

**Administrative Reforms Commission's 6th Report titled
"Local Governance – An Inspiring Journey into the Future"**

Accepted Recommendations

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
	3. (Para 3.1.3.11) Structure of Local Bodies		<u>Ministry of Panchayati Raj</u>
1.	b. The Constitutional provisions relating to reservation of seats (Article 243 D) must be retained in the current form to ensure adequate representation to the under-privileged sections and women.(5)	(b): Accepted. Article 243 D would be retained in its present form	(b): No action called for.
2.	d. Article 243 C(1) should be retained.(7)	(d): Accepted	(d): No action called for.
	4. (Para 3.2.1.12) The Electoral Process		<u>Ministry of Urban Development</u>
3.	a. The task of delimitation and reservation of constituencies should be entrusted to the State Election Commissions (SECs);(11)	(a) to (f): Accepted.	(a) to (f): State/ Union Territory Governments have been requested to take necessary action vide letter No. N-11025/56/2007-UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009.State / UT Governments are periodically requested to take necessary action.
4.	b. Local government laws in all States should provide for adoption of the Assembly electoral rolls for local governments without any revision of names by SECs. For such a process to be effective it is necessary to ensure that the voter registration and preparation of electoral rolls by Election Commission of India is based on geographic contiguity. Similarly the electoral divisions for elections		<u>Ministry of Panchayati Raj</u> (a), (b) and (f): Referred to

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<p>5.</p> <p>6.</p> <p>7.</p> <p>8.</p>	<p>to local bodies should follow the Building Blocks approach;(12)</p> <p>c, The Registration of Electors Rules, 1960, should be amended to define a 'Part' a compact geographical unit.(13)</p> <p>d. In order to achieve convergence between census data and electoral rolls, the boundaries of a 'Part' and 'Enumeration Block' should coincide. (14)</p> <p>e. Reservation of seats should follow any one of the two principles mentioned below (15).</p> <p>i. In case of single-member constituencies, the rotation can be after at least 2 terms of 5 years each so that there is possibility of longevity of leadership and nurturing of constituencies.</p> <p>ii. Instead of single-member constituencies, elections can be held to multi-member constituencies by the List System, ensuring the reservation of seats. This will obviate the need for rotation thus guaranteeing allocation of seats for the reserved categories.</p> <p>f. The conduct of elections for the elected members of District and Metropolitan Planning Committees</p>	<p>Part (ii) not accepted.</p>	<p>States/ UTs vide MoPR's letter dated 01.01.09 for implementation. Reminder sent on 10.02.09. Detailed advisory issued by letter No. M-11011/131/2008-P&C (AR) dated 31st March, 2009 to Chief Secretaries.</p>

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	should be entrusted to the State Election Commission.(16)		
<p>9.</p> <p>10.</p>	<p>5. (Para 3.2.2.6) Constitution of the State Election Commission</p> <p>a. The State Election Commissioner should be appointed by the Governor on the recommendation of a collegium, comprising the Chief Minister, the Speaker of the State Legislative Assembly and the Leader of Opposition in the Legislative Assembly .(17)</p> <p>b. An institutional mechanism should be created to bring the Election Commission of India and the State Election Commission on a common platform for coordination, learning from each other's experiences and sharing of resources (18)</p>	<p>(a) & (b): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) & (b): State / Union Territory Governments have been requested by Ministry of Urban Development to take necessary action vide letter No. N-11035/56/2007-UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009. Most of the State Governments have constituted the State Election Commission (SEC). Reminders have been sent to the remaining five States /UTs of J&K, Meghalaya, Manipur, Nagaland and Daman & Diu, requesting to take necessary action and revert.</p> <p><u>Ministry of Panchayati Raj</u></p> <p>(a): Referred to States/ UTs vide MoPR's letter dated 01.01.09 for implementation. Reminder sent on 10.02.09. Detailed advisory issued by Letter No. M-11011/131/2008-P&C (AR) dated 31st March, 2009 to Chief Secretaries.</p>
11.	<p>7. (Para 3.3.1.7) Devolution of Powers and Responsibilities</p> <p>a. There should be clear delineation of functions for each level of local government in the case of each subject matter law. This is not a one-time exercise</p>	<p>(a) to (d): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) to (d): State / Union Territory Governments and Central Ministries have been requested to take necessary action vide letter No.N-</p>

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<p>12.</p> <p>13.</p> <p>14.</p>	<p>and has to be done continuously while working out locally relevant socio-economic programmes, restructuring organizations and framing subject-matter laws.(20)</p> <p>b. Each subject-matter law, which has functional elements that are best attended to at local levels, should have provision for appropriate devolution to such levels – either in the law or in subordinate legislation. All the relevant Union and State laws have to be reviewed urgently and suitably amended.(21)</p> <p>c. In the case of new laws, it will be advisable to add a 'local government memorandum' (on the analogy of financial memorandum and memorandum of subordinate legislation) indicating whether any functions to be attended to by local governments are involved and if so, whether this has been provided for in the law.(22)</p> <p>d In case of urban local bodies, in addition to the functions listed in the Twelfth Schedule, the following should be devolved to urban local bodies:</p> <ul style="list-style-type: none"> - School education; - Public health, including community health centres/ areas hospitals; and - Land management, including registration. <p>These, however, are only illustrative additional functions and more such functions could be</p>	<p>(d): Accepted.</p>	<p>11025/56/2007-UCD dated 08/12/08 and reminded vide letters dated 7.8.2009 and 3.9.2009. Further, the Government of India is promoting devolution of functions listed under Schedule 12 of the Constitution under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT). All states have committed to strengthen the process of devolution in a time bound manner within the Mission period of 2005-2012.</p> <p><u>Ministry of Panchayati Raj</u></p> <p>(a) to (c): Ministry of Panchayati Raj vide their D.O. No. N-11011/182/2008-P&C (AR) dated 16/01/2009 have requested State / Union Territory Governments and Central Ministries to take necessary action.</p>

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	devolved to urban local bodies by the respective States (23)		
	9. (Para 3.5.2.18) The State Finance Commission (SFC)		<u>Ministry of Urban Development</u>
15.	a. This Commission endorses and reiterates the views of the Twelfth Finance Commission regarding the working of the SFCs as listed in paragraph 3.5.2.8. (25)	(a) to (j): Accepted.	(a) to (j): State / Union Territory Governments have been requested to take necessary action vide letter No.N-11025/56/2007 -UCD dated 08/12/08 and reminded vide letters dated 7.8.2009 and 3.9.2009. In fact, an advisory was issued to the States in March, 2008 emphasizing inter-alia the need for proper constitution of SFCs, time limit of SFCs and synchronization of SFCs with Central Finance Commissions (CFCs), creation of a Permanent SFC Cell in each State, consistent methodology of SFCs defining Minimum Standards of performance of Urban Local Bodies (ULBs), defining of Minimum Service Standards Norms, proposed SFC Grants to be linked with Enhanced Levels of Services, need for analysis of State Finances, response by State Government to SFC Reports etc. State / UT Govts. Have been requested to take necessary action.
16.	b. Article 243 I (1) of the Constitution should be amended to include the phrase “ at such earlier time” after the words “Every fifth year”. (26)		
17.	c. Each State should prescribe through an Act, the qualifications of persons eligible to be appointed as Members of the State Finance Commission. (27)		
18.	d. SFCs should evolve objective and transparent norms for devolution and distribution of funds. The norms should include area-wise indices for backwardness. State Finance Commissions should link the devolution of funds to the level/quality of civic amenities that the citizens could expect. This could then form the basis of an impact evaluation. (28)		
19.	e. The Action Taken Report on the recommendations of the SFC must compulsorily be placed in the concerned State Legislature within six months of submission and followed with an annual statement		The 13 th Central Finance Commission has stipulated that State Governments must prescribe through an Act the qualifications of persons eligible for appointment as members of SFC, for availing

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<p>20.</p> <p>21.</p> <p>22.</p>	<p>on the devolution made and grants given to individual local bodies and the implementation of other recommendations through an appendix to the State budget documents.(29)</p> <p>f. Incentives can be built into devolution from the Union to the States to take care of the need to improve devolution from the States to the third tier of governments.(30)</p> <p>g. Common formats, as recommended by the Twelfth Finance Commission (TFC) must be adopted, and annual accounts and other data must be compiled and updated for use by the SFCs.(31)</p> <p>h. SFCs should carry out a more thorough analysis of the finances of local bodies and make concrete recommendations for improvements in their working. In case of smaller local bodies such recommendations could be broad in nature, but in case of larger local bodies, recommendations should be more specific. With historical data being available with the SFC, and with the improvement in efficiency of data collection, the SFC would be in a position to carry out the required detailed analysis. The special needs of large urban agglomerations particularly the Metropolitan cities should be specially addressed by the SFC.(32)</p>		<p>Performance Grants.</p> <p><u>Ministry of Panchayati Raj</u></p> <p>(a) to (j) : Accepted Ministry of Panchayati Raj have requested State/ Union Territory Government to take necessary action vide their letter No.N-11011/54/2007-P&C (AR) (Vol.-IV) dated 01/01/2009 Detailed guidelines have also been issued vide letter No.N-38012 /3 /TFC / 2008 dated 27th April, 09.</p>

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23.	i. SFCs should evolve norms for staffing of local bodies.(33)		
24.	j. It is necessary that a mechanism be put in place which reviews the implementation of all the recommendations of the SFCs. If considered necessary, devolution of funds could be made conditional to local bodies agreeing to implement the recommendations of the SFCs.(34)		
25.	<p>10. (Para 3.6.16) Capacity Building for Self Governance</p> <p>a. Capacity building efforts in rural and urban local self governing institutions must attend to both the organisation building requirements as also the professional and skills upgradation of individuals associated with these bodies, whether elected or appointed. Relevant Panchayat and Municipal legislations and manuals framed thereunder must contain clear enabling provisions in this respect. There should be special capacity building programmes for women members.(35)</p>	(a) to (g): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a) to (g): State /UT Governments have been requested to take necessary action vide letter No.N-11025/56/ 2007 -UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009. The Ministry of Urban Development implemented the Capacity building for decentralized urban governance (CBDUG) programme in collaboration with the UNDP in 16 Urban Local Bodies in four states. The programme covered property tax reforms, implementation of double entry accounting systems, establishment of citizens facilitation centres and formulation of city development plans. In November, 2008, the Capacity Building Programme for Urban Local Bodies (CBULB) was</p>
26.	b. State Governments should encourage local bodies to outsource specific functions to public or private agencies, as may be appropriate, through enabling guidelines and support. Outsourcing of activities should be backed by development of in-house capacity for monitoring and		

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	oversight of outsourced activities. Likewise, transparent and fair procurement procedures need to be put in place by the State Government to improve fiscal discipline and probity in the local bodies. (36)		launched. The programme is aimed at strengthening urban local governments through capacity building for better governance and financial management as articulated in the 11 th Plan.
27.	c. Comprehensive and holistic training requires expertise and resources from various subject matter specific training institutes. This can be best achieved by 'networking' of institutions concerned with various subjects such as financial management, rural development, disaster management and general management. This should be ensured by the nodal agencies in State Governments. (37)		The Scheme covers a wide range of activities with respect to Capacity Building like setting up of Centres of Excellence, addressing specific gaps in Urban planning, Preparation of City Development plans, Detailed Project Reports (DPRs), Implementation of Property Tax Reforms, e-Governance, Accounting Reforms, etc. The financial support under the Capacity Building Programme shall be extended to the identified institutions / Cities/ States for the following activities:
28.	d. As an aid to capacity building, suitable schemes need to be drawn up under State Plans for Rural and Urban Development for documentations of case studies, best practices and evaluation with reference to the performance of the prescribed duties and responsibilities of such bodies. (38)		1. Setting up of Centres of Excellence 2. Addressing specific capacity gaps including urban planning, socio-economic and environmental planning, project implementation and management, preparation of detailed project reports, municipal service delivery including water supply, sewerage and sanitation, solid waste management, financial management, urban transport,
29.	e. Training of elected representatives and personnel should be regarded as a continuing activity. Expenditure requirement on training may be taken into account by the State Finance Commissions while making recommendations. (39)		
30.	f. Academic research has a definite role to play in building		

