

**Administrative Reforms Commission's 2<sup>nd</sup> Report titled  
Unlocking human capital: Entitlements and Governance – a Case Study**

**Accepted Recommendations**

<b>Sl. No.</b>	<b>Recommendations made by Administrative Reforms Commission (ARC)</b>	<b>Government's Decision</b>	<b>Action Taken</b>
1.	<p><b>13. Strengthening Local Governments – Building Institutions (Para 5.4.1.1.3)</b></p> <p>(a) Panchayats should be empowered by transferring all development schemes which are better managed locally, to them. This transfer should also include the commensurate transfer of administrative and financial power and the implementation machinery. <b>(39)</b></p>	<p>(a) (b) &amp; (c) The recommendations are accepted.</p>	<p><b>Ministry of Rural Development</b></p> <p>(a) The Ministry of Rural Development has obtained views of Ministry of Panchayati Raj. MOPR considers it proper that DRDAs should be merged with District/Zilla Panchayats as already recommended by 2<sup>nd</sup> ARC. DRDAs have been merged with the zila Parishads in Karnataka, MP, Chattisgarh, Rajasthan, West Bengal and Kerala. In these States, the staff of DRDAs functions as a kind of Cell of Zila Parishad.</p> <p>A decision has also been taken to transfer 1% of Ministry of Rural Development and Ministry of Drinking Water and Sanitation budget for strengthening of Panchayats capacity.</p> <p>An appropriate role for Panchayats can be ensured in CSSs by incorporating in the schemes a 'Management Devolution Index'(MDI) which measured the extent to which the planning and management of the scheme has been entrusted to the Panchayats by the States. A percentage of the scheme funds may be linked to the performance of the State on MDI. MOPR has taken up this issue with the Planning</p>

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2.	(b) District Rural Development Agencies (DRDA) should be subsumed in the District Panchayat. (40)		<p>Commission and key Central Ministries.</p> <p>(b) This was placed before the Group of Ministers for reconsideration. The Group of Ministers reviewed the matter on 14.3.2011 and accepted the recommendation reiterating the earlier decision of GOM. The Report of Ramachandran Committee which has recommended merger of DRDAs with Zila Parishads is being examined in consultation with State Governments.</p> <p><b>Ministry of Panchayati Raj</b></p> <p>(a),(b)and(c)The Ramachandran Committee constituted by MORD has given its draft report. The Committee has recommended that “the DRDA’s will be restructured – they will no longer be the societies but will be converted into high quality professional group located within ZPs, to service the District Planning Committee on Poverty Eradication. The restructured organisation could be called as District Rural Poverty Eradication Mission (DRPEM).</p> <p>Ministry of Panchayati Raj is not in a position to accept the transfer of this recommendation as MoRD is the Ministry directly concerned with administration of DRDA.</p> <p>The concerns of Ministry of Panchayati Raj were communicated to the Committee of DRDAs constituted by MoRD. Ministry of Panchayati Raj</p>

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3.	(c) Officers of adequate seniority should be posted as CEOs of District Panchayat and the intermediate level		<p>had also written to the Committee on 30.09.2011. It is understood that the draft report of the Committee has been circulated for views of the States.</p> <p>Ministry of Panchayati Raj reiterates that DRDAs should be merged with District Panchayats, as already recommended by 2<sup>nd</sup> ARC. DRDAs have been merged with Zilla Parishads in Karnataka, MP, Chattisgarh, Rajasthan, West Bengal and Kerala. In these States, the staff of DRDAs functions as a kind of Cell of Zilla Parishad.</p> <p>An appropriate role for Panchayats can be ensured in CSSs by incorporating in the schemes a 'Management Devolution Index'(MDI) which measures the extent to which the planning and management of the scheme has been entrusted to the Panchayats by the State. A percentage of the scheme funds may be linked to the performance of the State on the MDI. MoPR has taken up this issue with the Planning Commission and key Central Ministries. The Department of Drinking Water Supply has already taken an initiative in this regard.</p> <p><b>M/o Rural Development</b> (c)The Ministry of Rural Development has written to Ministry of Panchayati Raj. The ATR is awaited from Ministry of Panchayati Raj.</p>

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	Panchayat. (41)		
4.	<p><b>24. Use of IT – Assessment of Initial Deployment by Ministry of Rural Development (Para 5.4.8.4.3)</b></p> <p>(g) A Geographic Information System for visualization of data on map spaces must be developed. Given the scale and complexity of the records being maintained, their analysis solely from databases will limit the efficiency of scrutiny; visualization to identify strengths and weaknesses in geographic terms is therefore needed. (88)</p>	<p>(g) The recommendation is accepted. It was suggested that pilot projects might be launched for developing GIS for visualization of data on map spaces. A wasteland atlas had been made by Department of Land Resources. Information on soil type, land use pattern at the district, block boundaries has been loaded on NIC GIS server and would be utilized for NREGA works.</p>	<p>(g) Development of a strategy for nationwide rollout and evolve parameters for standardization with an objective to link GIS with decentralized planning, preparing labour budget, programme implementation and asset monitoring &amp; evaluation is under process under Mahatma Gandhi NREGA. State Government of Gujarat has already launched a pilot initiative in Sabarkantha District. MoRD is to discuss the GIS roll out with M/o Earth Sciences. Ministry is working to develop GIS for visualization of data on Map spaces in consultation with GIS division of NIC.</p> <p>MORD has constituted a GIS expert group in this regard. The Expert Group constituted a sub-group that submitted its report. On the basis of the report of the sub-group, guidelines for operationalisation of GIS have been framed and loaded on the MGNREGA website. Comments/views of State Governments have been invited on these guidelines.</p> <p>Development of strategy for nationwide rollout and evolve parameters for standardization with an objective to link GIS with</p>

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			<p>decentralized planning preparing labour budget, programme implementation and asset monitoring and evaluation is in progress under Mahatma Gandhi NREGA. The Ministry has constituted an Expert Committee for the development of National Fame Work for the use of GIS under MGNREGA. The Ministry also constituted a Sub-Group in order to facilitate implementation of the recommendations of the Expert Committee. Accordingly, Sub Group submitted its Report and its recommendations have been placed on MGNREGA website for implementation by States/Uts. GIS Guidelines have also been prepared and circulated to the States/UTs for necessary action so that pilot projects might be launched for developing GIS for visualization of data on map spaces. State Government of Gujarat has already launched a pilot initiative in Sabarkantha district.</p>
5.	<p><b>27. Use of IT – IT System for Monitoring and Evaluation (Para 5.4.8.7.5)</b></p> <p>(d) A Geographic Information System for the REGS should be developed and</p>	<p>(d) The recommendation is accepted.</p>	<p>(d) Development of a strategy for nationwide rollout and evolve parameters for standardization with an objective to link GIS with decentralized planning, preparing labour budget, programme implementation and asset monitoring &amp; evaluation is under process under Mahatma Gandhi NREGA. State Government of Gujarat has already</p>

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	<p>information that is developed through aggregation should be presented through this system as well. A zoom-able and pan-able interface should allow performance to be understood at different levels of administration from the same base data. Wherever possible, suo moto disclosures should be in GIS format also, in addition to their other means of dissemination. <b>(98)</b></p>		<p>launched a pilot initiative in Sabarkantha District. MoRD is to discuss the GIS roll out with M/o Earth Sciences. Ministry is working to develop GIS for visualization of data on Map spaces in consultation with GIS division of NIC.</p> <p>MORD has constituted a GIS expert group in this regard. The Expert Group constituted a sub-group that submitted its report. On the basis of the report of the sub-group, guidelines for operationalisation of GIS have been framed and loaded on the MGNREGA website. Comments/views of State Governments have been invited on these guidelines.</p> <p>Development of strategy for nationwide rollout and evolve parameters for standardization with an objective to link GIS with decentralized planning preparing labour budget, programme implementation and asset monitoring and evaluation is in progress under Mahatma Gandhi NREGA. The Ministry has constituted an Expert Committee for the development of National Fame Work for the use of GIS under MGNREGA. The Ministry also constituted a Sub-Group in order to facilitate implementation of the recommendations of the Expert Committee. Accordingly, Sub Group submitted its Report and its recommendations have been placed on MGNREGA website for</p>

