grants for the education and empowerment of women.
- Tied grants for the renovation and cleanliness of ponds, drainage and sanitation. Utilization of ponds after the cleaning of ponds, can be a good source of income for the GPs.
- Allocation of funds should be based on GPD. For instance, if GPD is prepared with specific targets, then Un-tied funds should be given to fulfill those targets.
- GPs should be exempted from Goods and Services Tax (GST) if GPs purchase raw material, i.e. cement, bricks, etc., a significant amount of funds is paid in the form of

GST. If that amount is diverted towards other projects, it may benefit the GP's development.

- Tied grants for the development of government schools. Government schools lack several facilities, i.e. smart classrooms, furniture, infrastructure etc., a fixed grant should be earmarked to improve the primary and junior high schools in GPs.
- Funds are allocated based on the 2011 census, since then, there has been a significant increase in the population. SFC should use the latest population projection to devolve funds to local governments.
- Sometimes, GPs are very small, both area and population-wise. Those GPs neither have sufficient resources nor receive adequate funds (due to the state government's devolution criteria: population and area). To ensure the proper functioning of such GPs, SFC should recommend a fixed (minimum) amount of fund.
- Un-tied grant should be more than tied grants, sometimes tied funds are left unutilized. For instance, the tied grant for sanitation cannot be used for any other project.
- There should be a provision through which GPs can borrow money from the market.

12. Issue: Corruption at the local level

- To reduce corruption in Panchayats, elected representatives proposed that they may be given a substantial honorarium regularly. Currently, Panchs and Sarpanchs are getting 1000 and 3000 rupees respectively as an honorarium. If the amount of honorarium is increased up to Rs.10000-15000, then corruption may be reduced, and it may also motivate the ERs to shoulder their duties more effectively.

13. Issue: Audit and Accounts

- The audit is not done regularly.
- Usually, when auditors visit the GPs to audit the account, they are given "bribe" to provide a 'favourable' report to Sarpanch.
- Lack of functionaries to maintain the accounts is affecting the record-keeping of the Panchayats.

14. Issue: Coordination between the Panchayat Samiti and Gram Panchayats

- Lack of coordination and cooperation among GPs, PSs, and ZPs.
- Due to this issue, some projects are overspent on, and some are entirely neglected. Therefore, each tier should be assigned a specific project/department to work on. For instance, the GP should focus on sanitation, and PS should work on education and infrastructure.
- Sometimes the expenditure is done on the same projects by each tier of the local government, which leads to wastage of resources. Such practices reflect the absence of not implementing cardinal principles of work allocation and decentralized planning.

15. Issue: Meeting of Gram Sabha and constitution of Subject Committees

- Meetings of the Gram Sabha does not take place regularly.

- Sarpanch does not invite the Panchs and other members of GP. The meetings are held on papers only.
- GPDG is not prepared.
- No cooperation among the Panchs and Sarpanch, consequently it hinders the functioning of the Gram Sabha and GP.
- Subject committees are not constituted on the ground.

16. Other issues:

- Government schools with low students enrolment in a few GPs are merged together, leading to a lack of primary schools in few areas, resulting in lesser attendance. Children do not want to go to another village.
- Ration cards and BPL cards should be revised after a certain period of time. If a household becomes economically better, then these services should not be given to them.
- Women participation in MGNREGA should be promoted. Specific projects should be initiated under which only women are employed. Drainage can be used for irrigation if diverted towards the agricultural land.

Interaction with Chairmen and Members of Panchayat Samiti

The afternoon session was dedicated to the interaction with the members and Chairmen of the Panchayat Samitis:

Dr. Mukesh P. Mathur, Advisor, 6th State Finance Commission, Haryana in his address inter-alia pointed out the importance of 73rd Amendment Act in bringing out increased people's participation and its role in bridging the gap between the government and citizens.

- Panchayats try to be self-reliant by generating revenue.
- User charges can be a significant contributor to their own revenue. For instance, if user charges are imposed on water supply, then water wastage may be reduced. Even a single rupee can make a difference.
- Promotion of innovation at local level may lead to good governance, which is very important for achieving the desired goals. To ensure good governance, a few aspects, i.e. mixing financial decisions with planning, each stakeholder's participation, efficiency, accountability, and transparency, should be stressed.
- Regular analysis of the projects' outcome: whether reaching the last person on the ladder.
- He also explained the pretext and initial purpose of the State Finance Commission's constitution and its current objectives.
- Sustainable Development Goals should be kept in mind while planning at the local level.
- All in all, we should find out the possibilities of making a responsible and efficient government at the local level.

Issues raised and Discussion:

1. Issue: Imposing taxes and user charges at the local level

- Rent of Panchayat Samitis' shops is very less and should be increased after a regular interval.
- No proposal to impose and collect the taxes at local level has been sent to the state government.
- 'Barat Ghar' or community centres may also be a source of income if user charges are charged from users.
- Due to the risk of losing popular support, PSs do not collect any tax or user charges from the local people. If the state collects the taxes and then share it with the PRIs, it would be better.
- Identifying mining land and resources and imposing taxes on mining may increase the revenue of PSs. Currently, the mining department does not take permission from the local government.
- Common land can be used for building shops and community centres. Sometimes, relatives of Sarpanch use that land without paying anything to the GP.

2. Issue: Tied and Un-tied Grants

- Tied grants should be given for education and sanitation. There is a massive shortage of teachers in government schools.
- Funds to PS are not sufficient.
- 'Backward indicators' for devolution.

3. Issue: Corruption

- Corruption by senior officials is widespread. Most of the time, a certain amount of money is shared with the officials and contractors.
- MLAs and MPs interfere and hinder the functioning of PS. Most of the time, the contestants of PS election are endorsed by the local MLAs and MPs; therefore, they also influence their decisions after being elected.
- No information or transparency about the liquor tax and income earned through 'Patta'. BPDOs spend that income according to their own will.

4. Issue: Coordination among GPs, PS and officials

- There is no coordination between PSs and GPs. GPs do not intimate the Chairman or the members of PS about the meetings of Gram Sabha.
- Each tier should bear some specific responsibility so that coordination and cooperation can be ensured.
- A specific quota of the grant should be given to each Panchayat Samiti member to be spent.
- Due to lack of coordination among GPs, PS and ZP, projects are not completed on time.

- Officials do not cooperate with the members and Chairman of the PS.

5. Issue: Meetings of PS and constitution of committees

- No meetings of the committees are organized, only signatures are taken from the members.
- Most of the participants are not aware of the committees.

6. Other issues

- CSCs are required in every GP, and service charges of CSC should be fixed.
- Woman Chairperson does not attend the meetings or participate in any of the activities. Male member of her family either husband or father-in-law or other member works as Chairman instead of her.

After the issue-wise discussion, **Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th Finance Commission, Haryana** made the concluding remarks:

- There is no satisfactory progress in local governance even after three decades of the 73rd Amendment Act.
- It seems that local bodies are not complying with the constitutional provisions.
- Elected representatives and officials are not appropriately trained. Therefore, they are not working efficiently.
- SFC focuses on the financial aspect of the local bodies, i.e. PRIs and ULBs. However, governance is equally important to utilize the funds optimally.

Interaction with Presidents and Members of Zila Parishad

During the second day, the discussion was devoted to the interaction with the Presidents & Members of the Zila Parishad and officials, i.e. Gram Sachivs, BFDs, and DDPOs of the PRIs.

Sh. R K Mehta, Director, HIRD welcomed Chairman, Member Secretary, Advisors and officers of SFC, and requested the participants to express their opinions and recommendations regarding the functioning of PRIs as the Commission wants to know from their side about how to strengthen Panchayati Raj System through financial empowerment.

Dr. Mahi Pal, IES (Retd.), Advisor, 6th State Finance Commission, Haryana raised the relevant issues and stressed achieving 'Gram Swaraj' by making Panchayats self-reliant through generating their own revenue.

Dr. Mukesh P. Mathur, Advisor, 6th Finance Commission, Haryana, inter-alia focused on the bottom-up approach of planning, ensuring fund generation and increasing their own tax revenue to become self-reliant. Stressing on income, he said that if all the 'public goods' are taxed, and user charges are imposed on 'merit goods', then PRIs can generate substantial revenue at their levels. In this regard, he cited the example of SFC, Punjab, which recommended that, if local bodies wanted to increase the taxes, they were allowed to do so even without the state government's approval. Conversely, the state's permission was not required to reduce the tax rates. He supported his remark by saying, 'Land is the best resource', and PRIs can generate substantial revenue if a sum of capital is invested in developing land. For instance, in Gujarat, Panchayat's land has been leased by Amul Plant, contributing to Panchayat's fund; the same can be replicated in Haryana.

Issues raised and Discussion:

1. Issue: Revenue Generation through taxes and non-taxes

- ULBs have their own tax and non-tax resources, while the PRIs do not have their own sufficient resources. Therefore PRIs should be given 70-80% of the total funds devolved to local bodies, out of that fund 80% should be given to the Gram Panchayats.
- Excise duty (liquor tax) is not shared with ZPs.
- Tax can be levied on the advertisement (hoardings etc.).
- GST is imposed on the materials purchased by the PRIs. A substantial amount is paid back to the state and central government in the form of GST. For example, if the material worth of 100000 is purchased, 18000 are paid as GST. Therefore, PRIs should be exempted from GST.
- ZPs can impose taxes on petrol pumps and marriage halls.
- Government officials should collect the taxes, neither the people want to pay the taxes to local elected representatives, nor do the ERs collect it independently.

2. Issue: Tied and Un-tied grants

- Tied grants for the biogas plant are not utilized because people do not need it. Instead, this grant should be diverted towards any other project such as infrastructure. Un-tied grants are preferred over tied grants. The Government should give a performance grant to better performing ZP. For example, better performing ZP should receive 12%, and under performing ZP should get only 8% of total grants devolved to PRIs. This policy may motivate the ERs to work efficiently.
- A 'petty grant' should be given to the ZPs to maintain their day to day expenses.
- In every ZP, ward members are divided into two groups; i.e. one group supports the President, and another does not. Therefore, President allocates the funds to his supporters only. To ensure equal distribution of funds across wards, a fixed amount should be earmarked for each ward.

3. Issue: Meetings of the ZP

- Out of all ZPs falling under these two Divisions, only one ZP is reported to have organized meetings regularly. Role of the ward members who belong to the rival groups is crucial in ensuring accountability and responsiveness.
- Meetings of ZP are called only when the funds are received from the government. Otherwise, there are no meetings called and held.
- Minutes of the meetings are not prepared on time; therefore, there is no follow up of the agendas discussed in the meetings.
- The honorarium is very less. If members and President of the ZP attend any meetings, no TA is given. Therefore, meetings are not attended regularly.

4. Issue: Cooperation between officials and elected representatives

- Due to the lack of cooperation between elected representatives and officials, several projects are left incomplete.

- Lack of functionaries at ZP level. Permanent staff should be given to ZPs.
5. **Issue: Coordination among all the tiers of PRIs, i.e. GP, PS & ZP**
- Pipelines should be buried before the roads are laid; otherwise, the water supply department damages the roads, and PRIs are not compensated to rebuild the roads.
 - Less or no coordination among all the tiers of PRIs often leads to unnecessary and repetitive expenditure on the projects.
 - President & Members of ZP, Chairman and Members of PS should be invited to Gram Sabhas' meetings to get aware of local issues and help prepare, implement, and monitor local planning.
6. **Issue: Corruption**
- If the honorarium is increased, elected representatives, there is the possibility of reducing corruption at the local level.
 - Sometimes, MLAs get involved through officials which reduces the effective functioning of the PRIs.
 - Auditing is not done correctly. Auditors are also involved in corruption.
7. **Issue: Capacity Building**
- The officials mostly dominate elected representatives at the local level due to the unawareness of their responsibilities and powers.
 - Regular training is required to make them capable and efficient in implementing various schemes/programmes effectively.
8. **Other Issues**
- No signatory powers are given to the members and the President of ZP. They cannot issue any certificate on behalf of them. However, a few participants believe that the ZPs do not require these powers because GPs are already performing this duty.
 - PRIs should engage with the local entrepreneurs and NGOs to participate in GS meetings to improve the PRIs' performance through Corporate Social Responsibility.

Interaction with Officials

During the interaction with the officials, several Grams Sachivs, BPDOS and DDPOs were present. Following issues emerged from the discussion.

1. **Issue: Meetings of Gram Sabha**
 - Meetings of the GS are not held regularly.
2. **Issue: Own tax and non-tax revenue of the Panchayats**
 - The Panchayats have imposed no taxes.
 - Ponds can be given away on the lease, but it is difficult to do so due to sewage. Once the ponds are cleaned, they may help in generating revenue for Panchayats.
 - Auction money of Shamilat land should be distributed among all the tiers in the ratio of 50% to GP, 25% to PS and 25% to ZP.

- Officials may collect property tax. If ration or the electricity bill payment is linked with property tax, everyone will be bound to pay it.
- Currently, the rate of property tax is meagre. PRIs do not want to collect it because it does not contribute much to the GP's funds, and ERs and officials think that the revenue generated through it is not worth it. Therefore, if the rate of property tax is increased, PRIs will get motivated to collect it.
- Streamlining the mechanism to collect the taxes and user charges may benefit the PRIs. The state government should appoint a separate functionary to collect the taxes.

3. Issue: Accounts and Audit

- Gram Sachivs are not better equipped to maintain accounts. Therefore, capacity building of Gram Sachivs in maintaining records and accounts is required to be built-up for better results.
- The workload on Gram Sachivs affects the preparation of GPDP and maintenance of accounts.
- The audit is not done regularly.
- Gram Sachivs should be the custodian of the GP's accounts, and accounts should only be kept in the Gram Sachivalaya.

4. Issue: Tied and Un-tied grants

- The Panchayats are not entirely utilizing tied grants.
- The ratio of the SEC's grants is sufficient to Panchayats. In fact, it's the governance's issue which should be addressed for better results.
- Grants to smaller GPs demographically should be increased since they do not have their own resources and are entirely dependent on the state's grants.

5. Issue: Coordination among GPs, PS and ZP and Officials

- There is no coordination among GPs, PS, and ZP. If the roles and responsibilities are divided among them, performance can be improved. Projects are repeated unnecessarily leading to the wastage of time and resources.
- Sometimes, projects do not get approved in the ZP meeting and are left hanging due to differences in opinion and political rivalry.
- Specific grants should be allocated to each ward; doing this will ensure the equitable distribution of funds among wards. Otherwise, some wards do not receive any funds from ZP due to political rivalry.

After the interaction with officials, **Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission, Haryana** made the concluding remarks and stressed the importance of recommendations received through the above interaction. He also drew attention towards the necessity of good governance through transparency, accountability, and responsiveness. Chairman also thanked everyone for participating in the interaction.

Ms. Manveen Kaur, Faculty, HIPA proposed the vote of thanks.

To summarize:

- Severe lack of awareness and capacity building about rights and duties amongst elected representatives of Panchayats has emerged from the discussion. In the context of their own resources, they were not aware of provisions of Sections 41, 88 and 147 and other relevant sections under which it is mentioned that Panchayats can impose all those taxes that the State Legislative imposes with the approval of the State government. Due to the lack of capacity building, PRIs are either dominated by presidents of GP, PS and ZP with the link of MLAs and MPs or senior officials of the Panchayati Raj Department.
- It's been observed that elected representatives of PRIs are not interested in imposing property tax or any other taxes or user charges prescribed by the Panchayati Raj Act due to the risk of becoming unpopular in their locality. Lack of motivation to collect the property tax is supposedly due to meager property tax rates and populism. It is proposed that property tax or other taxes or fees be collected by government officials separately. The state government should set up a specific apparatus just to collect taxes at the local level. As far as the generation of revenue is concerned, PRIs can impose taxes on commercial vehicles, construction works, roads, private schools, mining etc. Besides, if PRIs could borrow funds from the market, with the state government's approval, it may further strengthen the financial position of the PRIs.

Participants said about taking some income-earning activities like construction of shops, developing pond into a picnic spot, etc. But there are ways to do these activities. One non-tax revenue apparatus may be scheme like Revenue Earning Scheme (RES). But they were not aware of these provisions and hence no interest in such ventures.

- The proportion of un-tied grants should be more than that of the tied grant because it has been observed that sometimes tied grants are not fully utilized. However, certain activities such as, education for girls, smart schools, drainage, and sanitation for which tied grant area must. It was felt that there should be a fixed (minimum) amount of funds for GPs that are too small and do not get sufficient funds due to the population and area criteria. It was also suggested that PRIs should be exempted from GST because a substantial amount of fund, which might be utilized in developmental activities, was paid in GST.
- Issue of corruption never seems to go away. Officials are involved in corruption at the local level. Lack of accountability and transparency are the main reasons for this issue. Proper implementation and application of rules and regulations in the functioning of Panchayats will surely lessen corruption. Besides, instead of participating in the meetings of PSs and ZPs for better outcomes as nominated members, MLAs and MPs interfere in the functioning of PRIs, further, hampering the performance of PRIs.
- As far as the coordination and cooperation among different tiers of PRIs and officials are concerned, there is a severe social capital deficit in the functioning of PRIs as cooperation among different tiers of PRIs and officials is almost nil or negligible. GPs do not coordinate with PS and ZP while allocating funds for various projects. Neither do they get any notice nor invitation to attend the meetings of GP. However, all the tiers of PRIs complain that officials do not cooperate with them, and usually take advantage of their lack of knowledge.

- Meetings of GS, PS and ZP are not organized regularly; or are held after they receive funds from the government. However, meetings of GS, PS and ZP are not merely for fund allocation. PRIs are not bothered by other responsibilities such as ensuring social justice, gender equality, health and nutrition etc. that are assigned to them to make the local citizens empowered. The preparation of GPDP and constitution and functioning of subject committees usually exist on paper only. There is no localization of SDGs under GPDP. Therefore, both the elected representatives and officials have taken for granted accountability, transparency, and responsiveness, consequently leading to the failure to ensure good governance at the local level. Presence of the line departments' officials in the GS meetings may help the GPs in the proper preparation of GPDP and ensure the regularity of the meetings.
- Good governance is prerequisite to ensure the optimum utilization of funds. PRIs have sufficient funds at their disposal more often than not, but effective and efficient utilization of funds is lagging their performance. There is a need to work and improve good governance indicators such as accountability, transparency, responsiveness, participation etc.