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31.	<p>long-term strategic institutional capacity for greater public good. Organizations like the Indian Council of Social Science Research must be encouraged to fund theoretical, applied and action research on various aspects of the functioning of local bodies.(40)</p> <p>g. A pool of experts and specialists (e.g. engineers, planners etc.) could be maintained by a federation/consortium of local bodies. This common pool could be then accessed by the local bodies whenever required for specific tasks.(41)</p>		<p>costs recovery and user charges etc.</p> <p>3. Implementation of capacity building programme in pursuance of National Urban Sanitation Policy.</p> <p>4. Implementation of municipal reforms like property tax reforms, accounting reforms, e-Governance, public-private partnership etc.</p> <p>5. Applied research and development programmes related to water supply, sanitation, solid waste management, urban development etc.</p> <p>6. Communication and outreach activities like documentation and dissemination, website workshop / seminars / conferences etc.</p> <p>7. Monitoring and evaluation of the activities undertaken.</p> <p>The Ministry is also supporting training programmes for women elected representatives.</p> <p style="text-align: center;">Centres of Excellence</p> <p>Under the CBULB Scheme, the Ministry of Urban Development has created thirteen Centres of Excellence</p>

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			<p>with the aim to strengthen capacity building measures, awareness, research & training in priority areas of Urban Development and Management. The Centres of Excellence will address urban development issues at national, state and local levels and will provide support to State and local government in key areas of urban development. The centres of excellence include Administrative Staff College of India, Indian Institute of Management – Bangalore, IIT – Chennai, IIT – Guwahati, etc.</p> <p>In FY 2009-10, under the Capacity Building Scheme the proposals submitted by various State Governments were approved and grants released as per details below –</p> <p>(a) Capacity Building proposals from 6 States which cover areas of Accounting Reforms, Development of CDP and toolkit, preparation of DPR and project management, training of newly elected women representatives, elected representatives, town planning officers, Municipal Engineers etc; Communication campaign for community participation, citizen centric Municipal Services and reform;</p>

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		(a) to (g): Accepted	<p>Comprehensive Revenue Improvement Action Plan and Tax Mapping; and Strategizing of state sanitation programmes etc.</p> <p>(b) City Sanitation Plans for 85 cities.</p> <p>(c) Information Systems Improvement Plans (ISIP) for 12 Cities.</p> <p>An amount of Rs.39.10 crores were released in respect of the above proposals, including grants to the COEs.</p> <p>State / UT Governments are being encouraged to take up capacity building activities under the scheme.</p> <p><u>Ministry of Panchayati Raj</u></p> <p>(a) to (g): Ministry of Panchayati Raj had prepared a comprehensive National Capability Building Framework which is under implementation. States have been requested vide d.o. letter No.M-11011/71/2008- P&C dated 29.04.2009 to incorporate the Administrative Reforms Commission (ARC) recommendations into Capacity Building Programmes and Guidelines. Action research and research project has been initiated to prepare model guidelines for outsourcing of functions by local bodies.</p>

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<p>32.</p> <p>33.</p> <p>34.</p> <p>35.</p>	<p>11. (Para 3.7.5.6) Decentralized Planning</p> <p>b. In the interim and in accordance with the present constitutional scheme, DPCs should be constituted in all States within three months of completion of elections to local bodies and should become the sole planning body for the district. The DPC should be assisted by a planning office with a full time District Planning Officer.(43)</p> <p>c. For urban districts where town planning functions are being done by Development Authorities, these authorities should become the technical/planning arms of the DPCs and ultimately of the District Council.(44)</p> <p>d. A dedicated centre in every district should be set up to provide inputs to the local bodies for preparations of plans. A two-way flow of information between different levels of government may also be ensured.(45)</p> <p>e. The guidelines issued by the Planning Commission pertaining to the preparation of the plan for the district and the recommendations of the Expert Group regarding the planning process at the district level should be strictly implemented.(46)</p> <p>f. Each State Government should</p>	<p>(b) to (h): Accepted. It was noted that the Planning Commission had already issued guidelines which the States need to implement.</p>	<p><u>Ministry of Urban Development</u></p> <p>(b) to (h): State /UT Governments have been requested to take necessary action vide letter No.N-11025/56/2007 -UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009. Manual for Integrated District Planning prepared by the Planning Commission was circulated to all States/ UTs for use during district planning exercises. Ministry of Urban Development was actively involved in the formulation of the manual. The purpose of the manual is to assist planners at the local, district and State levels by taking into account resources locally available, infrastructure status and gaps, the aims and vision of the local people etc.</p> <p>A letter was sent by Secretary (MUD) to Chief Secretaries of all States/ UTs requesting action to facilitate enactment of enabling legislation and constitution of Metropolitan Planning Committees for all the metropolitan areas. So far out of 14 Metropolitan Planning Committee (MPC) States, six states viz. Andhra Pradesh, Gujrat, Karnataka,</p>

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36.	develop the methodology of participatory local level planning and provide such support as is necessary to institutionalize a regime of decentralized planning.(47)		Maharashtra, Tamil Nadu and West Bengal have constituted MPCs or passed enabling legislation for the same; six States /UTs viz. Chandigarh, Jharkhand, Madhya Pradesh, Punjab, Rajasthan, and Uttar Pradesh are yet to implement this; and Haryana & Delhi have not committed to the same.
37.	g. States may design a planning calendar prescribing the time limits within which each local body has to finalize its plan and send it to the next higher level, to facilitate the preparation of a comprehensive plan for the district.(48)		<p><u>Ministry of Panchayati Raj.</u></p> <p>(b) to (h) : District Planning Councils (DPCs) have now been constituted in 21 States. Gujarat has also constituted DPCs in some of the districts. Uttarakhand & Jharkhand are now the only States where DPCs are yet to be constituted. The matter is being pursued by Ministry of Panchayati Raj with Uttarkhand. Letters were sent at the Ministerial and Secretary level to Government of Uttarkhand in 2008 and 2009.</p>
38.	h. State Planning Boards should ensure that the district plans are integrated with the State plans that are prepared by them. It should be made mandatory for the States to prepare their development plans only after consolidating the plans of the local bodies. The National Planning Commission has to take the initiative in institutionalizing this process.(49)		<p>The Planning Commission in association with Ministry of Panchayati Raj has prepared and issued Manual on District Planning.</p> <p>Detailed advisory on decentralized integrated planning issued to States vide Ministry of Panchayati Raj letter No.N-11019/833/08-Pol.I dated 29.05.09.</p>

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<p data-bbox="107 856 155 888">39.</p> <p data-bbox="107 1402 155 1434">40.</p>	<p data-bbox="212 743 440 779">(Para 3.7.6.2.4)</p> <p data-bbox="201 821 699 1289">a. The function of planning for urban areas have to be clearly demarcated among the local bodies and planning committees. The local bodies should be responsible for plans at the layout level. The DPCs/District Councils – when constituted – and MPCs should be responsible for preparation of regional and zonal plans. The level of public consultation should be enhanced at each level.(50)</p> <p data-bbox="201 1331 699 1866">b. For metropolitan areas, the total area likely to be urbanised (the extended metropolitan region) should be assessed by the State Government and an MPC constituted for the same which may be deemed to be a DPC for such areas. As such an area will usually cover more than one district, DPCs for those districts should not be constituted (or their jurisdictions may be limited to the rural portion of the revenue district concerned).The MPCs should be asked to draw up a Master</p>	<p data-bbox="721 743 992 816">(a) to (e): Accepted.</p>	<p data-bbox="1019 302 1466 375"><u>Ministry of Urban Development</u></p> <p data-bbox="1019 417 1466 848">(a) to (e): State/Union Territory Government have been requested by the Ministry of Urban Development to take necessary action vide letter No.N-11025/56/2007-UCD dated 8.12.2008 and reminded vide letters dated 7.8.2009 and 3.9.2009. State / UT Governments are periodically being requested to take necessary action.</p>

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<p>41.</p> <p>42.</p> <p>43.</p>	<p>Plan/CDP for the entire metropolitan area including the peri-urban areas.(51)</p> <p>c. The planning departments of the Development Authorities (DAs) should be merged with the DPCs and MPCs who will prepare the master plans and zonal plans.(52)</p> <p>d. The task of enforcement and regulation of the master plans/CDPs drawn up by the MPCs should be the specific statutory responsibility of all the local bodies falling within the extended metropolitan region concerned.(53)</p> <p>e. The monopoly role of Development Authorities (DAs) in development of land for urban uses, wherever it exists, should be done away with. However, public agencies should continue to play a major role in development of critical city level infrastructure as well as low cost housing for the poor. For this purpose, the engineering and land management departments of the DAs should be merged with the concerned Municipality/ Corporation.(54)</p>		
<p>44.</p>	<p>12. (Para 3.8.6) Accountability and Transparency</p> <p>a. Audit committees may be constituted by the State Governments at the district level to exercise oversight regarding the integrity of financial information,</p>	<p>(a) to (j): Accepted except that the constitution of the District Council is not acceptable</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) to (j): State / UT Governments have been requested to take necessary action vide letter No.N-11025/56/ 2007 - UCD dated</p>

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45.	<p>adequacy of internal controls, compliance with the applicable laws and ethical conduct of all persons involved in local bodies. These committees must have independence, access to all information, ability to communicate with technical experts, and accountability to the public. For Metropolitan Corporations, separate audit committees should be constituted. Once the District Councils come into existence, a special committee of the District Council may examine the audit reports and other financial statements of the local bodies within the district. Such committee may also be authorized to fix responsibility for financial lapses. In respect of the audit reports of the District Council itself, a special committee of the Legislative Council may discharge a similar function.(55)</p> <p>b. There should be a separate Standing Committee of the State Legislature for the local Bodies. This Committee may function in the manner of a Public Accounts Committee.(56)</p>	(11(a)) as it would alter the existing structure of PRIs.	<p>08/12/2008 from Ministry of Urban Development and reminded vide letters dated 7.8.2009 and 3.9.2009. State / UT Governments are periodically being requested to take necessary action.</p> <p>The 13th Central Finance Commission has stipulated that State Governments must put in place a system of independent local body ombudsman to look into compliance of corruption and mal administration against functionaries of local bodies, which include both elected members and officials for recommending suitable action, for availing Performance Grant.</p> <p><u>Ministry of Panchayati Raj</u></p> <p>(a) to (h): Recommendation on Ombudsman has also figured in the 4th Report of ARC and this has already been referred to States vide D.O.No.A-4401 4 /1/ 06-Estt. Dated 21.08.2007. Last reminder sent on 6.2.2009. The model Panchayati Raj Act formulated by MoPR, which has a provision for Ombudsman, has been circulated to the States for adoption. Others referred vide D.O.No.N-11011 /54 / 2007-P&C (AR) (Vol.IV) dated 01.01.2009. Reminder issued on 10.02.2009.</p>
46.	<p>c. A local body Ombudsman should be constituted on the lines suggested below. The respective State Panchayat Acts and the Urban local Bodies Acts should be amended to include provisions pertaining to the local body Ombudsman.</p> <p>i. Local body Ombudsman should be constituted for a group</p>		