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			implementation by States/Uts. GIS Guidelines have also been prepared and circulated to the States/UTs for necessary action so that pilot projects might be launched for developing GIS for visualization of data on map spaces. State Government of Gujarat has already launched a pilot initiative in Sabarkantha district
6.	<p><b>30.Implementation of NREGA in the Fifth Sixth Schedule Areas (Para5.4.9.4)</b></p> <p>(a) The recommendations of the expert group on "Planning at the Grassroots Level" (March, 2006) should be implemented in a time bound manner. {The recommendations are at Annexure V(2)} <b>(103)</b></p>	<p>(a) The recommendation is accepted.</p>	<p><b>M/o Rural Development</b></p> <p>(a) Ministry of Panchayati Raj has issued guidelines dated 21.5.2010 for implementation of Panchayats (Extension of the Scheduled Areas) Act. (PESA) to all nine 5<sup>th</sup> Schedule States advising to conduct regular training programmes on PESA for State and Panchayat functionaries (both elected and officials) to sensitize and educate them on PESA with focus on the role and conduct of the Gram Sabha. MoPR has also commissioned NIRD to develop training modules for PESA. Regarding strengthening of administrative machinery under the provisions of Ar.275 (1), action is to be taken by MoTA.</p> <p><b>Mo Panchayati Raj</b></p> <p>(a) The revised update on the recommendations made by Expert Group on Planning at the Grassroots Level on the implementation of PESA is as under:-</p> <p>(i) As a first step, the Ministry of</p>

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			<p>Panchayati Raj has analyzed the State laws and is persuading the State Governments to implement the Act. The Ministry should immediately (within three months) finalize and issue guidelines for implementation of PESA and suggest specific State related provisions and guidelines.</p> <p>Guidelines on implementation of PESA have been issued to all nine Fifth Schedule States on 21.5.2010. MoPR commissioned a study by Enviro Legal Defence Firm (ELDF) on compliance of State Panchayati raj laws and other subject laws with the provisions of the PESA Act. Reports in respect of all nine States have been received. In these reports, the state Panchayati Raj laws and other subject laws have been analyzed in the light of the PESA Act and various amendments have been proposed. These reports are being shared with the States with the request to make necessary amendments.</p> <p>(ii) A definite time frame must be mandated to States to implement these suggestions.</p> <p>It may not be possible to mandate a definite time frame for the States to bring about these amendments as it is up to the State Legislature to enact laws. However, MoPR has been rigorously pursuing with nine PESA States, to bring about amendment in the subject laws. Field visits have been made in PESA States. Meetings were held with</p>



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			<p>officials of State Departments concerned with PESA implementation viz. Panchayati Raj, Revenue, Excise, Environment and Forest and Mining, and suggestions were made to bring relevant amendments in provisions, where required, make rules and take steps towards implementation.</p> <p>(iii) The Ministry must address a copy of its guidelines to the Ministry of Tribal Affairs as well as the Planning Commission. The Ministries of Panchayati Raj, Tribal Affairs and the Planning Commission should look into the implementation of PESA at the time of finalization of states plans in order to ensure that the recommendations are detailed into the plan for the year 2006-07 and in the draft eleventh Five Year Plan. Ministry of Panchayati Raj has addressed a copy of its guidelines to Ministry of Tribal Affairs as well as the Planning Commission.</p> <p>(iv) If any State is not implementing the provisions of PESA in letter and spirit, the Government of India should not shy away from issuing specific directions in accordance with its power to issue directions under proviso 3 of part A of the Fifth Schedule.</p> <p>MOPR is following with the states to implement the provisions of the PESA Act in its letter and spirit.</p> <p>(v) Since amendments to existing laws by States in order to conform to</p>

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			<p>PESA may take some time, the Government of India should use its power to enforce Union legislation in order to pursue that the situation does not worsen. The Central Government should enact enabling legislation next year itself.</p> <p>PESA Act itself contains the provision under section 5 that any law inconsistent with PESA would cease to be valid one year after its enactment.</p> <p>(vi) One of the ways in which implementation of PESA provision can be ensured at the grassroots level is to establish a forum at the Central level so that violation of the provisions of the enactment could be brought before this forum and the deviations highlighted and necessary correctives applied. The Planning Commission may take the initiative to work out the details of the composition and functions of the forum so that it starts functioning before December 2006.</p> <p>Necessary action may be taken by the Planning Commission.</p> <p>(vii) Schedule V of the Constitution requires the Governor of every state to send an annual report, but it would appear that that practice is not being followed regularly. Even when reports are received, no action seems to be taken on them. It is recommended that the practice of regular annual reports from the governor must be given due importance. Such reports</p>

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			<p>should be published forthwith and placed in the public domain. It is suggested that to initiate the change, the Ministry of Panchayati Raj should check the current status in this regard with the Ministry of Tribal Affairs and take steps to activate this important measure in 2006-07.</p> <p>In the guidelines dated 21.5.2010, States have been advised to include a prominent section on the implementation of PESA in the Annual Governor's Report on scheduled areas.</p> <p>(viii) Even though women are important participants in Panchayati Raj, in tribal areas, traditional tribal councils are predominantly made. Therefore special steps need to be taken to ensure that women are not marginalized in meetings of Gram Sabha, provisions in PESA rules and related guidelines should ensure that for quorum of a meeting at least 33% of the Gram Sabha ought to consist of women.</p> <p>Rule 10(4) of the Model PESA Rules frame by MOPR provides that the quorum of the meeting of the Gram Sabha will be one fifth of the total members. There shall be a separate quorum for women, which will be one third of the general quorum.</p> <p>(ix) No account of legal provisions or refinement of planning process would result in better compliance to legislation either in the protection of</p>

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			<p>rights of tribal people or women, or development of Scheduled Areas unless the administration at the lower levels is trained and attended towards the objectives of PESA. Each State needs to constitute a group to look into the strengthening of the administrative machinery in Schedule V areas. Some of the ways of doing this would be to have separate cadres for tribal areas or to post people to specific posts in tribal areas. Various communications in tribal policies of the Government of India may be adopted for this purpose, such as provisions of hardships pay or other incentives in this regard. Some of the possibilities are providing for hardship pay, preferential treatment in accommodation and education. This is a matter that must be looked into urgently before the commencement of the Eleventh Plan and all expenditure under Article 275 of the constitution-an article that has remained uninvolved for decades.</p> <p>In the 21.05.2010 guidelines States have been advised to conduct regular training programmes on PESA for State and Panchayat functionaries (both elected and officials) to sensitize and educate them on PESA with focus on the role and conduct of the Gram Sabha. MOPR has also commissioned NIRD to develop training modules for PESA. Regarding strengthening of administrative machinery under the provisions of Art.275(1), action is to be taken by MoTA. However, this issue</p>

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7.	(b)The recommendations of the NCRWC contained in para 9.23(i) to (iii) of their Report, should be acted upon immediately. <b>(104)</b>	(b)The recommendation is accepted and the Ministry of Rural Development was requested to pursue.	<p>has also been addressed in guidelines of 21.5.2010.</p> <p><b>M/o Rural Development</b>  (b) The Ministry of Rural Development requested Ministry of Law, Legislative Department on 30.12.2008 and 22.3.10 for an action taken report in the matter. Legislative Department informed that Department of Legal Affairs is concerned with the subject. A reference was accordingly made to the Department of Legal Affairs on 1.4.10. It was subsequently informed by Department of Legal Affairs that the recommendation relating to NCRWC pertain to subjects given under the sixth schedule, being dealt by the Ministry of Tribal Affairs. In view of the foregoing, a reference was made to Ministry of Tribal Affairs. It was informed by Ministry of Tribal Affairs that though as per Allocation of Business Rules, 1961, the Sixth Schedule is allotted to Ministry of Tribal Affairs, the issue related to Sixth Schedule are being administered by Ministry of Home Affairs due to security angles. The matter was then referred to Ministry of Home Affairs, who have since intimated that the matter pertains to them and they are in the process of taking necessary action, for amendments to 6<sup>th</sup> Schedule after consultations among the concerned States and Autonomous Councils. All the above developments have been brought to the notice of DARPG. The ATR is awaited from Ministry of Home Affairs. A comprehensive Bill</p>

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			amending the Sixth Schedule also incorporating recommendations of NCRWC Para 9.23(i) to (iii) will be sent to all concerned Central Ministries/Departments, approval of CCPA would be obtained and a Bill will be introduced in the Parliament in forthcoming Winter Session of Parliament.

