

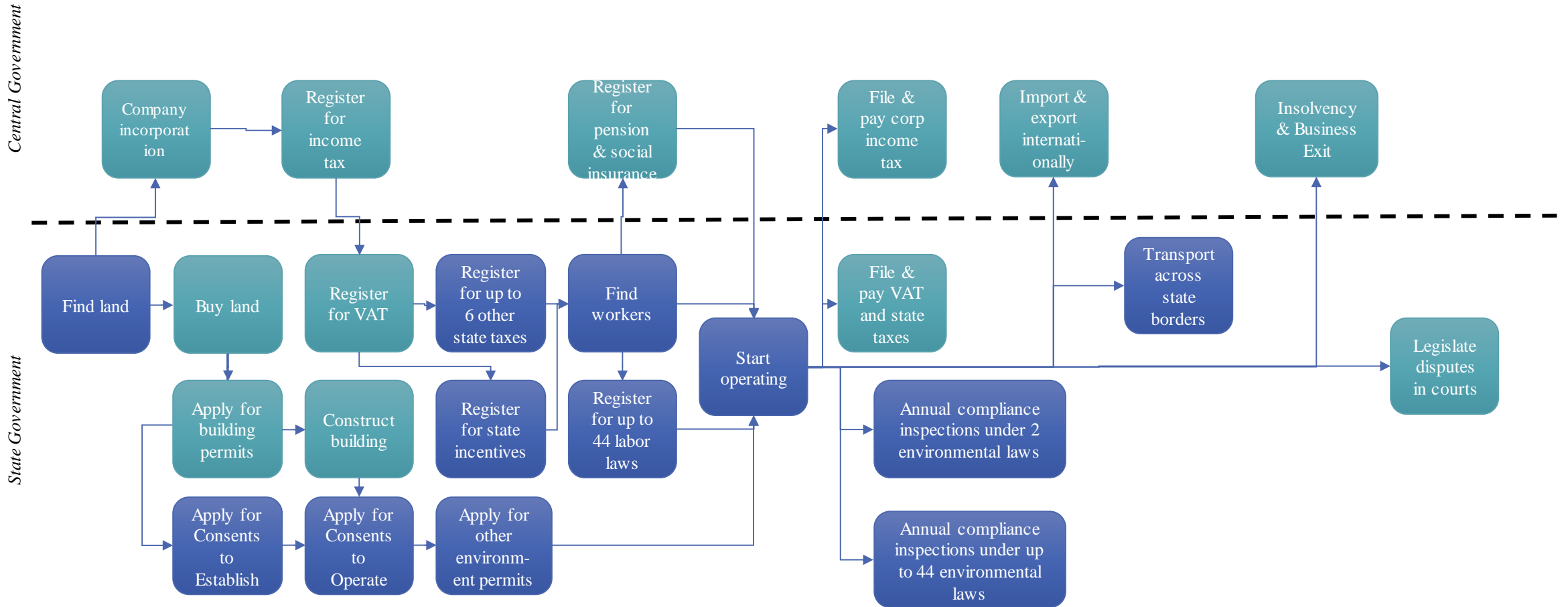
# Orientation Workshop: State Business Reform Action Plan, 2017

Agartala, May 2017

# Why are we here?

- Objectives of the workshop:
  - Explain **intended Vision** of Business Reform Action Plan, 2017
  - Show how **evidences** are uploaded on the portal for reforms implemented

# Why focus on business reforms in states?



# What did we do?



December 2014

June 2015

July 2015

August 2015

September 2015

October 2015

December 2015

January 2016

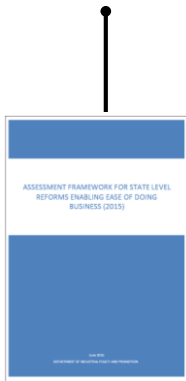
Feb-Mar 2016

Oct 2016

May 2017

- DIPP issues 98 point business reform action plan to all state Governments

- Assessment Framework and Questionnaire (285 questions) sent to states
- 30<sup>th</sup> June: Cut-off date for reforms to be counted in this cycle



