

Governance Reform and Public Management Strategy in Andhra Pradesh



May 2005

Foreword



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The Government of Andhra Pradesh is committed to placing the people at the centre of all developmental programmes. The Government has therefore set for itself the task of providing a CARING Government that is Committed, Accountable, Responsive, Inclusive, Nationalistic, and Genuine. In the above context the Government has embarked upon an ambitious Governance Reform Program to improve its overall performance and more particularly service delivery to the poor.

The recent initiatives of the Government in launching Rajiv Palle Bata, Rajiv Nagara Bata and Praja Patham programmes aim at mobilizing the Government machinery including the elected representatives to visit villages, interact with the people, identify their felt needs, elicit their problems and address their grievances. These initiatives provide a platform for the Government officials and elected representatives to enlist people's support in the implementation of Governance Reform Strategy and Development Policies of the Government.

The efforts of the Centre for Good Governance, in concretizing a broad Agenda for Governance Reform in consultation with departments and other stakeholders and in bringing out this document on 'Governance Reform and Public Management Strategy in Andhra Pradesh' are laudable. The Reform Strategy would enable Departments to develop and fine-tune their Sector Specific Reform Initiatives and Action Plans, District and Local Action Plans adopting the broad approaches of people-centric governance, all-round accountability, performance focus and simplification of processes, procedures and systems.

I am sure, the strategy would not only make the governance process people-centric and pro-poor but it would help in bringing about a more equitable and sustained economic development in our State.


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12/5/05

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1. Introduction

1.1 Background

Andhra Pradesh is considered to be one of the foremost states in India in promoting economic growth and social development. The Government of Andhra Pradesh (GoAP) has taken major initiatives for transforming governance towards these ends by making the government citizen-friendly, transparent, responsive, accountable and caring. There are many areas where GoAP has succeeded in bringing about the desired transformation, while there are areas where policies and programmes have not been able to bring about the intended consequences. National and international organisations, which are closely observing the progress made in the area of governance reforms, have appreciated the efforts made by GoAP and have constantly supported the state's process of reforms aimed at enhancing the "people content" of government. Recent governance reform initiatives by the state include a unique programme of mass contact with the people in villages and towns to improve the participation of people in government programmes, streamline service delivery and to involve citizens in planning, implementation, monitoring and evaluation of governmental schemes and projects.

1.2 Policies and Priorities

Establishing a well-functioning public service which embraces the principles of impartiality and accountability, which gives high priority to ensuring that it is able to perform core policy and service delivery functions, and which is responsive to the needs of the poor and disadvantaged in particular, will make an important contribution to achieving growth and reducing poverty in Andhra Pradesh. GoAP is committed to bring about positive transformation in public service as well as the public service delivery process.

GoAP's commitment to governance reforms and its agenda for reforms are consistent with the Millennium Development Goals adopted by 189 member states of the United Nations in the Millennium Declaration in September 2000. These Goals, eight in number, are:

- Eradicate extreme poverty and reduce hunger and malnutrition;
- Achieve universal primary education;
- Promote gender equality and empower women;
- Reduce child mortality;
- Improve the health of mothers;
- Combat HIV/AIDS, malaria, and other diseases;
- Ensure environmental sustainability;
- Develop a global partnership for development.

Goal 8 includes a commitment to good governance, development and poverty reduction – both nationally and internationally.

The Government of India is committed to the Millennium Development Goals and making governance reforms a national priority. The Hon'ble Prime Minister has emphasised the need for restructuring of public institutions for sustained economic growth and human development. The Tenth Five Year Plan of India (2002-2007) document (Vol.I), dealing with the issues of governance, has observed that while the functions of the State in India have steadily widened, capacity for service delivery has declined over the years. Some concerns attributable to poor governance are identified to include the following:

- Denial of basic needs of food, water and shelter to a substantial proportion of the population;
- Threat to life and personal security in the face of inadequate State control on law and order;
- Lack of sensitivity, transparency and accountability in many facets of the working of government machinery, particularly those that have an interface with the public;
- Marginalisation, exclusion or even persecution of people on account of social, religious, caste or even gender affiliations;
- Lack of credibility – the gap between the intent and the action – of some institutions in society;
- Inadequate system of incentives/disincentives for people (particularly for a civil servant), subversion of rules, evasion of taxes and failure in getting timely justice;
- Existence of a significant number of voiceless poor with little opportunities for participating even in institutions of local self-governance, despite a visible movement towards decentralisation through the Panchayati Raj Institutions.

The 10th Five Year Plan has emphasized that governance reforms are critical for effective plan formulation and implementation. Successful implementation of governance reforms remains the greatest challenge to the delivery of services and achieving the goals set out in the 10th Five Year Plan of the Government of India. The 10th Plan also attaches a lot of importance to the restructuring of public sector institutions. Better governance can improve economic growth and the effectiveness of service delivery, as well as ensure that the benefits of these improvements go to those who need them most.