**Administrative Reforms Commission's 2<sup>nd</sup> Report titled 'Unlocking Human Capital: Entitlements and Governance – a Case Study' – Implementation of the National Rural Employment Guarantee Act Schemes**

**Accepted Recommendations (II)**

<b>Sl. No.</b>	<b>Recommendations made by Administrative Reforms Commission</b>	<b>Government's Decision</b>	<b>Action Taken</b>
1.	<p><b>1. Guaranteeing Reach (Para 5.2.1.6)</b></p> <p>(a). Awareness generation programmes should be taken up by all States Govts. The publicity and guidance material should be available in local languages. The effectiveness of these programmes should be measured through independent sample surveys. <b>(1)</b></p>	(a)& (b) recommendations accepted.	<p>(a) &amp; (b) Action completed. The strategies adopted by the Ministry of Rural Development for generating awareness are being reinforced through the following measures:-</p> <ul style="list-style-type: none"> <li>• One day orientation of all Sarpanches at the Block level</li> <li>• Gram Sabhas</li> <li>• Use of local vernacular newspapers, radio, TV, films &amp; Local cultural forms</li> <li>• Leaflets, brochures in simple local language with more of Graphics</li> <li>• Fixing one day as Rozgar Diwas in a fortnight</li> <li>• Village Camps by District teams</li> <li>• Information/Publicity Centres in Local Weekly Markets (Hats)</li> <li>• Village Information Wall</li> <li>• NGOs/SHGs participation in awareness generation</li> </ul> <p>Awareness generation programmes have been undertaken by the State Governments.</p>
2.	<p>(b). Intensive use of All India Radio and Doordarshan should be made to local languages as is done in the case of Sarva Siksha Abhiyan and National Rural Health Mission. <b>(2)</b></p>		
3.	(c) In order to ensure proper	(c) The recommendation	(c) Action completed. NREGA

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4.	<p>coverage, voters' lists may be sued for ascertaining the number of eligible households. This however, should not be the sole basis for registering households under NREGA. The number of households registered should be monitored and compared against other data like census, BPL survey etc, so that affirmative action could be taken wherever the participation is not satisfactory. <b>(3)</b></p> <p>(d) Independent monitors, wherever necessary, should be deployed in areas where participation of vulnerable sections is not adequate, to ensure that the weaker sections are participating and getting their entitlements. It also needs to be ensured that all habitations/hamlets get fully covered. <b>(4)</b></p>	<p>is accepted. However, as NREGA is a demand based programme, registration of households would be done only when there is an application.</p> <p>(d) The recommendation is accepted.</p>	<p>is a demand -based programme. Registration of households had to be done only when there is an application from a local household. Voters list may be used for verification of registration of applications in terms of local residence, but the process of registration itself can be triggered only if an application is made for it. NREGA is self-targeting as only families willing to undertake hard physical labour apply for employment under it. Therefore, affirmative action in this regard is not to ensure that all households as reflected in census/BPL data are covered under it, but to ensure that rural households know about the Act and if they applied under it, job cards should be issued to them after due verification. This is being monitored through regular data review and field appraisals.</p> <p>(d) Action completed. Independent monitors have been deployed and have visited all Phase I NREGA districts, more than once and are visiting all phase II NREGA districts. MIS has been designed to capture GP wise data that indicated the extent to which the programme has reached out so that areas of deficient action can be spotted for suitable interventions.</p>



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5.	(e) Special norms should be worked out for various parameters of the Scheme for difficult areas. <b>(5)</b>	(e) The recommendation is accepted.	(e) Action completed. NREGA provided a differential norm for number of persons to start new work in hilly areas.
6.	(f) 'Household' should be defined to mean a nuclear family i.e. husband, wife and minor children, and may include any person wholly or substantially dependent on the head of the family. <b>(6)</b>	(f) The recommendation is accepted.	(f) Action completed. The guidelines issued by Ministry of Rural Development already incorporates the definition.
7.	<p><b>2. Guaranteeing Outcomes (Para 5.2.2.6)</b></p> <p>(a) An evaluation should be carried out to assess the socio-economic impact of NREGA. This evaluation should encompass the following activities; <b>(8)</b></p> <p>a1. Identifying the parameters to be evaluated: These parameters should capture the livelihood security. The following parameters are suggested</p> <p>(i) Average annual income of households</p> <p>(ii) Prevalent market wages for agricultural labour</p> <p>(iii) Average number of days a family migrates in search of labour</p> <p>(iv) Productivity of small and marginal land holdings</p>	(a)&(b) The recommendations are accepted. The Ministry of Rural Development has undertaken such an evaluation, and the set of indicators suggested include most of those indicated by the ARC.	(a) & (b) A study by NSSO has been commissioned.

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8.	<p>(v) Quality and contribution of assets Before finalizing the list of parameters, each of them should be validated after a field study.</p> <p>a2. Conducting a baseline survey: This should be concluded within three months.</p> <p>a3. Fixing threshold levels for parameters to signal successful implementation of NREGA.</p> <p>a4. Impact evaluation: The first evaluation should be carried out on completion of three years of implementation of the NREGA.</p> <p>(b). This outcome evaluation could be done as part of the expanded task of the National Sample Organization (NSSO) to develop district and sub-district level data. <b>(9)</b></p>		
9.	<p><b>3. Ensuring Convergence (Para 5.2.3.6)</b></p> <p>(a) Baseline performance indicators should be worked out for important services such as health and education and efforts should be made to improve them continuously. <b>(10)</b></p>	<p>(a) The recommendation is accepted.</p>	<p>(a) Ministry of Rural Development had taken up the matter with the Planning Commission vide letter dated 15.11.2007. The Planning Commission had in turn written to the Ministries of Health and Education to take necessary action. Vide their letter dated</p>

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10.	(b) Rural development	(b) The recommendation	<p>27.11.2007. Ministry of Health &amp; Family Welfare have intimated that baseline indicators have been worked out in respect of their three important service Divisions, namely Central TB Division, National Rural Health Mission II and National AIDS Control Organization (NACO). Department of Education (D/O School Education &amp; Literacy) have informed that for the elementary education sub-sector, a District Information System for Education (DISE) has been developed that helps the department to compute the Educational Development Index (EDI) encompassing key indicators such as access, infrastructure, teachers and outcomes. Department is also working towards making DISE system complaint to Right to Education (RTE) Act, 2009. A similar system (SEMIS) is being developed for secondary education sector. Sarva Shiksha Abhiyan (SSA) of the department has also designed a Results framework which helps States to track progress under its key goals i.e. all children in school, bridging gender and social category gaps in elementary education, universal retention and providing education of satisfactory quality. <u>Hence, Action on this recommendation may be treated as completed.</u></p> <p>(b) Action completed.</p>