Annex-I

List of Elected Representatives and Officials, 28th January, 2021

S. N.	Name	Designation	Address	M/F	Category
1	Naresli	SEPO	Gurugram	M	Gen
2	Suresh Kumar	PS Chairman	Nanda/ Chaudhary (M-Garb)	M	Gen
3	Prem Chand	PS, Chairman	Palwal	M	Gen
4	Saroj	PS, Chairman	Prithla, Palwal	F	SC
5	Bharat	PS, Chairman	Faridabad	M	Gen
6	Ravinder Gujjar	PS, Chairman	Narnaul	M	BC
7	Rajender	PS, Chairman	Arrali Nangal (M-Garb)	M	Gen
8	Jagdish Adhida	PS, Vice Chairman	Faridabad	M	Gen
9	Virpal Singh	Vice Chairman	MundiaKhara	M	BC
10	PriitSoni	Vice Chairman	Kanina (M-Garb)	F	BC
11	Raj Singh	PS, Member	Sohna	M	BC
12	Krishan Dutt	PS Member	Nanda/ Chaudhary (M-Garb)	M	Gen
13	Govind Ram	PS, Member	Prithla, Palwal	M	Gen
14	Santosh K. Singh	PS, Member	Faridabad	M	Gen
15	Ashok Rawal	PS, Member	Faridabad	M	SC
16	Sureniler	PS, Member	Narnaul	M	BC
17	Krishan Kumar	PS, Member	Narnaul	M	BC
18	Asha	Sarpanch	GarhiBajulpur, Soha	F	BC
19	Raj Kumar	Sarpanch	Akhna, P.P. Zirka	M	BC
20	Sat Parkash	Sarpanch	Ramgarh, Rewari	M	SC
21	Munesh Kumari	Sarpanch	Khalaka, Rewari	F	BC
22	Uned Singh	Sarpanch	Bhanpur	M	BC
23	Ovi Parkash	Sarpanch	KhalikPuri	M	BC
24	Rohitash Singh	Sarpanch	Dahkola, Faridabad	M	BC
25	Kuldeep	Sarpanch	Chandu, Gurugram	M	BC
26	Sushila	Sarpanch	Manwas (Indri) Nuh	F	SC
27	Anju Bala	Sarpanch	Bhadus, Nagina	F	SC
28	Suman	Sarpanch	Bamanwas, Alzampur, Nuh, M-Garb	F	Gen
29	Sushila Devi	Sarpanch	Nizampur, M-Garb	F	Gen
30	MaentaMoryu	Sarpanch	Jaundpur, Palwal	F	SC
31	Jaid	Sarpanch	Fatehpur Tagga, Faridabad	M	Gen
32	Tiya Bhussain	Sarpanch	TikriKhira, Faridabad	M	Gen
33	Rajender	Sarpanch	NaaglaBhikhu, Palwal	M	Gen
34	Sumitra Devi	Sarpanch	Basutpur, Patetodi (Gurugram)	F	BC
35	Usha Devi	Sarpanch	Mandpura, Patetodi	F	BC

			(Gurugram)		
36	Sunita	Sarpanch	JanSainpur, Patauli (Gurugram)	F	Gen
37	Jitender Kumar	Sarpanch	Lisana, Rewari	M	Gen
38	Yodhishbar Rathi	Sarpanch	Ghurkawas, Rewari	M	Gen
39	Vikram	Sarpanch	Narnaul	M	BC
40	Jagat	Panch	GarhiBajidpur, Sohna	M	BC
41	Tarif Mohd	Panch	Akhnaka, F.P. Zirka	M	BC
42	Mukesh Devi	Panch	Manwaa (Indri) Nuh	F	Gen
43	Lalit Kumar	Panch	Fatehpur Bilotch, Faridabad	M	BC
44	Sangeeta	Panch	Fatehpur Bilotch, Faridabad	F	BC
45	Brij Baja	Panch	Fatehpur Bilotch, Faridabad	F	BC
46	Sunita	Panch	Fatehpur Bilotch, Faridabad	F	SC
47	Har Kishan	Panch	NanglaBhikhu, Palwal	M	SC
48	Suresh	Panch	NanglaBhikhu, Palwal	M	SC
49	Ramesh Kumar	Panch	Sihor, Kanina (M-Garhi)	M	SC
50	Amit	Gram Sachiv	Gurugram	M	BC
51	Dharmvir	Gram Sachiv	Gurugram	M	SC
52	Gyanender Singh	Gram Sachiv	Indri (Nuh)	M	BC

List of Elected Representatives and Officials, 29th January, 2021

S. N.	Name	Designation	Address	M/F	Category
1	Shri Bisagwao	SEPO	Judisana	M	BC
2	Sandeep Kumar	SEPO	Rewari	M	BC
3	Naresh Kumar	SEPO	Gurugram	M	Gen
4	Narender	DD&PO	Gurugram	M	SC
5	Rajesh Kumar	BD&PO	Dabina Khurd, Rewari	M	Gen
6	Parmendra Singh	BD&PO	Sohna, Gurugram	M	SC
7	Neeraj Yadav	BD&PO	Bawal, Rewari	M	BC
8	Virender Singh	BD&PO	Indri (Nuh)	M	Gen
9	Narender Singh	BD&PO	Tauru (Nuh)	M	Gen
10	Ankit Chautan	BD&PO	Farukh Nagar	M	SC
11	Shashi Bala	Chairman	Rewari	F	SC
12	Anil Kumar	PS, Chairman	Rewari	M	SC
13	AishaBano	ZP, Chairman	Nuh	F	Gen
14	Jagan Singh	ZP, Member	Nuh, Mewat	M	SC
15	Amit Kumar	ZP, Member	Rewari	M	BC
16	Neeru Choudhary	ZP, Member	Rewari	F	Gen

17	Harish Kumar	ZP, Member	Rewari	M	Gen
18	Rakesh Kumar	ZP, Member	Mahendergarh	M	BC
19	Vijay Pal	ZP, Member	Gurugram	M	BC
20	Deep Chand	ZP, Member	Gurugram	M	SC
21	Nitesh	Gram Sachiv	Rewari	M	BC
22	Deepak	Gram Sachiv	Sohna, Gurugram	M	Gen
23	Jitender	Gram Sachiv	Kaleena (M-Garh)	M	BC
24	Naresh Kumar	Gram Sachiv	Kaleena (M-Garh)	M	BC
25	Tirth Parkash	Gram Sachiv	Kanina (M-Garh)	M	SC
26	Rohit	Gram Sachiv	Rewari	M	BC
27	Sukhdev Kumar	Gram Sachiv	Tigaon, Faridabad	M	Gen
28	Satyawan	Gram Sachiv	Rewari	M	BC
29	Manoj Kumar	Gram Sachiv	Nahar	M	Gen
30	Haci Parkash	Gram Sachiv	Pataudi	M	SC
31	Deeg Ram	Gram Sachiv	Pataudi	M	Gen
32	Ajay Singh	Gram Sachiv	Pataudi	M	BC
33	Dharmender	Gram Sachiv	Pataudi	M	BC
34	Suresh Yadav	Gram Sachiv	Pataudi	M	BC
35	Pinky Kumari	Gram Sachiv	Pataudi	F	BC
36	Renu	Gram Sachiv	Pataudi	F	BC
37	Bhavesh Bhardwaj	Gram Sachiv	Rewari	M	Gen
38	Shoe Rattan	Gram Sachiv	Rewari	M	BC
39	Shree Bhagwan	Gram Sachiv	Dharuhera	M	BC
40	Shyam Singh	Gram Sachiv	Rewari	M	BC
41	Nuphe Singh	Gram Sachiv	Punhana, Mewat	M	Gen
42	Kanwar Pal	Gram Sachiv	Pataudi, Gurugram	M	BC
43	Kaldeep Kumar	Gram Sachiv	Gurugram	M	SC
44	Pawan Kumar	Gram Sachiv	Gurugram	M	Gen
45	Amit Kumar	Gram Sachiv	Baillabgath, Gurugram	M	BC
46	Manabir Singh	Gram Sachiv	Pataudi	M	SC
47	Dinesh	Gram Sachiv	Pataudi	M	Gen
48	Dharmender	Gram Sachiv	Pataudi	M	Gen
49	Raj Kumar	Gram Sachiv	Tauru (Nuh)	M	Gen
50	Parveen Kumar	Gram Sachiv	Gurugram	M	BC

Interaction of the Sixth Finance Commission, Haryana with elected representatives and officials of Panchayati Raj Institutions on 11-12 February 2021 at Regional Institute of Panchayati Raj & Community Development, Bhiwani

The State Government of Haryana has constituted the Sixth State Finance Commission under the Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.) on 22nd September, 2020. The State Finance Commission (SFC) is required to make recommendations regarding the principles of (i) the distribution of the taxes, duties, tolls and fees between the State and Gram Panchayat (GP), Panchayat Samiti (PS), Zila Parishad (ZP); (ii) the determination of the taxes, duties, tolls and fees assigned to or appropriated by the Panchayats (iii) grants-in-aid to the Panchayats. Besides, the Commission is also required to recommend measures needed to improve the financial position of the GPs, PSs, and ZPs. While making the recommendations, the Commission shall also regard the requirements of the Panchayati Raj Institutions' potential for raising resources and reducing the expenditure.

To discharge this constitutional obligation, the Commission has decided to hold Division wise meetings with the three tiers' elected representatives and officials (Gram Panchayat, Panchayat Samiti and Zila Parishad) of the Panchayati Raj System in the State. In the 3rd phase, the Commission interacted with the elected representatives and officials of Hisar & Rohtak Divisions on 11-12 February 2021, at Regional Institute of Panchayati Raj & Community Development (RIPR&CD), Bhiwani. The meeting has been organised in collaboration with HIRD and RIPR&CD. From the Commission, Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, Dr. Mahi Pal, Advisor, Dr. Mukesh P. Mathur, Advisor, Dr. M.M. Goel, Advisor, Sh. V.K. Sharma, OSD to Chairman and Sh. Kulwant Kumar, the Administrative Officer, were present during the interaction.

Shri R. K. Mehta, Director, HIRD, while welcoming the Chairman, Advisors and Officers of the 6th State Finance Commission and participants on behalf of RIPR&CD and HIRD, apprised the audience about the objectives of the visit of the Commission and requested them to share their views on strengthening the financial position of the Panchayati Raj Institutions (PRIs) in the State.

Dr. Mahi Pal, IES (Retd.), Advisor, 6th State Finance Commission, Haryana, raised issues to be deliberated during the interaction. While doing so, he explained the purpose of the interaction and requested the participants to share their experiences and suggestions on the following issues:

- How much fund should be devolved to local bodies (i.e. PRIs & ULBs) from the State Government, and out of this fund, how much should be devolved to PRIs?
- After explaining the devolution done by the previous State Finance Commissions, he asked the participants to recommend the ratio of the funds to be shared with Gram Panchayats (GPs), Panchayat Samities (PSs) and Zila Parishads (ZPs).
- Explained the tied and un-tied funds given to the PRIs, and then asked the participants whether they want tied or un-tied fund. If they wish tied funds, then for what purposes they want it?
- Focused on the importance of income generation by imposing taxes at the local level. The imposition of no taxes at all leads to "free-riding", which consequently promotes

unaccountability. Therefore, Panchayats should find means to generate income through taxes and user charges at the local level so that villagers have a sense of ownership regarding the conveniences, i.e. school, community centre, roads, etc., provided at the local level.

- Gave examples of possible areas where taxes or user charges can be imposed.
- He asked the participants whether they would like to recommend providing an incentive to those PRIs who perform better and disincentives to those who are not performing even the minimum duties and responsibilities given to Panchayats in the Haryana Panchayati Raj Act.
- If the current auditing practice is not fruitful in maintaining accounts and audits appropriately, then what could be done to ensure accountability and transparency at the local level? Do they have any alternate?

Besides, he also stressed that the Fifteenth Finance Commission (FFC) has made it mandatory to keep the accounts and audit updated and made online.

Dr. Mathur reiterated that PRIs are bridging institutions that connect the local citizens to the state and central government. He also stated that if villages are developed, not only the pressure on urban areas will be reduced but also migration from rural to urban areas for better livelihood, health, education etc., can be avoided. He talked about the competitiveness among cities and villages and how it may empower local governance. He proposed raising funds from the market through the issuance of "bonds", as has been done in urban areas by issuing municipal bonds. To improve governance and ensure that even the last person gets benefitted, transparency, accountability, and responsiveness must be ensured.

Dr. M.M. Goel stated that rural resources have always benefitted the masses at large and rural democracy has always been more potent than that of State and central when it comes to participation in the election. He stressed that if the PRIs are strengthened, many responsibilities can be appropriately performed by them.

Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission, Haryana, while interacting with the participants, made the following observations:

- The purpose of this interaction is to learn from the experiences of elected representatives (ERs) and officials of PRIs so that the Commission recommend the principles: (i) to distribute funds to PRIs and Urban Local Bodies (ULBs), (ii) the determination of the taxes, duties, tolls and fees assigned to, or appropriated by the PRIs, (iii) grants-in-aid to PRIs. SFC is expected to suggest measures to the state government to enable Panchayats to function strong and effective self-government at the local level.
- To strengthen the PRIs, ensuring accountability and transparency is very important. Accountability ensures that there is efficient utilisation of funds by the Panchayats. Transparency of the Panchayats' effective functioning, among others, is ensured through regular meetings of Gram Sabha, Gram Panchayats and maintenance of accounts and conducting the regular audit.
- To comply with the 73rd Amendment Act, FFC has recommended that transparency is ensured by maintaining the accounts online and regular audit of the accounts; social audit also plays a critical role in this regard.

- Intention to collect and pay taxes might contribute to accountability and transparency, consequently realizing the idea of "Gram Swarajya".

Interaction with Sarpanchs/Panchs

Issues and Discussion:

Following is the issue-based discussion.

1. Issue: Imposing taxes and user charges at the local level

- GPs do not collect the house tax most of the time; only contestants pay the house tax to file the nomination at the time of the election. If the receipt of house tax is made mandatory for availing the services provided by GP, collection of house tax may increase. Besides, requisite availability of government functionaries also affects the process of tax collection. It is felt that local citizens do not pay any taxes or user-charges because they don't take the local elected representative or functionaries seriously. If the state government mandates and initiates a separate mechanism to impose and collect the taxes, it may significantly increase the collection rate. Moreover, the amount of house tax is considerably less and doesn't contribute much to the GP's fund; therefore, it will not make a significant difference even if it is recovered fully. Raising the rate of house tax was also suggested by the participants.
- As far as user-charges are concerned, street lights, roads, community centres, door-to-door garbage collection, gymnasium, library, and other GP services can generate revenue if user-charges are collected regularly. Promoting eco-tourism by developing ponds may also help in generating revenue by the Panchayats.
- GPs may build shops and other public conveniences on common land with revenue earning schemes and collect rent or user charges on the same. In this regard, they can use the provisions given in the Haryana Panchayati Raj Act.
- Common land may be leased to the persons belonging to scheduled castes and backward classes for carrying out income-generating activities like pig farming, cattle rearing etc., to mobilise additional income from common land.

2. Issue: Tied and Un-tied Grants

- Tied grant for the development of ponds, sanitation, environmental protection, education and girls' education, etc.
- The flexibility of using unutilized tied grants in other activities may lead to the proper utilization of funds.

3. Issue: Audit and Accounts

- The audit is not done regularly.
- Auditors are not honest; most of the time, they work according to the Sarpanch's will and do not really care about transparency.
- Accounts may be updated online to ensure transparency.

4. Issue: Coordination between the Panchayat Samiti, Gram Panchayats & Officials

- Lack of coordination and cooperation among GPs, PSs, and ZPs in performing developmental activities.
- It was informed that the officials allocate tenders to collect garbage and ensuing sanitation, and GPs end up bearing a considerable amount of money in exchange for the services provided by Thekedars. Therefore, GPs must decide whom they want to issue the tender so that they may reduce the cost.
- Officers at the local level do not cooperate with the elected representatives. Most of the times, BPDOs dominate the elected representatives.
- Some elected representatives complained that BPDOs do not let them decide about the leasing of common land independently; instead, BPDOs themselves allocate the common land.

5. Issue: Meeting of Gram Sabha and constitution of Subject Committees

- Meetings of the Gram Sabha do not take place regularly. The agenda and notice of the meetings are not shared beforehand; therefore, Gram Sabha members do not attend the meetings; consequently, GPDP is not prepared.
- Subject Committees are not constituted on the ground.

6. Other issues:

- Teachers in the government primary schools do not turn up regularly.
- Lack of awareness about their role and responsibilities among elected representatives.
- Employment under MGNREGA may be increased from 100 days for a household to 200 days in a year.

Interaction with Chairmen and Members of Panchayat Samiti

Issues raised and Discussion:

- Tenders to collect garbage should be given to local people instead of Thekedars who do not reside in the same GPs. Usually, workers from outside of the village do not listen to the locals and are irresponsible. If locals themselves collect the garbage and, accountability of responsibility may be ensured.
- To avoid favouritism at GP level in MGNREGA projects, PS should also have a say in deciding the projects.
- There are no sources of income at the PS level. Decentralised Plan funds may be allocated to PS for the empowerment of this level. Besides, Income from the common land of GPs should also be shared with PS as well.
- Solar street lights may be installed, and a user charge can be collected from users. Similarly, solar plants can also be constructed for commercial household electricity consumption.
- Tied grants for environmental preservation should also be given to the PRIs. The government may also prepare an environment index in order to rank the PRIs so that PRIs performing better on environmental indicators could be incentivized.

- The responsibilities of each tier should be assigned clearly. Therefore, activity mapping at the local level is crucial.
- Decisions are taken jointly by the Chairman and BPDO. Minutes of the meetings are not prepared and issued regularly; members are not asked to sign at the end of the proceedings of the meetings.
- Funds are not equally allocated in different wards due to favouritism; only a few wards whose members support the Chairman receive funds. There should be a minimum fixed grant for each ward to execute the development plan in their respective areas.
- Funds are not utilized on priority projects instead of on the same projects repeatedly.
- Members and Chairman of the PS are not invited to meetings of GS; because of this, PSs are not aware of the local issues.
- There is a lack of cooperation and coordination among ERs of GP and PS and officials.
- It was noticed that ERs and officials are not aware of their roles in local governance. Therefore, there is a need for training and capacity building for them. PRIs may set up an autonomous institute for capacity building to facilitate the training and capacity building activities ERs and officials with their own engagement. For instance, the Kerala Institute of Local Administration, which has significantly helped improve the capacities of ERs and officials, is managed by the PRIs themselves.
- To ensure that the house tax is collected efficiently, the personnel who could collect 90% of the house tax may be given a one-month extra salary or any other monetary incentive. Those who are failed to collect house tax may be given a disincentive to bring about competitiveness among personnel.
- Instructions from the state-level must be in the Hindi language and must percolate at the GP level.

After the issue-wise discussion, Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th Finance Commission, Haryana, concluded the interaction by thanking everyone.

Interaction with Presidents and Members of Zila Parishad

During the second day, the discussion was devoted to the interaction with the Presidents & Members of the Zila Parishad and officials, i.e. Gram Sachiva, BPDOs, and DDPOs of the PRIs.

Sh. R. K. Mehta, Director, HIRD, welcomed the participants and invited suggestions on strengthening the PRIs.

Dr. Mahi Pal, IES (Retd.), Advisor, 6th Finance Commission, Haryana, raised the relevant issues on strengthening the Zila Parishad in particular and PRIs in general.

Dr. Gool explained the idea of "Needonomics" and "Greedonomics" and stressed that there is a need to implement the former and eliminate the latter. He also stressed that the judicious expenditure of funds is essential and that we have to stop blaming each other for the fruitful and favorable outcome.

Sh. P. Raghavendra Rao, IAS (Retd.) focused on the devolution of 3Fs, functions, funds and functionaries, and balance among them. He also briefly explained SFC's objectives.

Issues raised and Discussion:

- If ZPs decide to work or implement on some projects in GPs, Sarpanch's permission is required to do so. Sarpanch who are against the members or President of ZP hesitates to grant the consent due to political reasons. Therefore, ZPs are not able to execute development plans in GPs.
- President of ZP discriminates among wards while allocating funds to them. There is no debate or consensus in the house of ZP while deciding the works to be done in the rural area of the district.
- Share of funds from SFC maybe 60% for GP, 25% for PS and 15% for ZP.
- To avoid public opposition, ZPs do not collect any taxes or user charges.
- Grant to every ward should be equal so that the unequal distribution among wards due to political rivalry among the ward members can be eliminated.
- Meetings of ZP have not been organized regularly as notices and agendas are not issued to members of ZP who do not receive any agenda or notice. Similarly, the subject committees' constitution is only on papers.
- MPs, MLAs and Chairman of PS do not attend the meetings of ZP.
- Most of the time, projects passed in the house are left incomplete due to inefficient follow-up mechanism. Moreover, during the upcoming meetings, the house decides to take on some new projects instead of ensuring that the last projects were completed.
- HRDF is allocated based on political connection instead of a genuine requirement. There should be a clear criterion based on which these funds should be allocated among different wards of ZPs.
- Due to unnecessary RTIs, local officials cannot work efficiently; most of the times, RTIs are politically motivated. Some of the officials said that it has become a business for the local 'activists' influenced by the rival groups.
- There is a more workload on Gram Sachivs; therefore, they cannot maintain the data efficiently.
- The amount for celebrating national festivals may be increased from the existing Rs. 500/- to 10,000/- to Panchayats. A similar demand was raised for VIP visits.

Sh. P. Raghavendra Rao, IAS (Retd.) while concluding interaction and thanking all asked participants to send their views to the Commission so that their ideas can be kept in view while making recommendations of the Commission.

Dr. Mahi Pal, Advisor proposed vote of thank to the Chairman of the Commission for his guidance. He also proposed votes of thanks to HIRD, JHPA and RIPR&CD for managing the interactions timely and fruitfully. Shri P.K. Yadav, Principal RIPR&CD also proposed vote of thanks to Chairman of the Commission for his guidance and choosing RIPR&CD for interaction with LRs and Officials of PRIs.

To summarise:

- Collection of house tax, as usual, is not effective. ERs are not interested in collecting the house tax or any other taxes or user-charges due to the obvious reasons, i.e. they don't want to lose their popularity among people. The government may consider the idea of incentivising the tax-collecting-officials so that they can get motivated to collect the tax.
- Unnecessary RTIs hinder the functioning of PRIs. Both officials and ERs have to give a significant amount of time to answer the RTIs. It is noticed that RTI platform to ensure transparency and accountability has not been used properly.
- Environmental protection must be one of the priorities of the local government. Therefore, the state government should allocate a tied grant for the preservation of the environment. The state government may also create an environment index to rank the PRIs on environmental indicators and incentivise them based on their ranking.
- There is no role clarity among ERs and officials. It seems they are not aware of their responsibilities and duties. There is a need to invest in capacity building and training. The job works should be clearly defined for both ERs and Officials for better results.
- As usual, there is a lack of cooperation and coordination among the three tiers of PRIs.
- Meetings of the GS, PS and ZP are not organised regularly. The subject committees are also not constituted on the ground.
- Discussion was tilted towards tied grant to avoid merely construction of streets and drainages in the villages.

Interaction of the Sixth Finance Commission, Haryana with Chief Executive Officers (CEOs) of Zila Parishads on 16th February, 2021 at Haryana Institute of Public Administration, Gurugram

The State Government of Haryana has constituted the Sixth State Finance Commission under the Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.) on 22nd September, 2020. The State Finance Commission (SFC) is required to make recommendations regarding the principles of (i) the distribution of the taxes, duties, tolls and fees between the State and Gram Panchayat (GP), Panchayat Samiti (PS), Zila Parishad (ZP), (ii) the determination of the taxes, duties, tolls and fees assigned to or appropriated by the Panchayats (iii) grants-in-aid to the Panchayats. Besides, the Commission is also required to recommend measures needed to improve the financial position of the GPs, PSs, and ZPs. While making the recommendations, the Commission shall also regard the requirements of the Panchayati Raj Institutions' potential for raising resources and reducing the expenditure.