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	<p>of districts to look into complaints of corruption and maladministration against functionaries of local bodies, both elected members and officials. For this, the term 'Public Servant' should be defined appropriately in the respective State legislations.</p> <p>ii. Local body Ombudsman should be a single member body appointed by a Committee consisting of the Chief Minister of the State, the Speaker of the State Legislative Assembly and the Leader of the Opposition in the Legislative Assembly. The Ombudsman should be selected from a panel of eminent persons of impeccable integrity and should not be a serving government official.</p> <p>iii. The Ombudsman should have the authority to investigate cases and submit reports to competent authorities for taking action. In case of complaints and grievances regarding corruption and maladministration against local bodies in general and its elected functionaries, the local body Ombudsman should send its report to the Lokayukta who shall forward it to the Governor of the State with its recommendations. In case of disagreement with the recommendations of the Ombudsman, the reasons must be placed in the public domain.</p> <p>iv. In case of a Metropolitan Corporations, a separate Ombudsman should be constituted.</p>		<p>Reminder on recommendations (a), (b) & (g) sent vide No.M-11011 / 139 /2008- P&C(AR) on 20.01.2009. Reminder issued on 23.04.2009.</p>

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	v. Time limits may be prescribed for the Ombudsman to complete its investigations into complaints. (57)		
47.	d. In case of complaints and grievances related to infringement of the law governing elections to these local bodies, leading to suspension/ disqualification of membership, the authority to investigate should lie with the State Election Commission who shall send its recommendations to the Governor of the State. (58)		
48.	e. In the hierarchy of functionaries under the control of local bodies, functions should be delegated to the lowest appropriate functionary in order to facilitate access to citizens. (59)		
49.	f. Each local body should have an in-house mechanism for redressal of grievances with set norms for attending and responding to citizens'grievances. (60)		
50.	g. For establishing robust social audit norms, every State Government must take immediate steps to implement the action points suggested in para 5.9.5 of the Report of the Expert Group on 'Planning at the Grass roots Level'. (61)		
51.	h. It should be ensured that suo motu disclosures under the Right to Information Act, 2005 should not be confined to the seventeen items provided in Section 4(1) of		

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<p>52.</p> <p>53.</p>	<p>that Act but other subjects where public interest exists should also be covered.(62)</p> <p>i. A suitable mechanism to evolve a system of benchmarking on the basis of identified performance indicators may be adopted by each State. Assistance of independent professional evaluators may be availed in this regard.(63)</p> <p>j. Evaluation tools for assessing the performance of local bodies should be devised wherein citizens should have a say in the evaluation. Tools such as 'Citizens' Report Cards' may be introduced to incorporate a feedback mechanism regarding performance of local bodies.(64)</p>		<p><u>Ministry of Panchayati Raj</u></p> <p>(i) & (j) A research project has been initiated on this scheme.</p>
<p>54.</p> <p>55.</p>	<p>13. (Para 3.9.22) Accounting and Audit</p> <p>a. The accounting system for the urban local bodies (ULBs) as provided in the National Municipal Accounts Manual (NMAM) should be adopted by the State Governments.(65)</p> <p>b. The financial statements and balance sheet of the urban local bodies should be audited by an Auditor in the manner prescribed for audit of Government Companies under the Companies Act, 1956 with the difference that in the case of audit of these local bodies, the C&AG should prescribe guidelines for</p>	<p>(a) to (e): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) to (e): Establishment of accrual based double entry accounting systems is high on the reform agenda of all the programmes implemented by the Ministry such as JNNRUM, UIDSSMT, North Eastern Region Urban Development Programme and Scheme for Infrastructure upgradation in satellite towns and counter magnets. Subsequent to the National Municipal Accounts Manual, the Ministry has also brought out the Municipal Asset Valuation Methodology Manual and is in the process of</p>

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	<p>empanelment of the Chartered Accountants and the selection can be made by the State Governments within these guidelines. The audit to be done by the Local Fund Audit or the C&AG in discharge of their responsibilities would be in addition to such an audit.(66)</p>		<p>preparing a training manual for implementation of double entry accounts. State/ Union Territory Governments as well as C&AG have been requested to take necessary action vide letter No.N-11025/56/ 2007-UCD dated 8.12.2008 and reminded vide letters dated 7.8.2009 and 3.9.2009.</p>
56.	<p>c. The existing arrangement between the Comptroller & Auditor General of India and the State Governments with regard to providing Technical Guidance and Supervision (TGS) over maintenance of accounts and audit of PRIs and ULBs should be institutionalised by making provisions in the State Laws governing local bodies.(67)</p>		<p>The 13th Central Finance Commission has stipulated that the State Governments must put in place an audit system for all local bodies which may be certified by C&AG to ensure compliance of this condition for availing Performance Grants.</p>
57.	<p>d. It should be ensured that the audit and accounting standards and formats for Panchayats are prepared in a way which is simple and comprehensible to the elected representatives of the PRIs.(68)</p>		<p>(g) to (k): State/ UT Govts as well as C& AG have been reminded to take necessary action.</p> <p><u>The Ministry of Panchayati Raj</u></p>
58.	<p>e. The independence of the Director, Local Fund Audit (DLFA) or any other agency responsible for audit of accounts of local bodies should be institutionalized by making the office independent of the State administration. The head of this body should be appointed by the State Government from a panel vetted by the C&AG.(69)</p>		<p>(g) to (k): State /UT Governments as well as C&AG have been requested to take necessary action vide letter D.O. No.N- 11011/ 54/2007-P&C (AR) (Vol.-IV) dated 01/01/2009 by the Ministry of Panchayati Raj. Further reminder issued vide No.11011/134/2008-P&C dated 20.01.2009.</p>
59.	<p>g. Audit reports on local bodies should be placed before the State</p>		<p>The Ministry of Panchayati Raj is separately working with the</p>

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<p>60.</p> <p>61.</p> <p>62.</p> <p>63.</p>	<p>Legislature and these reports should be discussed by a separate committee of the State Legislature on the same lines as the Public Accounts Committee (PAC).(71)</p> <p>h. Access to relevant information/records to DLFA/designated authority for conducting audit or the C&AG should be ensured by incorporating suitable provisions in the State Laws governing local bodies.(72)</p> <p>i. Each State may ensure that the local bodies have adequate capacity to match with the standards of accounting and auditing.(73)</p> <p>j. The system of outcome auditing should be gradually introduced. For this purpose the key indicators of performance in respect of a government scheme will need to be decided and announced in advance.(74)</p> <p>k. To complement institutional audit arrangements, adoption and monitoring of prudent financial management practices in the local bodies should be institutionalized by the State Governments by legislating an appropriate law on Fiscal Responsibility for local Bodies.(75)</p>	<p>(g) to (k) Accepted.</p>	<p>C&AG for a robust and simple accounting and reporting system. Advisory is being issued to the States regarding maintenance and audit of accounts which includes simple and robust accounting formats.</p>
	<p>14. (Para 3.10.1.2) Information and Communication</p>		<p>Ministry of Urban</p>

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64.	<p>Technology</p> <p>a. Information and Communication Technology should be utilized by the local governments in process simplification, enhancing transparency and accountability and providing delivery of services through single window.(76)</p>	<p>(a): Accepted. Ministry of Panchyati Raj and Ministry of Urban Development may take further action. At the District Planning Unit that is planned by Planning Commission, ICT as well as space technology can be utilized. This unit will harmonize, synergize and integrate with the existing ICT infrastructure of NIC at the district level.</p>	<p><u>Development</u></p> <p>(a) : This Ministry is implementing the National Urban Information System (NUIS) Scheme. NUIS scheme comprises broadly two major components (a) Urban Spatial Information System (USIS) to meet the spatial (map / images, data /information) requirements of urban planning for routine functions and (b) National Urban Databank and Indicators (NUDBI) to develop town-level urban database to support development of indices through Local Urban Observations (LUO) under the National Urban Observatory (NUO) programme. During the 1st phase, 152 towns/cities will be covered under NUIS Scheme at an estimated cost of Rs.66.28 crore to be shared by the Centre and the State in the ratio of 75:25. Generation of digital maps and GIS database under this scheme is being outsourced to Survey of India who will undertake the job jointly with National Remote Sensing The Town and Country Planning Organization (TCPO) under the Ministry of Urban Development is the nodal agency for implementation and review of the scheme. A Memorandum of Agreement (MOA) between the Ministry of Urban Development and</p>

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			<p>Survey of India was signed on March 13, 2006. 152 towns have been selected under the scheme. During the 1st phase of this scheme, a total estimated sum of Rs.66.28 crore would be spent, out of which the Central Share is Rs.49.71 crore.</p> <p>Project on e-Governance in Municipalities that would ensure utilization of ICT by local governments for enhanced transparency and accountability as well as better service delivery through single window has been initiated. However, as per the decision of the Planning Commission the project is presently being implemented in 35 cities having million plus population as part of the JNNURM Scheme. Implementation of the project in other towns would wait till the implementation is watched in 35 cities.</p> <p><u>Ministry of Panchayati Raj</u></p> <p>(a) State / UT Governments have been requested to take necessary action vide D.O. No.N-11011/54/ 2007 -P&C (AR) (Vol.-IV) dated 01/01/2009.</p> <p>A Centrally sponsored scheme for e- governance in PRIs is being finalized by Ministry of Panchayati Raj. Work on</p>

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			Information and Service Needs Assessment (ISNA), Business Process Re-engineering (BPR) and preparation of Detailed Project Report (DPR), State-wise is underway.
<p>65</p> <p>66</p>	<p>15 (Para 3.10.2.8) Space Technology</p> <p>a. Space Technology should be harnessed by the local bodies to create an information based and for providing services (77)</p> <p>b. Local Governments should become one point service centres for providing various web based and satellite based services. This would however require capacity building in the local governments (78)</p>	(a) & (b): Accepted	<p><u>Ministry of Urban Development</u></p> <p>(a) & (b): Benchmarks for the provision of e-Governance related functions have been formulated. The benchmarks will cover functions such as Registration and issue of Birth/Death Certificate, Property Tax Administration. Payment and Management of Utility bills, Grievances Handling, Building approvals, e- Procurement, Issue of License etc.</p> <p>The National Mission Mode Project for e-Governance is under implementation in the 35 million plus cities and is likely to be extended to all 423 Class I cities as per the 2001 census. Achievement of these benchmarks will entail the use of space technology.</p>
	<p>16. (Para 4.1.3.5) Size of the Gram Panchayat</p>		<p><u>Ministry of Panchayati Raj</u></p> <p>(a): State /UT Governments</p>