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11.	<p>programmes, which could be best managed at the local level, should be transferred to the Panchayati Raj Institutions. <b>(11)</b></p> <p>(c) There should be only one Plan for an area so that an integrated view of development of the area could be taken. All sectoral/schemewise plans should be culled out from this plan. <b>(12)</b></p>	<p>is accepted.</p> <p>(c) The recommendation is accepted.</p>	<p>Panchayats are already given a principal role in implementation of NREGA and also have a major role in other Rural Development Programmes.</p> <p>(c) Action completed. The concept of Perspective Plans being prepared under NREGA take this into account.</p>
12.	<p>(d) To the extent possible, the earthwork components of other asset creation programmes should be taken up under NREGA. Specifically, the projects under Bharat Nirman may be dovetailed with NREGA. <b>(13)</b></p>	<p>(d) It is agreed that there should be proper coordination in implementation wherever feasible. The States have been advised accordingly.</p>	<p>(d) Convergence Task Force was set up. Guidelines for convergence for the scheme under NREGA and programmes of Ministry of Environment and Forests; ICAR; M/o Water Resources and PMGSY have been issued under joint signatures of Secretary (RD) and Secretaries of respective Departments.</p>
13.	<p><b>4. Expanding the Scheme(Para 5.2.4.2)</b></p> <p>(a) The extension of NREGA to remaining areas should be taken up in a phased manner. While expanding the coverage of the NREGA, the block should be taken as the unit instead of the district, with the most backward blocks to be included first. In order to bring objectivity, the expansion plan should be finalized within six months and announced well in</p>	<p>(a) The recommendation is accepted.</p>	<p>(a) Action completed. The remaining districts from all States &amp; UTs have also been notified for coverage under NREGA w.e.f. 1.4.2008. Under the NREGA, a 'district' is the unit of implementation and the District Panchayat and the District Programme Coordinator have statutory roles (NREGA Sec.13 &amp; 14)</p>

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	advance. <b>(14)</b>		
14.  15.  16.  17.	<p><b>6. Financial Management System (Para 5.3.3.15)</b></p> <p>(a) Funds from Government of India should be transferred directly to the districts. <b>(16)</b></p> <p>(b) The State Government's contribution may be fixed at 10 per cent of the total cost of REGS in a year, and may be made annually. If the State does not make this contribution, it may be deducted from its 'Central Assistance for State Plans'. <b>(17)</b></p> <p>(f) The target (maximum) level of funds required for Gram Panchayats may be fixed at two months requirements, and so also for the blocks and districts. <b>(21)</b></p> <p>(g) A uniform financial information flow system should be prescribed for the entire country. <b>(22)</b></p>	<p>(a) The recommendation is accepted.</p> <p>(b) The recommendation is accepted.</p> <p>(f) The recommendation is accepted.</p> <p>(g) The recommendation is accepted.</p>	<p>(a) Action completed. The funds are being transferred directly to the districts</p> <p>(b) Action completed. The formula prescribed provides for a maximum contribution of 10% by the State Governments.</p> <p>(f) Action completed. Ministry of Rural Development monitors operationalisation of the MIS by the States. The MIS monitors flow of funds upto Gram Panchayat level.</p> <p>(g) Action completed. Necessary action has already been taken, and a uniform financial information flow system has been instituted for entire country.</p>
18.  19.	<p><b>8. Role of Banks and Post Offices in Fund flow (Para 5.3.3.18.5)</b></p> <p>(a) The post office network should be used along with the bank network for flow of funds and the procedural bottlenecks addressed. <b>(25)</b></p> <p>(b) Banks and post offices</p>	<p>(a) (b) (c) &amp; (d) The recommendations are accepted. The Ministry of Rural Development was advised to encourage payments to NREGA</p>	<p>(a) (b) (c) &amp; (d) Action completed. The issues were discussed in a meeting held in the PMO on 7.1.2008 and it was decided that the administrative expenditure due</p>

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20.	<p>would have to play a more proactive role in handling these accounts. Procedures, especially in post offices need to be simplified. <b>(26)</b></p> <p>(c) Opening of zero balance accounts in post offices by both individuals and institutions may be permitted by the competent authority. If the enhanced costs of opening zero balance accounts cannot be borne by the post offices, the amount required may be quantified and examined if remuneration can be given to selected post offices in difficult areas where the bank network is not easily accessible. <b>(27)</b></p>	beneficiaries through Banks and Post Offices.	to the operation of savings accounts of NREGA workers would be met out of a separate budget head under the Department of Posts. Accordingly, Department of Posts has been requested to cooperate with the State Governments and operationalise wage payment to NREGA workers through Posts Offices wherever possible.
21.	<p>(d) To avoid leakages, payment through banks and post offices is a better option, Banks and the post offices need to be reoriented to handle this task. <b>(28)</b></p>		
22.	<p><b>9. Time Rate Versus Piece Rate</b> <b>(Para 5.3.4.1.5)</b></p> <p>(a) Payments should be made based on the piece rate system, and not the time rate system. <b>(29)</b></p>	(a) The recommendation is accepted.	(a) Action completed. The Act also provided for this (Section 7 & 8, Schedule 1).
	<b>10. Schedule of</b>		

Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
23.	<p><b>Rates(Para5.3.4.2.11)</b></p> <p>(a) State Governments should evolve a more realistic rural Schedule of Rates for NREGA in each district. These rates should be evolved that, workers both men and women, get the prescribed minimum wage. The prescribed minimum wage should be taken as the base and the Schedule of Rates should then be worked out. Adequate allowance should be provided as there would be a substantial proportion of women workers. This could be achieved by conducting a gender specific Time &amp; Motion study at the district level. <b>(30)</b></p>	<p>(a)(b)&amp;(c) recommendations accepted.</p> <p>The are</p>	<p>(a)(b)&amp;(c) Ministry of Rural Development has advised the States to get the Work, Time and Motion Studies done by competent authorities.</p> <p>The Ministry of Rural Development has incorporated detailed instructions on taking up Work Time and Motion Studies in the NREGA Guidelines so that the existing schedule of rural rates are revised by reformulating productivity norms for labour intensive works and enable workers to earn minimum wages (chapter6, paras 6.2,6.3, NREGA guidelines)</p>
24.	<p>(b) The district Schedule of Rates for NREGA should be prepared under the supervision of the District Technical Resources Support Group. <b>(31)</b></p>		
25.	<p>(c) State Government should ensure that inter-district variations are within a permissible band. <b>(32)</b></p>		
26.	<p>(e) As regards elderly and physically challenged people, it is suggested that while prescribing norms for a realistic Schedule of Rates the productivity of such person should be kept in</p>	<p>(e) The recommendation is accepted.</p>	<p>(e) Action completed. The States were advised to assign works like assistance in taking measurements and overseeing the amenities at the worksite to the elderly and physically challenged people.</p>

Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
27.	<p>mind. They should be assigned works such as provision, assistance in taking measurements and overseeing the amenities at the worksite. <b>(34)</b></p> <p>(f) The Schedule of Rates needs to be made transparent. It should clearly spell out the amounts required for the material as well as labour components in each item of work. <b>(35)</b></p>	(f) The recommendation is accepted.	(f) Action completed. The States were advised accordingly and the NREGA guidelines stipulated such transparency. (chapter 6, para 3.4 & 6.3.5)
28.	<p><b>11. Maintaining Labour Material Ratio (Para5.3.5.2)</b></p> <p>(a) The stipulation that the material component should not exceed 40 percent of the total cost should be strictly adhered to for each work. In exceptional cases, if it is not possible to maintain this for each work it should be maintained at the Gram/Block Panchayat level. <b>(37)</b></p>	(a) The recommendation is accepted.	(a) Action completed. Guidelines already provided for maintaining a 60:40 ratio at the GP/ Block / District levels so that durable productive assets might be built up. (Chapter 5, para 5.4, NREGA guidelines)
29.	<p><b>12. Mechanism for Procurement (Para 5.3.6.2)</b></p> <p>(a) State Governments should evolve transparent procurement procedures under the scheme, and ensure that they are followed by the Panchayats in a transparent manner. <b>(38)</b></p>	(a) The recommendation is accepted.	(a) Action completed. The State Governments have been advised accordingly.



Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
30.	<p><b>14. Strengthening Local Governments – Capacity Building Para 5.4.1.2.8)</b></p> <p>(a) NREGA should be implemented by a judicious mix of permanent and contractual staff. Staff required for implementation of NREGA at sub-district levels should, be engaged locally. This appointment may not be to a service but to a particular post. This could be achieved through contractual engagement. The process should be totally objective and transparent.<b>(42)</b></p>	<p>(a) The recommendation is accepted.</p>	<p>(a) Action completed. Advice to this effect has been issued to States and that the decision is to be taken by States within their own norms and recruitment policy</p>
31.	<p>(e) In case of smaller Gram Panchayats where each Panchayat cannot financially support a full complement of staff, the State Government may group them into compact administrative units for staffing purposes. <b>(46)</b></p>	<p>(e) The recommendation is accepted.</p>	<p>(e) Action completed. States have been advised to engage additional technical personnel at Gram Panchayat Levels (in the ratio of at least one technical assistant to 5 Gram Panchayats) while keeping within 4% administrative expenditure. Ministry of Rural Development is monitoring the action which is essentially to be taken by the States.</p>
32.	<p>(g) In case of acute shortage of engineers in the field, a panel of non-government engineers may be engaged at the block level. Educated youth could be identified and trained to prepare estimates for works. These draft</p>	<p>(g) The recommendation is accepted.</p>	<p>(g) Action completed. NREGA Guidelines provide for establishing a technical resource network and empanelment of engineers at the State level.(Chapter 5, para 5.5) With the increase in the administrative limit to 4%,</p>

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33.	<p>estimates would then be scrutinized and approved by the panel of engineers at the block level. <b>(48)</b></p> <p>(j) The following subjects should inter alia be covered in the training programmes :</p> <p>i. The concept of poverty, its dimensions, causes and possible solutions.</p> <p>ii. The problems of gender inequality.</p> <p>iii. An overview of Panchayati Raj.</p> <p>iv. NREGA and the processes involved in it.</p> <p>v. Associates laws such as Right to Information, Minimum Wages Act etc. <b>(51)</b></p>	(j) The recommendation is accepted.	<p>States are expected to strengthen their technical and administrative resources.</p> <p>(j) Action completed. These topics are being covered in the training modules developed by NIRD.</p>
34.	(k) A cascading approach should be adopted for training. Pools of resource persons should be created at the State, district and block levels. <b>(52)</b>	(k) The recommendation is accepted.	(k) Action completed. A cascading model is already being followed due to the large scale and multi-level nature of operations under NREGA.
35.	(l) Distance learning technology should be used for imparting training in remote and inaccessible areas. <b>(53)</b>	(l) The recommendation is accepted.	(l) The Ministry has introduced knowledge network for e-training.
36.	(m) There should be evaluation of training activities through independent agencies. <b>(54)</b>	(m) The recommendation is accepted.	(m) Action Completed. Feed back is being used to strengthen incremental capacity building processes.
37.	(n) The services of NGOs	(n) The recommendation	(n) Action completed. The

Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
38.	<p>and SHGs should be used to impart trainings. <b>(55)</b></p> <p>(o) In violence affected areas, a District Task Force headed by the District Collector having the Superintendent of Police, Chief Executive of District Panchayat and other concerned officers, as members should be constituted to ensure that the provisions of NREGA are implemented properly, and to help the Panchayats. <b>(56)</b></p>	<p>is accepted.</p> <p>(o) The recommendation is accepted.</p>	<p>Ministry of Rural Development has already initiated trainings in collaboration with civil society organisations for critical areas like social audit.</p> <p>(o) Action completed. States have been advised to set up a District Task Force in violence affected areas.</p>
39.	<p>(p) In areas where the Panchayats are non-functional, the District Collector should be made responsible for implementation of REGS. In areas which are not covered by Pat IX of the Constitution, local bodies under the State law which may or may not be traditional institutions, can be used. State specific solutions will have to be evolved since the situation varies from State to State. <b>(57)</b></p>	<p>(p) The recommendation is accepted.</p>	<p>(p) Action completed. States have been advised through the guidelines to designate appropriate authority with the responsibility of implementing NREGA (Sec.14(1))</p>
40.	<p><b>15. Selection and Maintenance of Works (Para 5.4.2.5)</b></p> <p>(a) Selection of shelf of works at the Gram</p>	<p>(a) &amp; (b) The recommendations are</p>	<p>(a) &amp; (b) Action completed. NREGA guidelines already take</p>

Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
41.	<p>Panchayat and Block/ Intermediate Panchayat level should be in harmony with the district development plan. The shelf of works should be such that watershed development is ensured and water resources are enhanced. Stand-alone works should be discouraged.<b>(58)</b></p> <p>(b) The Block/Intermediate Panchayat should ensure that the works of one Gram Panchayat do not adversely affect the adjoining Gram Panchayat. The same principle should be followed by the District Panchayat to ensure coordination between works having inter-block ramifications. Inter-Gram Panchayat works should be taken up after the approval of the concerned Gram Panchayats involved. Similarly, works of inter block nature should be taken up after the approval of the concerned Intermediate/ Block Panchayats. <b>(59)</b></p>	accepted.	care of the recommendations.
42.	(c) It should be ensured that most of the works are executed through Gram Panchayats and need for works to be taken up by the Block/Intermediate Panchayats should arise only in case of inter-Gram Panchayat works or where the Gram Panchayats have	(c) The recommendation is accepted.	(c) Action completed. NREGA guidelines already provide for the Gram Panchayats to take up a minimum of 50% of the works and could be allotted more.(Chapter 15, para 5.2)

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	not been able to meet the demand for employment. <b>(60)</b>		
43.	<p><b>16. Block Resource Centre(Para 5.4.3.2)</b></p> <p>(a) To augment the technical resources of Panchayats at the village and intermediate levels, a Block Resource Centre may be set up which would include a panel of experts and professionals available at the block level. This Centre would perform functions at the block level, similar to those of the District Technical Group at the district level. <b>(61)</b></p>	<p>(a) The recommendation is accepted. State level and district level technical resource group could be formed. However, setting up such groups at the block level may not be feasible at this stage.</p>	<p>(a) The Ministry of Rural Development has formulated the components of technical support as State Cell is to be funded by the Ministry. The States have been advised to set up technical support at the district level.</p>
44.	<p><b>18. Monitoring Systems (Para 5.4.5.5)</b></p> <p>(a) The monitoring mechanism as prescribed under the guidelines should be enriched by incorporating those features which capture information about the crucial parameters of the Scheme. <b>(63)</b></p>	<p>(a) The recommendation is accepted.</p>	<p>(a) Action completed. The guidelines provided for a detailed monitoring mechanism</p>
45.	<p>(b) For the purposes of record keeping, 'employment generation' shall be deemed to have taken place only when the workers have received their wages. This would ensure that (a) the functionaries make prompt payment to the beneficiaries, and (b) the financial and physical progress complement each other. <b>(64)</b></p>	<p>(b) The recommendation is accepted.</p>	<p>(b) Action completed. The employment generation is being assessed against the wages paid.</p>

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<b>19. Curbing Corruption and Leakages (Para 5.4.6.7)</b>			
46.	(a) Templates of estimates of general works should be prepared showing the inputs of labour and material required. This should act as an aid for preparation of estimates. <b>(67)</b>	(a) The recommendation is accepted.	(a) Action completed. Ministry of Rural Development has developed a software for this purpose.
47.	(b) The muster roll should incorporate the physical dimensions of work that has been carried out in the work cycle. To the extent possible it should be backed with a photograph of the work executed, at different stages. <b>(68)</b>	(b) The recommendation is accepted.	(b) Action completed. The States have been advised to keep proper records like muster rolls, photo record of works etc.
48.	(c) The Grievances Redressal Mechanism as provided in the NREGA should proactively reach out to the people to redress their grievances. <b>(69)</b>	(c) The recommendation is accepted.	(c) Action completed. Necessary instructions were issued by the Ministry of Rural Development to the State Governments on 15.11.2007 for establishing an effective grievance redressal mechanism in the implementation of NREGA.
<b>20. Transparency and Right to Information Act (Para 5.4.7.5)</b>			
49.	(b) NGOs with credibility and spatial reach should be identified and entrusted with the task of creating awareness and capability building. <b>(71)</b>	(b) (c) & (d) recommendations accepted.	(b) (c) & (d) Action completed. Necessary action is being taken for involving NGOs. States have been advised to prepare all documents in local language and the guidelines provided for voluntary public disclosure (chapters 20 & 11,
50.	(c) All documents should be	The are	