- Visits to states to validate reported reforms

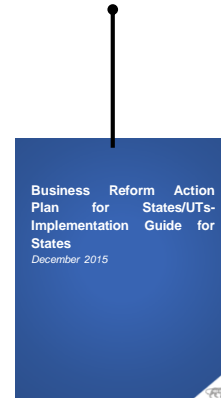
- WBG and Consulting Firm review of dataset to ensure robustness and veracity

- Report prepared and published



- DIPP issued **344\*** action points drafted for the next phase of reforms

- Issued Business Reform Action Plan (BRAP) - **Implementation Guide** for States



- State Level Workshop to explain **intended Vision** for each of the 340 recommendations

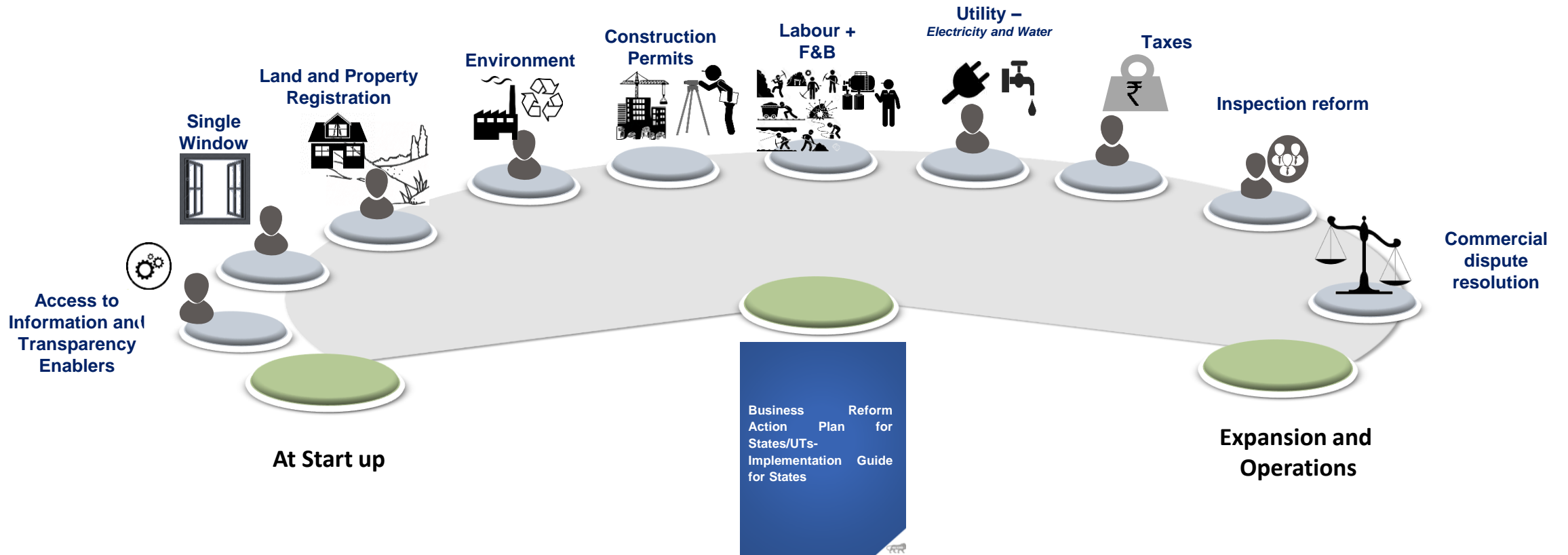
- Portal under design for real-time reporting of results**

- Results released for 2016

- 405 action points released

\*Later revised to 340

# What's next?



Reform action plan covers short, medium and long-term efforts.