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67.	a. States should ensure that as far as possible Gram Panchayats should be of an appropriate size which would make them viable units of self-governance and also enable effective popular participation. This exercise will need to take into account local geographical and demographic conditions.(79)	(a): Accepted.	have been requested to take necessary action vide D.O. No.N-11011/54/2007 -P&C (AR) (Vol.-IV) dated 01/01/2009 by the Ministry of Panchayati Raj. Reminder issued on 10.02.2009. Implementation lies with the States/UTs
68.	17. (Para 4.1.4.4) Ward Sabha - its Necessity a. Wherever there are large Gram Panchayats, States should take steps to constitute Ward Sabhas which will exercise in such Panchayats, certain powers and functions of the Gram Sabha and of the Gram Panchayat as may be entrusted to them.(80)	(a): Accepted.	<u>Ministry of Panchayati Raj</u> (a): State / UT Governments have been requested to take necessary action vide D.O. No.N-11011/54/2007 -P&C (AR) (Vol.-IV) dated 01/01/2009 by the Ministry of Panchayati Raj. Reminder issued on 10.02.2009. Implementation lies with the States / UTs.
69.	18. (Para 4.1.5.4) Personnel Management in PRIs a. Panchayats should have power to recruit personnel and to regulate their service conditions subject to such laws and standards as laid down by the State Government. Evolution of this system should not be prolonged beyond three years. Until then, the Panchayats may draw upon, for defined periods, staff from departments/agencies of the State Government, on deputation.(81)	(a) & (b): Accepted. However, any fresh recruitment should not result in an increase in the overall administrative cost.	<u>Ministry of Panchayati Raj</u> (a) & (b): State /UT Governments have been requested to take necessary action vide D.O. No.N-11011/54/ 2007 -P&C (AR) (Vol.- IV) dated 01/01/2009 by the Ministry of Panchayati Raj. In case of (b) reminder was sent on 06.02.2009 vide letter No.A-44014/1/06-Estt- AR (Vol.II). Implementation lies with the States/UTs.
70.	b. In all States, a detailed review of the staffing pattern and		

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75.	<p>against the Panchayats or their elected representatives on one or more of the grounds mentioned in 'b' above, it should place the records before the Ombudsman for urgent investigation. In all such cases, the Ombudsman will send his report through Lokayukta to the Governor in a specified period.(86)</p> <p>e. In all cases of disagreements with the recommendations made by the local Ombudsman/ Lokayukta, the reasons will need to be placed in the public domain.(87)</p>		
76.	<p>21. (Para 4.2.3.10) Activity Mapping</p> <p>a. States must undertake comprehensive activity mapping with regard to all the matters mentioned in the Eleventh Schedule. This process should cover all aspects of the subject viz; planning, budgeting and provisioning of finances. The State Government should set-up a task force to complete this work within one year.(93)</p>	(a) :Accepted.	<p><u>Ministry of Panchayati Raj</u></p> <p>(a): Central Ministries/ Deptts. & States/UTs have been addressed vide letter No.N11019/681/2008- Pol.I dated 19/01/09 from Ministry of Panchayati Raj.</p> <p>All the States with the exception of Jharkhand have undertaken the exercise for activity mapping. Ministry of Panchayati Raj is pursuing with the States for improving the quality and depth of the exercise. Implementation lies with the individual Ministries/ Departments and the States / UTs.</p>
	<p>22. (Para 4.2.4.2) Devolving Regulatory Functions to the Panchayats</p>		<p><u>Ministry of Panchayati Raj</u></p> <p>(a) & (b): Referred to Central</p>

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77.	a. Rural policing, enforcement of building byelaws, issue of birth, death, caste and residence certificates, issue of voter identity cards, enforcement of regulations pertaining to weights and measures are some of the regulatory functions which should be entrusted to Panchayats. Panchayats may also be empowered to manage small endowments and charities. This could be done by suitably modifying the laws relating to charitable endowments.(95)	(a) & (b): Accepted. However, control of local bodies over police functions was not agreed to.	Ministries / Deptts. & States /UTs vide D.O. letter No.M-11011/18 2/ 2008-P&C (AR), dated 16 /01 / 2009 by the Ministry of Panchayati Raj. Reminders also sent on 26.02.2009, 01.05.2009 & 10.08.2009. Implementation lies with the individual Ministries / Departments and the States /UTs.
78.	b. Regulatory functions which can be performed by the Panchayats should be identified and devolved on a continuous basis.(96)		
79.	<p>23. (Para 4.3.5.3) Resource Generation by the Panchayats</p> <p>a. A comprehensive exercise needs to be taken up regarding broadening and deepening of the revenue base of local governments. This exercise will have to simultaneously look into four major aspects of resource mobilisation viz. (i) potential for taxation (ii) fixation of realistic tax rates (iii) widening of tax base and (iv) improved collection. Government may incorporate this as one of the terms of reference of the Thirteenth Finance Commission.(97)</p>	(a) to (j): Accepted. Ministry of Panchayati Raj would take up the recommendations with the State Governments with regard to exploitation of minerals etc. Concerns of environment and pollution may be kept in mind.	<p><u>Ministry of Panchayati Raj</u></p> <p>(a) to (j) : Detailed advisory on Panchayat Finances issued to States/UTs vide letter No.M-11011/16/2009-P&C (AR) dated 9.04.2009.</p> <p>A resolution had been adopted in the national seminar on Panchayat Level Revenue Mobilization and Efficient Fiscal Transfers held in July, 2007 that covered most of the recommendations of the ARC. This resolution was forwarded to the States for follow up in August- 2007. The empowered Sub-Committee of NDC on Financial and Administrative Empowerment of PRIs also</p>
80.	b. All common property resources vested in the Village Panchayats		

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81.	<p>should be identified, listed and made productive for revenue generation.(98)</p> <p>c. State Governments should by law expand the tax domain of Panchayats. Simultaneously it should be made obligatory for the Panchayats to levy taxes in this tax domain.(99)</p>		<p>endorsed the recommendations adopted in the National seminar. The recommendations of the Empowered Sub-Committee of NDC were forwarded to all the States on 15th July, 2008. The report of the Empowered Sub Committee is proposed to be presented in the next meeting of the NDC.</p>
82.	<p>d. At the higher level, the local bodies could be encouraged to run/ manage utilities such as transport, water supply and power distribution on a sound financial basis and viability.(100)</p>		<p>The Ministry of Panchayati Raj in its Memorandum to the Thirteenth Finance Commission suggested in the National Seminar for enabling and empowering the Panchayats to enhance their own revenues. Action research and research project has been initiated on the theme of taxation capacity of Panchayats and incentive packages. Implementation lies with the States & UTs.</p>
83.	<p>e. The expanded tax domain could interalia include levies on registration of cattle, restaurants, large shops, hotels, cybercafés and tourist buses etc.(101)</p>		
84.	<p>f. The role of State Governments should be limited to prescribing a band of rates for these taxes and levies.(102)</p>		
85.	<p>g. PRIs should be given a substantial share in the royalty from minerals collected by the State Government. This aspect should be considered by the SFCs while recommending grants to the PRIs.(103)</p>		
86.	<p>h. State Governments should consider empowering the PRIs to collect cess on the royalty from mining activities. In addition they should also be given power to impose and collect</p>		

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<p>87.</p> <p>88.</p>	<p>additional/special surcharge from such activities (mines/minerals/plants).(104).</p> <p>i. Innovative steps taken by the States and the PRIs to augment their resources must be rewarded by linking Central Finance Commission and State Finance Commission grants to such measures. States may reward better performing PRIs through special incentives.(105)</p> <p>j. In the tax domain assigned to PRIs, Village Panchayats must have primary authority over taxation. However, where such taxation has inter-Panchayat ramifications, the local government institutions at higher levels - Intermediate Panchayat and Zila parishad could be given concurrent powers subject to a ceiling. Whenever a tax/fee is imposed by the higher tier, such taxes should be collected by the concerned Village Panchayats.(106)</p>		
<p>89.</p>	<p>24. (Para 4.3.7.5) Transfer of Funds to the Panchayats</p> <p>a. Except for the specifically tied, major Centrally Sponsored Schemes and special purpose programmes of the States, all other allocations to the Panchayati Raj Institutions should be in the form of untied funds. The allocation order should contain only a brief description of broad objectives and expected outcomes.(107)</p>	<p>(a) to (e): Accepted.</p>	<p><u>Ministry of Panchayati Raj</u></p> <p>(a) to (e): Ministry of Panchayati Raj has issued detailed advisory vide letter No.M-11011/16/2009-P&C (AR) dated 9th April, 2009 on Panchayat finances. Transfer of funds to the PRIs without delay and diversion through electronic tagging and tracking and placing information on the</p>

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90	b. State Governments should modify their rules of financial business to incorporate the system of separate State and District sector budgets, the later indicating district-wise allocations.(108)		State website would ensure better financial health, put pressure on Panchayats to be more accountable and efficient and reduce parking of funds and corruption. TFC grants are already being transferred electronically to PRIs by many States. Implementation lies with the States and UTs.
91.	c. There should be a separate Panchayat sector line in the State budget.(109)		
92.	d. State Governments should make use of the software on "fund transfer to Panchayats" prepared by the Union Panchayati Raj Ministry for speedy transfer of funds.(110)		
93.	e. State Governments should release funds to the Panchayats in such a manner that these institutions get adequate time to use the allocation during the year itself. The fund release could be in the form of equally spaced installments. It could be done in two installments; one at the beginning of the financial year and the other by the end of September of that year.(111)		
94.	<p>25. (Para 4.3.8.2) PRIs and Access to Credit</p> <p>a. For their infrastructure needs, the Panchayats should be encouraged to borrow from banks/financial institutions. The role of the State Government should remain confined only to fixing the limits of borrowing.(112)</p>	(a): Accepted.	<p><u>Ministry of Panchayati Raj</u></p> <p>(a): State /UT Governments have been requested by the Ministry of Panchayati Raj to take necessary action vide D.O. No.N-11011/54/2007 -P&C (AR) (Vol.-IV) dated 01/01/2009. Reminder sent on 10.02.2009. Implementation</p>

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			lies with individual Ministries and the States/UTs.
<p>95.</p> <p>96.</p>	<p>27. (Para 4.4.7) Rural Development</p> <p>a. The Commission while endorsing the views of the Expert Group on Planning at the Grass roots Level as given at Annexure-IV(2) to this Report, recommends that there has to be territorial / jurisdictional /functional convergence in implementing Centrally Sponsored Schemes.(115)</p> <p>b. The centrality of PRIs in these schemes must be ensured if they are to deal with the matters listed in the Eleventh Schedule:- (i) In all such schemes, the Gram/Ward Sabha should be accepted as the most important/cutting edge participatory body for implementation, monitoring and audit of the programmes. (ii) Programme committees dealing with functions under the Eleventh Schedule and working exclusively in rural areas need to be subsumed by the respective panchayats and their standing bodies. Some others having wider roles may need to be restructured to have an organic relationship with the Panchayats. (iii) In the programmes, where the activities percolate to areas and habitations below a</p>	<p>(a) to (d): Accepted.</p>	<p><u>Ministry of Panchayati Raj</u></p> <p>(a) to (d): Central Ministries & States have been addressed by the Ministry of Panchayati Raj vide letter No.N-11019/681/2008-Pol.I dated 19/01/2009 wherein certain guidelines have been suggested. Implementation lies with individual Ministries/ Departments and States/ UTs.</p>

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<p>97.</p> <p>98.</p>	<p>Panchayat/Ward level, a small local centre committee should be formed to support these activities. This Centre committee should be only a deliberative body with responsibility to provide regular feedback to the Gram Sabha/Ward Sabha and be accountable to it.(116)</p> <p>c. The Ministry sanctioning the programme should issue only broad guidelines leaving scope for implementational flexibility so as to ensure local relevance through active involvement of the Panchayats.(117)</p> <p>d. All Centrally Sponsored programmes should have properly demarcated goals and there should be a mechanism to assess their socio-economic impact over a given period of time. The NSSO may be suitably strengthened and assigned this task.(118)</p>		
<p>99.</p>	<p>29. (Para 4.5.4) Role of Panchayats in Delivery of Services</p> <p>a. In terms of the Eleventh Schedule of the Constitution, local level activities of elementary education, preventive and promotive health care, water supply, sanitation, environmental improvement and nutrition should immediately be transferred to the appropriate tiers of the PRIs.(122)</p>	<p>(a) & (b): Accepted.</p>	<p><u>Ministry of Panchayati Raj</u></p> <p>(a): Central Ministries / Depts /State /UT Governments have been given guidelines vide their letter dated 19.01.2009.</p> <p>(b): Referred to States vide their letter dated 01.01.2009. Reminder sent on 10.02.2009.</p> <p>Implementation lies with individual Ministries /</p>