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51.	<p>prepared in local language. The estimates and measurement books are generally written in English. These need to be written and recorded in the official language of the State. In case of difficulty, at least, a summary of such documents should be prepared in local language. <b>(72)</b></p> <p>(d) State Governments should evolve norms about the mode of publication of suo moto disclosures by the Panchayats. <b>(73)</b></p>		Ann.B-14) The MIS of the Ministry of Rural Development also provides for placing all vital information on website.
52.  53.	<p><b>21. Use of IT – Blocks as Nodal, Fully-lectronic Points (Para 5.4.8.1.6)</b></p> <p>(a) Blocks must be the nodal levels of government at which all information is electronic. This should be achieved within a year. <b>(74)</b></p> <p>(b) Any information collected in non-electronic form at this or a lower level of government must be digitized at block level. <b>(75)</b></p>	(a) & (b) The recommendations are accepted.	(a) & (b) Block is the nodal level for electronic data. About 5000 blocks have been computerized. 3386 block headquarters have internet connectivity. States have been advised to coordinate with Community Information Centres (CICs) and SWAN project to ensure connectivity at the Block level.
54.	<p><b>22. Use of IT – A Minimum and Common Set of National Standards for Data (Para 5.4.8.2.6)</b></p> <p>(a) A common minimum set of NREGA reporting standards should be established for Gram</p>	(a) & (b) The recommendations are accepted.	(a) & (b) Action completed. A National software has been developed through NIC based on detailed analysis of

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55.	<p>Panchayats, blocks, districts, States and Government of India. Specifically, the particular fields of data to be reported at every level must be identical. Where data is collected in manual form, the process for data conversion to electronic form should be based on standard forms, so as to ensure their uniformity. <b>(76)</b></p> <p>(b) So long as the above condition is fulfilled, States need not be constrained to use the same software for implementation everywhere. If, over time, some software is found to be more advantageous, a transition towards that can be considered. <b>(77)</b></p>		programme requirements. All the States have been advised to install that software.
56.	<p><b>23. Use of IT – Architecture for Development (Para 5.4.8.3.3)</b></p> <p>(a) Data from the blocks should be aggregated in central repositories in each of the States. A single data centre may be adequate for each State, and transmission to this Centre from each of the blocks should be enabled. District-wise aggregation of the data reported from the blocks should be taken up to facilitate monitoring at this level too, although no data centres are necessary at this intermediate level. <b>(78)</b></p>	(a) The recommendation is accepted.	(a) Action completed. MIS allowed capture of all kinds of data at different levels.



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57.	(b) A pre-determined format for bulk transmission of data should also be established, as should the frequency for such transfers. <b>(79)</b>	(b) The recommendation is accepted.	(b) Action completed. The desired functionality is already there.
58.	(c) Dedicated transmission networks for government data are not necessary. Wide area networks established by private entities will suffice. Nonetheless data encryption and network security levels should be set high enough to ensure the integrity of the data from creation to analysis and archival. <b>(80)</b>	(c) The recommendation is accepted .	(c) Action completed. This is already being permitted.
59.	(d) The Union Government should maintain its own data centre, aggregating data from each of the State repositories. <b>(81)</b>	(d) The recommendation is accepted.	(d) Action completed. Ministry of Rural Development have put in place the requisite infrastructure for web-hosting of NREGA.
<b>24. Use of IT – Assessment of Initial Deployment by Ministry of Rural Development (Para 5.4.8.4.3)</b>			
60.	(b) Computerisation of records at the Block/Mandal level is being achieved. It is commendable, further, that Gram Panchayat level computerization is possible in some States; this should be the eventual goal for all States. <b>(83)</b>	(b) The recommendation is accepted.	(b) Action completed. Data in NREGA software is getting captured at the transactional/field level. However, the data entry is happening at the block level.
61.	(c) Periodic reviews should be conducted, nonetheless, to determine whether the uniformity and	(c) (d) (e) & (f) The recommendations are accepted.	(c), (d) (e) & (f) Action completed. The MIS provides for all the requirements. Further, the guidelines provide

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62.	standardization are adequate, and any necessary revisions should be made. <b>(84)</b>		for voluntary disclosures and placing all official information in public domain. (NREGA guidelines chapter 10,11, Annexure B-14).
63.	(d) The central storage of data in electronic form is at Delhi. Access to the data in the IT system, however, should be possible for officials at all levels of government with due access authority. <b>(85)</b>		
64.	(e) While social audits are a required measure for transparency under the Scheme, these should not be the only ones, or even the primary ones. Voluntary disclosure should be the norm for informing citizens about the functioning of the NREGA; this will considerably reduce the onus on social audits. <b>(86)</b>		
65.	(f) Alerts are being generated using trigger points that ensure compliance with the rules and guidelines of the REGS. By periodic review, it should be determined what additional alerts are needed so that these too could be incorporated. <b>(87)</b>		
65.	(h) Rankings of districts based on outcome-based monitoring should be included along with other voluntary disclosures, and	(h) The recommendation is accepted.	(h) State ranking has been initiated. This is being further refined on the basis of discussions with the State Governments. However,

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	made available to the public, including on the website of the REGS. <b>(89)</b>		districts are evaluated on each performance indicated
66.	<p><b>25. Use of IT – Unique Identification System – (Para 5.4.8.5.3)</b></p> <p>(a) The identification of participants in the REGS should be developed nationally, in preparation for wider use of a national citizen identification number. The potential for such identity to be developed congruently with other systems of nationwide participation – e.g. elections – should be explored along with appropriate representatives from such other arenas as well. <b>(90)</b></p>	(a) The recommendation is accepted. It was decided that as and when Unique Identification No. was ready, it would be entered in the job card.	(a) Action completed. Each job card already has a unique identity number nationally identifying the location and the family ID number.
67.	<p><b>26. Use of IT – IT System for Financial Management (Para 5.4.8.6.5)</b></p> <p>(a) The IT system should maintain numbered records of all transactions, and the specific fields to be contained in each transaction type should be pre-determined as part of the NREGA standards. <b>(91)</b></p>	(a) & (b) The recommendations are accepted.	<p>(a) Action completed. All transactions are uniquely numbered, eg; job cards, demand for work, allocation for the work, muster roll, work codes etc.</p> <p>(b) Action completed. The system issues alerts when funds go below 60%. Funds available at each level can be viewed from the website.</p>
68.	(b) Specific triggers for replenishment of funds for implementers should be set in the IT system. <b>(92)</b>		
69.	(d) Requests for replenishment should also be enabled without triggers, so	(d) The recommendation is accepted.	(d) Action completed. Login based interface has been provided for all data centric

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	that exigencies can be managed. A login-based system to facilitate this is needed, to ensure its security. Digital signatures could also be created for officers identified as vested with such authority. <b>(94)</b>		operations at all levels.
70.	<p><b>27. Use of IT – IT System for Monitoring and Evaluation (Para 5.4.8.7.5)</b></p> <p>(a) A comprehensive list of quantitative measures for the detection of inconsistencies between operations and rules should be established within the IT system. These should be directly derived from the rules themselves – each of the rules/guidelines should be considered alongside the question “can this be monitored in real-time?” and the appropriate measure of detection should be developed. <b>(95)</b></p>	<p>(a) &amp; (b) The recommendations are accepted.</p> <p>(b) These are general points on devolution of powers to Autonomous District Councils and Village Councils. <b>(In view of the decision of the GoM, the present position may be ascertained from the Ministry of Law which had handled the NCRWC Report).</b></p>	<p>(a) &amp; (b) Action completed. The MIS provides for those requirements.</p>
71.	<p>(b) Violations of the rules using any of the quantified measures should trigger alerts in the IT system, which should be routed to the appropriate supervisory official.<b>(96)</b></p>		
72.	<p>(c) Performance variables for the REGS as a whole should be identified, and these should be applied to data at all implementing levels. In addition to the implementing levels, the data</p>	<p>(c) The recommendation is accepted.</p>	<p>(c) The MIS performs these functions.</p>