1.3 Strategic Objectives of Governance Reform

Essentially the focus will be on transforming governance by bringing in greater commitment, accountability and capacity at all levels especially the cutting edge delivery levels with a focus on service delivery for the poor and key departments. The focus departments will include, and not be limited to, General Administration, Finance, Panchayatiraj and Rural Development, Municipal Administration and Urban Development, Education, Health, Welfare, Agriculture, Irrigation, Industry, Revenue and Police Departments. The implementation of governance reform objectives will be achieved through focus on institutionalisation of reforms in

departments with a key role played by Strategy and Performance Innovation Units (SPIUs).

Some key areas of governance reforms that the Government is addressing include:

Simplifying Government: to focus the government on core functions and policy priorities, to simplify government processes and to reduce administrative and non-productive activities and expenditure. This will include divesting non-core activities and reducing overlap and duplication in the machinery of government. Specific activities are expected to include carrying out functional and organisational reviews of departments, re-engineering processes and deploying e-tool to facilitate performance improvements. CGG's new state-of-the-art *e-Development Cell* will assist SPIUs/departments in their efforts to transform governance through the use of information and communication technology for the people.

Human Resource Management: to improve the quality and timeliness of service to the citizen, by addressing issues such as human resource needs, development, work culture, attitudes and ethics of public servants, etc. This will be achieved through improvements in human resource restructuring, management and training across the government.

Accountable Government: to improve the delivery of services, and to develop a flexible, results-focused and accountable culture across the public service. This will be achieved through establishment of systems which will monitor and measure performance more effectively, subjecting government performance to transparent public scrutiny, better handling of public grievances, streamlining of anti-corruption initiatives, strengthening of local government and civil society, and empowerment of citizens through mechanisms such as Citizen's Charters, Service Charters, Social Audit, etc. CGG's *Citizen's Charter Cell* is fully equipped to assist the government departments and agencies in pursuing citizen-centric governance reform initiatives, including mobilising participation of the civil society.

Responsive Government: to ensure that the citizens have a strong voice and role in the governance of the state. This will be achieved by embedding participatory mechanisms into planning, programme formulation, budgeting, project implementation, execution and monitoring of service delivery, enhancing decentralisation and delegation and ensuring that the poor and disadvantaged are included in these processes. Improving access to justice prominently features under this objective.

Financial Management (Transparent Government): to improve strategic planning, resource allocation, monitoring, management and accounting

systems, and to improve public access to financial and other information. This will ensure that accountability is clear, spending is transparent and public expenditure is more effectively controlled. CGG's *SFAA Support Cell* (State Financial Accountability Assessment Study Support Cell) is equipped to assist the state and local authorities in tasks relating to enhancing state and local financial accountability and transparency, including budgeting, accounting, asset management and auditing.

Policy-making and Performance: to enhance policy formulation capacity at all levels of government and to improve the performance of the public service with a view to contributing significantly to the social and economic development of the state, focusing in particular on affordability and sustainability issues. CGG's *Performance Management Cell* and *Change Management Cell* aim at addressing performance measurement and tracking and mindset issues respectively. These are critically important for the success of governance reforms.

Reforming the public sector is inevitably a complex and sensitive process. The Governance Reform Programme will, therefore, continue to adopt a non-prescriptive, process approach to enable the programme players to determine the scope of reform project activities, their timing, pace and sequencing. Incremental and pilot type approaches to reform will also be adopted and encouraged. Particular emphasis will be given to capacity building for change management to ensure that government officials, elected and non-elected, understand and accept the rationale for reforms, and that managers are able to handle the reform process effectively with appropriate communication methods.

1.4 Focus Areas for Development

While development needs of people are large, scarce resources are to be utilised strategically and properly. Accordingly, the Government has identified priority areas that need to be given focus. The Government has taken up a multi-pronged approach to address the key challenges faced by the state. Three broad sectors have been identified as strategically important: Rural Economy (Agriculture & Irrigation); Social Security and Welfare; Information Technology, Bio-technology and Industry-related services. The focus areas for development are as follows:

Focus Areas for Development

1. Rural Economy

Agriculture

- Long-term policy for enhancing farm productivity
- Efficient water management
- Micro-irrigation for dry land farming and horticulture
- Transfer of technology
- Farmer-friendly support-systems

Employment

- Employment guarantee for the rural poor
- Job-oriented skills for the youth
- Strengthening of vocational education

2. Human Development & Welfare

Education

- Education for All
- Education on a mission mode to achieve 100% literacy
- Girl child education
- Eradication of child labour

Health

- Health for All
- Modernisation of health infrastructure and management
- Public-private partnership in medical care

Women and Child Welfare

- Special schemes and programmes for empowering women
- Developing a comprehensive strategy for nutritional security

3. Infrastructure

- Highest priority to the development and expansion of physical infrastructure like roads, highways, ports, power, railways, water supply, sewage treatment and sanitation.
- Public investment in infrastructure to be enhanced, even as the role of the private sector is expanded with focused attention on IT, Bio-technology and Industry-related services.
- Subsidies to be made explicit and provided through the budget

4. Local Government

- Empowerment of local bodies with implementation of 73rd and 74th Constitutional Amendment Acts

5. Backward Area Development

- Commitment to redressing regional imbalances, through fiscal, administrative, investment and other means.