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100	b. State Governments need to prepare an overarching Service Delivery Policy outlining the framework within which each department could lay down detailed guidelines for preparation of Service Delivery Plans.(123)		Departments and States / UTs.
101. 102. 103.	<p>35. (Para 5.2.2.4) Proposed Basic Structure - Ward Committees and Area Sabhas</p> <p>a. Government may consider the adoption of a common categorisation of urban bodies across the country to improve clarity in their definition so as to assist a systematic planning process and devolution of funds. A categorisation on the lines proposed given in Table 5.6 could be adopted.(136)</p> <p>b. There should be three tiers of administration in urban local governments, except in the case of Town Panchayats, where the middle level would not be required. The tiers should be: i. Municipal Council/Corporation (by whatever name it is called); ii. Ward Committees; and iii. Area Committees or Sabhas.(137)</p> <p>c. Each Area Sabha comprising all citizens in one or two (or more) polling station areas, should elect, once in five years, a small Committee of Representatives. The Committee of Representatives would elect one person who would chair the</p>	(a) to (j): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a) to (j): State / UT Governments have been requested by the Ministry of Urban Development to take necessary action vide letter No.N-11025/56/ 2007 -UCD dated 08/12/08 and reminded vide letters dated 7.8.2009 and 3.9.2009.</p> <p>Implementation of the 74th Constitutional Amendment which includes establishment of ward committees is being promoted through the JNNURM and UIDSSMT schemes. The Nagar Raj Bill provides for the creation of Areas Sabhas which is being promoted under JNNURM and UIDSSMT. States / UT Governments are periodically being requested to take necessary action.</p>

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	meetings of the Area Sabha and would represent the Area Sabha in the relevant Ward Committee. The State may, by law, prescribe the procedure and other details for such election;(138)		
104	d. Ward Committees should be set up in every Ward/Corporator's Division, The present system of having more than one ward in a Ward Committee needs to be given up;(139)		
105	e. Ward Committees need to be given legitimate functions which can be handled at that level. These functions could include street lighting, sanitation, water supply, drainage, road maintenance, maintenance of school buildings, maintenance of local hospitals/dispensaries, local markets, parks, playgrounds, etc;(140)		
106	f. Funds allocated for the functions entrusted to the Ward Committee should be transferred en-bloc to the Ward Committee. The budget proposed by the Ward Committee in respect to the functions allotted to it should be taken into account in formulating the overall municipal budget;(141)		
107.	g. Meetings of the Ward Committee should be widely publicised to ensure maximum citizens' participation;(142)		
108.	h. Ward Committees should be given a share of the property		

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109.	<p>taxes collected from the ward, depending on the locality;(143)</p> <p>i. The allocation of functional responsibilities between the tiers must be clearly spelt out. While doing so, the principle of subsidiarity should be followed. Broadly, the Area Sabha should perform functions similar to the Gram Sabha such as prioritising developmental activities and identifying beneficiaries under various schemes; and(144)</p>		
110.	<p>j. A process of activity mapping similar to the one taken up for PRIs should be carried out for all ULBs within one year.(145)</p>		
111.	<p>36. (Para 5.2.3.2) Zonal System for Large Cities</p> <p>a. Zonal offices with all administrative powers delegated to them may be set up immediately in Metropolitan Corporations and Municipal Corporations and become the main point of contact for people in respect of services and amenities. One zone for every five lakh (or less) population could be considered. Similar zonal offices should also be set up in other big cities within the next three years.(146)</p>	(a): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a): State / UT Governments have been requested by the Ministry of Urban Development to take necessary action vide letter No.N-11025/56/ 2007-UCD dated 08/12/08 and reminded vide letters dated 7.8.2009 and 31.8.2009. State / UT Governments are periodically requested to take necessary action.</p>
112.	<p>39. (Para 5.3.3.8) Property Tax Reforms</p> <p>a. State Governments should ensure that all local bodies switch over to the 'unit area method' or</p>	(a) to (i) Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a) to (i): State / UT Governments have been requested by the Ministry of Urban Development to take</p>

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<p>113.</p> <p>114.</p> <p>115.</p> <p>116.</p> <p>117.</p> <p>118.</p>	<p>'capital value method' for assessment of property tax in a time-bound manner.(155)</p> <p>b. The categories of exemptions from property tax need to be reviewed and minimized.(156)</p> <p>c. In order to ensure that unauthorised constructions do not escape the tax net, State laws should stipulate that levy of tax on any property would not, in itself, confer any right of ownership, in case the property is found to be constructed in violation of any law or regulation.(157)</p> <p>d. Tax details for all properties should be placed in the public domain to avoid collusion between the assessing authority and the property owner.(158)</p> <p>e. The State law should also provide for tax on properties belonging to the municipal authorities which are given on lease, to be payable by the occupants.(159)</p> <p>f. The law should provide for the levy of service charge on properties belonging to the Union and State Governments. This service charge should be in lieu of various services provided such as solid waste management, sanitation, maintenance of roads, streetlighting and general civic amenities.(160)</p> <p>g. A periodic physical verification</p>		<p>necessary action vide letter No.N-11025/56/ 2007 -UCD dated 08/12/08 and reminded vide letters dated 7.8.2009 and 3.9.2009.</p> <p>Property tax reforms including the GIS mapping area are a part of the reform agenda of all programme implemented by the Ministry of UD and capacity building support is also provided for this purpose. The issue of service charge being payable by the properties of the Union and State Governments has also been taken up with various Departments of the Union Government and an affidavit in this regard has also been filed in the Supreme Court on the basis of the consensus achieved. Detailed guidelines on implementation of property tax reforms have been issued under the JNNURM.</p> <p>Further, the 13th Central Finance Commission has stipulated following conditions for availing Performance Grant.</p> <p>(i) All local bodies should be fully enabled to levy property tax which includes tax for all types of residential and commercial properties. Self Certification by the State Government will demonstrate compliance of this condition.</p>

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<p>119.</p> <p>120.</p>	<p>of the properties and the taxes levied on them should be carried out in each municipal area by a separate wing directly under the control of the Chief Executive.(161)</p> <p>h. A computerized data base of all properties using GIS mapping should be prepared for all municipal areas.(162)</p> <p>i. Randomly selected cases of assessment should be audited by the government auditors as is done by C&AG in case of Union taxes. (163)</p>		<p>(ii) The State Governments must put in place a State level Property Tax Board which will assist municipalities and municipal corporations in the State to put in place an independent and transparent procedure for assessing property tax.</p> <p>The Ministry of UD proposes to assist States in this regard to enable them to avail 'Performance Based Grants'.</p> <p>The Ministry has endorsed the stand that service charges can be levied on the Union and State Governments' properties. This issue was also examined in the Supreme Court Case Rajkot Municipal Corpn Vs. UOI.</p> <p>The Ministry held consultations with various concerned Ministries / Departments and a broad consensus was evolved that service charges were payable to ULBs by the Central Government in respect of its properties.</p> <p>The Hon'ble Supreme Court in its final judgement in the above case categorically stated that Central Government is liable to pay Service Charges to ULBs in respect of its properties.</p>

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			<p>Based on this judgement advisories have been issued to all Central Government Ministries and State / UT Governments requesting them to take appropriate action.</p> <p>Detailed guidelines on implementation of property tax reforms have been issued under the JNNURM. However, State/ UT Governments are periodically requested to take necessary action.</p>
121.	<p>40. (Para 5.3.4.2) Octroi</p> <p>a. Octroi should be abolished, but the States should evolve mechanisms to compensate the local governments for the loss of revenue caused by such abolition.(164)</p>	(a): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a): State / UT Governments have been requested by the Ministry of Urban Development to take necessary action vide letter No.N-11025/56/ 2007 - UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009 and the matter is being pursued. All States except Maharashtra have abolished Octroi. Implementation lies with the States/UTs</p>

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122.	<p>41. (Para 5.3.5.2) Other Taxes</p> <p>a. The following principles should be followed while administering all taxes:</p> <p>i. The manner of determination of tax should be made totally transparent and objective;</p> <p>ii. As far as possible, all levies may be based on self declaration of the tax payer but this should be accompanied by stringent penalties in case of fraud or suppression of facts by the tax payer;</p> <p>iii. The cost of tax collection and of compliance should be reduced to a minimum;</p> <p>iv. There should be an independent unit under the Chief Executive to monitor the collection of all taxes; and</p> <p>v. The appeal against orders of assessing officers should lie with an independent quasi-judicial authority.(165)</p>	(a) :Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a): State/UT Govts have been requested to take necessary action vide letter No.N-11025/56/ 2007 -UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009. States / UT Governments are periodically being requested to take necessary action.</p>
123. 124.	<p>42. (Para 5.3.6.8) Non Tax Revenues</p> <p>a. A significant portion of grants to the municipalities must be linked with their own efforts at resource raising.(167)</p> <p>b. An impact study should be carried out for all major developments in the city. A congestion charge and/or betterment levy in relation to such</p>	(a) to (d): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a) to (d): State / UT Governments have been requested to take necessary action vide letter No.N-11025/56/ 2007 -UCD dated 08/12/08 and reminded vide letters dated 7.8.2009.</p> <p>The issue of recovery of user charges in respect of services such as water supply,</p>

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<p>125.</p> <p>126.</p>	<p>projects may be levied wherever warranted.(168)</p> <p>c. The power to impose fines for violation of civic laws should be given to municipal authorities. The relevant laws may be suitably modified.(169)</p> <p>d. The fines prescribed for civic offences need to be enhanced. The amount of fine should be regulated by Rules under the law so that it could be revised periodically without the necessity of an amendment to the law.(170)</p>		<p>sewerage and solid waste management has been emphasized under the reform agenda of JNNURM as well as service level benchmarks formulated by the Ministry. However, State / UT Governments are periodically being requested to take necessary action.</p>
<p>127.</p> <p>\</p> <p>128.</p>	<p>43. (Para 5.3.7.7) Borrowings</p> <p>b. Municipal bodies should be encouraged to borrow without Government Guarantees. However, for small municipalities, pooled financing mechanisms will have to be put in place by the State Government.(172)</p> <p>c. The capacity of the municipalities to handle legal and financial requirements of responsible borrowing must be enhanced.(173)</p>	<p>(b): Accepted. Ministry of Urban Development may look into the recommendation regarding borrowings by the Municipal bodies without Government guarantee.</p> <p>(c): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(b) & (c): The Government of India has launched two schemes namely the Tax Free Municipal Bond scheme and the Pooled Finance Development Scheme to facilitate borrowing by urban local bodies. Credit rating of cities covered under JNNURM has also been taken up and a study regarding a regulatory framework for municipal borrowing is underway. The Ministry is also organizing a number of workshops and seminars for sharing of best practices in this area. However, State / UT Governments are periodically being requested to take necessary action.</p>
	<p>44. (Para 5.3.8.7) Leveraging Land as a Resource</p>		<p><u>Ministry of Urban Development</u></p>