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	should also be aggregated by jurisdiction and ranks established for all blocks, districts and States according to the measures of performance. Such output should be public as part of the Governments disclosures under the RTI law.(97)		
73.	<p><b>28. Use of IT – Right to Information in NREGA and use of IT (Para 5.4.8.8.4)</b></p> <p>(a) Information that is required to be disclosed suo moto by various implementing arms of government should be clearly identified for each level of government, and wherever possible the IT system should be able to integrate the data necessary for such reporting, and generate suo motu reports automatically. (99)</p>	(a) The recommendation is accepted.	(a) Action completed. The Web enabled MIS <a href="http://www.nrega.nic.in">www.nrega.nic.in</a> takes care of the recommendation.
74.	(b) A list of questions that the IT system should be able to answer, to assure compliance with the RTI Act, must be created. This list must be periodically revised to include additional questions and make higher standards of disclosure possible. (100)	(b) & (c) The recommendations are accepted.	(b) & (c) Action completed. The Systems have already been made available for complying with RTI Act and to rely on a common database.
75.	(c) The same data should be used for administrative purposes as well as RTI-related disclosure. The government, citizens and		



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80.	<p>have the dual advantage of preventing any tampering in the job cards and also having the entire information available in the Panchayat. In Gram Panchayats, which have computers, this would not be an extra effort. In Panchayats, which do not have computers, this could be a simple register, which would have the same entries as in the job card. This register should be updated every week whenever payment of wages is made. <b>(109)</b></p> <p>(b) Records should be kept in a manner that enables accounting of each work voucher-wise, so that it is possible to track every voucher to a work and also get voucher-wise utilization of funds for each work. <b>(110)</b></p>	<p>(b) &amp; (c) The recommendations are accepted. It was noted that the States would be advised suitably and the formats would be reviewed.</p>	<p>(b) Action completed. The financial software developed for NREGA ensures this.</p>
81.	<p>(c) Formats of some registers need to be amended as suggested in para 5.4.12. <b>(111)</b></p>		<p>(c) Action completed. Operational guidelines have been revised suitably.</p>

**Administrative Reforms Commission's 2<sup>nd</sup> Report titled 'Unlocking Human Capital: Entitlements and Governance – a Case Study'**

**Recommendations not accepted**

Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
1.	<p><b>1. Guaranteeing Reach (Para 5.2.1.6)</b></p> <p>(g) Job-cards should be issued separately to each adult physically challenged person. <b>(7)</b></p>	<p>(g) The recommendation is not accepted because of the fact that the basic unit under NREGA is the "household" and not an "individual". The Act also does not specifically address the problem of physically challenged who required special assistance of different nature.</p>	<p>No action is called for.</p>
2.	<p><b>5. Fixing Wage Rates(Para 5.3.2.7)</b></p> <p>(a) The provisions regarding prescription of wages under NREGA and the Minimum Wages Act would require detailed examination. A task force comprising representatives of the Ministry of Rural Development, Ministry of Labour, Ministry of Law and Justice and a few State Governments may be constituted to examine and make recommendations on this issue. <b>(15)</b></p>	<p>(a) The recommendation is not accepted. States are already revising wage rates keeping in view NREGA works. The Ministry of Rural Development has been advised to regularly monitor the wages. The Ministry of Rural Development has incorporated detailed instructions on taking up work time and motion studies in the NREGA Guidelines so that productivity norms are</p>	<p>No action is called for.</p>



Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
		made labour intensive and enabled earning of minimum wages.	
3.	<p><b>6. Financial Management System (Para 5.3.3.15)</b></p> <p>(c) Target (maximum) levels of funds should be fixed for Panchayats (village, block and district levels). Government of India should release funds to districts every month, so that the target levels are restored. The district in turn should release funds to blocks to bring their funds up to the prescribed target levels. Finally the blocks should replenish the funds at the Gram Panchayats. <b>(18)</b></p>	<p>(c) The recommendation is not accepted. The Ministry of Rural Development had mentioned that NREGA funds released is not based on budget allocation but on employment demand in a district. The Ministry of Rural Development was advised to regularly monitor funds floating from districts to blocks and suitable instruction be issued to the State Governments.</p>	No action is called for.
4.	<p>(d) The system of releasing funds based on utilization certificates should be replaced with a system of concurrent monitoring and audit through an independent agency. <b>(19)</b></p>	<p>(d)&amp; (e) The recommendations are not accepted. The implementation coverage is extensive with huge number of works. Therefore, it would not be feasible to replace Utilisation Certificate (UC) and go for concurrent audit. Further, Section 24(1) of the Act provides for audit of accounts of NREGA, Section 25 provides for penalties for non-compliance and Section 27(2) provides for suspending Central</p>	No action is called for.

Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
5.	(e) The audit should be taken up every quarter, and if major irregularities are found, the concerned Panchayat should immediately make good the misutilised amounts from its own funds (not NREGA funds). It should initiate action for recovery against those concerned. If there is a prima facie case of corruption, criminal cases should be launched against the concerned persons. <b>(20)</b>	assistance in case of misutilisation of funds.	No action is called for.
6.	<b>7. Mode of Payment to Workers (Para 5.3.3.16.3)</b> (a) The ultimate choice of the mode of payment should be left to the workers; payment in cash may be the preferred option. The person/agency preparing the muster roll must be different from the person/agency making payment to the workers. <b>(23)</b>	(a) The recommendation is not accepted as it would dilute accountability. The Ministry of Rural Development was advised to ensure transparency in payment and the use of Banks and Post Offices should be explored.	No action is called for.
7.	(b) In drought prone and remote areas (tribal and hilly areas), a part of the wages may be disbursed in terms of foodgrains. In all cases, quality and timely availability of foodgrains should be ensured. <b>(24)</b>	(b) The recommendation is not accepted. It is not practicable in view of foodgrains supply being inadequate.	No action is called for.
8.	<b>10. Schedule of Rates(Para5.3.4.2.11)</b> (d) A mechanism whereby	(d) The recommendation	No action is called for.

Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
9.	<p>the Schedule of Rates is harmonized across States needs to be put in place. There is also need to rationalize the quantity of labour required for a given job. The Ministry of Rural Development should coordinate this process. <b>(33)</b></p> <p>(g) The Ministry of Urban Development should coordinate the large issue of rationalization of the PWD Schedule of Rates in various States. <b>(36)</b></p>	<p>is not accepted. States have their own systems for fixing the SORs. They are based on the geomorphic conditions of the region and the prevalent notified minimum wages for a particular task in a State. Fixing SORs is within the jurisdiction of the State. It was, therefore, not possible for the Central Government to coordinate or harmonise SOR across States</p> <p>(g) The recommendation is not accepted. States have their own systems for fixing the SORs. They are based on the geomorphic conditions of the region and the prevalent notified minimum wages for a particular task in a State. Fixing SORs is within the jurisdiction of the State.</p>	No action is called for.
10.	<p><b>14. Strengthening Local Governments – Capacity Building Para 5.4.1.2.8)</b></p> <p>(b) There should be a provision to relax qualifications in the case of local candidates to be backed by capability building programmes for them. <b>(43)</b></p>	<p>(b) The recommendation is not accepted as consideration of norms and qualifications by a State would not be confined to NREGA staff but be part of their overall personnel policy.</p>	No action is called for.
11.	<p>(c) Services of Non Governmental Organisations</p>	<p>(c) The recommendation is not accepted as the</p>	No action is called for.

Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
	with proven track records could also be used to supplement staff deficits. <b>(44)</b>	NREGA Guidelines provided for establishing a technical resource network and empanelment of engineers at the State level. With the increase in the administrative limit to 4%, States were expected to strengthen their technical and administrative resources.	
12.	(d) The norms for engaging staff, both technical and administrative, should be linked to the average population per Panchayat (village/block and district). In hilly terrain, the area per Panchayat should also be a criterion. <b>(45)</b>	(d) The recommendation is not accepted as consideration of norms and qualifications by a State would not be confined to NREGA staff but be part of their overall personnel policy.	No action is called for.
13.	(f) The following incentives may be provided to officials working in difficult areas: <b>(47)</b>  i. Liberal life insurance cover. ii. Hardship allowance. iii. Retention of government accommodation for family if required outside the place of posting.  However, all these incentives should be linked to performance which should be reviewed each year.	(f) The recommendation is not accepted as this is a general policy issue and could be linked with NREGA.	No action is called for.
14.	(h) The limit of administrative expenses should be raised from the existing 2 per cent	(h) The recommendation is not accepted. The proposal of the Ministry of	No action is called for.

Sl. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
15.	<p>to 6 per cent of the total expenditure under the Scheme. Out of this, 1 per cent of the total funds should be earmarked for concurrent monitoring and audit, and 2 per cent for training. Additional funds for meeting enhanced administrative expenses should be provided in difficult areas. (This could be 2 per cent of the total expenditure under the Scheme, in addition to what is provided for normal districts). <b>(49)</b></p> <p>(i) Training should not be envisaged as a one time intervention but should be a continuing process. (2 per cent of the total funds should be earmarked for training activities). <b>(50)</b></p>	<p>Rural Development to raise the permissible administrative cap of 2% to 6% was considered by the Government and it recommended only 4%.</p> <p>(i) The recommendation is not accepted. The overall ceiling was fixed at 4% and, as such, 2% for training could not be earmarked.</p>	No action is called for.
16.	<p><b>17. Entrepreneurship Institutes for the Rural Poor (Para 5.4.4.4)</b></p> <p>(a) Entrepreneurship training institutes should be set up in every block to train and impart skills to the rural poor so that they get the opportunity to be self employed. This should be financed out of the funds earmarked for administrative expenses under NREGA. <b>(62)</b></p>	<p>(a) The recommendation is not accepted. However, it was suggested that the recommendations be implemented through other schemes of Ministry of Rural Development.</p>	No action is called for.

<p>17.</p>	<p><b>18. Monitoring Systems (Para 5.4.5.5)</b></p> <p>(c) Independent monitoring and auditing agencies should be engaged to carry out concurrent monitoring and audit. These agencies should visit Panchayats at least once a month, check the records, verify the periodicals reports and set right any inconsistencies. The reports should be submitted only after validation by these agencies. These agencies should also guide the Panchayat staff in maintenance of records and preparation of reports. <b>(65)</b></p>	<p>(c) The recommendation is not accepted as engaging independent and auditing agencies on a monthly basis for visiting each gram panchayat would imply engaging a massive network of agencies. Thus concurrent audit was not practical.</p>	<p>No action is called for.</p>
<p>18.</p>	<p>(d) Within the permissible administrative expenditure of 6 per cent (recommended) of total expenditure, 1 per cent should be earmarked for monitoring and evaluation. (Refer Para 5.4.1.2.8.h) <b>(66)</b></p>	<p>(d) The recommendation is not accepted. Within the 4% ceiling as currently approved, it would not be possible to earmark too many sub ceilings for different activities. However, funds available under the administrative budget for monitoring could be used.</p>	<p>No action is called for.</p>
<p>19.</p>	<p><b>20. Transparency and Right to Information Act (Para 5.4.7.5)</b></p> <p>(a) A continuing process of training and awareness generation about the NREGA and RTI is essential. The impact of such programmes should be assessed through an independent evaluation, and officials should be</p>	<p>(a) The recommendation of conducting tests is not accepted. RTI is applicable to all programmes. However, transparency in guidelines and works would be ensured and disseminated</p>	<p>No action is called for.</p>

	required to qualify in a test after their training. <b>(70)</b>	in local language.	
20.	<p><b>24. Use of IT – Assessment of Initial Deployment by Ministry of Rural Development (Para 5.4.8.4.3)</b></p> <p>(a) A unique identification should be issued not to each household, but to each individual. The members of each household should be tracked together to ensure that each household receives the appropriate benefit under the Scheme, but the identities of each individual should be kept separate. <b>(82)</b></p>	<p>(a) The recommendation is not accepted. It was, however, noted when Unique Identification No. would be ready it would be inserted as an entry in the job card.</p>	No action is called for.
21.	<p><b>26. Use of IT – IT System for Financial Management (Para 5.4.8.6.5)</b></p> <p>(c) Direct transfer of money from the origin of funds to the implementer's account should be possible. Intermediate levels of government should have access to this information, but for informational purposes only. <b>(93)</b></p>	<p>(c) The recommendation is not accepted as under the Act, the DPCs and programme officers have legal responsibility and as such they could not be by passed in fund transfer.</p>	No action is called for.
22.	<p><b>29. Use of IT – Smart Cards (Para 5.4.8.9.5)</b></p> <p>(a) A few pilot projects in different regions may be taken up in a cluster of villages using SMART Cards. Such SMART cards should store information about the person's identity (including biometrics) and should have the capacity of recording transactions under NREGA</p>	<p>(a) The recommendation is not accepted as there is already a job card. It is noted that providing smart card readers in 6 lakh villages was not feasible. It was suggested to wait till Unique Identification No. system became operational.</p>	No action is called for.

	and even authorize payments. In the long run, a viable business model needs to be developed so that the private sector can participation <b>(102)</b>		
23.	<p><b>31. Implementation of NREGA in Areas affected by Natural Calamities (Para 5.4.10.5)</b></p> <p>(a) Demand for employment in any area should be first met through works under NREGA. Relief works (in cases of natural calamities) should be taken up only if demand for work exists and the households have exhausted their entitlements under NREGA. <b>(105)</b></p>	<p>(a) The recommendation is not accepted. The NREGA is demand based. Employment under NREGA is only for those households who apply for and obtained job cards and then submitted written application for employment. On the other hand, relief work is not demand based. NREGA and relief work should not be seen as exchangeable.</p>	No action is called for.
24.	<p><b>35. Coordination Mechanism (Para 5.4.13.5)</b></p> <p>(a) A common inter-ministerial, empowered steering committee for NREGA, other flag-ship programmes and the Bharat Nirman Programme may be set up with the Cabinet Secretary as the Chairman and Secretaries of concerned Ministries/Departments as members. The Committee may be given adequate powers to: <b>(112)</b></p> <p>(i) oversee the work of sectoral ministerial committees in order to</p>	<p>(a)&amp; (b) The recommendations are not accepted. The National Rural Employment Guarantee Council, which is a statutory body, meets periodically as required.</p>	No action is called for.



25.	<p>remove differences, bottlenecks and lack of synergy and issue directions to bring about an integrated approach.</p> <p>(ii) take timely and appropriate decisions for effective and accountable implementation of the concerned programmes.</p> <p>(iii) bring about better coordination in implementation.</p> <p>(iv) ensure the centrality of local governments in the implementation at the local levels and also as part of the local planning process mandated by the Commission.</p> <p>(b) Similar empowered committees may be set up at the state and district levels. <b>(113)</b></p>		No action is called for.
26.	<p><b>36. Building a National Identity (Para 5.4.14.2)</b></p> <p>(a) This initiative taken up through NREGA may be called 'Rashtriya Sukshema Abhiyan'. <b>(114)</b></p>	<p>(a) The recommendation is not accepted. The NREGA is an Act of the Parliament and conferred a legal right on the eligible persons.</p>	No action is called for.