To discharge this constitutional obligation, the Commission has decided to hold Division wise meetings with the three tiers' elected representatives and officials (Gram Panchayat, Panchayat Samiti and Zila Parishad) Panchayati Raj System in the State. On 16th February, 2021, the Commission interacted with the Chief Executive Officers (CEOs) of Zila Parishad of Haryana. The meeting has been organised in collaboration with HIRD and HIPA. From the Commission, Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, Sh. Vikas Gupta, IAS, Member Secretary, Dr. Mahi Pal, Advisor, Dr. Mukesh P. Mathur, Advisor, Sh. V.K. Sharma, OSD to Chairman and Sh. Kulwant Kumar, Administrative Officer, were present during the interaction.

Dr. Mahi Pal, IES (Retd.), Advisor, 6th State Finance Commission, Haryana, initiated the interaction by introducing the 15th Finance Commission's recommendations regarding fund devolution criteria. He highlighted that the 15th Finance Commission includes all the tiers of PRIs, unlike the 14th Finance Commission, which included only Gram Panchayats (GPs). To avail of the FFC grants, the State has to set up SFC and act upon their recommendations and lay explanatory memorandum action taken thereon before the State Legislature on or before March, 2024. Besides, both provisional and audited accounts are to be made online by the local bodies. According to FFC, 40 per cent of total grants can be used as untied, and the rest, 60 percent, is tied grant. Of the tied grant, 30 per cent would be used for water conservation and 30 per cent for sanitation. 15th FC has focused on health because more than Rs. 70,000 crore are earmarked for the health sector during the next five years.

The inter-tier distribution will be done on the basis of the recommendation of the latest SFC and in conformity with the bands of (i) not less than 70 per cent and not more than 85 per cent for Gram Panchayats (ii) not less than 10 per cent and not more than 25 per cent for Block Panchayats (PS) (iii) not less than 5 per cent and not more than 15 per cent for Zila Panchayats. About the role of PRIs in the mitigation of disaster, the FFC is of the view that State Governments should allocate some reasonable amount out of the allocation made for SDRF and SDMF to districts. Panchayats will also act as nodal agencies for mitigation measures such as deepening water tanks, ponds and other storage, plantations and afforestation, construction of flood shelter for the people, construction of cattle shelter, promotion and incentive for flood insurance etc.

Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission, Haryana, reiterated the recommendations of 15th FC and asked the participants about the current devolution ratio recommended by the 5th SFC; whether SFC needs to devolve more funds to ULBs keeping in mind rapid urbanization and cities being the “engine of growth” or to the PRIs. He also stressed on the recommendation of 15th FC which states online updating of accounts and audit: whether there should be any such conditionality by the SFC or not? He observed that tied grants could be utilized efficiently if the government allocates grants for a group or bucket of activities. For instance, the “sanitation bucket” may consist of ODF, drainage, etc., and the “water bucket” may consist of water supply, water recycling, etc. Consequently, the tied grant could be allocated to an entire bucket instead of a single activity, and funds can be transferred from one activity to another within the same bucket. He also raised concerns regarding the governance at the local level, as it is felt that fund seems to be sufficient with the PRIs. Due to the lack of implementation of the prescribed rules and regulations, funds are not utilized efficiently. He inquired whether planning at the local level complies with Sustainable Development Goals; if not, ERs and officers need to promote and prepare the plan localizing the SDGs. Lastly, accountability, transparency and responsiveness are must to ensure good governance.

Dr. Mukesh P. Mathur observed that the 15th Finance Commission emphasises transparency so that the local people and the state government may know that from where the money is coming and where it is being spent. He also observed that transparency, accountability and responsiveness are essential to ensure good governance.

Dr. V.N. Alok, Indian Institute of Public Administration, mentioned the provisions of the Fifteenth Finance Commission and its role in strengthening Panchayati Raj Institutions. While interacting with the participants, he advised them to focus on the Panchayats mandate at different levels.

Sh. Mehta, Director, HIRD, invited the participants to share their experiences and recommendations to strengthen the PRIs in the State.

Issues and Discussion:

Following is the issue-based discussion.

- **Tied and untied grants:** Grants are classified into tied and untied: usually, tied grants are not utilized entirely and efficiently due to the overlapping and repetition of the same work executed by each tier. If the State creates a bucket or group of activities and provides the flexibility of spending funds within the same bucket, efficient utilization of tied funds could be ensured.
- **Social Capital:** There is a need to develop social capital (the networks of relationships among people who live and work in a particular society, enabling that society to function effectively) and social infrastructure (health, education, training etc.) at the local level. It is observed that whether it is the State or the SFC’s recommendations, neither of them focuses much on the measures to create social capital. If physical infrastructure and social capital are combined, the outcomes of government expenditure will undoubtedly be improved. Besides, if the social audit is promoted at the GP level, accountability and transparency can be ensured.

- **Capacity Building:** Elected representatives and officials are not appropriately trained. If a tied grant is allocated for skill development programmes, capacity building and training of ERs and officials, it may ensure effective and efficient functioning of PRIs. CEOs also need to be aware of the fundamental issues at the local level by visiting the GPs and PSs, and it may help them come up with an integrated development plan that includes every tier of the PRIs.
- **The ratio of grants:** Urban Local Bodies already have many own income resources and are financially independent enough to execute several projects. Conversely, PRIs do not have their own sufficient resources of income; therefore, PRIs should receive more than 55% of the total State's own resources. Besides, there is a severe lack of infrastructure and manpower at the ZP level. Moreover, if PRIs are given more funds to invest in education, employment and health, the rural population might not want to migrate to cities. The development of rural areas may reduce the burden of urban localities.
- **Meetings of ZP:** It is observed that meetings of ZP are not organized regularly. Meetings took place only when grant is allocated to different wards. Even then, ward members who support the Chairman turn up, hoping that they will be given funds.
- **Corruption:** Most of the time, the ZP's land is encroached by the relatives and supporters of the President and Ward members.
- **Functionaries:** It was suggested that if the government creates clusters of GPs, e.g. 10 GPs in a cluster, and appoints required functionaries to each cluster, the functioning of the GPs may be improved. Lack of functionaries at the local level affects the proper functioning of the GPs, and it is felt that Gram Sachivs are burdened with the workload. Therefore, each GP should be allotted a Gram Sachiv and a Patwari. There should also be village secretariat at Gram Panchayat level.
- **Creation of Cadre:** There is need to create a cadre for rural development for better management of human resources at district and sub-district level. It would strengthen the process of empowering Panchayati raj institutions initiated by the state government.

Sh. Vikas Gupta, IAS, Member Secretary, 6th SFC, Haryana, observed that PRIs spend on physical infrastructure because it is tangible, and people receive immediate benefits. However, expenditure to build social capital and social infrastructure require a more extended period before its outcomes are realized. For instance, investment in education may not show results within five years, but expenditure on construction of roads gets immediate appreciation from the people. Therefore, elected representatives focus on physical infrastructure instead of social infrastructure so that their popularity remains intact. He also stated that each tier should resolve their local level issues instead of referring them to the upper level, and CEOs should enthusiastically participate in process of deepening decentralized development and governance. They are expected to extend administrative support enthusiastically to materialise political will of the government for decentralisation.

Ms. Manveen Kaur, Faculty, HIPA proposed vote of thanks.

MINUTES OF THE MEETING

Interaction of the Sixth Finance Commission, Haryana with elected representatives of Urban Local Bodies on 8th April 2021 at Haryana Institute of Public Administration, Gurugram

Mode of Conducting the Meeting: Physical Presence along with Video Conferencing

The State Government of Haryana has constituted the Sixth State Finance Commission under the Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.) on 22nd September 2020. The State Finance Commission (SFC) is required to make recommendations on (a) (i) distributions between the State and the Municipalities of the net proceeds of the taxes, duties, tolls, and fee leviable by the State, which may be divided between them under Part IX A of the Constitution of India and the allocation between the Municipalities at all levels of their respective shares of such proceeds. (ii) Determination of taxes, duties, tolls, and fee which may be assigned to or appropriated by the municipalities; (iii) The Grants-in-Aid to the Municipalities from the Consolidated Fund of the State. The Commission will also make recommendations on measures needed to improve the financial position of the Municipalities. The objective of balancing the receipts and expenditure of the State and for generating surplus for capital investment.

To discharge this constitutional obligation, the Commission has decided to hold Division wise meetings with the elected representatives of the Urban Local Bodies (Municipal Committees, Corporations and Councils) in the State. In its first meeting the Commission interacted with the elected representatives of Municipal Corporations, Councils and Committees from Gurugram, Faridabad and Sonapat on 8th April 2021, at Haryana Institute for Public Administration, Gurugram. The meeting had been organised with assistance from Municipal Corporation of Gurugram (MCG). From the Commission, Sh. P. Raghavendra Rao, IAS (Retd), Chairman; Sh. Vikas Gupta, IAS, Member Secretary; Dr M P Mathur, Advisor (ULBs); Dr Mahi Pal, Advisor (PRIs); Dr M.M. Goel, Advisor (Public Finance); Sh. VK Sharma, OSD to Chairman; Sh. Kulwant Kumar, the Administrative Officer; Ms. Gitika Wahal, Research Associate (ULBs) and Mr. Sirajul Yaz dan, Research Associate (PRIs) were present during the interaction. Additionally, the meeting was also attended by Shri. Surina Rajan, IAS (Retd.) and Director General, HIPA; Sh. Vinay Pratap Singh, IAS, Commissioner MCG; Shri. Madhu Azad, Mayor Gurugram. Participation from Sh. Varshney, representative from DULB and Sh. Bishnoi, Additional Commissioner, MCG, was also observed in the meeting.

Sh. Vinay Pratap Singh, IAS, Commissioner MCG, welcomed the meeting and educated the participants about the several successful efforts made in Gurugram to augment Revenue Mobilization efforts in the Municipal Corporation. He also discussed about increased property tax collection in Gurugram and encouraged the municipal bodies present there to also think of ways to do so in their own jurisdictions as well.

Shri. Madhu Azad, Mayor Gurgaon addressed the gathering and briefly discussed about the need for increasing revenue collection through consultative meetings and consider suggestions of elected representatives before formalising them into policies.

Sh. Vikas Gupta, IAS while opening the session addressed the online participants as well as those present physically and briefly explained the purpose of the meeting and asked the representatives to share their views with the commission on the same.

Sh. Surina Rajan, IAS(Retd.) made a special address welcoming the commission and the participants to the meeting and encouraging the participants to come up with useful suggestions on the agenda placed before them to assist the finance commission with its recommendations.

Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th Finance Commission, Haryana, while interacting with the participants put forward the following guiding points.

- He laid out the agenda of the meeting and expressed his wish to learn from the participants about their experiences, challenges, and successes in governing their respective jurisdictions.
- He emphasised on four key areas which focused the discussion of the day, namely:
 1. Mobilization and Management of Financial Resources at Levels of Municipal Corporations, Councils and Committees
 2. Local Governance
 3. Existing Service Delivery Mechanisms and enhancing its outcomes.
 4. Perceptions and Satisfaction levels of public in the urban areas of the State.
- He also explained the domains under which the Finance Commission will be making its recommendations. These included distribution of State Own Tax Revenue (SOTR) between Urban Local Bodies (ULBs) and Panchayati Raj Institutions (PRIs); Assigned taxes and Grants-in-Aid as well as how they should be administered.
- The Chairman also briefly talked about the recommendations of the 5th SFC, Haryana and 15th Central Finance Commission, and invited participants suggestions and action plans on the same.
- To strengthen ULBs, he emphasised the need for Spatial Planning, Better District Development Planning, as well as judicious use of financial resources received by them.
- Challenges associated with imposing various taxes/fees and fines by the Municipal Authorities were also laid out by the Chairman, based on the information collected in previous meetings of PRIs. In accordance with this, he also invited participants' plans on ways to improve and increase non-tax revenue streams in their jurisdictions.
- Further, the need for better coordination between para-statal organisations must be ensured to improve service delivery to the inhabitants of the municipalities.

Dr. M.P Mathur, Advisor briefed the meeting with an overview of the financial and demographic status of Haryana through a presentation. The following points were made:

- It was observed that Haryana average urbanization rate is higher than most states including the national average.
- Briefly explained the devolution carried out by the previous finance commissions.
- On the matter of financial resource mobilization, management, and transparency, he emphasised the need for online publication of audited accounts by the municipalities on a regular basis, following from a similar recommendation made by the 15th Finance Commission to audit accounts regularly to receive grants.
- The current account maintaining, and auditing practices have led to misuse of funds and inefficient use of resources away from the purpose that it is meant for.

- He stressed about the need for a mechanism to incentivise various municipalities to perform better through methods of competitions.
- Focus on strengthening the existing organisations instead of creating new ones is imperative to bridging the gaps between transfers from the government and reaching out to the citizens.
- Explained the tied and untied funds as well as performance grants for Million Plus Cities under the ambit of the Urban Local Bodies and invited suggestions on means to achieve and effectively utilise the potential of these funds.
- Discussed about the need to improve revenue streams of the Urban Local Bodies through increased tax compliance or bringing new incentives to improve such compliance. Also asked the participants to share their views and experiences on the same.
- Explained the questionnaire designed to be filled by the participants for collating their views on various matters of governance, and their respective roles in the municipalities they represent. The answers will help pave the way for more inclusive recommendations in the final report of the 6th State Finance Commission, Haryana.

Interaction with the Representatives:

1. Not enough powers with the Councillors

- It was suggested that certain representatives feel the need for higher devolution of powers to be able to access resources easily and resolve the challenges that arise on a day-to-day basis.
- It would reduce the hierarchical structure of accessing resources and save time, meeting the needs urgently.

2. Taxes/Revenue Streams

- The tax on alcohol is a major source of income for the state and is not tapped to its potential. It is also not received directly by the Municipal Bodies which leads to a loss in their revenue stream. A mandate must be worked out to improve the stream of this tax to all the Municipal Bodies.
- Land Use revenue collection requires enhancement.
- House Tax collection base should be targeted to increase through an increase in the coverage of areas being taxed instead of raising the taxes. It provides a level playing field to all and could also increase tax collected.
- Following from the previous point, the need for keeping residential property tax to be unchanged while raising commercial property tax for tapping higher revenue, was highlighted.
- Diesel/Petrol Tax should be provided to the municipal councils, which is also a huge potential revenue stream for the municipal body.
- Suggestions were also made w.r.t to restoring the stamp duty to 2% which had been previously decreased to 1%.
- It was also suggested that a separate revenue stream could be generated/imposed in the form of either taxes or fees for Internet, Cable, and mobile tower.

- A portal for taxes should be established which provides incentives in the form of rebates to citizens on payment of taxes through that portal. It was pointed out that such a set-up is currently existing in Municipal Corporation of Gurgaon and can be further applied by other municipalities.
- Gurugram has a huge potential of collecting advertisement tax due to the population it inhabits. It was suggested to take actions on this suggestion.
- Further, it was also observed that the movement of Heavy Vehicles cause's destruction of certain property and must be fined in areas which such vehicles traverse.

3. Other

- Payments of several work tasks are made without the work being completed due to the poor coordination between the officials of the municipal bodies.
- A wide number of areas face challenges with access to sufficient and clean water.
- Crooked roads remain a problem in certain municipal committees and councils.
- The governance issues arise due to the lack of proper training imparted to them at the start of their tenure. Although it was mentioned that detailed training programs are held, some officials have missed out on this vital process for carrying out their roles.

Sh. P. Raghavendra Rao concluded the interaction by thanking everyone.

Interaction of the Sixth Finance Commission, Haryana with Elected Representatives and Officials of Urban Local Bodies on 16th April, 2021 at Karnal

Mode of Conducting the Meeting: Video Conferencing.

The State Government of Haryana has constituted the 6th State Finance Commission under the Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.) on 22nd September, 2020. The State Finance Commission (SFC) is required to make recommendations on (a) (i) distributions between the State and the Municipalities of the net proceeds of the taxes, duties, tolls, and fee leviable by the State, which may be divided between them under Part IX A of the Constitution of India and the allocation between the Municipalities at all levels of their respective shares of such proceeds. (ii) Determination of taxes, duties, tolls, and fee which may be assigned to or appropriated by the municipalities. (iii) The Grants-in-Aid to the Municipalities from the Consolidated Fund of the State. The Commission will also make recommendations on measures needed to improve the financial position of the Municipalities. The objective of balancing the receipts and expenditure of the State and for generating surplus for capital investment.

To discharge this constitutional obligation, the Commission has decided to hold Division wise meetings with the elected representatives and officials of the Urban Local Bodies (Municipal Committees, Corporations and Councils) in the State. In its first meeting the Commission interacted with the elected representatives of Municipal Corporations, Councils and Committees from Gurugram, Faridabad and Sonapat on 8th April 2021, at Haryana Institute for Public Administration, Gurugram. In its second meeting the Commission interacted with the elected representatives and officials of Municipal Corporations, Committees and Councils from Panchkula, Karnal, Ambala, Panipat and Yamuna Nagar on 16th April 2021, in online mode via video conferencing. This meeting had been organised with assistance from Municipal Corporation of Karnal. From the Commission, Sh. P. Raghavendra Rao, IAS (Retd.), Chairman; Dr. Mukesh P. Mathur, Advisor (ULBs); Dr. Mahi Pal, Advisor (PRIs); Dr. M.M. Goel, Advisor (Public Finance); Sh. V.K. Sharma, OSD to Chairman; Sh. Kulwant Kumar, the Administrative Officer; Ms. Gitika Wahal, Research Assistant (ULBs) and Mr. Sirajul Yazdani, Research Assistant (PRIs) were present during the interaction. Additionally, the meeting was also attended by Sh. Vikram Yadav, IAS, Commissioner Municipal Corporation Karnal. The Mayors, Presidents and Councillors of the concerning Corporations, Councils and Committees respectively, also attended the meeting. Other Key officials of the concerned Urban Local Bodies were also present in the meeting.

Sh. Vikram Yadav, IAS, Commissioner Municipal Corporation Karnal, welcomed the Commission and the participants in the meeting and encouraged the participants to come up with useful suggestions on the agenda placed before them to assist the finance commission with its recommendations.

Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission, Haryana, while interacting with the participants put forward the following guiding points.

- He laid out the agenda of the meeting and expressed his wish to learn from the participants about their experiences, challenges, and successes in governing their respective jurisdictions.

- He emphasised on four key areas which focused the discussion of the day, namely:
 1. Mobilization and Management of Financial Resources at Levels of Municipal Corporations, Councils and Committees
 2. Local Governance and Administration
 3. Existing Service Delivery Mechanisms and enhancing its outcomes.
 4. Perceptions and Satisfaction levels of public in the urban areas of the State.

He also explained the domains under which the Finance Commission will be making its recommendations. These included distribution of State Own Tax Revenue (SOTR) between Urban Local Bodies (ULBs) and Panchayati Raj Institutions (PRIs); Assigned taxes and Grants-in-Aid as well as how they should be administered.

- The Chairman also briefly talked about the recommendations of the 5th SFC, Haryana and 15th Central Finance Commission, and invited participants suggestions and action plans on the same.
- He also discussed about the role of the 74th Amendment in strengthening local bodies and their duties, responsibilities, tax planning, and audit & accounting, via the state legislature.
- To strengthen ULBs, he emphasised the need for Spatial Planning, Better District Development Planning, as well as judicious use of financial resources received by them.
- Challenges associated with imposing various taxes/fees and fines by the Municipal Authorities were also laid out by the Chairman, based on the information collected in previous meetings of PRI's. In accordance with this, he also invited participants' plans on ways to improve and increase non-tax revenue streams in their jurisdictions.
- Further, the need for better coordination between para-statal organisations must be ensured to improve service delivery to the inhabitants of the municipalities.

Dr. Mukesh P. Mathur, Advisor briefed the meeting with an overview of the financial and demographic status of Haryana through a presentation. The following points were made:

- It was observed that Haryana's average urbanization rate is higher than most states including the national average.
- Briefly explained the devolution carried out by the previous finance commissions.
- On the matter of financial resource mobilization, management, and transparency, he emphasised the need for online publication of audited accounts by the municipalities on a regular basis, following from a similar recommendation made by the 15th Finance Commission to audit accounts regularly to receive grants.
- The current account maintaining, and auditing practices have led to misuse of funds and inefficient use of resources away from the purpose that it is meant for.
- He stressed about the need for a mechanism to incentivise various municipalities to perform better through methods of competitions.
- Focus on strengthening the existing organisations instead of creating new ones is imperative to bridging the gaps between transfers from the government and reaching out to the citizens.

- Explained the tied and untied funds as well as performance grants for Million Plus Cities under the ambit of the Urban Local Bodies and invited suggestions on means to achieve and effectively utilise the potential of these funds.
- Discussed about the need to improve revenue streams of the Urban Local Bodies through increased tax compliance or bringing new incentives to improve such compliance. Also asked the participants to share their views and experiences on the same.
- Explained the questionnaire designed to be filled by the participants for collating their views on various matters of governance, and their respective roles in the municipalities they represent. The answers will help pave the way for more inclusive recommendations in the final report of the 6th State Finance Commission, Haryana.

Interaction with the Officials and Representatives:

1. Not enough powers with the Councillors

- It was suggested that certain representatives feel the need for higher devolution of powers to be able to access resources easily and resolve the challenges promptly and efficiently that arise on a day-to-day basis.
- It would reduce the hierarchical structure of accessing resources and save time, meeting the needs urgently.
- Challenges are also faced in getting tenders issued seamlessly as many local bodies find their tenders stuck with the higher authorities for several years.

Case in point: It was highlighted by the Mayor of Karnal that the tender for Advertisement in Karnal has been pending for the last 10 years. Several other representatives and officials had similar concerns with tenders of LED lights as well as Solid Waste Management.