2 Approach to Governance Reform

Good Governance, as perceived by the Government of Andhra Pradesh is providing a **CARING** government that is transparent, focused on the people and characterised by commitment, accountability, responsiveness and inclusiveness.

Committed to the people;

Accountable to the people;

Responsive to the needs and aspirations of the people;

Inclusive growth processes by reducing disparities in growth and development - development processes with a human face;

Nationalistic in outlook;

Genuinely address the needs of the poorest of the poor by making them part of the process.

Governance includes the ways in which institutions, rules and systems of government operate and interact at national, state and local levels. It also includes the means by which the government relates to its citizens, civil society and the private sector. GoAP correctly recognises that it will not be enough to focus merely on internal administrative and procedural reforms to achieve better governance. A wide range of governance-related issues closely linked with service delivery to the citizen, especially the poor, will therefore form the core of the reform programme and the strategy for reforms will include a multi-pronged approach to address them comprehensively.

There is a general consensus across the government about what needs to be done to improve its overall performance. There is also a reasonable consensus between the government and external stakeholders. The Task Force on Good Governance study and numerous other studies conducted over the past 20 years have analysed the scale of the problem in some detail and identified priority areas for reform. However, some of these reports focused only on diagnostic aspects, while others did not structure specific recommendations for implementation.

A key challenge for GoAP is to identify realistic solutions that address its performance constraints, especially those relating to service delivery to the poor, and then to actually carry them through to the doorsteps of citizens. The Government is committed to enhance people-centricity and accountability across the range of its functions and programmes.

3. Governance Reform Framework

Good governance requires efficient and effective institutions. The efficiency and effectiveness of institutions, in turn, depend on their adopted delivery mechanisms and the supportive framework of rules and procedures, each of which has to work in harmony with the other for discharge of the functions for which the institutions have been created. Only then would one expect the institutions to fulfil their stated objectives and carry out their assigned responsibilities in managing the affairs of the society. More importantly, with the changing domestic as well as global contexts and changes in the profile and requirements of society and development, there has to be a capacity for evolution, a continuous adaptation in each of these elements.

In the above backdrop the framework for Governance Reform addresses the following aspects:

- Effective public management structures and institutions
- Efficient delivery systems and mechanisms
- Supportive rules, regulations and procedures that support institutions and systems.

Some elements of the framework for governance reforms are described below:

Framework for Governance Reforms

Effective Service Delivery	Governance Institutions & their Functioning	Supportive Rules & Regulations
<ul style="list-style-type: none"> • People at Centre of Service Delivery • Citizen’s Charters & Service Charters • Redressal of Public Grievances • Enhancing Access of Services to the Poor • Benchmarking and Quality Certification • Social Audit • Performance Measurement and Management • Reducing Citizen’s Interface with Government • Anti-Corruption Strategy • Enhancing Financial Accountability and Discipline • Information Technology for People 	<ul style="list-style-type: none"> • Human Resource Management • Financial Management and Fiscal Responsibility • Restructuring Administration • Reforming at Cutting Edge: District Administration • Restructuring of Secretariat Administration • Revamping Anti-corruption and Audit • Capacity Building & Change Management across the Government 	<ul style="list-style-type: none"> • Review of Old and Out-dated Laws • Legal Case Load Management • Right to Information Legislation • Public Records and Archives Management Legislation • Transparency in Public Procurement Legislation • Production and Dissemination of White Papers

4. Effective Service Delivery

4.1 Issues affecting Service Delivery

The Government's new policy framework attaches high priority to holistic governance reforms to make the administration more efficient, effective and humane to cope up with the emerging challenges of development and poverty alleviation within the overall framework of democratic polity.

There are a number of bottlenecks at the cutting edge level which hamper efficient service delivery to citizens:

- Non-responsive government machinery;
- Slow and cumbersome processes;
- Lack of necessary skills;
- Corruption;
- Lack of effective communication from the State level to the actual field level;
- Low employee motivation;
- Ineffective systems of incentives and disincentives for employees;
- Lack of ownership of programmes by the functionaries;
- Weak systems of accountability/checks from the citizens.

Some ways to address these issues include the following:

4.2 People-centric Governance

- To place people at the centre of all developmental programmes and activities of the government - above all political and administrative considerations, treating people as valued participants, not beneficiaries, enabling them to have alternative choices, and keeping public interest supreme in all governmental policies, programmes and processes;
- To provide services to the people in accordance with specified standards through easily accessible interfaces such as one-stop, single-window, automated service delivery outlets or common civic service centres devoid of harassment or corruption, minimising waiting time and inconvenience to the public;
- To ensure value for money and cost effectiveness in the provision of services, exploring alternative mechanisms, such as outsourcing, public-private-people partnerships, public service agreements between policy-makers and service providers etc. and adopting the most appropriate systems.