# Registration\* reforms

Publish online  
Procedure and checklist

- **Procedures:**

- **Covering all applicable steps** i.e. from application submission to approval
- **Published with process maps, flow diagrams, screenshots, etc.**
- **Not refer to acts or rules**

- **Checklist:**

- **Comprehensive** list of the documents
- **Published online** on department's website

Define clear timelines

- Notified through a **citizen charter**
- **Published online** on department's website

Implement  
Online system

- **Online filling and submission** of application
- **One time payment** of fees online for all concern approvals
- **No manual or hard copy** involvement
- **Ability to track status** online

Downloadable  
certificate

- Approval or registration certificate to be provided **online** through the portal
- **Digitally signed or scanned signed version**

Verifiable  
certificate

- **Allow third parties to verify authenticity of downloaded/printed certificates online**

\* Includes approval, license, permission, authorization, renewal, etc. from the Government

# Inspection reform

Publish online  
Inspection procedure  
& checklist

- **Procedures:**

- **Covering with all applicable steps**
- Published with **process maps, flow diagrams, screenshots, etc.**
- **Not refer to acts or rules**

- **Inspection checklist/form:**

- **Comprehensive** list of the documents
- **Published online** on department's website

Define clear timelines  
For submission of inspection

- Notified through a **notification or circular**
- **Published online** on department's website
- **Inspection reports** to be submitted within **24 hours** from the date of inspection

Implement  
Online system for  
allocation of inspection

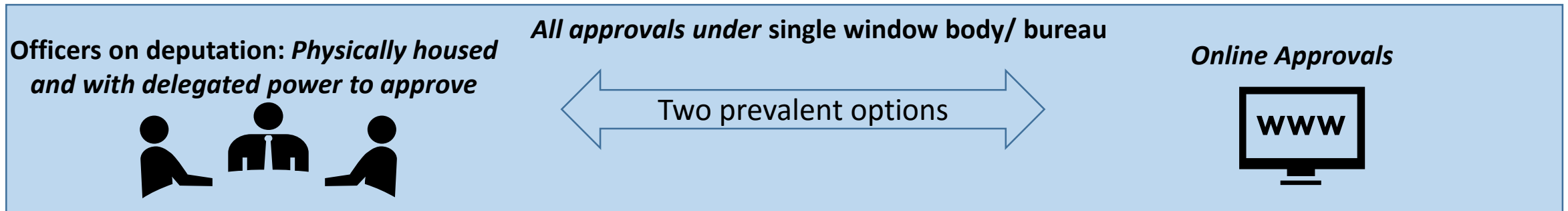
- **Online Inspector allocation system**
- **Linked with online application and approval system**
- **Approval authority to allocate inspectors** once applications are submitted either by jurisdiction or randomly.
- **Computerized random allocation** based define **risk criteria** to reduce burden
- **No inspector** to visit the **same establishment twice consecutively**

Downloadable reports

- **Approved inspection report to be provided online through the portal**
- **Digitally signed or scanned signed version**

# Single Window System (SWS)

A single dedicated body or set up that is designated to act as a single window and is empowered to effectively carry out all functions through an Act



## Key aspects of an effective Single Window System (SWS)

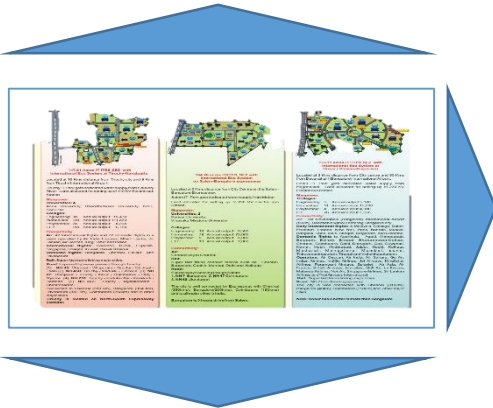
Common Application Form (CAF) for all industries	<p>Electricity</p> <p>Fire NOC</p> <p>Land</p> <p>Labor</p> <p>Pollution</p> <p>Factories &amp; Boilers</p> <p>Building Approval</p> <p>Water</p>
All necessary approvals from various departments from a single window	
Clear timelines that govern its processes and grievance redressal	
Sole point of contact for starting a business	
Explicit mandate through a legislation or a notification	
Required decision making powers delegated to the single window body	