The representatives and officials find it difficult to deliver their responsibilities when such administrative issues come in their way.

2. Taxes/Revenue Streams

- Rates of several charges vary from commercial to industrial to sub-urban areas in the region. It was pointed that the Water charges differed between Nagar Nigam and HUDA Sectors.
- Transfer of funds collected from Stamp Duty, towards the local bodies gets delayed and hence disrupts the pool of funds.
- Land Use revenue collection requires enhancement.
- House Tax collection base should be targeted to increase through an increase in the coverage of areas being taxed instead of raising the taxes. It provides a level playing field to all and could also increase tax collected.
- Following from the previous point, the need for keeping residential property tax to be unchanged while raising commercial property tax for tapping higher revenue, was highlighted.

- Diesel/Petrol Tax should be provided to the municipal councils, which is also a huge potential revenue stream for the municipal body.
- Suggestions were also made w.r.t to restoring the stamp duty to 2% which had been previously decreased to 1%.
- It was also suggested that a separate revenue stream could be generated/imposed in the form of either taxes or fees for Internet, Cable, and mobile tower.
- All online mode of payments should also have offline payment alternatives due to the still developing internet infrastructure in most regions of the state. With the portal down for days, the payments get delayed and sometimes are never made.
- 2% of funds from Billed Electricity units need to be directed towards the local bodies by the electricity boards however, such funds are not transferred rightfully.

3. Staffing Requirements

- There is shortage of staff at all levels, top to bottom.
- In some regions the staff strength is 50% of potential and hence it causes hindrance in proper functioning of the local governments.

4. Service Delivery

- Coordination problems between para-statal and governing organisations in delivery of services.

5. Other

- Payments of several work tasks are made without the work being completed due to the poor coordination between the officials of the municipal bodies.
- A wide number of areas face challenges with access to sufficient and clean water.
- Crooked roads remain a problem in certain municipal committees and councils.
- The governance issues arise due to the lack of proper training imparted to them at the start of their tenure. Although it was mentioned that detailed training programs are held, some officials have missed out on this vital process for carrying out their roles.
- Poor Legal Branches such that the corporations are not able to consider a lot of legal cases.

Sh. P. Raghavendra Rao concluded the interaction by thanking everyone.

Interaction of the Sixth Finance Commission, Haryana with Elected Representatives and Officials of Urban Local Bodies on 23rd April, 2021 at Hisar

Mode of Conducting the Meeting: Video Conferencing

The State Government of Haryana has constituted the Sixth State Finance Commission under the Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.) on 22nd September, 2020. The State Finance Commission (SFC) is required to make recommendations on (a) (i) distributions between the State and the Municipalities of the net proceeds of the taxes, duties, tolls, and fee leviable by the State, which may be divided between them under Part IX A of the Constitution of India and the allocation between the Municipalities at all levels of their respective shares of such proceeds, (ii) Determination of taxes, duties, tolls, and fee which may be assigned to or appropriated by the municipalities, (iii) The Grants-in-Aid to the Municipalities from the Consolidated Fund of the State. The Commission will also make recommendations on measures needed to improve the financial position of the Municipalities. The objective of balancing the receipts and expenditure of the State and for generating surplus for capital investment.

To discharge this constitutional obligation, the Commission has decided to hold Division wise meetings with the elected representatives and officials of the Urban Local Bodies (Municipal Committees, Corporations and Councils) in the State. In its first meeting the Commission interacted with the elected representatives of Municipal Corporations, Councils and Committees from Gurugram, Faridabad and Sonapat on 8th April 2021, at Haryana Institute for Public Administration, Gurugram. In its second meeting the Commission interacted with the elected representatives and officials of Municipal Corporations, Committees and Councils from Panchkula, Karnal, Ambala, Panipat and Yamuna Nagar on 16th April 2021, in online mode via video conferencing. In its final meeting, the Commission interacted with the elected representatives and officials of Municipal Corporations, Councils and Committees from Hisar and Rohtak on 23rd April 2021. This meeting had been organised with assistance from Municipal Corporation of Hisar. From the Commission, Sh. P. Raghavendra Rao, IAS (Retd), Chairman; Vikas Gupta, IAS, Member Secretary; Dr. Mukesh P. Mathur, Advisor (ULBs); Dr. Mahi Pal, Advisor (PRIs); Dr. M.M. Goel, Advisor (Public Finance); Sh. R.K. Mehta; Sh. V.K. Sharma, OSD to Chairman; Sh. Kulwant Kumar, the Administrative Officer; Ms. Gitika Wahal, Research Assistant (ULBs) and Mr. Sirajul Yazdani, Research Assistant (PRIs) were present during the interaction. Additionally, the meeting was also attended by Sh. Ashok Garg, IAS, Commissioner Municipal Corporation Hisar. The Mayors, Presidents and Councillors of the concerning Corporations, Councils and Committees respectively, also attended the meeting. Other Key officials of the concerned Urban Local Bodies along with Sh. Varshney from the DULB office, were also present in the meeting.

Sh. Ashok Garg, IAS, Commissioner Municipal Corporation Hisar, welcomed the Commission and expressed his faith in it. He also encouraged the participants to come up with useful suggestions on the agenda placed before them to assist the finance commission with its recommendations.

Sh. Vikas Gupta, IAS, Member Secretary, 6th State Finance Commission Haryana, welcomed the participants on behalf of the commission and urged them to provide their suggestions on ways to strengthen the ULBs. He also asked the representatives and officials to suggest specific, clear recommendations relating to devolution criteria and indicators such as per capita incomes, population, funds etc. on the basis of which the 6th SFC may develop its recommendations and principles of devolution of funds to the ULBs.

Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission, Haryana, while interacting with the participants put forward the following guiding points.

- He laid out the agenda of the meeting and expressed his wish to learn from the participants about their experiences, challenges, and successes in governing their respective jurisdictions.
- He emphasised on four key areas which focused the discussion of the day, namely:
 1. Mobilization and Management of Financial Resources at Levels of Municipal Corporations, Councils and Committees
 2. Local Governance and Administration
 3. Existing Service Delivery Mechanisms and enhancing its outcomes.
 4. Perceptions and Satisfaction levels of public in the urban areas of the State.

He also explained the domains under which the Finance Commission will be making its recommendations. These included distribution of State Own Tax Revenue (SOTR) between Urban Local Bodies (ULBs) and Panchayati Raj Institutions (PRIs); Assigned taxes and Grants-in-Aid as well as how they should be administered.

- The Chairman also briefly talked about the recommendations of the 5th SFC, Haryana and 15th Central Finance Commission, and invited participants suggestions and action plans on the same.
- He also discussed about the role of the 74th Amendment in strengthening local bodies and their duties, responsibilities, tax planning, and audit & accounting, via the state legislature.
- To strengthen ULBs, he emphasized the need for Spatial Planning, Better District Development Planning, as well as judicious use of financial resources received by them.
- District Planning Committees and Metropolitan Planning Committees should be strengthened for better spatial planning.
- Challenges associated with imposing various taxes/fees and fines by the Municipal Authorities were also laid out by the Chairman, based on the information collected in previous meetings of PRI's. In accordance with this, he also invited participants' plans on ways to improve and increase non-tax revenue streams in their jurisdictions.
- Further, the need for better coordination between para-statal organisations must be ensured to improve service delivery to the inhabitants of the municipalities.

Dr. Mukesh P. Mathur, Advisor briefed the meeting with an overview of the financial and demographic status of Haryana through a presentation. The following points were made:

- It was observed that Haryana's average urbanization rate is higher than most states including the national average.
- Briefly explained the devolution carried out by the previous finance commissions.
- On the matter of financial resource mobilization, management, and transparency, he emphasized the need for online publication of audited accounts by the municipalities on a regular basis, following from a similar recommendation made by the 15th Finance Commission to audit accounts regularly to receive grants.
- Commission to audit accounts regularly to receive grants.
- The current account maintaining, and auditing practices have led to misuse of funds and inefficient use of resources away from the purpose that it is meant for.
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- He stressed about the need for a mechanism to incentivise various municipalities to perform better through methods of competitions.
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- Focus on strengthening the existing organisations instead of creating new ones is imperative to bridging the gaps between transfers from the government and reaching out to the citizens.
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- Explained the tied and untied funds as well as performance grants for Million Plus Cities under the ambit of the Urban Local Bodies and invited suggestions on means to achieve and effectively utilize the potential of these funds.
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- Discussed about the need to improve revenue streams of the Urban Local Bodies through increased tax compliance or bringing new incentives to improve such compliance. Also asked the participants to share their views and experiences on the same.
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- He emphasized that generation of own resources leads to greater autonomy of local bodies.
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- Explained the questionnaire designed to be filled by the participants for collating their views on various matters of governance, and their respective roles in the municipalities they represent. The answers will help pave the way for more inclusive recommendations in the final report of the 6th State Finance Commission, Haryana.

Interaction with the Officials and Representatives:

1. Not enough powers with the Councillors

- It was suggested that certain representatives feel the need for higher devolution of powers to be able to access resources easily and resolve the challenges promptly and efficiently that arise on a day-to-day basis.
- It would reduce the hierarchical structure of accessing resources and save time, meeting the needs urgently.
- Challenges are also faced in getting tenders issued seamlessly as many local bodies find their tenders stuck with the higher authorities for several years. The representatives and officials find it difficult to deliver their responsibilities when such administrative issues come in their way.

2. Taxes/Revenue Streams

- Rates of several charges vary from commercial to industrial to sub-urban areas in the region. It was pointed that the Water charges differed between Nagar Nigam and HUDA Sectors.
- Transfer of funds collected from Stamp Duty, towards the local bodies gets delayed and hence disrupts the pool of funds.
- Land Use revenue collection requires enhancement.
- House Tax collection base should be targeted to increase through an increase in the coverage of areas being taxed instead of raising the taxes. It provides a level playing field to all and could also increase tax collected.
- Following from the previous point, the need for keeping residential property tax to be unchanged while raising commercial property tax for tapping higher revenue, was highlighted.
- Diesel/Petrol Tax should be provided to the municipal councils, which is also a huge potential revenue stream for the municipal body.
- ATM and mobile phone towers can be imposed with a tax.
- Suggestions were also made w.r.t to restoring the stamp duty to 2% which had been previously decreased to 1%. This also gets delayed in getting transferred to the ULBs.
- It was also suggested that a separate revenue stream could be generated/imposed in the form of either taxes or fees for Internet, Cable, and mobile tower.
- All online mode of payments should also have offline payment alternatives due to the still developing internet infrastructure in most regions of the state. With the portal down for days, the payments get delayed and sometimes are never made.
- 2% of funds from Billed Electricity units need to be directed towards the local bodies by the electricity boards however, such funds are not transferred rightfully.
- For tax recovery, state government should appoint a separate staff in every ULB.

3. Staffing Requirements

- There is shortage of staff at all levels, top to bottom.
- In some regions the staff strength is 50% of potential and hence it causes hindrance in proper functioning of the local governments.
- The ratio of cleaning workers to the area they have to clean is skewed. There is a paucity of cleaners and

4. Service Delivery

- Coordination problems between para-statal and governing organisations in delivery of services.
- There is lack of coordination among the departments. For example, Public Health and Engineering Department damages the newly constructed roads while installing pipelines. This leads to wastage of money and resources.

- Contracts of sanitary services assigned to a private agency results in unscrupulous behaviour by charging very high rates. It was recommended instead, that ULBs should be authorised to engage local manpower for sanitation activities, which will be cheaper than contractor, as well as generate employment.

Sh. R.K. Mehta concluded the meeting by delivering the vote of thanks.

Minutes of the meeting held by the Chairman, 6th SFC, Haryana with the Director General, Development and Panchayats Department (D&PD), Haryana on 2nd of June 2021, through VC

The Commission has been interacting with different stakeholders to get their views, data and information which are useful in the strengthening Panchayati Raj System and the ULBs in the State. The Commission designed a comprehensive questionnaire covering various aspects of different line departments covering amongst other things, funds, functions, and functionaries, to collect relevant information and suggestions. In this series, the Commission sent a similar questionnaire to the Development and Panchayats Department (D&PD). The Commission received replies to the said questionnaire from the D&PD. However, after examining the replies, the Commission found certain data gaps which were still to be provided by the Department. To discuss these issues at length, the Chairman of the 6th SFC, Haryana Sh. P. Raghavendra Rao, IAS (retd.) interacted with Sh. Ramesh Chander Bidhan, IAS, Director General of the Development and Panchayats Department (D&PD) through VC on 2nd of June 2021.

Sh. Vikas Gupta, IAS, Member Secretary, Dr. Mahi Pal, Advisor, Dr. Mukesh P. Mathur, Advisor, Dr. M.M. Goel, Advisor, Sh. R. K. Mehta, Advisor, Sh. Kulwant Khullar, Administrative Officer, Sh. M.L. Garg, Joint Director, Development and Panchayats Department, Sh. Veenus, Assistant Engineer, IT, and Mr. Siraj, Research Assistant also participated in the discussions.

The following issues were discussed/ decisions taken in the meeting:

1. The Development & Panchayats Department requested RGSIPR&CD, Nilokheri to conduct Training Need Assessment in July 2021 with various stakeholders to identify and address the capacity constraints of BDPOs and DDPOs.

The Department assured to follow up the process after the current Covid-19 pandemic situation improves in the State. Accordingly, the training programmes will be designed. It will also share the course design, modules, reading material, timelines etc. relating to these courses with the Commission.

2. To enhance the capacity of the officers such as DDPOs and BPDOs, it was suggested that fresh recruitment of these officers, through HCS, may be initiated by the State government. Currently DDPOs and BPDOs are promoted to these posts from the feeder cadres and many of them lack the commitment and capacity to work, as per needs. Further, fresh recruits generally have higher zeal and enthusiasm to take new initiatives and implement them effectively.

The Department agreed to intimate the Commission about the action taken by them in this regard.

3. It was felt that one Gram Sachiv needs to be appointed for every two Gram Panchayats (GP). Though a decision has already been taken in this regard but is yet to be implemented. Minimum qualification for recruitment of Gram Sachivs has been upgraded to a bachelor's degree with basic computer knowledge. This is expected to have a positive impact on the overall efficiency of the Panchayats. It was informed that recruitment process for filling up all the vacant positions of Gram Sachivs has already been initiated while creation of additional posts is also under consideration. Further, there is a need to construct a Gram Sachivslay in every GP, wherein CSC could be located to facilitate maintenance of the accounts and online updating.

The Department agreed to send to the Commission proposed timelines for filling up all vacant posts of Gram Sachivs and for creation of additional posts and their recruitment and also plans for construction of Gram Sachivalayas.

4. The Department clarified that they have not conducted any study so far to assess the impact of mandatory educational qualifications of the elected representatives and increased women representation in Panchayats. They agreed to get such a study conducted at the earliest as it will be especially useful.

The Department will apprise the Commission about details of the study to be undertaken, including timelines, etc. One of the research questions of the study may be their role in establishing financial autonomy of Panchayats.

5. Dashboard is being prepared by the Department for collection of data and monitoring of PRIs. Website for PRIs exists but it does not have the information of each GP. Ideally every Gram Sachiv should have the capability to update the website regularly but due to lack of technical know-how it is not being done. The Department is also developing a mechanism to record inflow and outflow of funds of Panchayats.

The Department will share with the Commission the mechanism for proper up-keep of Panchayats records and action to impart training and capacity building of Gram Sachivs and other personnel engaged in the maintaining websites of Panchayats.

6. It was noted that most of the time, funds transferred to the PRIs are generally spent on pavement of streets, construction of drains, buildings, etc. and little on creation of human capital and employment generation. Moreover, even if GPs prepare development plans, they are not effectively implemented. Despite efforts put in by the Department it has been exceedingly difficult to implement the plans at local level. Director General, D&PD suggested that the funds should be allocated for self-employment generation and other related activities like developing cottage industries in the villages. The idea was appreciated.

The Department agreed to share with the Commission a concept note along with action plan in this regard. Further, they will also intimate about the action being initiated for localizing SDGs in rural areas through Panchayats.

7. As per the recommendations of 5th SFC, the Department was expected to constitute a task force for convergence of Central and State Schemes in terms of activities undertaken in specified functional areas (health, water supply, sanitation, etc.), expected outcomes and funds, human resources, and technology available. However, implementation of this recommendation is still awaited.

The Department assured to intimate the Commission about the action being taken to form the task force and its proposed mandate.

8. The Department while discussing about efforts made to consolidate various state schemes with similar objectives, informed that a single scheme i.e., Haryana Gramin Vikas Yojana (HGVY) with a budget provision of Rs. 860 Cr. during the year 2020-21 has been merged into the following schemes: Mukhyamantri Anusuchit Jati Nirmal Basti Yojana, Pavement of streets, Chaupal Subsidy, Special Development Works. However, there seems to be a lack of clarity as to how this consolidation of schemes has been done.

The Department assured to send a clear reply on the issue to the Commission.

9. The Department confirmed that detailed activity chart for GP, PS and ZP functionaries, both elected and non-elected, as recommended by the 5th SFC, has not been prepared. The difference between activity mapping and activity chart of personnel was discussed.

The Department assured to initiate preparation of an activity chart and intimate the Commission about the progress achieved.

10. The Department informed that assessment work of Panchayats' properties is in progress, whereby potential assets of Panchayats, which can generate revenues, will be identified. Properties within Lal Dora are being identified under SVAMITVA scheme, while those outside the Lal Dora are being identified under HaLSM project of the Revenue Department wherein details of land records (including Shamlat Lands) are being digitized using latest technologies.

The Department assured to send a detailed note in this regard along with details of Panchayats' properties under litigation in courts.

11. It was agreed that the collection of house tax has not been uniform amongst districts, with significant variations.

The Department assured to ascertain the reasons for disparity in house tax collections and to replicate the good practices being adopted by the high tax collecting districts, in other areas and communicate the same to the Commission.

12. The Department confirmed that the State has not been getting any performance grant under the Central Finance Commission since 2018-19. It will analyse the reasons and further, check the status about other similarly placed States.

The Department assured to send a detailed note to the Commission in this regard.

13. The Department provided details of funds devolved to PRIs under the following heads: HGVT, IRDP, Salary of Safai Karamcharis, Salaries of Chowkidars, Salaries of Tube well operators, Honorarium and Pension to PRI members, SFC and Lease Money. The issue of consolidating all funds being released from the State Budget to the Panchayats into a single head, with ceiling limits being fixed under each sub-head, was discussed at length.

The Department agreed to examine the issue in greater detail and intimate the Commission.

14. Information of revenue expenditure incurred by the PRIs is not readily available with the Department. It was felt that the revenue expenditure of PRIs must be a small amount that mostly comprises of TA, DA, and certain day to day items of expenditure.

The Department assured to conduct a sample survey in selected GPs to find out the composition and trends of revenue expenditure. Based on this sample survey, total revenue expenditure across the GPs can be inferred and the Commission will be duly intimated about the progress achieved.

15. In 2017 GPs were permitted to levy Panchayat tax on the consumption of electricity at the rate of 2% of the electricity bill for the electricity consumed by any consumer within the limits of the GP. However, the GPs failed to levy the Panchayat tax on electricity. This tax will now be collected by the electricity department and remitted to the concerned GP, after deducting the electricity dues of the Panchayats.

The Department assured to share with the Commission details of the Panchayat tax on electricity consumption so collected and transferred to the Panchayats.

16. Under CSR, Rs. 36.29 Cr. were stated to have been received for Shiv dham Navinikaran Yojana, over a period of 2 years.

The Department assured to provide detailed information on funds availability and utilisation under CSR, alongwith outputs and outcomes.

17. Regarding the audit of the Panchayats' accounts, it was felt that the Local Audit Department (LAD) needs to coordinate more intensely with the D&P Department by sharing regularly audit reports and their analysis. There is a need to satisfactorily settle all the outstanding paras in a time-bound fashion.

The Department assured to send to the Commission a detailed note in this regard, including action initiated for settlement of all outstanding audit paras within fixed time frames.

18. The need to provide to the Commission requisite data/information relating to different relevant areas and assist the Commission in getting information from other stakeholders/line departments, Haryans for strengthening the PRIs in the State was high-lighted.

The Department assured to provide full support to the Commission in fulfilment of its mandate and communicate its considered suggestions for effective devolution of funds, functions, and functionaries and for empowerment of the PRIs.

The meeting ended with a vote of thanks to the Chair.

Brief record of the discussions of meeting held with ACS, Finance on 28th June, 2021

A meeting was held on 28th June, 2021 between ACS, Finance and Sh. Vitas Gupta, IAS, Member Secretary, 6th State Finance Commission to apprise about the status of working of 6th State Finance Commission. Shri R.K Mehta, Advisor (Legal and Coordination) and Shri Kulwant Khullar, Administrative Officer were also present. A detailed presentation was presented to ACS, Finance by the Member Secretary, 6th SFC to apprise the following:-

- The works undertaken by the 6th State Finance Commission which includes meeting with the elected representatives of PRIs and ULBs.
- The Commission's meeting with the officer level of Local Bodies (both Rural and Urban).
- The issues and challenges being faced by the Commission due to Covid-19 pandemic which includes restriction of the Commission to the field visit and meetings with various stakeholders.
- The status of the data collection from the departments of ULBs and Panchayats and progress about the data validation alongwith the analysis.
- Status and topics of the studies commissioned by the Commission to various institutions and its objective.
- Status of non-financial tripartite MoU with Janaagraha signed between Commission, Director General, ULBs and Janaagraha for undertaking research study on "A new urban agenda for Haryana" in May, 2021.