4.3 Convergent Service Delivery

Agriculture, Irrigation, Social Welfare, Health and Education sectors are identified by the Government as the key sectors for development. As a part of its overall developmental strategy, the Government proposes to revamp the present sector development logistics to facilitate convergence

of services in the above sectors at the village/habitation level for poverty alleviation and sustainable rural livelihoods. Towards this the Government would need to take the following actions:

Development of Programmes for Weaker Sections and Backward Areas:

- To adopt inclusive policies and programmes through which the socially and economically marginalized sections are closely involved in the mainstream of development;
- To undertake special programmes for the development of weaker sections and the needy, including women, children, the minorities and the physically handicapped, based on objective assessments and the principle of development from the bottom-most layer with the participation of all stakeholders;
- To give priority to the placement of public personnel in backward and tribal areas with appropriate incentive mechanisms;
- To deal with atrocities against women and the weaker sections effectively, devoid of any extraneous consideration.

4.4 Citizen's Charters & Service Charters

In a democracy all power belongs to the people. The people elect the government and the government, in turn, must be accountable to the people. In this regard the preparation, implementation, monitoring and evaluation of Citizen's Charters covering the following areas are considered desirable:

- Consultation: People should be consulted regarding service levels and quality;
- Service Standards: People must be made aware of what to expect in terms of level or quantity and quality of services;
- Access: People should have equal access to the services to which they are entitled;
- Courtesy: People should be treated with courtesy and consideration;
- Information: People must receive full and accurate information about their services;
- Openness and Transparency: People should be informed about government departments' operations, budget and management structures;
- Redress: People are entitled to an apology, explanation and remedial action if the promised standard of service is not delivered;
- Value for Money: Public services should be provided economically and efficiently.

4.5 Redressal of Public Grievances

The machinery for the redressal of public grievances has to be strengthened in every Department, fixing time limits for disposal of such grievances. An Online computerized Public Grievances Redressal Monitoring System (OLGRS) will be developed to facilitate citizens to

lodge complaints and monitor the progress of action on their grievances on the Internet. An independent institutional framework may oversee the action on redressal of public grievances. The following initiatives would be considered:

- Establishment of an institutional mechanism to independently oversee redressal of public grievances by government agencies;
- Strengthening of Consumer Courts;
- Creation of grievance redressal machinery under Citizens' Charters;
- Establishment of Call Centres and development of web-enabled grievance/ call monitoring systems;
- Involvement of the civil society in processing and tracking disposal of grievances;
- Fixing time frames for grievance redressal and penal actions, if grievances are not addressed;
- Monitoring of grievance redressal at the Head of the Department and Chief Secretary's levels periodically using computerized monitoring system.

4.6 Enhancing Access of Services to the Poor

A primary goal of the government is to ensure that the poor receive wider access to affordable, better quality services in health, education, water, drainage, solid waste management, electricity etc. Without such improvements in services, freedom from ill health and freedom from illiteracy - two of the most important ways through which the poor can escape poverty - will be unattainable. Improving the delivery of basic services such as healthcare and education to the poor is critical to achieving the goals of human development, because more public spending by itself will not be sufficient.

Service delivery to the poor can be improved when service provision system remains people-centric and when the poor have choices. When the poor can avoid poor providers, while rewarding good providers with their clientele, and when their voices are heard by those in power - that is, when service providers have incentives to serve the poor, services improve. Strategy to improve service delivery may include the following:

- Increasing the choice of the poor and their power over service providers and enhancing their participation in service delivery, so that they can monitor and discipline providers;
- Facilitating forums for poor citizens to articulate voice, through making information widely available to them; service can be increased by demand for better public services and forcing politicians and service providers to act;
- Creating incentives for service providers to provide better services to the citizens and becoming responsive;

- Rewarding the effective and penalizing the ineffective delivery of services to poor people.

4.7 Benchmarking and Quality Certification

Several countries have introduced a system of public service delivery agreements with user associations. The associations are enabled to benchmark services and certify quality, thereby facilitating accountability in public service delivery. Some suggestions for benchmarking and quality certification for good governance include:

- Public service agreements between users and service delivery agencies and between the Government and local bodies/executive agencies;
- ISI or ISO Certification process in service-providing departments/agencies for service quality assurance;
- Customer consultation process in departments for facilitating dialogue with users of services;
- Quality circles in departments and external quality control mechanisms, through reputed and independent agencies.

4.8 Social Audit: Evaluation of Programmes

Social audit is an independent evaluation of the performance of an organisation as it relates to the attainment of its social obligation. In other words, social audit may be defined as an in-depth scrutiny and analysis of working of any public utility vis-a-vis its social relevance. Social audit is a tool through which government departments can plan, manage and measure non-financial activities and monitor both internal and external consequences of the departments' social and commercial operations. Social audit gives an understanding of the administrative system from the perspective of the vast majority of the people in the society for whom the very institutional/administrative system is being promoted and legitimised. Social audit of administration means understanding the administrative system and its internal dynamics from the angle of what they mean for the vast majority of the people, who are not essentially a part of the state or its machinery or the ruling class of the day, for whom they are meant to work. Social audit permits an organisation to effectively monitor and steer performance; to understand the relationship between social and commercial interests; assess the cost and other implications of achieving social, community, cultural and/or environmental impact; and to make choices about priorities and modifying practices in the light of results.