# Land availability and allotment

## Land Availability

Information to be **publicly available**  
on Industrial land banks



Design and implement a **GIS system** providing details

1. Earmarked land
2. Available infrastructure such as road, water etc.

**Earmark industrial land parcels** with specific criteria (e.g. type of industries, pollution levels etc.) for industries

## Land Allotment



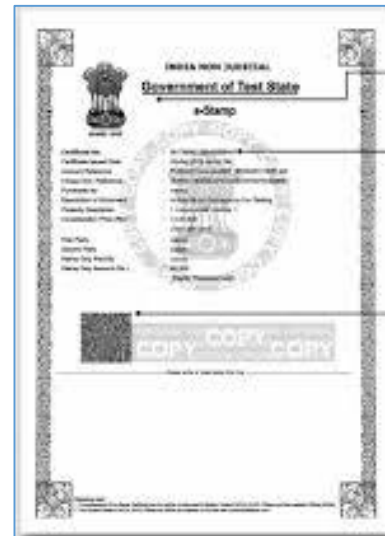
1. Define **objective criteria for evaluating** an application for land allotment
2. Define **clear timelines\*** for **application processing**
  - a. *Land allotment and*
  - b. *Change of land use*

*\*From the date of application*

# Property Registration

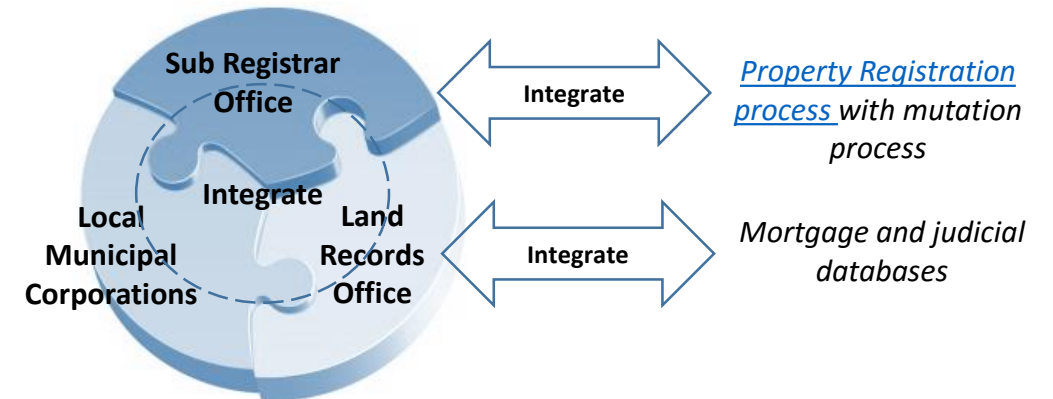


Make available a model sale deed format for property registration on the department's website