Further, Member Secretary also discussed the following issues with ACS, Finance for their advise :-

- What should be the divisible pool (of net SOTR) given the State's fiscal space in mind?
- Sharing ratio between PRIs and ULBs
- Sharing ratio amongst the three tiers of PRIs
- Composition of Tied (Conditional) and Untied (Unconditional, formula-based)
- Determining the revenue sharing formula: criteria and weightage
- Nature of transfer: tied/untied
- Performance based incentives and disincentives

During the meeting, it was suggested by the ACS, Finance that due to loss of time during lockdown in the State, the Commission can submit their interim report which contains the recommendation of the Commission for the next financial year i.e. 2022-23 and later on final report.

The meeting ended with a vote of thanks to ACS, Finance for his valuable time for the meeting.

Brief record of the discussions of meeting of Member Secretary, 6th State Finance Commission, held with DG, ULBs on 29th June, 2021

A meeting was held on 29th June, 2021 between Sh. Vikas Gupta, IAS, Member Secretary, 6th State Finance Commission and Sh. Ashok Meena, IAS, Director General, Urban Local Bodies, Haryana to finalize the criteria of allocation of funds to the ULBs on the basis of ideas given in the portal, launched by Hon'ble CM, Haryana on 14th of June 2021. Shri R.K Mehta, Advisor (Legal and Coordination) and Shri Kulwant Khullar, Administrative Officer were also present.

- After detailed deliberations, it was decided that Mr. Aditya from ULB and Mr. Kaushik Bhadra of 6th SFC shall draw some criteria to incentivize and penalize the Urban Local Bodies while allocating funds on the recommendations of State Finance Commission.

Thereafter, a detailed presentation was made by Mr. Mohak Mathur of Janaagraha for initiation of study assigned to them on "A New Urban Agenda for Haryana".

- The works undertaken by the Janaagraha were highlighted.
- Support made available by Urban Local Bodies Department was recognized and appreciated by Mr. Mohak Mathur.
- Status of gaps in data provided by the Department was also indicated.
- Additional Director, ULBs conveyed that whatever data was available with them, has already been provided. After compilation, remaining data will also be made available to the Janaagraha Centre for Citizenship and Democracy.
- Director General, ULBs conveyed that for any data related query Mr. Katyal, Chief Accounts Officer will be the Nodal Officer and for all administrative issues Sh. Y.S. Gupta, Additional Director is the Nodal Officer, whose contact details will be shared separately.
- Advisor (Legal & Coordination) suggested Mr. Mohak Mathur to finalize the sample size in consultation with Additional Director, ULBs to avoid any administrative problems.

Minutes of Meeting – 6th SFC Haryana & NFSSM Alliance – held on 9th July 2021

Discussion Points

- **Focus on Rural and Dirty Water:** Along with uncovered segments in urban, the SFC is focused on solving for dirty water and waste water issues in rural Haryana, given complete lack of sewerage connections in rural and potential health risks. The SFC is looking for expertise on how to guide urban and rural local bodies on tackling dirty water issues
 - **Rural-Urban Convergence:** Given this priority rural-urban linkage can be considered and ensure the treatment capacity / urban investment is being leveraged to treat faecal waste in nearby rural areas
 - **Clustering:** Initial assessments indicate that even in urban, only 50% population is covered, thus a holistic solution and clustering approach can be proposed
 - **Dirty Water:** Push for regular desludging, overall FSSM services and localized solutions in addition to infrastructure development will be key to reduce pathogen levels in the open, and can lead to improved water quality in Haryana
- **Incentives to local governments:** The SFC is focused on developing recommendations that are quickly taken up by urban and rural local bodies. Thus, performance based grants can be suggested for sanitation and FSSM. This may include:
 - Outlining pre-requisites for local governments to set up FSSM services before infrastructure investments
 - Sharing indicators to monitor progress of local governments. Alliance can provide support on SLB through PAS
 - Building a district/ ward as exemplar to showcase potential vision that can be replicated

Potential Next Steps/ Areas of Collaboration for Consideration –

- **Haryana Assessment:** The SFC is keen to have Alliance assess the situation on ground in Haryana to ensure recommendations developed are practical and customized. If feasible - Alliance can share tools such as SFD and parameters to collect data and the Alliance can then bake this into recommendations. Alliance may also consider looping in CSE team for the same. Meetings can be organized digitally by the SFC as well.
 - NFSSM team (including Janaagraha) to coordinate with SFC to understand existing data availability with DULB and other agencies (as required), and shared data requirements that would be essential in making recommendations for Haryana as a state (SFC parameters etc).
 - Janaagraha team to check with SFC / DULB on status of finalizing Haryana Septage policy.
- **Best Practices:** Alliance to share the NITI Report with case studies and best practices on FSSM across states in India that can be replicated by Haryana
- **Field Visits:** Haryana SFC and government officials can be invited to visit specific locations based on any particular best practices identified above (e.g. UP/ Tamil Nadu)
- **Performance Based Grants:** Alliance can support Haryana SFC on designing performance based grants and also support on monitoring San Benchmarks through PAS

- **Next Meeting:** The chairperson has requested a roadmap / concrete way forward for NFSSM Alliance Engagement by next weekly meeting. Alliance to share specific asks with chairperson (e.g. Passing draft policy) that can be taken up with the additional secretaries etc by the SFC.

Minutes of the meeting held on 16.07.2021 at 3:00 P.M. under the Joint Chairpersonship of Smt Surina Rajan, DG, HIPA, and Sh. P. Raghavendra Rao, Chairman, 6th State Finance Commission (through virtual mode)

1. List of participants is enclosed at Annexure-A.
2. The meeting was convened to highlight the main features of the web portal launched by Hon'ble CM on 14.06.2020 to monitor fiscal devolution to Local bodies. The main objective is to ensure that every local body has adequate funds to meet its committed expenditure and for development.
3. OSD/CM, Haryana and NIC officers explained the salient features of the portal and the formulae used for calculating surplus/deficit of the Local Bodies, in detail. For this purpose, 50% of the income of local body from its own resources and CFC grants have been taken into consideration, to meet their committed expenditure. Local bodies that have higher levels of surplus income may get less funds from the State and vice versa, as per the proposal. On this issue, concern was raised by the participants that this may de-motivate Local Bodies to generate higher levels of income from their own sources. Another concern expressed was that the Local Bodies might inflate the committed expenditure to show higher deficit and avail more funds from the State. While elaborating other features of the portal, it was clarified that amounts for meeting committed expenditures will be transferred every month and while grants will be released on quarterly basis.
4. After detailed deliberations, it was decided that the Haryana Institute of Public Administration, Gurugram will organise a brainstorming session, jointly with 6th SFC, on 30th July 2021 to deliberate various options available for devolution of State funds to Local Bodies, keeping in view the principles of equity, efficiency, fairness, and justice, along with merits and demerits of each proposal, before they are recommended to 6th SFC, Haryana/ State Govt. Domain experts, representatives of stake holders and the Institutes, who are conducting studies assigned by the State Finance Commission, will be invited. Further, OSD/ CM, NIC, officers of Urban Local Bodies, Development Panchayats and Finance departments may also be invited to the session.

The meeting ended with a vote of thanks to all the participants.

Annexure A

List of participants

Dated: 16.07.2021

Sr. No.	Name of Participant Sh./Smt./Ms.	Name of Commission/Institute
1	Surina Rajan, DG	HIPA
2	P. Raghavendra Rao, Chairman	6 th SFC, Haryana
3	Vikas Gupta, Member Secretary	6 th SFC
4	Satish Kumar, OSD / CM	CM Sectt
5	Mukesh P. Mathur, Advisor (ULBs)	6 th SFC
5	Mahi Pal, Advisor (PRJs)	6 th SFC
6	R.K.Melita, Advisor (Legal & Coord.)	6 th SFC
7	Kulwant Khullar, Administrative Officer	6 th SFC
8	Kaushik Bhadra	Primus Partners
9	Siraj, Research Assistant	6 th SFC
10	Gitika, Research Assistant	6 th SFC
11	S.P Singh	IIT, Roorkee
12	Manish Gupta, Assistant Professor	NIPFP
13	Munveen	HIPA
14	Pashini Tewari	AILSG
15	Alok Shiromani	AILSG
16	Mohak Mathur	Janaagraha

Minutes of the meeting held on 23rd July, 2021 under Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission, Haryana with Sh. TVSN Prasad, IAS, ACS Finance, Haryana and other senior officers of the Finance and Local Audit Departments, Haryana at Red Bishop, Panchkula

1. List of participants is enclosed at Annexure A.
2. While welcoming the officers, Advisor (Legal & Coordination) briefed them about the broad objectives of the meeting.
3. The Chairman informed about the relevant information collected by the Commission from the Finance Department on state finances, analysis carried out, and conclusions drawn so far, including areas of strength and areas which require further focus. He commended the Departmental officers for promptly and satisfactorily replying to the questionnaire circulated and clarifications sought by the Commission. He requested them to verify the data used and analysis made and help the Commission to correctly interpret the data before submission of the report.
4. It was noted that the State is maintaining its top position among major states as far as per capita income is concerned. Its share in national GDP is steadily showing an upward trend. Performance under Sustainable Development Goals has also significantly improved since last year. However, inter-district disparities are steadily widening. Improvement in Human Development Index is lagging in some districts and important health indicators are lower than national average in urban areas. Gender-related issues need further attention. Dependency on central transfers and debt levels as share of GSDP, are increasing. SOTR shows a declining trend whereas the share of committed expenditure in TRR is increasing. On maintaining proper accounts and their timely auditing, it was noted that from 2023-24 onwards, local bodies that do not have their audited accounts online in public domain, will be deprived of the CFC grants. Consequently, the state might lose a significant amount of funds due to the lack of compliance with 15th FC recommendations.
5. ACS Finance suggested that the recommendations to be made by the 6th SFC, Haryana should be surrounded by four pillars: (i) prioritization of key areas; (ii) creation of a medium-term expenditure framework- MTEF Reserve Fund; (iii) outcome-led growth; and (iv) focus on implementation to improve governance and service delivery at the grassroots level. The Commission should carefully examine the Vikas Nidhi portal while making its recommendations. Macro-fiscal stance of the state, by and large, shows a promising trend. Deficit-GSDP ratio and Debt-GSDP ratio are within the stipulated targets prescribed by the FRBM. However, due to the economic shock brought about by the COVID-19 pandemic, revenue mobilization from own sources has been adversely affected, and therefore, the 6th SFC should consider this factor while recommending share of net SOTR as divisible pool. The Finance Department will examine and give its views on the suggestion for including the budgetary transfers being made to PRIs for salaries, pension, honorarium, etc., under the SFC grants, as part of rationalization. The 6th SFC should recommend necessary and feasible measures to strengthen the capacities of local bodies to prepare their own Budget. Linking performance to devolution of funds may encourage the local bodies to perform better. Online portal for accounts and audit must be properly updated. Expenditure incurred by the local

bodies must be filled in the portal. SFC grants may be made conditional i.e., every local body needs to upload accounts information before grants are transferred.

6. DG-SMIFM stated that their Institute is developing a dashboard to monitor the performance of local bodies on SDGs and budget at local level.
7. The Chairman of the 6th SFC suggested that the local bodies can be sensitized regarding SDGs, and they may be incentivized for putting up better performance in SDG indicators.
8. The Member Secretary suggested that the Commission could seek a memorandum from the Excise and Taxation department about steps being taken to improve resource generation. He thanked ACS, Finance and other senior officers for actively participating in the deliberations and giving valuable suggestions to the Commission.

The meeting ended with a vote of thanks to the Chair and all the participants.

Minutes of the meeting held under the Chairmanship of Sh. P. Raghavendra Rao, Chairman, 6th State Finance Commission, Haryana with Sh. Amit Jha, ACS and other senior officers of the Development and Panchayats Department on 23rd July, 2021 at Red Bishop, Panchkula

1. List of participants is enclosed at Annexure A.
2. While welcoming the participants, Advisor (Legal & Coordination) briefly stated the objectives of the meeting.
3. The Chairman informed about the relevant information collected by the Commission from the Development and Panchayats Department on PRI finances, analysis carried out, and conclusions drawn so far, including areas of strength and areas which require further focus. He commended the Departmental officers for promptly and satisfactorily replying to the questionnaires circulated and clarifications sought by the Commission. He requested them to verify the data used and analysis made and help the Commission to correctly interpret the data before submission of the report.
4. It was noted that the State is maintaining its top position among major states as far as per capita income is concerned. Its share in national GDP is steadily showing an upward trend. Performance under Sustainable Development Goals has also significantly improved since last year. However, inter-district disparities are steadily widening. Improvement in Human Development Index is lagging in some districts and important health indicators are lower than national average in urban areas. Gender-related issues need further attention. Dependency on central transfers and debt levels as share of GSDP, are increasing. SOTR shows a declining trend whereas the share of committed expenditure in TRR is increasing. On maintaining proper accounts and their timely auditing by PRIs, it was noted that from 2023-24 onwards, local bodies that do not have their audited accounts online in public domain, will be deprived of the CFC grants. Consequently, the State might lose a significant amount of funds due to the lack of compliance with 15th FC recommendations.
5. The Chairman also raised concern regarding certain aspects of PRI finances, particularly that (i) their own tax revenues are not sufficient and showing a decreasing trend, (ii) their own non-tax revenues are also going down, (iii) their dependency on SFC and CFC grants is increasing, etc. Haryana is lagging in certain key indicators of Sustainable Development Goals. There is a need to integrate the role of PRIs in localizing SDGs in rural areas. District Planning Committees (DPC) need to be made fully functional and vibrant.
6. ACS, Development & Panchayats while presenting a memorandum of the department to the SFC, categorized the duties and functions of the PRIs into two broad categories: (i) providing basic infrastructure by incurring committed expenditure; and (ii) undertaking development infrastructure. He recommended that at least 16% of the net SOTR should be devolved to local bodies, as against the current practice of 7%. For this purpose, funds can be pooled from state schemes and channelized as devolution to PRIs. The definition of committed expenditure currently used in the Portal is narrow and needs to be widened by including expenditure incurred on basic infrastructure. Further, the Department has not received fully SFC grants earmarked for the year 2020-21. Only Rs. 254 Cr. has been received as against Rs. 1340 Cr. RE for the year. There is reluctance on the part of line

departments to devolve additional functions and functionaries to the PRIs. Different schemes are not being integrated at GP level by the line departments, making GPDP less fruitful. Social audit is important in ensuring the transparency but not being widely practiced. Also, capacity building of the elected representatives and officials is the key. The Department will submit a revised and detailed memorandum to the Commission on these lines.

7. The Member Secretary of the Commission thanked the ACS, D&P and other senior officers for actively participating in the deliberations and giving their frank views. He requested the Department to submit their revised and detailed Memorandum for the consideration of the Commission, quickly.

The meeting ended with a vote of thanks to the Chair and all the participants.

Minutes of the meeting held under the Chairmanship of Sh. P. Raghavendra Rao, Chairman, 6th State Finance Commission, Haryana with Sh. S.N. Roy, ACS ULB and other senior officers of the Urban Local Bodies Department on 24th July, 2021 at Red Bishop, Panchkula

1. List of participants is enclosed at Annexure A.
2. While welcoming the participants, Advisor (Legal & Coordination) briefly stated the objectives of the meeting.
3. The Chairman informed about the relevant information collected by the Commission from the Urban Local Bodies Department on ULB finances, analysis carried out, and conclusions drawn so far, including areas of strength and areas which require further focus. He commended the Departmental officers for promptly and satisfactorily replying to the queries raised and clarifications sought by the Commission. He requested them to verify the data used and analysis made and resubmit memorandum along with requisite information to help the Commission to correctly interpret the data before submission of the report.
4. Director, ULB confirmed that property tax rates have not been revised for several years. Current recovery of property tax is also poor. Staff shortages and their capacity building are major concerns. He recommended that a proportion of tied funds be earmarked for capacity building of staff.
5. ACS, ULB stated that the MCs will provide unique IDs for all properties under their jurisdiction which would help in enhancing collection of property tax. He further suggested that the devolution of Funds between PRIs and ULBs may be fixed in the ratio of 50:50, keeping in view the rate of urbanization and challenges faced by ULBs to provide services. The Department would suitably recommend a formula for distribution of state net tax revenues between PRIs and ULBs as well as the method by which ULB funds must be shared between Municipal corporations, Councils and Committees. A revised memorandum would be submitted to the Commission specifying the purposes for which the Urban Local Bodies broadly want tied/untied grants. They would collect and provide information to the SFC about the number of accounts owned and operated by each MC. For strengthening the District Planning Committees and enhancing their role in integrating the plans of urban and rural areas in a district and for providing synergy of activities, the Department would submit a detailed proposal to the Commission.
6. The Member Secretary of the Commission thanked the ACS ULB, DG ULB and other senior officers for actively participating in the deliberations and giving their frank views. He requested the Department to submit their revised and detailed Memorandum for the consideration of the Commission, quickly.

The meeting ended with a vote of thanks to the Chair and all the participants.

Minutes of the meeting held under Chairmanship of Sh. P. Raghavendra Rao, Chairman, 6th State Finance Commission, Haryana with Sh. Vishal Bansal, Pr. AG (Audit), Haryana and officers of the Finance and Local Audit Departments, Haryana on 24th July, 2021 at Red Bishop, Panchkula

1. List of participants is enclosed at Annexure A.
2. While welcoming the officers, Advisor (Legal & Coordination) briefed them about the broad objectives of the meeting.
3. The Chairman informed PAG and other officers about the observations made by elected representatives and officials of local bodies during their interactions with the State Finance Commission on issues related to accounts and audit of the Local Bodies.
4. A presentation on the new initiatives taken was made by the Principal Accountant General (Audit).

After detailed deliberations, the following issues were discussed:-

- Department of Rural Development should ensure that all entries of receipt and expenditure should be entered in PRIASoft/e-gram Swraj portal.
 - Based on the Eleventh Central Finance Commission recommendations, amendment in municipal account code in line with the National Municipal Accounts Manual (NMAM) needs to be expedited.
 - Major issues noticed during past audit
 - Maintenance of Accounts in PRIs
 - Maintenance of Accounts in ULBs
5. Director, Local Audit Department requested for early action on the following:
 - Time bound action/ compliance on the audit points in the case of serious irregularities, embezzlement, fraud, violation of rules & regulations, non-production of important record, defects in the systems etc., highlighted in the Annual Audit Reports of the Local Audit Department.
 - Accounts in ULBs are neither properly prepared on double entry system nor on single entry system. The Urban Local Bodies Department may be requested to update Municipal Account Code or implement National Municipal Account Code in the ULBs immediately as currently the Code of 1930 is still being followed and many of the provisions have since become obsolete.
 - Duties of Section Officers/ Accounts Officers/ Chief Accounts Officers need to be clearly defined by the ULBs.
 - Relevant record in respect of revenue generated is not being put up to audit for verification by the ULBs/ PRIs, such as Property Tax, Building Application Fee, Road Cut Charges etc. Necessary directions need to be issued to the concerned authorities of ULBs/ PRIs in this regard.

- Relevant record of development works executed by ULBs/ PRIs from various grants received from the Central/ State Government are being submitted for audit including details of assets created from these grants.
 - No proper record of Assets is being maintained by the ULBs/PRIs. Unique computerized system to maintain the record related to assets of the ULBs/PRIs is required to be developed.
 - Uniform software may be developed to recover the Property Tax/ Fire Tax or other taxes in all ULBs/PRIs in the State to know the exact position of demand, its recovery and outstanding balance with interest at the closing of each year. Page-wise progressive totals, horizontally/vertically, need to be calculated. Further, manual rectification must not be allowed for such record. Necessary directions must be issued to the concerned authorities.
 - Government may be requested to fill up the vacancies in the department at the earliest.
 - SAS examination should be conducted on half yearly basis without fail so that the large number of vacant posts of SAS qualified Auditors could be filled up at the earliest.
 - Pre-audit system must be introduced in the PRIs.
 - Capacity building of audit staff must be given priority.
6. The Chairman requested the PAG to guide the Local Audit Department officers in proper maintenance of accounts and audit of PRIs & ULBs keeping in view the existing instructions and recommendations of 15th Finance Commission Report.
7. The Member Secretary suggested that the Commission could seek views of the Urban Local Bodies and Development & Panchayats Departments on the recommendations made by the Local Audit Department.

The meeting ended with a vote of thanks to the Chair and all the participants.

Minutes of Interactive meeting with the representatives of the UNDP with 6th SFC and the Institutions held on 29.07.2021 under the Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission through virtual mode on the Status of the SDGs in the State

1. Details of meeting conveners and participants is enclosed at Annexure-A.

2. Key Objectives:

The meeting was convened to

- Understand the nuances of the progress made in Haryana in context to the Sustainable Development Goals
- Get an in-depth insight into the critical areas of interventions in urban and rural areas of Haryana w.r.t SDG
- Discuss the way forward for inclusion of a separate chapter on SDG in the SFC report and recommendations for channelizing fund flow to Local bodies on the basis of their performance under SDGs.

3. Presentation Summary

The meeting commenced with an introductory exchange between the participants from UNDP, 6th SFC and the Institutes which are carrying out studies on identified topics allotted by the SFC. While welcoming the participants, Shri Vikas Verma, Regional Head, UNDP India briefed them about the intended role of SDG in shaping the collective form and path for holistic development in Haryana.