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<p>129.</p> <p>130.</p> <p>131.</p> <p>132.</p>	<p>a. Municipal bodies should have a periodically updated database of its properties. IT tools like GIS should be used for this purpose. This database should be in the public domain;(174)</p> <p>b. Land banks available with the municipalities as well as with the development authorities should be leveraged for generating resources for the municipalities. However, such resources should be used exclusively to finance infrastructure and capital expenditure and not to meet recurring costs.(175)</p> <p>c. Until the development authorities are merged with urban local bodies, a proportion of the revenue realised by such agencies from the sale of land, say, 25%, should be made available to the municipalities for meeting their infrastructure financing needs.(176)</p> <p>d. The respective municipal laws should provide that any built up property of municipal bodies shall not be given on rent/lease without following a competitive process. Such a lease period shall not exceed five years.(177)</p>	<p>(a) to (d) : Accepted</p>	<p>(a) to (d): State / UT Governments have been requested to take necessary action vide letter No.N-11025/56/ 2007 -UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009. Government of India is promoting this concept through several stakeholder consultations which are organized from time to time. However, States / UT Governments are periodically being requested to take necessary action.</p>
<p>133.</p>	<p>45. (Para 5.4.2.10) Regulatory Services</p> <p>a. A time-bound programme for</p>	<p>(a) to (d): Accepted.</p>	<p><u>Ministry of Urban Development</u></p>

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<p>134.</p> <p>135.</p> <p>136.</p>	<p>updating and simplification of all regulatory provisions relating to the ULBs should be made mandatory. Each State Government should create a task force to examine and suggest simplification of procedures in local governments. This task force could also suggest steps to be taken to reduce discretion and bring objectivity in the field offices of local governments. The city municipal corporations could undertake such an exercise on their own.(178)</p> <p>b. All service providers in cities should be brought under one umbrella by establishing 'one stop service centres. This could be completed within two years in all cities. Call centres, electronic kiosks, web based services and other tools of modern technology should be used by all ULBs to bring speed, transparency and accountability into delivery of services to the citizens.(179)</p> <p>c. Citizens' Charters in all Urban Local Bodies should specify time limits for approvals relating to regulatory services such as licenses and permits and these should be scrupulously adhered to. The charter should also specify the relief available to the citizens in case of non adherence.(180)</p> <p>d. A system of self certification by registered architects for issue of building permits should be introduced in all ULBs with</p>		<p>(a) to (d) : State / UT Governments have been requested to take necessary action vide letter No. N-11025/56 /2007-UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009.</p> <p>The issue of simplifying procedures will be part of the business process reengineering to be taken up while implementing e-Governance Systems. The service level benchmarks formulated by this Ministry factor in the concerns at (b) to (d). However, State / UT Govts. have been requested to take necessary action vide letter No. N-11025/56/2007-UCD dated 8.12.2008 and reminded vide letters dated 07.08.2009 and 3.09.2009.</p>

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	immediate effect, to start with, for individual residential units.(181)		
<p>137.</p> <p>138.</p>	<p>46. (Para 5.4.3.1.5) Creating a Responsive Institutional Framework</p> <p>a. The local government should be responsible for providing civic amenities in its jurisdiction.(182)</p> <p>b. In respect of all downstream activities of a particular State utility, as soon as it enters the geographical and administrative boundary of an Urban Local Body, the Government utility/ parastatal should become accountable to the ULB.(183)</p>	<p>(a) & (b): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) & (b): State / UT Governments have been requested to take necessary action vide letter No.N-11025/56/ 2007 -UCD dated 08/12/08 and reminded vide letters dated 7.8.2009 and 3.9.2009. However, State / UT Governments are periodically being requested to take necessary action.</p>
<p>139.</p> <p>140.</p> <p>141.</p>	<p>47. (Para 5.4.3.2.8) Water Supply</p> <p>a. Urban Local Bodies should be given responsibility for water supply and distribution in their territorial jurisdictions whether based on their own source or on collaborative arrangements with parastatals and other service providers.(184)</p> <p>b. Metropolitan Corporations may be given responsibility for the entire water supply programme from development to distribution. For other urban local bodies, a phased transfer of responsibilities for management of the distribution networks within their territorial jurisdiction while leaving source development to the parastatal agency would appear to be the most feasible approach.(185)</p> <p>c. State Finance Commissions</p>	<p>(a) to (g): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) to (g): An advisory on various issues relating to water supply was issued to the states vide D.O. No. Q-11011/4/2008-PHE.II dated the 30th January, 2009 suggesting inter-alia the following :</p> <p>i. Adoption of systematic approach for identification and reduction of leakage and preventive maintenance as an integral part of the operation and maintenance of the water supply system</p> <p>ii. Metering of water supply</p> <p>iii. Adoption and realization of benchmarks for service level delivery.</p>

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<p>142.</p> <p>143.</p> <p>144.</p> <p>145.</p>	<p>may be entrusted with the task of developing suitable normative parameters for different classes of local governments for arriving at optimum tariff structure.(186)</p> <p>d. Municipal bodies must focus on increasing operational efficiencies – through reduction in pilferage, improving efficiency of staff and use of technology.(187)</p> <p>e. The municipal bodies should meter all water connection within a time frame. Installing a hierarchy of metering system could help in identifying pilferage. Payment of water charges should be made hassle free through use of Information Technology. As far as possible all water connections should be metered, and if necessary targeted subsidy should be provided to the poorest sections.(188)</p> <p>f. Infrastructure development plans for water supply should be integrated with the CDPs.(189)</p> <p>g. Municipal bye-laws should provide incentives for adoption of water harvesting measures and recycling of waste water for non-potable purposes. In larger cities, non-potable water (recycled treated water) should be used for industries.(190)</p>		<p>iv. Introduction of mandatory water and energy audit.</p> <p>v. Improved Operation and Management through better monitoring and surveillance systems</p> <p>vi. Greater autonomy for water providers to judiciously upgrade, rehabilitate and expand distribution systems and treatment capacity as required.</p> <p>vii. Targeting of subsidies to capital costs and not recurrent costs.</p> <p>viii. Measures to improve credit worthiness of the urban local bodies to enable them to mobilize financial resources in the open market.</p> <p>ix. Build accountability of utilities through ensuring adequate span of control over revenue, investment and operations.</p> <p>x. Identification of possible sources for mobilizing the requisite funds for achieving the coverage targets apart from the conventional sources.</p> <p>xi. A review of the functioning of the State Water Boards/ PHE Departments and</p>

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			<p>the ULBs focusing on the following:</p> <p>(a) Organisational structure to identify their strengths, weaknesses and opportunities.</p> <p>(b) Responsibilities of these agencies in the planning, design implementation and operation and maintenance of water supply services and to identify the gaps and shortcomings and means to overcome the weaknesses.</p> <p>(c) Requisite training and skill upgradation needs of the existing technical and support personnel for meeting capacity building needs and timelines to accomplish this.</p> <p>(d) Career review of the existing manpower and inducting fresh qualified manpower, wherever necessary.</p> <p>(e) Optimal utilization of the capacities of the existing manpower by providing incentives/dis- incentives and motivation.</p> <p>(f) Simplifying the procedures and formalities to accord administrative and technical approvals for the projects so as to complete them on time as</p>

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			<p>per the PERT/CPM chart with achievable milestones to avoid time and cost overruns.</p> <p>(g) Policy reform for ring fencing the functional areas of the ULBs and parastatals for planning, design implementation and operation and maintenance of the services including formulation of requisite tariff structure and billing and collection.</p> <p>(h) Involvement of political, administrative and managerial personnel in policy planning, implementation and O&M, formulation of tariff etc.</p> <p>(i) Increasing coordination and interaction among the stakeholders organizations</p> <p>(j) Enabling the ULBs to prepare good quality DPRs by dovetailing the expertise available with parastatals.</p> <p>(k) Prioritizing the infrastructure provision such as maximizing the population coverage with water supply facilities with achievable targets and milestones with timelines in the next 5 years.</p> <p>(l) Estimation of the investment requirement for achieving the coverage</p>

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			<p>targets.</p> <p>2. Rainwater harvesting is a component of the Model Building bye-laws circulated by this Ministry and is also on the reform agenda of JNNURM.</p> <p>3. Service level benchmarks for the water supply sector have been formulated in August 2008 and they include 100% coverage of water supply connections, supply of 135 lpcd of water, 100% metering of connections, maximum amount of non revenue water not to exceed 20%, 24X7 water supply, 100% cost recovery etc. Recycling and re-use of water for non-potable applications to the minimum extent of 20% is included in the service level benchmarks formulated. It is proposed to appraise every water supply project (financed out of schemes implemented by the Ministry and externally aided projects) from the view point of their ability to achieve the benchmarks. A pilot project for the implementation of these benchmarks is under implementation in 27 cities.</p> <p>State/UT Govts. have been requested by the Ministry of Urban Development to take necessary action vide letter No.N-11025/56/2007-ICD dated 8.12.2008 and</p>

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			reminded vide letters dated 7.8.2009 and 31.8.2009. State / UT Governments are periodically being requested to take necessary action.
<p>146.</p> <p>147.</p> <p>148.</p>	<p>48. (Para 5.4.3.3.9) Sewerage Management</p> <p>a. Sanitation, as a matter of hygiene and public health, must be given due priority and emphasis in all urban areas. In all towns, advance action for laying down adequate infrastructure should be taken to avoid insufficiency of services.(191)</p> <p>b. Each municipal body should prepare a time bound programme for providing sewerage facilities in slum areas. This should be brought into action through appropriate allocation in the annual budget. Local bodies may impose a cess on the property tax or development charges in order to raise resources for expansion and capacity enhancement of the existing sewerage systems. In order to motivate the local governments to generate additional resources for sewerage management, matching grants may be provided by the Union and State Governments.(192)</p> <p>c. Community participation and co-production of services should be encouraged by municipal bodies. This should be supplemented by awareness</p>	<p>(a) to (d): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) to (d): The National Urban Sanitation Policy formulated by the Government of India in October 2008. The vision of the policy is that all Indian cities and towns become totally sanitized, healthy and livable and sustain good public health and environmental outcomes for all their citizens with a special focus on hygienic and affordable sanitation facilities for the urban poor and women. Awareness Generation and Behavioral Change; Open Defecation Free Cities; Integrated City Wide Sanitation; Sanitary and Sage Disposal and Proper Operation and Maintenance of all Sanitary Installations are main goals of the policy. A National Advisory Group on Urban Sanitation (NAGUS) with representatives of the Ministries of Health, Social Justice and Empowerment, Housing and Urban Poverty alleviation, Water Resources, external experts and representatives of State Governments has been</p>

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149.	<p>generation.(193)</p> <p>d. A separate user charge should be introduced in all municipalities, even as a minimum levy, for sanitation and sewerage, as distinct from water charges. State Finance Commissions may be entrusted with the task of developing suitable normative parameters for different classes of local governments for arriving at optimum user charges.(194)</p>		<p>constituted to assist the Ministry of Urban Development in implementing the National Policy. The following actions will be taken for furtherance of the policy:</p> <p>(i) Each State should formulate its own Sanitation Strategies and Cities will operationalize the state strategy through City Sanitation Plans. States/Cities are encouraged to take action for formulation of strategies/plans. Maharashtra, West Bengal and Madhya Pradesh have already initiated steps in this regard. Measures have already been taken to prepare city sanitation plans in respect of 50 cities in partnership with institution/ international agencies.</p> <p>(ii) States are encouraged to formulate reward scheme as has been done by the State of Maharashtra.</p> <p>(iii) Ministry of Urban Development will initiate an exercise for rating of Class I cities on various sanitation related parameters. Expressions of interest for rating of all Class I cities have already been invited and the short listing of firms for issue of RFP is in progress. All cities may be instructed to cooperate with the rating agencies for the smooth completion of this exercise.</p>