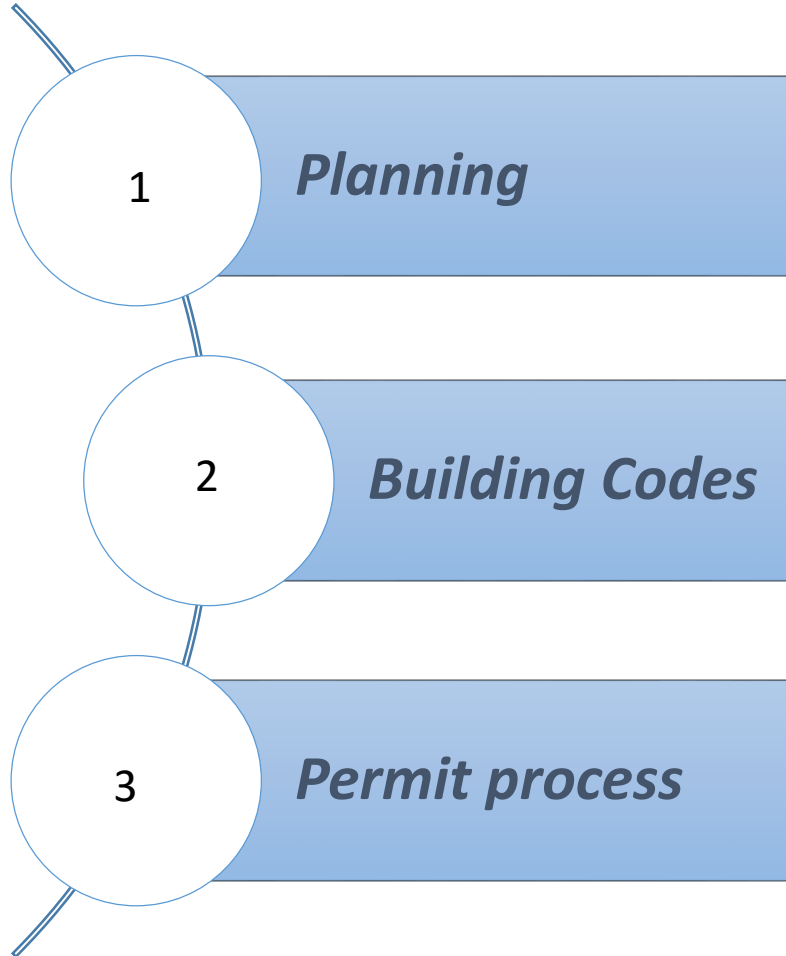


Ensure that users can collect eStamps at the time of property registration at the sub-registrar's office i.e. no need of going to the bank to collect the challan/ e-stamp

Digitize land records and make it available on an online system



# Construction Permit Enablers



- Develop **legally valid master plans/zonal plans/land use plans** for all urban areas
- Make them **easily accessible** on the portal

- Formalize **building code** for entire state
- **Professional Standards** - mandate qualifications for architects, structural engineers and contractors
- **Liability provisions** - clear responsibilities and liabilities
- Ensure provisions for **risk based approvals and inspections**

- **Approval/Permitting process**: Building Plan Approval, NOC for tree felling from Tree Authority and NOC for Fire Department
- Encourage use of AutoCAD (or similar) software
- **Promote third party certifications and self certification i.e.** authorized architects to issue the completion certificate
- **Dedicated conflict resolution mechanism** for land and construction permits.

# Environment



Act	Approval	Registration	Inspection
Water Act, 1974	CTE	✓	✓
	CTO	✓	
Air Act, 1981	CTE	✓	✓
	CTO	✓	
Hazardous Waste Rules, 1989	Authorization	✓	



**Differentiated approval and inspection regime** to reduce regulatory burden

- **Green:** exempted from consents; exempted from inspections, replace with self-certification\*
- **Amber:** Empanel third party inspectors as an option for entrepreneurs
- **Red:** Rigor/intensity of inspections maintained
- **Inspections based on complaints retained** with approval from the head of the department



**Increase validity of Consents to establish and operate** to a minimum for 10 years if there is no material change in pollution levels.

**Auto Renewal based on self-certification/third party certification** for Consent to Establish and Consent to Operate under **Water Act, 1974** and **Air Act, 1981** if there is no material change in pollution levels

www.shutterstock.com · 2130321

\* Ministry of Environment, Forests and Climate Change (MOEFCC) has exempted 36 non-polluting industries, termed white industries, such as solar and wind power plants, from green clearance.

# Labour

## Register/ Approval/ License

- **License**

*The Factories Act, 1948*  
*The Indian Boilers Act, 1923*  
*For contractors under*  
*provision of The Contracts*  
*Labour Act, 1970*

- **Approval**

*Plan and permission to*  
*construct/extend/ or take into*  
*use any building as a factory*  
*under the Factories Act, 1948*

- **Registration**

*The Shops and Establishment*  
*Act*  
*Principal employer's*  
*establishment under provision*  
*of The Contracts Labour Act,*  
*1970*  
*The Building and Other*  
*Construction Workers Act,*  
*1996*