The key takeaways from the presentation are as follows:

1. SDG Journey in Haryana

- UNDP has prepared the SDG vision 2030 in 2017 followed by the establishment of the SDG Coordination Centre in 2018.
- The composite score of Haryana has moved up from 57 in 2019 to 67 in 2020 and subsequently the state's ranking has got upgraded from rank 18 to rank 14
- Documentation of various vision reports and budget documents, District alignment reports, best practices and video documentaries which can be accessed from the website- www.sdgcc.in

2. Critical and high performing areas & Indicators in Haryana

- Critical areas in context to Haryana related to SDG 6-Clean water and sanitation, SDG 3- Good health and well-being, SDG 16-Peace, justice and strong Institutions, SDG8- Decent work and economic growth, SDG 13- Climate actions, SDG 15-Life on land and SDG 5- Gender equality.
- The State has substantially made improvements in the areas of poverty, education, affordable and clean energy, industry innovation and sustainable cities and communities for the year 2020-21.

- Major challenge is the deficit in the composite score of Haryana in 5 SDG Goals and deficit in ranking of Haryans in 6 SDG Goals.

3. Status of Key urban and rural focussed SDG indicators

- The UNDP team presented the selective urban focussed indicators where Haryana is performing well under the following sub-indicators
 1. % of door to door waste collection
 2. % of individual toilets constructed under SBM (U)
 3. Urban HH having drainage facility
- Well performing sectors, include-
 1. Well performing sector- Toilets constructed under SBM(G)
 2. Districts verified by ODP
 3. Zero Hunger- rice & wheat production
 4. Quality education- School dropouts, trained teachers, gender parity, separate toilet for girls etc
 5. Affordable clean energy- houses electrified
 6. Peace justice and strong institutions- Aadhaar covered population
- Areas of concern, include-
 1. Pregnant women anaemia, health insurance, sex ration at birth
 2. Murders, crime against women, crime against SCs
 3. Disability student's education etc.
 4. MSW segregation and processing
 5. MGNREGS employment offered to those who demanded

4. Way forward for SDG localization and improvement for Haryana

- Integration of SDG into micro-level planning process- 2 districts for PRIs and 3 districts for ULBs
- Focusing on cross cutting indicators (gender and environment)

5. Key points highlighted by Hon'ble Chairman and Advisors of SFC

Inputs and suggestions from Hon'ble Chairman

- The Chairman appreciated the extensive presentation and analysis prepared by Shri Vikas Verma and team
- The State Finance Commission is primarily concerned with strengthening of ULBs and PRIs in financial terms and therefore, it is important to recommend channelisation of funds to the local bodies in such a manner that they perform better in the lacking areas of SDGs.
- It is important to collect the relevant data at local level and also to breakdown the data already available from the District Indicator Framework (DIF)

- We need to examine whether additional funding and incentives need to be proposed for ULBs/PRIs which are performing very well or penalties on those which fail to perform, under relevant SDG indicators.
- Haryana could perhaps become the first state in the country to channelize SFC funding to local bodies on the basis of their SDG performance as an important component and proposed that UNDP SDG team and SFC teamwork must collaborate to devise suitable recommendations in its final report.

Inputs and suggestions from Shri (Dr) Mukesh P. Mathur, Advisor -ULBs

- Shri Mathur suggested to explore the possibility of aligning current SDG progress with the Municipal Performance Index and the Service level Benchmarks, a hallmark initiative by the Ministry of Housing and Urban Affairs (MoHUA)
- The Central Finance Commission has linked the grants with the SLB performance and therefore this must be considered.

Inputs and suggestions from Shri Mahipal, Advisor-PRIs

- Shri Mahipal suggested including Panchayats and Rural local bodies data in the SDG overall progress report and stated the need to align the SDG progress and its measurement with the functions of the ULBs and PRIs.
- He also cited examples of various rural level schemes such as PMAY, NRTSAP, MGNREGA etc which caters to various issues and resources available within the PRIs and the progress made must be taken into account to understand the functional, financial and administrative devolution.
- His stressed on ground level challenges of implementation matched with the policy level interventions which was appreciated by the UNDP team also.

Inputs and suggestions from Sh. Pashim Tewari, Technical Director, AILSG

- Shri Tewari stated the need to consider the process of assigning weightage to SDG indicators set for allocation and devolution of funds.

6. Closing remarks by Hon'ble Chairman

Hon'ble Chairman appreciated the succinct presentation prepared by the UNDP Team and proposed another round of consultation meeting with UNDP team, SFC team and the Institutes on board for conducting studies. He suggested to the SFC team to include one dedicated chapter on the role of SDGs which are pivotal for local bodies. To continue this collaboration further, he suggested that the team plan a meeting to interact with the elected representatives and officials of local bodies to sensitize them on the importance of SDGs for ULBs and PRIs.

The meeting concluded with a vote of thanks to the chair and all the participants.

Annexure A

List of participants

Sr. No.	Name of Participant Sh./Smt./Ms./Dr	Name of Commission/Institute
1	P.Raghavendra Rao, IAS (Retd), Chairman	6 th State Finance Commission
2	Mukesh P. Mathur, Advisor (ULBs)	6 th State Finance Commission
3	Mahi Pal, Advisor (PRIs)	6 th State Finance Commission
4	R.K. Mehta, Advisor (Legal & Coord.)	6 th State Finance Commission
5	Kulwant Khullar, Administrative Officer	6 th State Finance Commission
6	Siraj Yazdani, Research Assistant	6 th State Finance Commission
7	Vikas Verma (Regional Head, UNDP India)	UNDP
8	Deepak Singh (Lead, SDGCC)	UNDP
9	Satinderpal Chahal (Lead, SDGCC)	UNDP
10	Rishi Sharma (Lead, SDGCC)	UNDP
11	Manish Gupta, Assistant Professor	NIPFP
12	Pashim Tiwari	AHLSG
13	Anusha Fatima	AHLSG
14	Nishank Tyagi	AHLSG
15	Mohak Mathur	Janaagraha
16	Tarush Jain	Janaagraha

Record of discussion held between Sh. P. Raghavendra Rao, IAS (Retd) Chairman, 6th State Finance Commission, Haryana with Sh. Sunil Kumar IAS, Secretary, Ministry of Panchayati Raj, Government of India, in his office room at Krishi Bhawan, New Delhi on 12th August 2021

List of participants is enclosed at Annexure.

- While initiating the discussion the Chairman, 6th SFC, Haryana, raised concern regarding the absence of a permanent office set up for the SFCs. Once the SFC submits its report, there is no proper mechanism for follow-up or monitoring of the accepted Commission's recommendations. Similarly, SFCs do not have ready access to the compiled and analysed data and resources of the previous SFCs. Deviation is also sometimes observed in the funds recommended by the SFC and actual devolution released by the Government. Recommendations made by different SFCs are not always homogenous, particularly those relating to the criteria of devolution. Health grants recommended by the 15th FC should be directly devolved and implemented by the local bodies. States which are constituting SFCs regularly need to be incentivized. Exchange of ideas amongst states, particularly among the SFCs, is very important, particularly on issues pertaining to proposed devolution criteria, performance grants based on key performance indicators and revenue deficit grants. There should be normative heads for committed expenditure of local bodies. MoPR may take up these issues appropriately with the Ministry of Finance and Central Finance Commission.
- During the discussions, it was suggested that a forum of Chairpersons of all the SFCs and other senior officers should be convened soon for formulation of common guidelines and for effective cooperation and coordination amongst the SFCs. Consensus on the principles and basic framework of recommendations could be achieved as well. Secretary MoPR responded positively to the suggestion, and agreed to consider holding a meeting soon for discussions on these issues. Broader principles of SFCs devolution formulae such as percentage of SOTR, tied and untied grants, specific grants and implementation mechanism may be discussed during the said meeting with States, SFCs and other stakeholders.
- Adviser, 6th SFC, Haryana raised the issue of defunct District Planning Committees. Secretary, MoPR agreed that after the abolishment of Planning Commission, there is lack of interest in district level planning as well. However, the Ministry has issued detailed guidelines for preparation of BDP and DPDP. Likewise, GDP of over 2.55 lakh GPs have been prepared and uploaded on e-Gram Swaraj portal. However, currently, central transfers are linked with the formulation of GDP.
- Secretary MoPR also raised concern over delayed elections to local bodies due to which they may lose out on funds from the Central Government. States must, therefore, ensure that regular elections to local bodies are held. Audit of accounts should cover not only the 15th FC grants but grants from other sources as well and audited accounts should be made available on-line to the public as recommended by the 15th FC. Devolution index is being prepared by the IISS, and its report is likely to be available by early next year. However, it remains to be seen if the *inter se* rankings of the States see any significant changes vis-a-vis the last assessment. Rate of house tax could be based on the size and type of the house, social and economic backwardness of the household, etc. To classify the households, digital

mapping of Gram Panchayat areas is being done. The Ministry is planning to organise a webinar on best practices of generation of own sources of revenue, innovative initiatives and incentivization of GPs that are front runners. In Maharashtra households are incentivized if they pay house tax regularly. For instance, a GP installed an atta chakki with their own funds and mandated that households, which pay house tax regularly, can use the chakki without paying any user charges. Some of the GPs are also generating power through solar panels. The idea of spatial planning (Master Plans) which has been utilized in cities and urban areas can also be applied to rural areas as well, especially to the GPs with a high growth potential such as those located on National Highways or prominent State Highways. GP need to encourage planned development, with the active involvement of its people.

The meeting ended with a vote of thanks to all the participants.

Following are the key points discussed during the meeting of the Haryana 6th SFC with Mr. Vijavanand held on 13th August, 2021.

1. Population-2011 Census/ projected figure of population /Interst.

Key Points Discussed:

- Kerala has used 2011 census data for population for the 6th SFC Report.

2. Devolution Criteria and weightage, and composition of tied and untied indicators to be used- Population/Area/SC population/Backwardness

Key Points Discussed:

- In Kerala devolution is linked to the States Own Tax Revenue (SOTR) and the State Plan.
- Kerala is only state in the country which follows the Annual Plan.
- Historically the State is devolving as a part of tied and untied amount 25% to 30% of the SOTR.
- Previous year the devolution percent was reduced to 25% from 30-33% which was followed over the period of 5-10 years.
- The 6th SFC has recommended devolution of 26% of the SOTR which would increase at 0.5% each year until 30% for the entire award period.
- The devolution is classified into three main stream:

1. Development Fund:

- The 6th SFC recommended development fund amounting to Rs. 7280 crores which included Rs. 2412 crores from CFC grants for health and Urban agglomeration.
- This aggregated to 15% of SOTR if considered with CFC grant and 10% of SOTR excluding the CFC grants.
- The development fund is categorized into 3 sectors: General; SC and TSP Funds. The formula used for distribution of the development fund general scheme:

Criteria	Percentage
Non-ST/SC population	40%
Area	10%
Ecological vulnerability	10%
Deprivation Index (Households without LPG, electricity water; Distance from highest Per capita Own Revenue weighted with Population)	25%
Own Revenue Mobilization incentive	15%

- In case no local body qualifies for the own revenue improvement incentive the amount gets transferred to the general pool.
- The urban rural share is based on population. Kerala is highly urbanized state with 22% of Municipal population, 75% in Gram Panchayat and within rural the devolution is based as 15% block, 15% district and 70% GP.
- For SC and TSP fund the formula is based on the data from Social economic survey and is calculated as 60% ST/SC population and 40% deprivation index (landless households, houses in dilapidated condition, houses without electricity etc.)
- Out of the total fund received under the development fund the local governments should utilize:

30% on productive activities which leads to economic development (agriculture, animal husbandry, micro enterprises etc.)

Not more than 40% on road development. This has been capped so that other critical sectors can also be developed.

10% should be spend on gender

10% on vulnerable groups (children, senior citizens and person with disability).

2. Maintenance Fund:

- It is further categorized as road maintenance fund and non-road maintenance fund.
- The 6th SFC had recommended 6.5% of SOTR to the local government as maintenance fund out of which 4% is for road maintenance fund and 2.5% is for non-road maintenance fund.

3. General Purpose Fund:

- The 6th SFC recommended 4% of SOTR to the Local bodies towards General Purpose fund which is to supplement the own source revenues to carry out the mandatory functions (Solid Waste Management, Water Supply and Street lighting and moethe establishment costs.

3. Revenue Deficit Grants

Key Points Discussed:

- It is included in the General-Purpose Fund in Kerala.
- In the year 2008 majority of the Gram Panchayats were not in a position to pay salary for more than 3 months.
- The salaries can only be paid out of general-purpose funds or own revenue.
- The 4th SFC recommended derived a formula for gap grant based on the gap certified by an auditor from the audited financial statements which acted as a supplementary to the own source revenue generated by the local bodies.
- From the total General-Purpose fund Rs:10 crore is set apart as Gap Grant, which is distributed to Local bodies which fails to meet their committed expenditure based on the audited financial statements.

4. Performance Grants--Carrot and stick policy? – best performer to be rewarded/ laggard to be punished

Key Points Discussed:

- Kerala SFC has allocated 15% of the Development fund for own revenue mobilization incentive as performance grant
- The formula for performance grant is very complex and hence will be sent by Mr. Vijayanand

5. Devolution of 3Fs (Functions, Functionaries, and Finances) —Activity Mapping Status

Key Points Discussed:

- Division of responsibility is clearly laid and there is no overlap of functions.
- For Example:

- i. Health- the primary health centers are under Gram Panchayat, the secondary health centers /community health centers or taluka hospitals are under Block Panchayats and in case in urban areas under the municipalities and the district hospitals are under District Panchayat.
 - ii. Education- the primary schools are under the Gram panchayats in rural areas and municipalities in case of urban areas and the secondary schools fall under the District Panchayat or the Corporations in case of urban areas.
 - iii. Road- The state highways and major district roads are under the PWD whereas the Other District Roads (ODRs) are under the Zila Panchayats and local roads are under gram panchayat.
- Activity mapping very sharp in Kerala and is well established for last 25 years.
 - In case of Economic development sectors there are overlap between local government and the state departments like in agriculture it has been calculated that of 1/3rd of agriculture expenditure is taken up by the local government and 2/3rd of the expenditure is met by the agriculture department.
 - Kerala has a strongest Employee Union in the country. For the purpose of decentralization, the old staff in the departments were shifted directly to the local government bodies with very few recruitments. However, the deal control continues.
 - The recruitment of all permanent staff is done through Public Service Commission, the pay commission applies to all the employees hence paid by the government and the disciplinary actions against the employees are taken by the local bodies.

6. Status of online accounts and audited statements-existing system in Kerala

Key Points Discussed:

- Information Kerala Mission under the Local Self Government Department which provides IT vision for local governance with accounting software, planning software and Budgeting software. However, convergence of these software with the National software provided by the Government of India has been initiated to meet data needs at the national level.
- Double entry system has been implemented.
- The key feature of any accounting system is that the receivables and payables can be easily identified, however depreciation should be only for lifecycle cost and maintenance cost and not on government assets.
- The funds are devolved every month so that the establishment costs are met on a regular basis.
- Carry over of unspent funds is restricted to 20% for development fund and maintenance fund to the next year. The balance unspent fund if any would lapse.
- In case of grants specifically provided under SC/ST development fund remain unspent then such amount would be compensated from the general-purpose fund next year.

7. Incentive on increased OSR and rationalizing (cut down) revenue expenditure

Key Points Discussed:

- The Revenue expenditure is not very high for local government.
- High revenue expenditures are mostly because of uncontrolled pension and salary.
- However, in Kerala the permanent staff strength is fixed by the Government, hence the local government has to maintain the staff strengths accordingly.

- Only hired and temporary employed staff are paid by the local government.

8. Norms of committed expenditure of local bodies

Key Points Discussed:

- According to the Panchayati Raj Act and Municipality Act the local government has to bear committed expenditure on the mandatory functions which are Solid Waste Management, Water Supply charges and Street Light charges.
- These expenditures can be met from the own source revenue generated and the general-purpose fund.

9. Functioning of District Planning Committees-preparation of District Plan.

10. Status of Audit reports- structure of audit wing in Kerala

Key Points Discussed:

- Kerala has a State Audit Department and concurrent Auditors for all municipal corporations and for big municipalities.
- A separate AG Audit Report on Local Accounts is proposed to be made for all Local Bodies which would be helpful for CFC as well as SFC.
- Kerala is in process of converting Local Fund Audit department into Audit Commission with more autonomy.

11. Status of E-Gram Swaraj portal in Kerala

12. Status of manpower in local bodies of Kerala

Key Points Discussed:

- Kerala is staffed fairly well. A detailed note would be sent by Mr. Vijayanand on staffing of the Local bodies.
- Typical Gram Panchayat has One Secretary, One Assistant Secretary, One Accountant, One Assistant engineer One Head clerk and 6-7 sub-clerks, one peon and one part time peon.
- Similarly, Municipalities has One Member Secretary, One Executive engineer, One Revenue Inspector, One Superintendent and 10-12 clerks.

13. Rate of property tax in rural and urban local bodies

Key Points Discussed:

- Pinch area-based tax calculation for both urban and rural area.
- Self-assessment is permissible however it is not yet practiced by many local bodies.
- The various parameters considered like location, size, type of building, age of building.
- Property tax Rule to be shared by the Mr. Vijayanand.
- For the growth of rural areas, the maintenance of water supply and irrigation is done by the local government through the beneficiary group.
- They also contribute 10% of the capital Cost for irrigation and drinking water.

14. Sources of tax revenue/non-tax revenue of local bodies in Kerala

Key Points Discussed:

- The Gram Panchayats collect roughly around Rs 300 per capita from Own Source revenue.
- Main source of Own Revenue includes:
 - i. Property tax/ professional tax
 - ii. State Entertainment tax
 - iii. Advertisement tax which is subsumed with GST hence shortfall is compensated to Local Government by the State Government
- For Kerala the total expenditure for Local Government amounts to Rs. 20000 crores of which Rs. 2000 crores (10%) are met from Own Sources and 90% from Grant in aid. The own tax revenue can be doubled only by improving the collection efficiency without changing the tax rate.

15. Other Relevant points:

- Kerala has a PPP Framework for panchayat, municipalities and corporations. There are currently 20 projects which the 6th SFC wants to expand.
- Kerala Rural and Urban Development Financial Corporation is an institution formed to help Local bodies raise funds through issuance of revenue Bonds, general obligation bonds for the development of local government.
- This Corporation runs a professional Local Government Development funds which acts as a routing mechanism for fund raising for the Local Bodies.
- The principals of the Tamil Nadu model can be studied which has helped the state in revenue mobilization and realization and monitoring.
- Kerala is in process of converting Local Fund Audit department which was under the Finance department of the State into Audit Commission with more autonomy so as to improve the quality of Audit.

The Chairman of Haryana 6th SFC, raised the following key concerns for Haryana:

1. Population:

- Population growth rate is uneven among the local Bodies in urban as well as rural areas in Haryana.
- Also, the population of almost 40% of the Gram Panchayats in Haryana is less than 2000.
- Hence should the population data for 2011 be considered for devolution or any formula be derived where the population of the local bodies can be projected.

Comments by Mr. Vijayanand

- Cluster Planning (Joint Planning) for development particularly for Gram Panchayats with population less than 5000. This has been accepted by the state of Rajasthan.
- If a robust registration system exists then population can be projected.
- Else normative weightage to population can be recommended and, it can be mentioned that as soon as the census data for 2021 is available it can be made applicable.

2. Usage of District Statistics for Devolution formula

- For the Devolution formula should district wise distribution be introduced instead of income distance criteria or fiscal discipline criteria as the data at local government levels are not available and perhaps district level data and parameters be used for the devolution formula to ensure equity.

Comments by Mr. Vijayanand

- Since more reliable and robust data is available at block and district levels (district GDP, agricultural data, health data agriculture production, poverty), district level devolution can be considered for the devolution formula.

3. Formula for Revenue Deficit Grants

- The Vikas Nidhi Portal has been introduced in Haryana, whereby it is ensured that the local bodies which do not have adequate funds to meet the establishment costs, the government would provide them financial assistance to meet the differences.
- Hence the CM has requested the SFC to include revenue deficit grants for the local bodies. Hence the SFC needs assistance on deriving the formula which is based on the normative principals to meet the deficit (Normative expenditures and normative own source revenue).
- It also needs clarification on whether the CFC grants which are in form of tied grants for water supply(30%) and sanitation (30%)be used for funding the expenditures on salaries directly linked to water supply and sanitation.

Comments by Mr. Vijayanand

- Gap Grants should be based standard spending need as done in Britain however India does not have such data.
- The Gap funds should be made on the deficit calculated over a period of 2-3 years on the basis of Audited Financial data.
- This Deficit amount should be certified by an Auditor.
- On the CFC grants for water supply and sanitation the matter lies unclear and ambiguous. Hence it can be assumed that these grants can be used to meet the revenue expenditures for water and sanitation.
- Only condition is that these funds cannot be used to meet the salaries of the permanent staff.
- Self Help Group model practiced in Orissa which is a social function as well helped in improving efficiency, can be considered for funding the operation and maintenance for water supply. Kerala has also been following a similar model for waste management.