It is proposed that social audit be used as a tool through which Government Departments can plan, manage and measure non-financial activities and monitor both internal and external consequences of the Departments' social and commercial operations. Key public officials will be trained in social audit so that they can introduce the same in their departments.

4.9 Enhancing Financial Accountability and Discipline

State-level fiscal reforms to improve the state's development potential in the past have included efforts to:

- (1) Improving the tax system through tax reform measures such as tax simplification;
- (2) Reforming public enterprises;
- (3) Re-prioritizing spending, increasing social sector and infrastructure spending, consolidating the numerous welfare programmes, better targeting of social subsidies, rightsizing and upgrading the civil service;
- (4) Improving cost recovery and focusing on user charges.

Reform Initiatives to enhance financial accountability and discipline would include:

- Implementation of State Financial Accountability Assessment (SFAA) Study recommendations;
- Financial Accountability Audit and Assessment for various institutions: Departments, especially the high spending ones; Public Sector Undertakings; Grants-in-Aid institutions; Local Bodies; etc.;
- Institution of Internal Audit system in Departments, especially in high-spending Departments;
- Debt management policy with prescribed caps on borrowings;
- Asset management policy including annual assets verification;
- Introduction of performance audit across the Government;
- Reorganisation of audit and creation of independent state audit authority or agency to look into aspects such as audit personnel, their placement and training, audit quality, timely completion of accounts and external audit, institution of internal audit, procurement of private auditors for external and internal audit, fixation of private auditors' audit fees, performance norms for private and public auditors, action in case of non-performance etc.;
- Budgeting, accounting and auditing reforms in local bodies and switching over to modified accrual-based accounting, especially in large urban local bodies.

5. Governance Institutions and their Functioning

5.1 Human Resource Management

Human resource management is critically important for governance reforms to be meaningful and to yield expected results. HR problems dislocate the working of departments/service delivery systems causing hardship to the people who are the primary stakeholders. The administration needs to be capable and performance-oriented. Appropriate appraisal and reward systems that create and reinforce a performance culture are essential elements of a holistic personnel policy.

The recent strategic HRM studies carried out by the Government of Andhra Pradesh for some key departments aim at creating appropriate institutional structures and launching capacity building measures to enhance the performance levels of government functionaries. GoAP is considering the setting up of a dedicated unit in General Administration Department to address the HRM issues for the Government as a whole and developing a long-term/strategic perspective on HR in government. This would help the Government to periodically appraise not only the performance of officials, but also address the HRM-related problems that crop up from time to time.

5.2 Restructuring Administrative Organisations

Reforming the policy making and administrative structures by initiating Strategic and Functional Reviews of the key departments for reducing duplication and redundant functions and focus on core functions would be given priority. The objective is to identify processes in departments with large public interface so as to identify the process bottlenecks and undertake mechanisms to smoothen the process for enhancing efficiency in service delivery.

5.3 Reforming the Cutting Edge – District Administration

Districts, including local bodies, comprise the cutting edge of administration as they act as the key point of contact for the citizen as well as deal with the implementation of the various programmes and projects and delivery of services. The basic structure of the present district administration dates back to the British times. The system responded to the demands of the day. But expectations of the citizens from the state have increased considerably after independence. Also the administrative structure has become complex and convoluted over time, possibly due to increase in the role and responsibility.

The District Collector is the executive head of the district administration and, either formally or informally, all the departments functioning in a district are linked to the Collector. The Collector is the key agent of the government at the district level. Role and responsibility of the Collector is wide-ranging, spanning across all departments in the district. There are

different facets to the working of a Collector and, in one way or the other, the influence of the Collector is immense. However, there appears to be a lot of debate on the match between the administrative structure and the changing demands and expectations of the times. Further, after the passage of the 73rd and 74th Amendments, the domain of local public services is to be with elected local bodies and not district departments. To enable decentralization to take place, it is important that effective support be rendered by the state through the district administration to promote effective local-self government. The district level offices have to play a crucial role in terms of rendering technical support to local bodies and acting as links with the upward administrative structures. In functional areas not assigned to local bodies – the core functions of state governments and assigned functions from central government – the district administration under the District Collector will continue to play a critical role. There are functions like conduct of elections, disaster management, emergency relief, administrative coordination and review, performance management, change management, law and order etc., where the role of the District Collector will continue to be significant.

The following courses of action are contemplated by the Government:

- (1) Redefine the role of the District Collector in the light of the Constitution 73rd and 74th Amendment Acts so as to minimize conflicts between elected bodies and the administration; and
- (2) Rationalise and modernise district administration making it simple, responsive, people-friendly, transparent, result-oriented and accountable and using IT for the people.

5.4 Restructuring Secretariat Administration

The Secretariat is a key institution in the entire ladder of administration which provides strategic policy inputs to the political executives, assists in the development of sound policies, coordinates the implementation of policies and priorities of the Government, obtains feedbacks for improving policies and injects those feedbacks into policy-making cycle.