## Returns and Compliance Inspections

- **Single integrated return under all Labour Laws**
- **Differentiated inspection regime** to reduce regulatory burden

- Low Risk: exempted from inspections, replace with self-certification

- Medium Risk: Empanel third party inspectors as an option for entrepreneurs

- High Risk: Rigor/intensity of inspections maintained

- Inspections based on complaints retained with approval from the head of the department

- **Self-certification/third party certification of boilers -** Mandate through notification or circular, lay criteria of accreditation and empanelment for 3rd party service providers and adopt DIPP draft notification



## Renewal

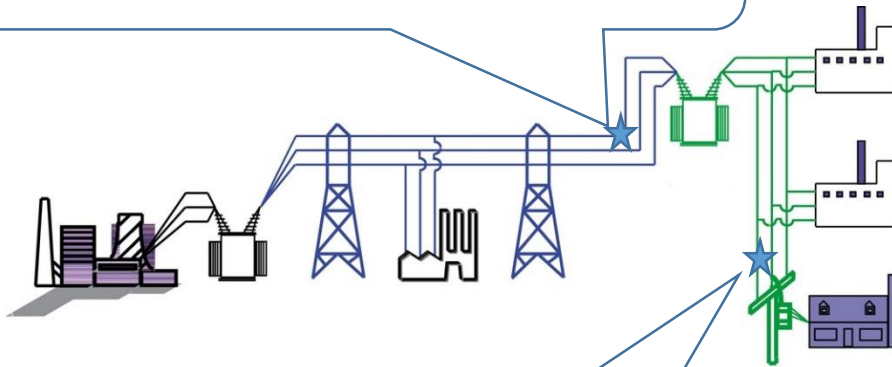
- **Renewal**

*License under The Factories*  
*Act, 1948*  
*License under The Indian*  
*Boilers Act, 1923*  
*License for contractors under*  
*The Contracts Labour Act,*  
*1970*  
*The Shops and Establishment*  
*Act*

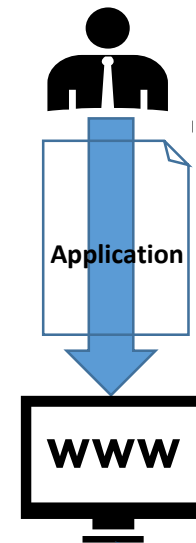
- **Introduce renewal validity of 10 years or more**

# Obtaining electricity connection

Distribution Company (Discom) uses **automated tools to monitor outages and service restoration**



- Discom **compensates customers for outages** that go over a certain cap, or that a **fine is imposed by the regulator** if the outage cap is exceeded
- **Regulator monitors reliability of supply and published online**



- **Time:** Provide **charged electricity connection** is within **7 days** from the date of application
- **Cost:** Provided a **fixed cost estimate** based on the load requirement
- **Documents:**
  - **Reduce the number of documents required to 2**
    - Proof of ownership/occupancy
    - Authorization document (in case of firm/company)
  - Allow **third party inspection of internal installations**

- Implement an **online application system**
- Ensure that information on **effective tariffs are available online**, and that customers are notified of a change in tariff ahead of the billing cycle
- Allow third parties to easily verify basic connection details in the public domain

# Commercial Dispute Resolution



Introduce rules of procedure for commercial courts/benches



*High Court*

Establish a specialized division/bench to hear commercial cases



*District Court*



Establish specialized courts to hear commercial cases



Ensure at least 90% of the vacancies in District Courts/ Commercial Courts been filled up

1. Design and implement a system for commercial disputes in District courts/Commercial courts to allow for

• E Filing

• E-Summons



• E-Court Orders (Digitally signed)

• E-Payments

• Publishing E-Cause List

2. Mandate pre-trial discovery for cases in commercial matters

3. Set clear timelines for examining witnesses and a court-appointed independent expert in commercial cases

4. Allow pre-trial conferences as part of case management techniques

5. Merge payment of court fees and process fees into a single transaction/procedure

6. Publish model contract templates and guidelines on department's website that may be used for commercial contracts

Thank you