4. Formula for Performance Grants

- The SDG rank for Haryana is 14 and it lacks in various social indicators like poverty, education and health.
- For performance grants what can be the possible Key performance indicators which should be considered so as to ensure the involvement of local bodies in meeting the SDG targets.
- The SFC is planning for providing awards/incentives so that it creates a competition amongst the local bodies on fulfillment of the KPIs.

Comments by Mr. Vijayanand

- Only Own Revenue can be captured for Key Performance Indicator,
- Kerala has a vigorous award system based on various parameters such as SDGs, own revenue etc.

5. SFC recommendation on Capital Projects

- The Haryana SFC needs clarifications whether the SFC grants should be restricted only to revenue expenditures or can be extended to capital projects also.

Comments by Mr. Vijayanand

- Both Capital and Revenue grants can be made by the SFC.

6. Maintenance of Online Audited Accounts

- For most of the Local bodies in Haryana the accounts are not complete and neither available online.
- CFC has mandated the condition for release of funds from the year 2023-24 where the accounts of the local bodies are required to be audited as well as published online. For the smaller Gram Panchayats with population less than 1000, there is unavailability of staff for maintenance of accounts.
- The SFC needs assistance on how to bridge this gap of understaffing in these areas so as to meet the conditions of the CFC.

Comments by Mr. Vijayanand

- MNREGA supervisors can be given incentives for the data entry at the Gram Panchayat levels where population is less than 5000.
- For semi-urban areas outsourcing of the accounting function can be considered.

Following are the areas on which the 6th SFC Haryana has requested further guidance from Mr. Vijayanand

- Money value concept for optimizing and increasing the non-tax revenues as recommended by 6th SFC of Kerala.
- Fund raising mechanism adopted by Kerala Rural and Urban Development Financial Corporation to raise funds for local development from secondary market
- Levy of Advertisement Tax and the Impact of GST on local government finances.
- Formation of the Audit Commission with increased autonomy for improving the quality of audit of local government finances.

Following are the areas where Mr. Vijayanand had volunteered to share details with Haryana 6th SFC:

- The ratio for horizontal distribution of the deprivation index, which forms a basis for devolution of the development fund as recommended by 6th SFC of Kerala.
- The formula based on which revenue deficit is calculated for the Gap-Fund as recommended by 6th SFC of Kerala
- The formula for devolution of Performance Grants indicating the criteria and their respective weightage as recommended by 6th SFC of Kerala

- Details on the status of human resources and list of manpower in the ULB and PRI.
- Property Tax Rules applicable in Kerala

Main Points emerged from the discussion at Divisional Consultations with the 6th State Finance Commission.

Divisional Commissioner's remarks

- Decentralization must be the aim
- Controlling expenditure
- Revenue Generation
- Online accounting
- Digitalization
- Role of Elected Representatives towards plan preparation
- Property Tax on State and Central properties
- Tax collection efficiency needed instead of increasing rates
- Employment generation
- Development oriented
- DDO Powers
- GST exemption to local bodies.

Deputy Commissioner/Additional Deputy Commissioner's remarks

- Fining population
- Low efficiency
- Grey Water Management
- Enforcement
- Open market borrowings
- PPP
- Benchmarking
- Flexibility in Tax rate
- Lighting fee
- Cess on Diesel /Petrol
- CLU charges lying with DULB
- Parastatal arrangement
- More functions to Local Bodies
- Equity balance with Performance Grants
- Define areas in tied funds
- Account System
- Property Tax Survey
- Devolution between Rural and Urban 50:50
- Peri Urban areas
- Industry labour
- Enforcement
- Joint Commissioner to be strengthened
- Define role and responsibilities
- Ceiling powers of DMCs
- Insurance for disaster
- DPC to be strengthened

Sh. Vikas Gupta, IAS, Member Secretary, 6th SFC

- Strengthening of Local Bodies
- Practical strengthening required
- Requirement varies - based on population
- Provision of Basic + Performance grants available for local bodies
- Rs. 5000 crore (3500 SFC+1500 CFC) for Local Bodies available

Dr. Mahi Pal, Advisor

- Inadequate staff and personnel
- Participatory Democracy
- Democratisation of Development
- Focus on health, education particularly among Youth, women and children
- Incentive for better performance in the guise of projects instead of in money
- Induction of technology led efficiency measurement of activities of local bodies
- Creation of disaster management funds - at block level by pooling of resources
- More allocation of funds to urban areas in comparison to rural area due to shouldering burden of health and fire by the former
- Imposing expenditure cap
- Release of deferred Development charges to ULBs
- At least 2% funds of Schemes for training and capacity building and training must be a continuous exercise
- Maintenance of proper data for policy formulation and schematization
- Untied funds in place of tied funds
- Emergence of parastatal bodies and their implication on local governing institutions:
As industrial districts have more service burden, more funds may be for them
Enhancement of property tax and house tax for building their internal capacity of local bodies
- Revisiting DPC
- Localizing SDGs

Other Points emerged during discussions

- Reward Performance
- Capacity Building
- Raise OSR – Reduce dependency on Grants
- Cut down on less productive expenditure
- Maintenance and upkeep of accounts and audit
- Focus on digitization
- Role of Local Bodies in Health & Education
- Support in realizing SDGs
- How to improve service delivery and citizen satisfaction
- Regular maintenance of assets
- Learn from best practices
- Make best use of technology and HIRD for research
- New institutional arrangement – DMOs, CEOs and Inter District Council
- Role of DPCs
- Parastatal bodies
- Explore cap on different sectors

Record of discussion held between Shri P. Raghavendra Rao, IAS(Retd.) Chairman, 6th State Finance Commission, Haryana with Dr. T. V. Somanathan, IAS, Finance Secretary, Government of India, North Block, New Delhi on 6th September, 2021.

Sh. Vikas Gupta IAS, Member Secretary, Sh. R. K. Mehta, Advisor, Legal and Coordination, Sh. Kulwant Khullar, ADO of 6th State Finance Commission (SFC), Haryana were also present.

The following relevant issues concerning strengthening of local bodies were discussed;

1. For monitoring the status of implementation of the accepted recommendations of various State Finance commissions in the country and compilation and sharing of the data/info collected by them and its analysis, it was felt that the possibility of National Institute of Financial Management (NIFM), Faridabad being entrusted with this task could be explored.
2. To give guidance on the common issues of divisible pool of net SORT (given the States limited fiscal space in mind), population figures to be used (2011-Census or projected figures) and status of devolution of 3Fs (Functions, Functionaries, and Finances) to the Local bodies etc., it was observed that possibility of NIFM undertaking comparative studies and advise SFCs accordingly could be explored.
3. The Chairman, 6th SFC expressed the view that:
 - (i) A mechanism must be put in place to help the Local bodies for publishing of their provisional and audited accounts in time, a mandatory condition under the Central Finance Commission.
 - (ii) States constituting SFCs regularly as per the constitutional mandate and implementing the accepted recommendations without delays need to be incentivized.
 - (iii) It was noted with concern that States eligible for performance grants have not been receiving the said grants for the last three years.
 - (iv) For regular exchange of relevant information, data and ideas amongst SFCs, particularly on issues pertaining to devolution criteria, performance grants based on certain KPIs and revenue deficit grants, etc. a Forum of SFCs could be constituted by MoFR.
 - (v) Though 73rd and 74th Constitutional Amendment Acts were passed nearly three decades back, many of the provisions, like those pertaining to strengthening of DPCs and devolution of functions, etc., are still to be fully implemented, in letter and spirit.
 - (vi) For strengthening of local bodies, financially and structurally, local bodies list, on the analogy of Union, State, and Concurrent list, could be incorporated in the Constitution.

The meeting ended with a vote of thanks to all the participants.

Record of discussion held between Sh. P. Raghavendra Rao, Chairman, 6th State Finance Commission, Haryana with Sh. Nagendra Nath Sinha, Secretary, Department of Rural Development, Government of India, in Krishi Bhawan, New Delhi on 7th September, 2021

Sh. Vikas Gupta, Member Secretary, Dr. Mahipal, Advisor, Sh. R.K.Mehta, Advisor of 6th SFC, Haryana were also present. From the MoRD side the following officers were present:

1. Smt. Alka Upadhyaya, Additional Secretary
2. Dr. Ashish Goyal, Joint Secretary
3. Sh. Rohit Kumar, Joint Secretary
4. Sh. Anur Kataria, Joint Secretary

The following main issues concerning strengthening PRIs in States were discussed:

- Preparation of vision of Panchayats
- Mapping of activities which can be ideally addressed by the Panchayats
- Engagement of community volunteers, by involving SHGs, in rural local governance and development
- Democratization of development processes, activating Gram Sabha, ensuring inclusiveness, tapping the full potential of social audit to ensure transparency and accountability
- Organisation of effective linkages amongst different stakeholders
- Capacity building for optimum preparation, execution, monitoring and evaluation of plans/GPDP
- Creation of institution of Ombudsman for grievances* redressal in the existing power structures
- Issuance and proper utilisation of Family Identification Cards
- Spatial Planning –interlinking various activities in such a way to optimize the benefits
- Use of data of Antyodaya Mission of the Ministry
- Watershed planning
- Allocation of funds for maintenance of PMGSY roads post-completion of contract with the contractor
- Maintenance of asset register to avoid duplication and malpractices
- Climate resilience
- Micro irrigation precision
- Livelihood planning, with focus on development of community cadres rather than construction. Activities like milk chilling plant, etc. may be taken up for employment generation and income enhancement

- HR structure under MGNREGA may be strengthened
- Promotion of Sahjan cultivation
- Proper offices for Panchayats
- Providing adequate funds for providing urban like facilities in rural areas
- Critical gap funding may be envisaged for taking up income generation activities
- The State Government briefed about the family registry being developed and implemented in the State and that the same should be used universally.

The meeting ended with a vote of thanks to all the participants.

N-11025-01/2018-AMRUT-III
Government of India
Ministry of Housing and Urban Affairs

Nirman Bhawan, New Delhi
Dated 22 September, 2021

OFFICE MEMORANDUM

Subject: Minutes of the meeting held to discuss issues pertaining to urban development and finance-reg.

The undersigned is directed to forward herewith a copy of the minutes of the meeting held between Secretary, Ministry of Housing and Urban Affairs and Chairman, 6th Haryana State Finance Commission on 7 September, 2021 at 4:30 PM in Room No. 123-C, Nirman Bhawan, New Delhi-110011 to discuss issues pertaining to urban development and finance.

Encl: As above.

(Gurjeet Singh Dhillon)

Director

Tel: 011-23062399

To

Shri Raghvendra Rao IAS (Retd.) Chairman, 6th Haryana State Finance Commission

Shri Vikas Gupta (IAS), Member Secretary, 6th Haryana State Finance Commission

Dr Mukesh Advisor, 6th Haryana State Finance Commission

Shri P. Malhur, Advisor, 6th Haryana State Finance Commission

Shri R.K. Mehta, Advisor, 6th Haryana State Finance Commission

Minutes of Meeting of Secretary, HUA with Chairman, 6th Haryana State Finance Commission

A meeting was organized between Secretary, Ministry of Housing and Urban Affairs (HUA), Government of India and Shri P. Raghavendra Rao, IAS (Retd.) Chairman, 6th Haryana State Finance Commission (SFC), on 7 September, 2021 at 04:30 PM in Room No-123 C, Nirman Bhawan, New Delhi-110011 to discuss issues pertaining to urban development and finance. List of participants is placed at Annexure.

2. At the outset, Secretary, HUA welcomed all the participants. Thereafter, Chairman, SFC flagged various issues regarding strengthening of Urban Local Bodies (ULBs), devolution of funds, performance based grants, application of IT, selection of population base for allocation of grants etc. Some of the key deliberations held during the meeting have been summarized below:

- a. Chairman, SFC emphasized that in order to strengthen the ULBs there is a need for devolution of funds, finances and functionalities to the ULBs both in letter and spirit in accordance with 74th CAA.
- b. Secretary, HUA informed that as per the recommendations of 15th Finance Commission (15th FC), Ministry is working on setting up of Municipal Shared Service Centres for improving coverage of property tax, billing efficiency, collection efficiency through increased number of feet on street, implementation of enforcement measures and building renewed focus on high value properties. This will also push for digitization of billing and collections.
- c. Chairman, SFC highlighted that fiscal autonomy and self-reliance at the local Govt. level needs to be achieved by reducing the dependency on the higher level of Governments.
- d. Secretary, HUA emphasized that there is a need for renewed focus on capacity building at the ULB level to bring efficiency in delivery of urban services and to undertake reforms. For devolution of funds, consideration may be given to the fact that population in some of the bigger cities has increased much more than projected population using data of census 2011 and decadal growth rate. Population of bigger cities like Gurugram

has increased rapidly due to migration. Also many ULBs have bifurcated/merged over time.

- e. Secretary, HUA also highlighted that the availability of accounts online of individual local bodies and at the State and all-India level is a critical reform agenda under 15th FC. Therefore, 15th FC has mandated the availability of ULB accounts online, both before and after audit, for the grants. SFC may take necessary initiatives to promote this reform agenda.
- f. In context of use of IT application, Secretary, HUA informed that Ministry has developed City Finance Portal (www.mafinance.in) for uploading of audited and unaudited account statements by the ULBs as per 15th FC recommendations. Additionally, relevant fields have been developed in City Finance Portal for ULBs to upload other baseline and target service level along with the detailed utilization report and action plan (only for million plus cities).
- g. The meeting ended with a vote of thanks.

List of Participants

Annexure

- Shri Durga Shanker Mishra, Secretary, Housing and Urban Affairs
Shri P. Raghvendra Rao IAS (Retd.) Chairman, 6th Haryana State Finance Commission
Smt. D.Thara, Joint Secretary (A.L. & E), MoHUA
Shri Vikas Gupta (IAS) Member Secretary, 6th Haryana State Finance Commission
Dr. Mukesh Advisor, 6th Haryana State Finance Commission
Shri. P. Mathur, Advisor, 6th Haryana State Finance Commission
Shri R.K. Mehra, Advisor, 6th Haryana State Finance Commission
Shri Gorgeet Singh Dhillon, Director (FC & EoDB), MoHUA
Ms. Neha Singh, Dy, Director (AMRUT), MoHUA

Record of Discussion with Sh. Gurbh Chandna Murmu, IAS (Retd), Comptroller & Auditor General,
Government of India on 5th October, 2021 at CAG office, New Delhi



D.O. NO. AUC/16/HR/78-2021/13

श्री श्री प्रमुख, से. वित्त-समिति, हरियाणा
ए. 14, गेट-3, इंदौर रोड,
नई दिल्ली - 110024
OFFICE OF THE
COMPTROLLER & AUDITOR GENERAL
OF INDIA
Pocket 3, Green Oyal, Connaught Place,
New Delhi - 110024

दिनांक/Date: 20/10/2021

Dear Shri. *Ragunandan Rao,*

1. Please refer to your email dated 30th Sep 2021 and subsequent discussions on the 5th Oct 2021 with the CAG of India on accounting and auditing issues relating to the Local Bodies in Haryana.

2. As highlighted by us during the meeting, the CAG of India is in the process of taking up major initiatives to improve the framework of auditing and accountability at the local government level which would bring about better governance at the grassroots levels. In this context, the proactive role of the Government of Haryana and the State Finance Commission is in sync with our current strategies. As requested by you, our suggestions on the issues highlighted are discussed in the subsequent para.

Urban Local Bodies

3. **Accounting issues:** We were informed that the State Municipal Accounts Manual for the State of Haryana is being prepared in line with the National Municipal Accounts Manual (NMAM) and would replace the Municipal Accounts Code, 1970, being used at present. This is a welcome initiative as the State Municipal Accounts Manual will become compliant with the NMAM which was prescribed for Urban Local Bodies (ULBs) in consultation with the CAG of India. However, this would involve migration of ULBs to accrual accounting and closing of opening balances, which is a challenging task. Further, the stipulations of the FC-XV regarding online availability of 'Provisional Accounts' and 'Audited Accounts' for auditing grants has added to the need for timely finalisation and audit of such accounts.

4. As the responsibility of preparing the accounts for ULBs is entirely with the State Government, it is recommended that as a onetime measure for ULBs, it may be appropriate to engage CAs to prepare the accounts as per the NMAM requirements, including closing of opening balances. Also as requested by you, district wise CA Firms from the CAG's empanelled list in Haryana can be shared with the State Government on a specific request.

5. **Audit issues:** Currently the responsibility for audit of ULBs is with the Local Audit Department of the Government of Haryana. Recently the Government of Haryana has requested the CAG of India to take up post audit of all ULBs in the state under section 20(1)

read with section 20(3) of the CAG's DPC Act. This office is in the process of accepting the entrustment and will be responding soon to the Haryana Government. However, we would take up the audit and certification of ULB accounts from the accounts of FY 2021-22 and onwards. The audit of all ULB accounts for periods prior to this would have to be completed by the Local Audit Department of the Government of Haryana.

Panchayati Raj Institutions

6. Accounting issues: Currently the Panchayati Raj Institutions (PRIs) are required to follow the Model Accounting System (MAS) which has been prescribed in consultation with the CAG. However, accounts of many PRIs are in arrears. As in the case of ULBs, CAs could be appointed as a onetime measure to complete pending accounts of PRIs in view of the stipulations of the FC-XV regarding online availability of provisional and audited accounts.

7. Audit Issues: In view of the recommendations of FC-XV, the timely audit of 6352 PRIs would be a mammoth exercise. It could be done by the Local Audit Department if they have the capacity or the State Government could consider engaging a separate set of CAs (other than those engaged for accounts preparation) for timely completion.

8. Capacity building: Regarding the need for capacity building for the Local Audit Department in Haryana, the Principal Accountant General (Audit) will provide all support for any capacity building that is required as part of the CAG's mandate under the Technical Guidance and Support role. We suggest that the Local Audit Department and the Finance Department may assess the requirement in consultation with the Principal Accountant General (Audit).

9. Response to Audit: The concern of delayed or inadequate response to audit was highlighted. As brought out in the discussions, effective action on audit paras is ensured by a structured follow up mechanism. Haryana has a Separate Legislative Committee for discussion of Local Audit Department/CAG's Report/ATIRs of LBs. This committee ensures accountability of the executive on Audit findings and would play the central role in the follow up. However, other empowered bodies for follow up on audit reports at district level for PRIs and for select ULBs could enhance the accountability mechanism. Hence there is scope for strengthening institutions at district level which can monitor and ensure follow up action. From our side, we would also be willing to support the efforts of the State Government in their endeavour.

10. Budgeting system: The first requirement towards strengthening the budgeting in LBs is for the Haryana Government to prepare a framework for budgeting of ULBs and PRIs and monitoring thereof. This can be based on the structure of the NMAM/ MAS and by considering best practices adopted in other States. The PAG (Audit) Haryana could be consulted for finalisation of such Budget Manuals/frameworks. Once the framework is ready, implementation would require a training/ capacity building exercise for which the PAG (Audit) Haryana can provide requisite support to the Haryana Government. Links to the budget rules of Kerala, Madhya Pradesh and West Bengal are enclosed.

11. Measuring outcome / effectiveness of service delivery: These are a performance audit issues which is done by us periodically and should be kept out of the scope of the present discussions. As a pilot, we are in the process of taking up LB audit of Districts in Haryana which would include audit of performance of the ULBs and audit of select schemes implemented in the PRIs in the districts covered.

We would be happy to provide any additional inputs and support.

Warm Regards,

Yours sincerely,


(R.G. Viswanathan)

Shri P. Raghavendra Rao, IAS (Retd)
Chairman 6th State Finance Commission, Haryana
Room No. 304, Haryana Guest House,
Chanakyapuri,
New Delhi - 110021

Enclosure: As stated.

Annexure

Links to the budget rules of Kerala, Madhya Pradesh and West Bengal

- **Kerala Panchayat Raj (Budget) Rules, 2008 covering all three tiers of PRIs:**
http://bgkerala.gov.in/html/PDF/BudgetRules2008_20081208.pdf
- **The M.P. Gram Panchayats (Budget Estimates) Rules, 1997 MP:**
<http://www.bareactslive.com/MP/mp564.htm>
- **West Bengal Panchayat (Gram Panchayat Accounts, Audit and Budget) Rules, 2007:**
[http://www.jalpaiguri.gov.in/content/StaticContent/Departments/DP/RO/%20Section%20Acts%20and%20Rules%20West%20Bengal%20Panchayat%20\(Gram%20Panchayat%20Accounts%20Audit%20and%20Budget\)%20Rules%202007.pdf](http://www.jalpaiguri.gov.in/content/StaticContent/Departments/DP/RO/%20Section%20Acts%20and%20Rules%20West%20Bengal%20Panchayat%20(Gram%20Panchayat%20Accounts%20Audit%20and%20Budget)%20Rules%202007.pdf)
- **West Bengal Panchayat (Zilla Parishad and Panchayat Samiti) Accounts and Financial Rules, 2003:**
https://burdwanzp.org/images/gov_notification_files/1517982947West%20Bengal%20Zilla%20Parishad%20Panchayatsamity%20accounts%20Rules.pdf

Minutes of the meeting of National Institute of Urban Affairs with Sh. P. Raghavendra Rao, IAS (Rtd.) Chairman, 6th State Finance Commission, Haryana and Dr. Mukesh P. Mathur Advisor, 6th State Finance Commission, Haryana held on 13th October at NIUA

1. Details of meeting participants is enclosed at Annexure-A

2. **Key Objectives:**

The purpose of the meeting was to initiate a discussion between 6th State Finance Commission, Haryana and National Institute of Urban Affairs (NIUA) on the best practices and learnings that the National Institute of Urban Affairs can contribute towards preparation of the report on 6th State Finance Commission, Haryana.