The Government of Andhra Pradesh has initiated a study to review the functions performed at various tiers in the Secretariat and the staffing structure required for those functions from an input-output-outcome perspective. Results have to be delivered at the field and the Government is keen that they make impact on the lives of the common people. The Secretariat deals with policies which are translated into programmes and projects. The latter are supported by human resource, financial and technology inputs. Inputs translate into outputs, outputs into outcomes and outcomes into impacts in the programme or service delivery process. Well-formulated policies and programmes can contribute to economy - in the procurement of required inputs, efficiency - in the conversion of inputs into outputs, and effectiveness - in the translation of outputs to

desired outcomes and impacts. External and unforeseen factors can affect results, but good policy-making can provide levers for handling contingencies. In addition to aligning policies and programmes to strategic goals of the Government – people-centric good governance, the Secretariat has to play a key role in monitoring not only inputs and outputs but also policy and programme performance in the shape of outcomes and impacts related to the set goals of government.

5.5 Performance Measurement and Management

Performance management is a key instrument for improving the delivery of services and infrastructure to the people. It is a strategic approach, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of organisations, territorial jurisdictions and functionaries in terms of indicators and targets for economy, efficiency, effectiveness and impact.

The Government of Andhra Pradesh lays emphasis on the Performance Management Information System wherein each department identifies strategic areas of intervention, which shall be critically monitored for output by the government. As a part of PMIS departments are to develop uniform annual performance reports on a regular basis. The Government intends to have a simpler system of monitoring performance of employees to be put in place.

The PMIS shall not be centralized so as to avoid complaints by employees. Only broad parameters are to be fixed at state level and reviews are to be the District and State level HODs as per hierarchy. The same could be used for undertaking transfers and postings also

5.6 Capacity Building and Change Management

It is often criticised that the attitude of government servants at different levels of administration towards the needs of citizens and reforms is one of apathy and indifference. The National Commission to Review the Working of the Constitution (NCRWC) has emphasised the paramount need to change the mindset of the political executive and permanent civil service. Governance reforms must, first and foremost, originate within the governing structures. The government recognizes the need to reorient government servants and political executive to 'serve' citizens to make

the change possible. Positive reinforcements in the form of capacity building initiatives are being taken up by the government.

Key issues in change management include:

- Reinventing, reengineering and restructuring government departments to simplify service delivery structures and processes, forms and procedures, rules and regulations with a view to make these people-centric, outcome-oriented, people-driven and not rule-driven;
- Involving citizens in the design and delivery of services through consultation, focus groups, citizen boards and people's feedbacks and in the preparation and implementation of Citizen's Charters;
- Involving citizens' groups, voluntary associations, professional bodies, universities and other civil society groups in the monitoring of public services and performance review of government departments;
- Taking strong measures against corruption and summary punishment of government officials found collecting bribes from citizens;
- Undertaking change management programme to address the issues of mindset block to experiment with new and innovative approaches.

5.7 Government - Civil Society Organisation Partnerships

The Government would strengthen government-civil society partnerships with a view to enhancing accountability and transparency at all levels. The programme initiated by the Centre for Good Governance: "Empowering Civil Society for Good Governance" would be strengthened as part of Governance Reform Programme. District level programmes would be conducted involving active civil society groups in areas such as implementation of citizen's charters, people's feedback for reforms and good governance, enhancing participation of people in planning, implementation, monitoring and reviewing government programmes, Freedom of Information, social audit, etc. This programme will enable the government machinery and the civil society to work together with a common focus on improving service delivery, especially to the poor, rather than working at cross purposes in a situation of mutual distrust.

5.8 Anti-Corruption Strategy

Corruption is a social evil that paralyzes the efforts of the government to give basic services to the poor and value for money to the tax-payers. The key steps to combat corruption would include measures such as:

- Enactment and implementation of the Freedom of Information Act to make the government citizen-friendly, open, transparent, sensitive and accountable;
- Awareness building in citizens and civil society groups on how to solicit and use information under the Freedom of Information Act;
- Delegation of authority and resources to units below the State, like the local bodies and executive agencies with open covenants governing the use of delegated powers;
- Dealing with corruption ruthlessly with a declared policy of zero tolerance for corruption; coming down heavily on those who are found indulging in corrupt practices and developing an appropriate legal framework for anti-corruption;
- Vigilance and enforcement agencies to be strengthened to ensure that delays in initiating prosecution do not occur; officers of highest integrity to be posted in anticorruption and vigilance agencies;
- Court litigations involving corruption cases to be monitored closely and the performance of officers dealing with investigation and trial may be overseen by responsible officers;
- Rules and procedures of disciplinary enquiry to be streamlined and timeliness to be followed in disposal of cases;
- Multiplicity of agencies dealing with vigilance and anti-corruption matters to be rationalised for enhancing overall effectiveness;
- Citizen's Committees to be constituted in key departments to guide in implementation of anti-corruption measures;
- Interface between the public and government offices to be minimized through the use of information technology and creation of public service counters;
- Government processes be re-engineered and to the extent possible schemes like self-assessment of tax which eliminate discretion on the part of officials be taken up by departments and agencies.