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			<p>(iv) A media campaign in 12 languages is being launched through FM channels with a view to bring about behaviour change especially as regards "open defecation". States are encouraged to launch campaigns along similar lines.</p> <p>Besides, service level benchmarks have also been formulated in the area of sewerage and they cover aspects such as coverage of sewage network, collection efficiency of sewage network, adequacy of sewage network, adequacy sewage treatment, extent of reuse and recycling of sewage treatment, extent of cost recovery in sewage management and efficiency in collection of sewage related charges etc. A pilot project for the implementation of these benchmarks is under implementation in 27 cities.</p> <p>A manual on sewerage management is being developed with the assistance of Centre for Science and Environment, Delhi and a manual for the implementation of decentralized waster water management systems is being prepared with the assistance of IIT, Chennai. In addition revision/ preparation of manuals on sewerage/sewage treatment is being carried out with the assistance of</p>

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			JICA. State/UT Governments have been requested to take necessary action vide letter No.N-11025/56/2007-UCD dated 8.12.2008 and reminded vide letters dated 07.08.2009 and 31.8.2009 . However, State / UT Governments are periodically being requested to take necessary action.
<p>150.</p> <p>151.</p> <p>152.</p> <p>153.</p> <p>154.</p>	<p>49. (Para 5.4.3.5.3) Solid Waste Management and Scavenging</p> <p>a. In all towns and cities with a population above one lakh, the possibility of taking up public private partnership projects for collection and disposal of garbage may be explored. This should, however, be preceded by development of capacity of the municipal bodies to manage such contracts.(195)</p> <p>b. Municipal bye-laws/rules should provide for segregation of waste into definite categories based on its manner of final disposal.(196)</p> <p>c. Special solid waste management charges should be levied on units generating high amount of solid waste.(197)</p> <p>d. Extensive surveys should be carried out by the State Governments to identify manual scavengers and estimate the number of dry latrines in existence within six months.(198)</p>	<p>(a) to (f): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) to (f): An advisory on various issues related to solid waste management was issued to the states vide D.O. No.Q-11011/3/2008-PHE.II dated 15.1.2009 suggesting inter-alia the following:-</p> <p>(i) Formal arrangement for door to door collection of waste, for recovery of recyclables, deployment of secondary collection receptacles and appropriate collection vehicles for effective primary collection, segregation of organic and inorganic wastes, regular removal/ replacement transportation of waste to the bigger vehicles to be transported to the transfer stations or disposal/landfill sites.</p> <p>(ii) Acquisition/ earmarking of land required for the project should be facilitated by proactive guidelines/direction</p>

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155.	<p>e. Following the survey, adequate funds should be allocated for the purpose of eradication of manual scavenging within one year.(199)</p> <p>f. Central Assistance to States Annual Plan should be tied to eradication of manual scavenging. Funds allocated under the JNNURM should also be linked to it.(200)</p>		<p>from the State level. Master Plan process should actively address this requirement.</p> <p>(iii) Waste characterization has to be done properly taking representative samples from the city for various types of wastes and the treatment process should be selected accordingly.</p> <p>(iv) Appropriate technology options for treatment of the organic content of the wastes should be chosen based on the physical and chemical characteristics of the wastes and local conditions etc.</p> <p>(v) IEC (Information, Education and Communication) in order to educate households, municipal staff as well as personnel engaged in collection and management of waste about need for segregation at source and improved sanitation is the most important element in success of a SWM project. This must accorded due and adequate priority.</p> <p>(vi) Polluter Pay Principle should be implemented in a calibrated manner in order to install a sense of discipline with respect to throwing of litter by people without any concern for cleanliness. The examples of Ahmedabad and Surat in Gujarat and Suryapet in</p>

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			<p>Andhra Pradesh could serve as a reference.</p> <p>2. Service level benchmarks have been formulated in the solid waste management sector and they cover the extent of household level coverage, extent of scientific disposal of municipal solid waste. Extent of cost recovery in Solid Waste management Services, efficiency in redressal of customer complaints. Efficiency in collection of users charges, extend of segregation of municipal solid waste recovered/ recycled and efficiency of collection of municipal solid waste.</p> <p>3. The Centres of Excellence such as the Administrative College of India and the IIT Chennai have also been requested to prepare project proposals for implementation of solid waste management projects in PPP mode.</p>
<p>156.</p> <p>157.</p>	<p>50. (Para 5.4.3.6.4) Power Utilities and Municipal Bodies</p> <p>a. Municipal bodies should be encouraged to take responsibility of power distribution in their areas. This, however, should be done after adequate capacity building in these organizations.(201)</p> <p>b. Municipal building bye-laws</p>	<p>(a) to (c): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) to (c): State/UT Governments have been requested to by the Ministry of Urban Development to take necessary action vide letter No.N-11025/56/ 2007 -UCD dated 08/12/2008 and reminded vide letters dated</p>

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158.	<p>should incorporate power conservation measures.(202)</p> <p>c. Municipal bodies should coordinate the layout plans for the distribution networks of power and other utilities.(203)</p>		7.8.2009 and 3.9.2009. State / UT Governments are periodically being requested to take necessary action.
159. 160. 161. 162.	<p>51. (Para 5.4.4.3) Services for Human Development</p> <p>a. There has to be a shift in emphasis in the crucial service delivery sectors of education and health from centralized control to decentralized action, from accountability to the State department to accountability to the local communities and from employment guarantee to service guarantee.(204)</p> <p>b. It is necessary that all schools are made functionally self-sufficient, in as much as basic facilities and classroom requirements are provided in all urban schools within the next two years.(205)</p> <p>c. The municipalities, especially the larger ones, should seek the help of NGOs, the corporate sector and individual volunteers for assistance in running schools. Indeed, it would be useful to initiate a voluntary service element in our social sector to improve service delivery.(206)</p>	(a) to (i): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a) to (i): State / UT Governments have been requested by the Ministry of Urban Development to take necessary action vide letter No.N-11025/56/ 2007 -UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009. State / UT Governments are periodically being requested to take necessary action.</p>

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	d. The trend in urban areas to shift towards private healthcare needs to be seen as an opportunity by the City authorities to concentrate on public health as distinct from clinical services, and on preventive and not only curative aspects of health care. (207)		
163.	e. Institution specific standards should be prescribed for schools and hospitals and third party assessments carried out to monitor performance in service delivery. Performance based incentives should be prescribed at all levels by breaking salary ceilings to guarantee service outcomes and linking permanence in service to performance. (208)		
164.	f. Recruitment for hospitals and schools should be made to an institution/Society, moving away from non accountable State level recruitment. (209)		
165.	g. Local bodies should ensure convergence among health systems, sanitation facilities and drinking water facilities. Primary level public health institutions in urban areas should be managed by the urban local bodies. (210)		
166.	h. For all services provided by local governments there is need to develop a set of performance indicators. The concerned Ministry should lay down broad guidelines for this purpose. Thereafter, the State Governments could lay down norms for this purpose. (211)		

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167.	i. The concerned Ministry should maintain a State-wise database about the performance of various service delivery systems. Similarly, the State should have a database for such services covering all municipal bodies.(212)		
168.	<p>52. (Para 5.4.5.15) Urban Transport Management</p> <p>a. Urban Transport Authorities, to be called Unified Metropolitan Transport Authorities in the Metropolitan Corporations, should be set up in cities with population over one million within one year, for coordinated planning and implementation of urban transport solutions with overriding priority to public transport.(213)</p>	(a) to (g): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a): Unified Metropolitan Transport Authority (UMTA) has been set up by the Government of Andhra Pradesh for Hyderabad, Government of Karnataka for Bangalore, Government of Rajasthan for Jaipur, Government of Tamil Nadu for Chennai, Government of Maharashtra for Mumbai, Government of Orissa for Puri and Bhubaneswar, Government of Jharkhand for Ranchi, Dhanbad and Jamshedpur, and Government of Nagaland for Kohima.</p> <p>(b): The functions of Unified Metropolitan Transport Authority (UMTA) set up by the States, inter-alia, include land use and transport planning, coordination and implementation of various traffic and transportation</p>
169.	b. UMTAs/UTAs should be given statutory powers to regulate all modes of public transport, decide on complementary routes for each operator, and fix fares as well as service standards, etc. In addition, UMTAs/UTAs should be given		

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	financial powers and resources to give or recommend financial support, where necessary, to operators on unviable routes.(214)		measures/ projects, feeder services, common ticketing, notification/ determination of routes, service delivery standards, tariff policy, disposal of issues among different service providers etc.
170.	c. Integration of land use with transport planning should be made mandatory for all ULBs as well as planning bodies such as the DPCs and MPCs.(215)		(c): An Advisory circular has been issued by the Ministry vide letter dated 5 th March, 2007 for preparation of Comprehensive Mobility Planning which lays emphasis on mobility of people rather than vehicles. It also envisages to integrate land-use and transport planning.
171.	d. Demand for transportation in cities should be managed by adopting demand control measures like: i. Imposition of congestion levies; ii. Pedestrianisation of certain zones; and iii. Reserving access to certain areas only through public transport.(216)		(d): As far as control measures for demand for transportation in cities are concerned, imposition of congestion levies is at pre-mature stage. As far as pedestrianisation of certain zones is concerned, an Advisory has been issued to all States/ UTs vide letter dated 2.1.2008 for promoting pedestrianisation and non-motorised transport. For reserving certain areas through public transportation only-proposals for Bus Rapid Transit System (BRTS) have been sanctioned in 10 mission cities across the country. BRTS envisages dedicated/demarcated lanes for plying buses for public transport.

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172.	e. Revitalization of public transport services in cities should be taken up as priority projects under JNNURM and by tapping other sources of revenue as has been done in Indore and other cities. The aim should be to promote well structured public-private initiatives for modernising and redefining public transport. At the same time the efficiency of the existing State owned transport systems needs to be improved.(217)		(e): Under the 2 nd stimulus package announced by the Govt. in January, 2009, sanction was given for 15260 buses as per urban bus specifications to 61 mission cities across the country under JNNURM Scheme at an estimated cost of about Rs.4723.94 crore out of which admissible central assistance is about Rs.2088.85 crore with a view to transforming the city bus service which has been neglected for years. More than 7000 buses have been received by the States/ UTs/ ULBs. The guidelines of this scheme provide for public private partnership in running of the buses.
173.	f. Public transport systems should generally be multi-modal. The modes should be based on economic viability. High capacity public transport systems like metro rail or high capacity bus systems should form the backbone in mega cities supplemented by other modes like a bus system.(218)		(f): In addition to existing modes of public transport, phase I of Delhi Metro Project has been completed. Phase II of Delhi Metro Project is under implementation. In addition, metro projects have also been sanctioned for Bangalore, Kolkata and Chennai on Govt. funding pattern and for Mumbai & Hyderabad on PPP. The procurement of buses under JNNURM has been sanctioned for 61mission cities as well as for improving the BRTS and city bus service therein.