The Commission is presided by Shri P. Raghavendra Rao, IAS (Rtd), and Dr. Mukesh P. Mathur as the Advisor to the Commission.

1. The meeting started with a brief introduction towards Sustainable Development Goals and their importance at the urban local bodies by Shri Hitesh Vaidya, Director, NIUA.
2. Shri Vaidya discussed that SDGs are a set of global level indicators and targets, which have to achieve by 2030. However, the challenge is about implementing the global-level indicators at the local level by the national governments. India is also facing the same challenge. The national-level SDG framework of India gives a set of indicators and targets which is set according to the policy, planning, and existing social, economic and environmental conditions across the states, and districts to some extent. The main challenge that now our country is facing is about "localization of SDGs" at the urban local bodies level.
3. It was discussed by the NIUA team that there are four major areas where the urban local bodies need handholding and support for implementing the SDGs. These include: linking the masterplans with SDGs indicators and targets, addressing the capacity constraints of the urban local body officials about the use of technology and conceptual understanding on SDGs, inadequate and non-availability data on the indicators, and inter-jurisdictional issues between the cities. These issues need to be addressed now. NIUA in collaboration with GIZ has commissioned a study on Compendium of Best Practices on Localization of SDGs. In this study, NIUA will be compiling the best practices from India, South Asia, and Germany on overcoming the above mentioned challenges.
4. With reference to this background Shri Raghavendra Rao discussed about the report by 6th State Finance Commission, Haryana. He discussed that the mandate of the Finance Commission is to ensure that the urban local bodies and the rural bodies are need to be strengthened not only in terms of finance, but also there is a need to include other development components. He highlighted that a vision document about Haryana state has been prepared, but the urban local bodies are not functioning in line to integrate the SDG indicators and targets into their functioning.
5. Shri Raghavendra Rao explained that there is a provision for District Planning Committees and Metropolitan Planning Committees in the Constitution. But, these Committees are not formed in the state. The Committees form an integral part of planning framework in the

country. It is now important that we should re-focus on the functioning and formation of these Committees so that a progress on SDGs can be made at the local level.

6. Shri Raghavendra Rao also suggested about 'activity mapping' of urban local bodies functioning versus the 12th Schedule functions of the 74th CAA. He remarked that the urban local bodies in Haryana are weak in terms of generating their own-revenue sources and mainly depend upon the funds and grants from the Central and State governments. Hence, there is a need to focus on the issue of revenue-deficit in the report by the 6th State Finance Commission, Haryana.
7. An important point discussed in the meeting was enhancing the revenue of the urban local bodies through Property Tax collection. In this regard, Dr. Sandeep Thakur from NIUA discussed that the 15th Finance Commission has made some stringent conditions due to which the urban local bodies are facing the challenge in meeting the entry-level requirements of the 15th FC Grants.
8. Shri Alok Shromany informed that NIUA is planning a Webinar to sensitize the states and cities to meet the challenge in meeting the entry-level requirements of the 15th FC Grants.
9. It was discussed in the meeting that Property Tax is the only source of own-revenue for overcoming the revenue deficit, however, there is a need for capacity building among the ULB officials to increase this source of funding. On this point, Shri Raghavendra Rao highlighted that there is a need to incentivize those urban local bodies who have been able to increase their own-revenues, and what other weaker urban local bodies can learn from them.
10. Shri Hitesh Vaidya remarked that urban local bodies are facing the challenge of a proper financing-mechanism and capacity building. In this regard, he gave some references about NIUA's work on the urbanization and economic development. He discussed about the data smart strategy that has been prepared for Faridabad, the National Urban Digital Mission which is focused on citizen-centric governance, the Climate Smart Cities Assessment framework, and the Centre for Inclusive Development recently established at NIUA.
11. Shri Hitesh Vaidya remarked that Odisha is an excellent example to study the implementation of SDGs among other good practices.
12. As a way forward, Shri Raghavendra Rao summarized five areas wherein NIUA can provide technical assistance—generating own-revenue sources, best practices on localizing SDGs in Haryana, formulating KPIs to increase Performance Grants, framing a methodology to remove revenue-deficits, and how to overcome the inter-district variations in terms of income and economic growth existing presently in the state of Haryana.
13. Towards the end of the discussion, Shri Hitesh Vaidya mentioned that NIUA will provide important knowledge products for further study by the Chairman and the Advisor of the 6th State Finance Commission, Haryana.

The meeting ended with a vote of thanks by Shri Hitesh Vaidya.

Annexure A

List of Participants

1. Shri Hitesh Vaidya, Director, NIUA
2. Dr. Sandeep Thakur, Associate Professor, NIUA
3. Shri P. Raghavendra Rao, IAS (Retd), Chairman, 6th State Finance Commission, Haryana
4. Dr. Mukesh Mathur, Advisor, 6th State Finance Commission, Haryana
5. Shri Alok Shrivastava, Advisor, NIUA
6. Ms. Pragya Sharma, Programme Manager, NIUA
7. Ms. Tanis Debnath, Post-Doctoral Fellow, NIUA
8. Ms. Parva Sharma, Young Consultant, NIUA

Minutes of the meeting held on 18th October, 2021 under Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission, Haryana and Sh. Vikas Gupta, IAS, Member Secretary, 6th State Finance Commission with Sh. Devender Singh, IAS, ACS Public Health Engineering Department Haryana at UT State Guest House, Chandigarh

1. List of participants is enclosed at Annexure A.
2. While welcoming the officers, Advisor (Legal & Coordination) briefed them about the broad objectives of the meeting.
3. The Chairman raised the issues regarding the devolution of 3Fs (Funds, Functions & Functionaries) with respect to the Public Health Engineering Department to the local bodies (Rural as well as Urban). Further, Chairman also felt concerned about the indicators (%age of ground water withdrawal against availability and %age of blocks over exploited) mentioned in the Haryana SDGs Index 2020-21 Document with respect to the PHE Department.
4. ACS, PHE informed that under the Jal Jeevan Mission Scheme, the collection of tariff for water charges can be devolved to the local bodies, under Atal Bhujal Yojana. 13 districts have been selected under 1669 Panchayats for the State for behavioral changes at the Community level for sustainable ground water resource management. He has also informed that Haryana Water Resources Authority has also been constituted for granting NOC for replenishment of ground water. Further, under Mera Pani Meri Virasat, the State has incentivize farmers for crop diversification and 1000 reverse bore well were installed. He further urged that the blocks which are not covered under Atal Bhujal Yojana can be selected for involvement of local bodies under the State Finance Commission funds. He also informed that the role of Panchayats can be defined for drip irrigation and the incentives can be linked with the key performance indicators.
5. Further, ACS, PHE requested grants for replacement of tubewells under Renewable Energy for pilot implementation under SFC grants.
6. The Chairman, 6th SFC suggested that the Public Health Engineering Department must prepare programme for transfer of 3Fs of their department for next 5 years and also make budget for additional requirement of funds and also address the issue of capacity building of local bodies.
7. The Member Secretary suggested that a memorandum be submitted by the PHE department to the Commission suggesting the transfer of 3Fs to the local bodies by 25th October, 2021. He thanked ACS PHE and other senior officers for actively participating in the deliberations and giving valuable suggestions to the Commission.

The meeting ended with a vote of thanks to the Chair and all the participants.

List of Participants

Sr. No.	Name of the Officer/Official	Designation	Name of the Department/Commission
1	Sh. Devender Dahiya	Chief Engineer	PIIE Department
2	Sh. R.K. Mehta	Advisor (Legal & Coord.)	6 th State Finance Commission
3	Sh. Kulwant Khullar	Administrative Officer	6 th State Finance Commission
4	Sh. Kaushik Bhadra	Consultant	6 th State Finance Commission

Minutes of the meeting held on 18th October, 2021 under Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission, Haryana and Sh. Vikas Gupta, IAS, Member Secretary, 6th State Finance Commission with Sh. Rajeev Arora, IAS, ACS Health & Family Welfare Department Haryana at UT State Guest House, Chandigarh

1. List of participants is enclosed at Annexure A.
2. While welcoming the officers, Advisor (Legal & Coordination) briefed them about the broad objectives of the meeting.
3. The Chairman raised the issues regarding the devolution of 3Fs (Funds, Functions & Functionaries) with respect to the Health Department to the local bodies (Rural as well as Urban). Further, Chairman also felt concerned about the indicators (%age of households with any usual member covered by any health scheme or health insurance, %age children aged 0-4 years who are underweight, %age of children under age 5 years who are stunted, %age of pregnant women aged 15-49 years who are anemic and Sex ratio at birth) mentioned in the Haryana SDGs Index 2020-21 Document with respect to the Health Department.
4. ACS, Health informed that the Health Department has involved local bodies under Haryana Village-Janhit Check-up Scheme. He suggested that an advisory committee can be set up for involvement of local bodies under ICT, TB elimination programmes and maintenance of assets and other PHCs level issues. Under Health and Wellness Scheme also, the role of local bodies can be involved.
5. Further, ACS, Health informed the Chairman that the State local bodies will get direct grants under 15th CFC amounting to Rs. 307.00 crore for the first year for creation of assets. Accordingly, it is requested that the State Finance Commission can consider the grants for the maintenance of assets created under CFC funds.
6. ACS, Health suggested that on pilot basis, a scheme of tele-medicines and incentives can be given to local bodies if outcome improves for potential areas.
7. The Member Secretary suggested that Health Department submit a memorandum by 25th October, 2021 to the Commission suggesting the best practices adopted by other states for involvement of local bodies under health sector and also suggest some functions to be devolved to local bodies. He thanked ACS, Health and other senior officers for actively participating in the deliberations and giving valuable suggestions to the Commission.

The meeting ended with a vote of thanks to the Chair and all the participants.

List of Participants

Sr. No.	Name of the Officer/Official	Designation	Name of the Department/Commission
1	Dr. Prabhjot Singh, IAS	Mission Director	NHM
2	Dr. Praveen Sethi	Director	Health Department
3	Smt. Poonam Singla	Director	Finance, NHM
4	Sh. R.K. Mehra	Advisor (Legal & Coord.)	6 th State Finance Commission
5	Sh. Kulwant Khullar	Administrative Officer	6 th State Finance Commission
6	Sh. Kaushtik Bhadra	Consultant	6 th State Finance Commission

Minutes of the meeting held on 18th October, 2021 under Chairmanship of Sh. P. Raghavendra Rao, IAS (Retd.), Chairman, 6th State Finance Commission, Haryana and Sh. Vikas Gupta, IAS, Member Secretary, 6th State Finance Commission with Dr. Mahavir Singh, IAS, ACS, School Education Department, Haryana at UT State Guest House, Chandigarh

1. List of participants is enclosed at Annexure A.
2. While welcoming the officers, Advisor (Legal & Coordination) briefed them about the broad objectives of the meeting.
3. The Chairman raised the issues regarding the devolution of 3Fs (Funds, Functions & Functionaries) with respect to the School Education Department to the local bodies (Rural as well as Urban). Further, Chairman also felt concerned about the indicators (%age of students in grade VIII achieving at least a minimum proficiency level in terms of nationally defined learning outcomes to be attained by the pupils at the end of the grade, Gross Enrolment Ratio in Higher Education (18-23 years), %age of persons of age 15 years and above with disability having highest level of completed education secondary and above, %age of persons of age 15 years and above who are literate, Gender Parity Index for Higher Education (18-23 years) and Pupil Teacher Ratio (PTR) at secondary level (class 9-10) mentioned in the Haryana SDCs Index 2020-21 Document with respect to the Education Department.
4. ACS, School Education suggested that the devolution of education sector be done in phased manner. Further, he suggested that atleast 20% of the budget be allocated on the education sector as done in other states. Future recruitments can be done at Zila Parishad level. Some additional grants can be given out of SFC funds to the Panchayats adopting schools. Local bodies should be entrusted the task of out of school children enrollment and adult education. Opening of schools by private in urban areas can be offered on bids subject to the condition that they will also adopt schools in rural areas.
5. School Education Department has also constituted School Management Committee with the involvement of local bodies. The concept of Sanskriti Model School is also a good success in the State which runs on the private school pattern. ACS, Education Department has further elaborated that the enrollment in the Government schools has gone upto 52%.
6. Further, ACS, Education Department suggested that the digital infrastructures in these schools are not adequate and the State Finance Commission should consider the grants for the same. Incentives to Haryana resident girl students be given even after graduation.
7. The Member Secretary suggested that Education Department submit a memorandum by 25th October, 2021 to the Commission suggesting the best practices adopted by other states for involvement of local bodies under education sector and also suggest some functions to be devolved to local bodies. He thanked ACS, Education and other senior officers for actively participating in the deliberations and giving valuable suggestions to the Commission.

The meeting ended with a vote of thanks to the Chair and all the participants.

List of Participants

Sr. No.	Name of the Officer/Official	Designation	Name of the Department/Commission
1	Dr. Anshaj Singh, IAS	Director	Elementary Education
2	Dr. J. Ganeshan, IAS	Director	Secondary Education
3	Sh. Kuldeep Mehta	Assistant Director	Education Department
4	Sh. Parmod Sharma	Programme Officer	Education Department
5	Sh. R.K. Mehta	Advisor (Legal & Coord.)	6 th State Finance Commission
6	Sh. Kulwant Khullar	Administrative Officer	6 th State Finance Commission
7	Sh. Kaushik Bhadra	Consultant	6 th State Finance Commission



Meeting with Administrative Secretaries of Finance and Development & Panchayats
Departments on 23.07.2021 at Red Bishop, Panchkula



Meeting with Administrative Secretary, Urban Local Bodies Department and with Principal
Accountant General (Audit), Haryana on 24.07.2021 at Red Bishop, Panchkula



Meeting with **Sh. Vishal Bansal**, Principal Accountant General (Audit), Haryana on 13.08.2021 in New Delhi



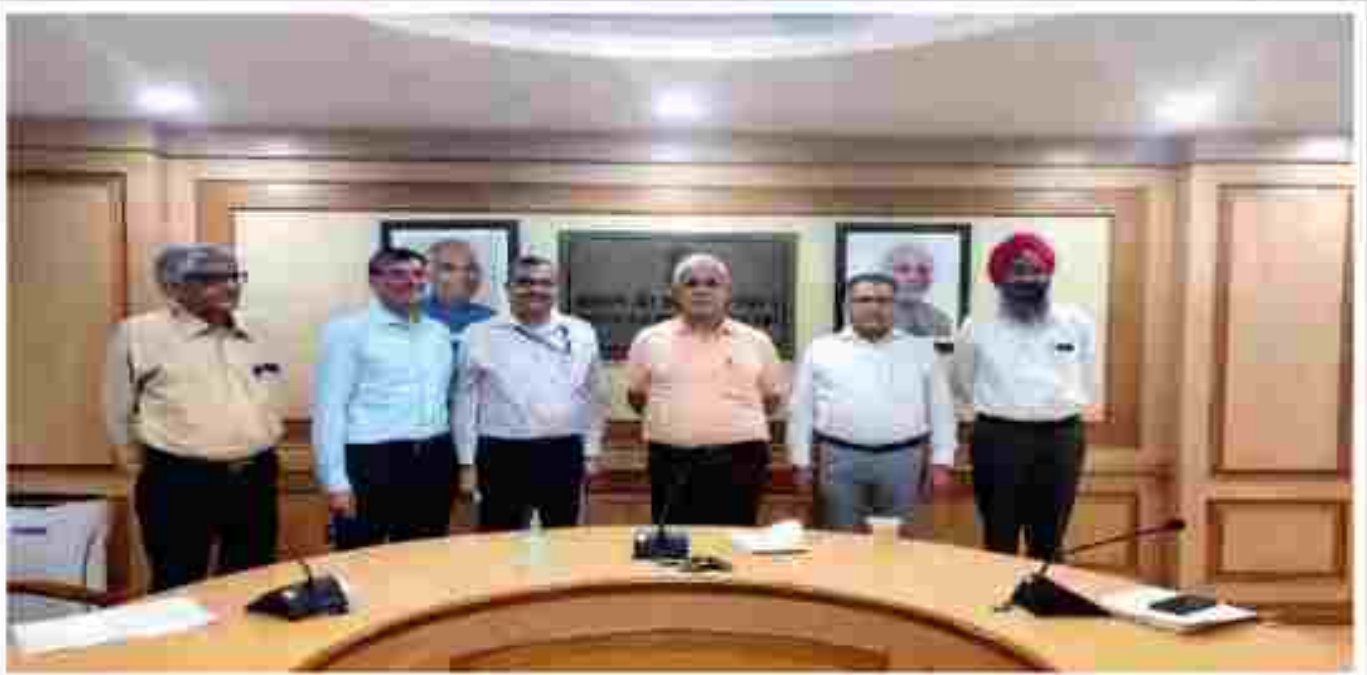
Meeting with **Sh. T.V. Somanathan**, IAS, Finance Secretary, Ministry of Finance, Government of India on 06.09.2021, New Delhi



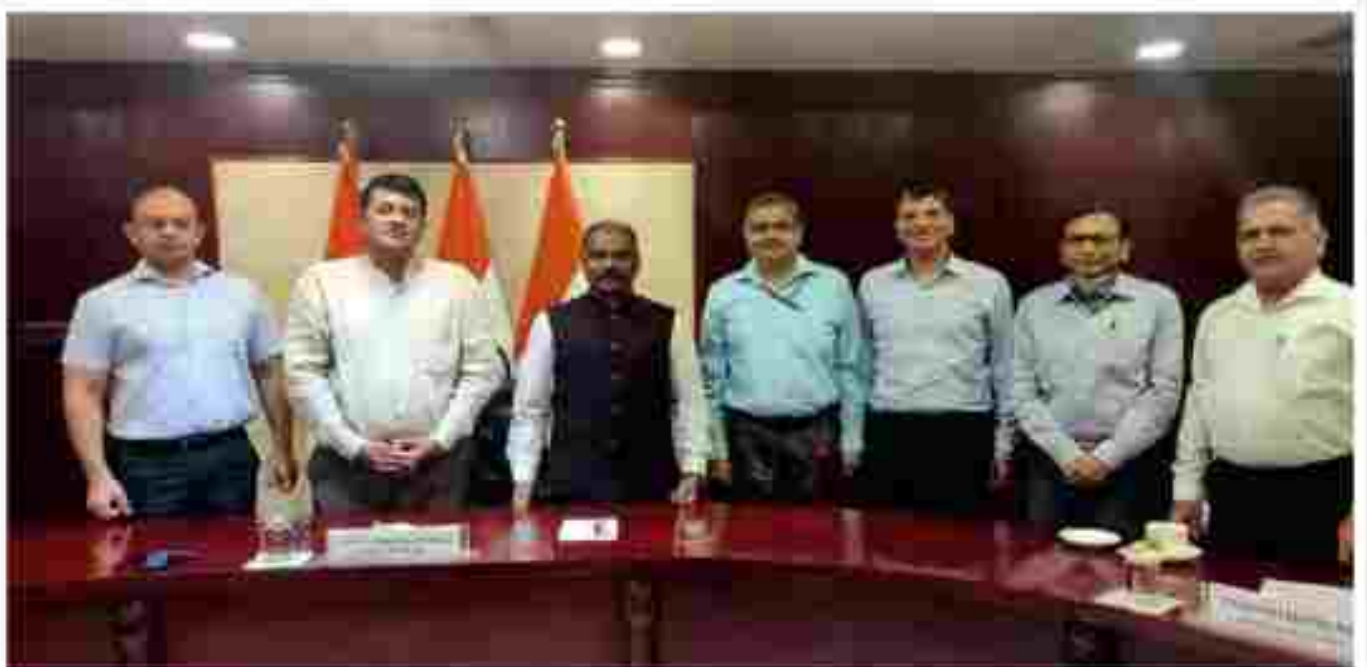
Meeting with **Sh. Tarun Bajor**, IAS, Secretary (Revenue), Ministry of Finance,
Government of India on 06.09.2021, New Delhi



Meeting with **Sh. Nagendra Nath Sinha**, IAS, Secretary, Department of Rural Development,
Government of India on 07.09.2021 at Krishi Bhawan, New Delhi



Meeting with Sh. Durga Shanker Mishra, IAS, Secretary, Housing and Urban Affairs on 07.09.2021 at Nirman Bhawan, New Delhi



Meeting with Sh. Girish Chandra Murmu, IAS (Retd.), Comptroller & Auditor General, Government of India on 05.10.2021 at CAG Office, New Delhi



Meeting with Sh. Sunil Kumar, IAS, Secretary, Ministry of Panchayati Raj, Government of India on 12.06.2021 at Kirishi Bhawan, New Delhi



Divisional level meetings with Divisional Commissioners and Deputy Commissioners of Karnal, Gurugram, Ambala, Rohtak, Hisar and Faridabad Divisions on 19.08.2021, 20.08.2021, 25.08.2021, 20.09.2021, 21.09.2021 & 28.09.2021 respectively



Meeting with ACS, Health & Family Welfare Department on 19.10.2021 at
UT State Guest House, Chandigarh



Meetings with ACS, PHED & School Education Departments on 19.10.2021 at
UT State Guest House, Chandigarh

Sixth State Finance Commission, Haryana

Yojana Bhawan, Bays 21-28, Sector-4, Panchkula, Haryana.

www.sfc.haryana.gov.in