

Recommendations for Daman and Diu

6B.1 After examining in detail the fiscal profile of the Union Territory administration as well as its administrative set up certain steps appear necessary to create a more responsive and representational local body institutional apparatus. Critical reforms are needed so as to extend the democratic aspirations of the people at the grass roots level, improve citizen participation in the developmental efforts by providing a more responsive local self-government. This can be done by bringing in accountability and transparency in the administrative set up.

6B.2 There is one Municipality and ten Village Panchayats in Daman whilst Diu has one Municipality and four Village Panchayats. The District Panchayat is common for both the areas and is stationed in Daman. In regard to this UT, there has actually been a significant increase in the share of devolution to the local bodies. In 2002-03, the share of total fund devolved was 2.5% of the UTs budget. This share has now increased to 5.8 % for the year 2008-09. However, when one looks at the real process of decentralisation, while transfer of functions relating to 28 subjects out of 29 mandated in the Constitutional Amendments has taken place, the fact remains that the Panchayats do not have complete control in execution of the schemes primarily because of the duality in control of the staff. In our view, once the functions are transferred, these should be a total transfer of manpower and funds thereby ending this duality in control which is only leading to loss of accountability. This issue has to be urgently addressed by the local UT Administration.

6B.3 Another complaint emanating from the local administration was that while 38 posts of various categories have been approved for the PRIs, approval of MHA is awaited for the last two years for filling up of the posts in question. This would need to be expedited.

6B.4 Along with the functions, some assets have also been transferred to the Panchayats. This was a laudable act. However, there is no maintenance grant available with the Panchayats in regard to these assets. Maintenance is being looked after by the PWD. In our view, once assets have been

transferred to the Panchayats, they should be entrusted with their maintenance as well for which adequate funds under non-plan head would need to be made available as per PWD norms.

6B.5 Diu is at a distance of 700 Kms. from Daman. There is only road connectivity as no sea link exists. For every little matter, approval is to be sought by the Collector in Diu from the Administrator stationed in Daman. It is the considered view of the Commission that financial and administrative powers of the Collector, Diu should be significantly enhanced so that the delay factor in execution of schemes could be minimized.

6B.6 In accordance with section 3(A) of the Daman & Diu Panchayat (Amendment) Regulation, 1994, a common District Panchayat for the District of Daman & Diu was established in 1994 and is known as District Panchayat, Daman & Diu. This provision appears to be at variance with the provisions of Article 243(B) of the Constitution of India which clearly provides for constitution of Panchayat at Village and District level for each District. As such, the demand that there should be separate District Panchayat for Diu merits consideration. Remoteness of Diu District from Daman is another compelling factor for consideration of this demand.

6B.7 The key element here would be to have a separate budget for Daman and for Diu. The bifurcation should be done in the initial stage itself. This was main theme which the Commission felt and observed in its discussions with the representative of the local bodies as well as with the heads of Government departments in Diu. It appeared that lack of funds and power to spend them hinders the development process in the island.

6B.8 A second problem peculiar to Diu was that the most administrative and financial powers were centralised in Daman with officials of the government departments and also the local bodies running constantly to Daman to get all approvals and sanctions. This implies a needless waste of manpower as well as delay in execution of the work. To obviate this problem the Collector of Diu and his officers need to be suitably empowered with delegated powers to take decisions without delay.

6B.9 Another aspect noticed by the Commission was that even though the number of subjects devolved to the local bodies had increased to twenty nine the corresponding funds and staff to implement these schemes was lacking. Hence most of the schemes were still being run by the local administration. Even where the staff was given to the local bodies from the administration it was in the nature of being sent in a diverted capacity. Superintendence and control of the staff lay with the departmental heads defeating the very purpose of local self-government. This anomalous situation need to be ameliorated. Transfer of schemes and staff to the local bodies should be done swiftly and the process should be meaningful so that the genuine aspirations of the people are addressed and basic services improved radically.

6B.10 One way of strictly following the spirit of the 73rd and 74th amendments to the constitution would be to mandatorily demarcate a portion of the budget to the Municipalities and Panchayat. This surgical strike at the core of the budget will certainly boost the powers of the local bodies. A gradual increase in the share of the Municipalities and Panchayati Raj institutions will be a palliative and though not effective enough will still ensure some progress. Apart from finances, control of staff should be given to the local bodies. Their power to sanction works and schemes should be enhanced. Institution building in the local bodies should be stepped up so that their capacity to shoulder more work is given a boost.

6B.11 The Village Panchayats are devolved funds by the District Panchayats. Their share is rather meagre. This needs to be stepped up. Since, the President of the village Panchayat is also a member of the District Panchayat, there is some democratic element in the devolution process. Yet, more needs to be done. However, stipulating a fixed percentage of funds for the District Panchayat would lead to more effective fund flow at the village level. Simultaneously, capacity building exercises will have to be done at the village Panchayat level so that they have the staff and technical expertise to cope with additional funds.

6B.12 Daman & Diu are tiny territories with a plethora of govt and local self government bodies implementing similar types of schemes. Local bodies should focus on the actual schemes and the UT

administration should carry on the regulatory work and oversee development works through sound planning and efficient monitoring. They should focus on the broad policy framework for development.

6B.13 There is an urgent need to revamp the entire power sector. It should be corporatised and set up on a sound footing as power sector is a big drain of resources for the UT budget.