Exit polls would be conducted in offices with substantial interface with the public and the results of such polls/corruption perception surveys can be published for corrective actions

5.9 Technology for Effective Governance

Modern technology would be used in a meaningful way:

- To harness the power of new technologies, including information and communication technologies, to simplify government procedures, reduce costs and improve the interface with business and citizens;

- To utilize e-Governance as a tool for enhancing service delivery, improving transparency, cutting red tape and ensuring better performance management in government;
- To redesign the structure of the government machinery to meet the aspirations of the people on one hand, and global and national challenges on the other;
- To clarify functions and build a citizen-centric, accountable and responsive government structure;
- To modify complicated and rigid government processes to focus on outputs and outcomes rather than inputs so as to reduce and eliminate delay, duplication, red tape and redundancy and improve the speed and quality of public services to citizens;
 - To reform and overhaul processes dealing with citizens and those which breed corruption and inefficiency, e.g., procurements and tenders.

6. Supportive Rules and Regulations

All laws must be simplified and made people-friendly. Special attention would be given to:

6.1 Right to Freedom of Information

Information is power. There is a need for empowering the people with essential information on the activities of government agencies who spend their tax money on trust. People are the shareholders and trustees of the government. Focus would need to be placed on:

- Empowering citizens with essential information on the activities of the government agencies
- Besides developing the right legal framework this also calls for developing the right institutional and organizational structures.
- It is important to take up orientation of all stakeholders for successful implementation of FOI
- Reorienting employees with the Right to Information of Citizens.

6.2 Records Management

If people are to be empowered with information about their government, records must be prepared in prescribed formats and stored in safe custody. Action is needed as follows:

- A comprehensive guide for records management in the various departments/organizations be developed to effectively manage and monitor information;
- IT tools be used to prepare an inventory of assets available with each department and an analysis be done with respect to the effective and appropriate usage of available resources.

6.3 Procurement Legislation

The Government of Andhra Pradesh is considering bringing in the Transparency in Public Procurement legislation so that all the procurement in government may be regulated by law. This law would ensure transparency in public purchase of goods and services, in selecting tenderers, or inviting, processing and acceptance of tenders by procurement entities including e-procurement agencies. It is meant to provide a legal framework for all public procurement and should be applicable to Government Departments, Public Sector Undertakings, Universities, Panchayats, Local Bodies, Statutory Boards, and those who receive money from Government, etc.,

The law is intended to foster and encourage effective participation by tenderers in the process of tenders, maximize economy and efficiency in Government procurement, promote healthy competition among tenderers to eliminate irregularities, interference and corrupt practices in the matters relating to tender processes by providing transparency in the procedure relating to procurement.

The law will also aim at leveraging Information Technology to ensure greater transparency and healthy competition by establishing e-Procurement as a method for procurement of goods and services and for entrustment of contracts for Engineering, Information Technology (IT) and other projects.

Procurement under the law would be categorized into (1) Construction; and (2) Supply of goods and services. The government has to designate an officer from each department as State Tender Bulletin Officer in respect of that department and the District Collector shall be the District Tender Bulletin Officer at the District level. Wide publicity is proposed to be ensured by publication in the District Tender Bulletin, the State Tender Bulletin and also through newspapers. The law would propose the constitution of a Tender Scrutiny Committee by the Tender Accepting Authority in respect of procurement in excess of say, Rs 1 crore.

The proposed law would lay down clauses relating to the mode and the process of receipt of tenders and the procedure to be followed for scrutinizing, evaluating, and entrustment of tenders. The procedure for determining the lowest evaluated price may be enunciated in detail. The Unit Rate System can be introduced as a method of assessing the lowest evaluated price in respect of works costing Rs 5.00 Lakhs or less. The evaluation of the Tenders is to be strictly carried out in accordance with the evaluation criteria as indicated in the tender documents.

6.4 Production and Dissemination of White Papers

Information is a key factor to ensure efficient and effective public services. It not only empowers the people to exert demand for better

services, it also empowers the service providers to benchmark and make effort to provide better services.

- Production and dissemination of white papers by all key Departments/Agencies/Undertakings to be made mandatory;
- Steps to be taken to create public opinion and to educate the people about the decisions of the Government at various levels; this can be achieved by placing before the State Legislature/People white papers on various issues in standard formats.
- The white papers to be given wide publicity through print and electronic media.
- Discussions, seminars, meetings and similar other public discourses will have to be organised to explain the *pros and cons* of the problems at all levels. Senior officers of the government as also Ministers will have to actively participate in these endeavours.
- The administration will have to be proactive rather than merely reacting to public criticism.
- This will require a change in the mindset of the higher bureaucracy; periodical training, change management and refresher courses will help in this task.

7. Implementation of Governance Reforms

The Government of Andhra Pradesh has evolved an effective strategy for successful implementation of governance reforms in the State. Strategy & Performance Innovation Units have been set up in 12 focus departments, namely General Administration, Finance, Irrigation & Command Area development, Agriculture & Cooperation, Panchayat Raj & Rural Development, Municipal Administration & Urban Development, Welfare, Education, Industries & Commerce, Health, Home and Revenue. The SPIUs are strongly supported, by Special Cells and Resource Groups at the Centre for Good Governance. The SPIUs are already proving to be a valuable support to Departments in their efforts to conceptualise and implement reforms.

7.1 Role and Structure of SPIUs

SPIUs are expected to play a strategic role in assisting Department Secretaries and Ministers in enhancing effectiveness in policy-making, performance management, innovation and public service delivery to the poor. The SPIU of each Department would focus on certain strategic areas and their activities will gradually expand depending on the capacity built.

A typical SPIU will eventually address the following strategic areas:

- Development of Sector Strategy;
- Preparation of Reform Action;
- Functional Review of Department Structures and Processes;
- Process Re-engineering – Simplification of complicated and corruption-prone processes and processes that involve close interactions with the People;
- Review of Human Resource Management;
- Medium-term Expenditure Framework
- Departmental Financial Accountability Assessment;

- Effective Legal Caseload Management;
- Effective Grievance Disposal and Monitoring System;
- Performance Management System and improving Delivery Focus in Policies and Programmes;
- Citizen's Charter Implementation;
- Government-Civil Society Partnerships;
- Departmental Resource Centre;
- Documentation of Best Practices, Tools and Methodologies for Good Governance including e-Tools;
- Periodic Evaluation of Departmental Policies and Core Programmes and Governance Audit to evaluate whether the Department remains focused on Government's Prioritised Perspectives on Governance;
- Implementation of Action Research Projects aimed at improving Governance
- Departmental MIS and Core e-Governance Tools; and
- Change Management Programme for Implementation of Reform Action Plan and Good Governance.

The SPIUs will be supported by Technical Support Groups and Special Cells at the Centre for Good Governance. They will play the following roles:

- Support the Secretary of Department in designing and implementing the Department's Reform Action Plan (RAP).
- Deliver and/or manage individual projects included in the RAP.
- Liaise with GA (GPM&AR) Department on governance reform in the Department.
- Liaise with the Centre for Good Governance for support needed.
- Provide policy and governance advice and analysis to the Secretary and/or Minister.

The Strategy & Performance Innovation Unit structure for a Department comprises two components:

Steering Group – This would be the body to provide overall policy direction to the reform efforts of the department.

Technical Support Team – This would provide support to the Department to identify, analyse, select and implement reform initiatives

7.2 Role of Centre for Good Governance (CGG)

The Centre for Good Governance (CGG) was established by the Government of Andhra Pradesh (GoAP) in October, 2001 to fulfil the following objectives:

- To work with government departments and other stakeholders to analyse key issues in governance, identify solutions, help develop action plans, and support implementation of governance reforms;
- To act as a think tank and help translate government goals, objectives and policy priorities into tangible reform actions in the areas of governance;
- To identify those areas for change that will make the most impact in improving performance and policymaking in government and enable it to respond better to the needs of the people;
- To create a bank of best practices and tools in governance reforms including e-governance;
- To support change management programmes in government to effectively carry forward governance reforms and to develop a reform communication strategy for wider implementation and to build capacity within the government;
- To provide consultancy services to state and local governments, national and international organisations in the areas of design, action research and implementation of governance reforms, including administrative reforms.

The Centre for Good Governance undertakes action research projects, which are driven by the departmental needs. CGG has also undertaken a major programme on Change Management for government departments in collaboration with Dr. MCR HRD Institute to address the issues of mindset block to reforms.

Institutional Network and Strategic Alliances

CGG has taken steps to establish strategic alliances with reputed Institutions in India and abroad for gaining support from these institutions and their expertise for successful implementation of reforms.

CGG would play the following key roles in the context of implementation of Governance Reform Programme:

- Act as a think tank/knowledge centre on good governance in Andhra Pradesh, India and developing countries.
- Maintain a bank of tools and best practices in the field of good governance, including e-governance tools.
- Support to Governance Reform Programme in Andhra Pradesh (CGG will undertake projects based on requests by GA (GPM&AR) Department and other departments with the approval of CGG Steering Committee).
- Implement a Reform Communication Strategy.
- Develop and lead GoAP's Change Management Programme and capacity development and training in connection with such change management in collaboration with Dr. MCR HRD Institute.

- Maintain a database of consultants (CGG will use this database to identify consultants or resource persons for its own projects as well as for projects undertaken through departmental Strategy & Performance Innovation Units).
- Conduct and propagate core modules for good governance like Citizen Governance, Governing for Results – Change Management Programme, e-governance, etc., for public sector managers in the country as measures of advocacy for good governance.
- House the Governance Resource Group and develop capability in governance resource support to governments at various levels.
- Undertake consultancy for other States, Government of India, etc. in core competency areas.
- Act as project manager and provider of technical and advisory support services for programmes such as Governance Reform Programme.

7.3 Way Forward

The Governance Reforms and Public Management Strategy is a broad framework of reform agenda, which will assist the departments in identifying sector specific areas for reform as well as developing implementable action plans. The Departments will work out Sector-specific Strategies and Reform Action Plans based on the broad directions for reforms described in this document.