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174.	g. While building transport infrastructure in cities, it must be ensured that the needs of the pedestrians, the elderly, the physically challenged and other users of non motorised means of transport are adequately met.(219)		<p>In addition, Common Mobility Card across all operators, all modes including parking and all cities in India is being implemented on pan India basis through M/s UTI Technology Services Limited, a wholly owned PSU of the Ministry of Finance, Government of India, to provide seamless connectivity across all modes.</p> <p>(g): Ministry of Urban Development vide their letters dated 2.1.2008 and 27.5.2008, have advised all States/ UTs for promoting pedestrianization and non-motorized transport and to ensure that public places including transport are made accessible to elderly persons and persons with disabilities/ physically challenged respectively.</p> <p>An advisory dated 06.12.2010 has been issued to all States / UTs to take follow up action on these recommendations on priority and to intimate the progress.</p>
175.	55. (Para 5.5.2.9) Re-Forming Mega Cities a. Public-Private Partnership projects for redevelopment of inner city areas need to be encouraged through a transparent	(a): Accepted	<p><u>Ministry of Urban Development</u></p> <p>(a): This is covered in the agenda of JNNURM.</p>

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	and well structured regulatory regime of incentives and penalties.(225)		
<p>176.</p> <p>177.</p> <p>178.</p>	<p>56, (Para 5.5.3.4.) Developing 25-30 World Class Mega Cities in India.</p> <p>a. Government should prepare an action plan to redevelop about 25-30 cities (having a population of more than a million) to achieve international level amenities and services as modern megacities of the future.(226)</p> <p>b. Reform linked initiatives like JNNURM are an opportunity to complement physical development with enforcement of civic laws and general law enforcement in order to usher in genuine civic regeneration in our cities. In addition to infrastructure development in our cities, such large capital investment programs for city development should be invariably linked with a zero tolerance strategy towards civic violations.(227)</p> <p>c. As mentioned in the Commission's report on 'Public Order', a "zero tolerance strategy" can be institutionalized in the enforcement departments of local bodies by using modern technology to monitor the levels and trends in various types of civic offences. These can then be linked to a system of incentives and penalties to hold accountable the officials working in these</p>	(a) to (c): Accepted	<p><u>Ministry of Urban Development</u></p> <p>(a) to (c) : The mega cities are covered under JNNURM</p>

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	departments. On the spot fines and other summary penalties should be used to inculcate civic discipline and deter and prevent minor civic violations that are at present largely ignored.(228)		
<p>179.</p> <p>180.</p> <p>181.</p>	<p>57. (Para 5.5.4.7) Authorities for Metropolitan Corporations</p> <p>b. As recommended in para 5.4.5.15 of this Report, a United Metropolitan Transport authority should be set up in all mega cities for coordinated planning and implementation of urban transport solutions with overriding priority o public transport, (230)</p> <p>c. For all Metropolitan Corporations, which may be defined as cities with a population exceeding 5 million, MPCs may be constituted with the Chief Minister as the Chairperson in order to give the required impetus to the process of planning for such urban agglomerations.(231)</p> <p>d. In all cities with a population exceeding five million, a Metropolitan Environment Authority needs to be set up with powers delegated by the State Government from the State Pollution Control Board and related authorities. It should be vested with adequate powers for urban environmental management within the city limits.(232)</p>	<p>(b) to (d): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(b) to (d): State/UT Governments have been requested by Ministry of Urban Development. to take necessary action vide letter No.N-11025/56/ 2007 - UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009. State / UT Governments are periodically being requested to take necessary action. Remarks in respect of the recommendations on decentralized planning (para no. 5.4.5.15) may also be seen.</p>
	59. (Para 5.6.3.2.5) Measures for		<u>Ministry of Housing and</u>

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
<p>182.</p> <p>183.</p> <p>184.</p> <p>185.</p>	<p>Poverty Alleviation – Employment</p> <p>a. After identifying the urban poor through surveys, a mission mode approach would need to be adopted for alleviating urban poverty in a time-bound and systematic manner. The urban local bodies may also have their own poverty alleviation schemes with adequate backward and forward linkages converging with the other poverty alleviation schemes.(234)</p> <p>b. The thrust of the urban poverty alleviation schemes should be on up gradation of skills and training. Training institutes may be set up on the lines of RUDSETIs for imparting training to the urban poor for self employment. These institutes could also help in developing wage employment related skills.(235)</p> <p>c. In case of setting up of micro-enterprises, the urban poverty alleviation schemes should be flexible in selecting projects and providing financial assistance.(236)</p> <p>d. To maximise the benefits of micro-finance, formation of Self-Help Groups (SHGs) needs to be encouraged. Institutions and NGOs with good track record should be encouraged to promote SHGs for availing micro-finance.(237)</p>	<p>(a) to (d): Accepted.</p>	<p><u>Urban Poverty Alleviation</u></p> <p>(a) to (d): Guidelines of Swarna Jayanti Shahari Rozgar Yojana (SJSRY), the only poverty alleviation scheme in the country has been comprehensively revamped and has come into force from 1.4.2009. The scheme has 5 components: (i) Urban Self Employment Programme (USEP) (ii) Urban Women Self-help Programme (UWSP) (iii) Skill Training for Employment Promotion amongst Urban Poor (STEP-UP) (iv) Urban Wage Employment Programme (UWEP) (v) Urban Community Development Network (UCDN)</p> <p>The Ministry has identified more than 25 resource centres under a programme called National Resource Centres which are supported for imparting training. The Ministry has issued guidelines to States for skill training for the urban poor through various training institutions, agencies, NGOs etc. keeping in view the National Skill Development Policy.</p> <p>As regards micro-enterprises the new guidelines of SJSRY provides flexibility to State Governments in selecting</p>

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			<p>projects and providing financial assistance-linkage.</p> <p>Urban Women Self-Help Programme under SJSRY focuses on self-help groups/thrift and credit societies.</p> <p>As regards microfinance, a Committee was constituted under the chairmanship of Shri S.Sridhar, Chairman-cum - Managing Director(CMD), National Housing Bank (NHB), which has submitted its recommendations. The Committee recommended that a fund may be created dedicated to Housing Microfinance, in NHB / Housing & Urban Development Corporation (HUDCO) to:</p> <p>(a)enable NHB / HUDCO to leverage their financial support to the Housing Micro Finance Institutions (HMFIs) at the micro level,</p> <p>(b) provide promotional and institutional capacity building support to HMFIs,</p> <p>(c)encourage regulated housing microfinance institutions through refinance and risk mitigants, and,</p> <p>(d) work with specialized agencies to provide technical assistance for cost effective and energy efficient constructions.</p>

S. No.	Recommendations made by Administrative Commission Reforms	Government's Decision	Action Taken
186.	<p>60. (Para 5.6.3.3.4) Measures for Poverty Alleviation – Literacy</p> <p>a. The education plan should form an integral part of the development plan for the city.(238)</p>	(a): Accepted.	<p><u>Ministry of Housing and Urban Poverty Alleviation (HUPA)</u></p> <p>(a): Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) one of the reforms is implementation of the 7-Point Charter which envisages that States and Urban Local Bodies provide a package of services to the urban poor including education.</p> <p>Secretary (HUPA) has written to State Governments to set mile stones for completion of State & City level pro-poor reforms stipulated under Basic Services to the Urban Poor (BSUP) and Integrated Housing Slum Development Programme (IHSDP).</p> <p>This reform is to be implemented in a staggered manner over the Mission Period in convergence with the programmes of other Ministries as this is also an outcome of the Mission. 4 cities (Pune, Vishakapatnam, Surat and Raipur) have achieved the target. As the implementation of this reform involves a complete package of basic entitlements / services – land tenure, affordable housing, water sanitation, education, health and social security, most cities have programmed</p>

S. No.	Recommendations made by Administrative Commission Reforms	Government's Decision	Action Taken
			its achievement towards the end of the Mission i.e. 2011-12. The Ministry of Housing and Urban Poverty Alleviation has issued advisory to States / UTs regarding the modalities to be adopted for completing the implementation of the three pro-poor reforms under JNNURM and to draw an action plan and set clear milestones for occupancy of the houses constructed under BSUP and IHSDP as early as possible.
<p>187.</p> <p>188.</p> <p>189.</p>	<p>63. (Para 5.7.2.12) The Town and Country Planning Act(s)</p> <p>a. The City Development Plan (CDP) and zoning regulations once approved should remain in force for ten years. No authority should normally have any power to change the CDP.(244)</p> <p>b. Infrastructure plans should be made an integral part of the City Development Plan (CDP) in order to ensure that urban planning in cities become a truly holistic exercise.(245)</p> <p>c. The existing system of enforcement of building regulations needs to be revised. It should be professionalised by licensing architects and structural engineers for assessment of structures and for certification of safe buildings. The units of local bodies dealing with enforcement of building bye-laws and zoning</p>	(a) to (e): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a) to (e): The recommendations have been conveyed by the MoUD to the States/UT Govts. on 31.8.2009.</p>

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
<p>190.</p> <p>191.</p>	<p>regulations also need to be strengthened.(246)</p> <p>d. Prevention of Disaster Management must find a prominent place in spatial planning. Specific guidelines need to be framed by the Ministry of Urban Development. These should be addressed by including them in the zoning regulations and building bye-laws.(247)</p> <p>e. The standards prescribed by BIS for disaster resistant buildings should be available in the public domain, free of cost. They should also be posted on websites of the concerned government agencies to promote compliance.(248)</p>		
<p>192.</p>	<p>64. (Para 5.7.5.3) Development Areas</p> <p>a. In respect of all townships and satellite towns developed under the development authorities, it should be ensured that as soon as the development process is completed, jurisdiction over the township should be transferred to the local bodies.(249)</p>	<p>(a): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a): The recommendations have been conveyed to the State Govts. Vide letter dated 31.8.2009.</p>
<p>193.</p>	<p>65. (Para 5.7.6.5) Private Townships</p> <p>a. Private townships and gated communities must be placed under the jurisdiction of the concerned local body and subject to its laws, rules and bye-laws. However, they can have autonomy for provision of</p>	<p>(a) & (b): Accepted.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a) to (b) The recommendations have been conveyed to the State Governments vide letter dated 31.8.2009.</p>

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194.	<p>infrastructure and services within their precincts and /or for collection of taxes and charges (para 5.7.7.2) (250)</p> <p>b. The establishment of private, gated colonies must be allowed only within the broad parameters of the larger regional urban planning process where the development plans must clearly indicate spaces for private expansion make mandatory provision for low cost housing and should be integrated with the availability of infrastructure services.(251)</p>		
195.	<p>66. (Para 5.7.7.4) Special Economic Zones (SEZs)</p> <p>a. As in the case of private townships, concerned local bodies should have full jurisdiction with regard to enforcement of local civic laws in the SEZs.(252)</p>	(a) & (b): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a) & (b): the recommendations have been conveyed to the State Governments vide letter dated 31.8.2009.</p>
196.	<p>b. SEZs may be given autonomy for provision of infrastructure and amenities in the SEZ area. A formula for sharing the resources raised in the SEZ area needs to be developed.(253)</p>		
197.	<p>67. (Para 5.8.4) Urban Local Bodies and the State Government</p> <p>a. Municipal governments should have full autonomy over the functions/activities devolved to them.(254)</p>	(a) to (c): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(a) to (c) : State / UT Governments have been requested to take necessary action vide letter dated 8.12.2008 and reminded vide</p>

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198.	b. If the State Government feels that there are circumstances that make it necessary to suspend or rescind any resolution passed by the Urban Local Bodies or to dissolve or supersede them, it should not do so unless the matter has been referred to the concerned local body Ombudsman and the Ombudsman recommends such action.(255)		letters dated 7.8.2009 and 3.9.2009 . State / UT Governments are periodically being requested to take necessary action.
199.	c. If, on any occasion, the State Government is in possession of records or has adequate reasons to initiate action against the Urban Local Bodies or its elected representatives, it should place the records before the local body Ombudsman concerned for investigation.(256)		

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**Administrative Reforms Commission's 6th Report titled
"Local Governance – An Inspiring Journey into the Future"**

Accepted Recommendations (II)

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
	20. (Para 4.1.7.8) Position of Parastatals		<u>Ministry of Panchayati Raj</u>
1.	a. Parastatals should not be allowed to undermine the authority of the PRIs.(88)	(a), (c) to (e): Accepted.	(a), (c) to (e): Central Ministries and States have been addressed by letter No. N-11019/681/2008-Pol.I dated 19 th January, 2009. wherein it has been suggested that parallel bodies should either be phased out or made a Committee of Panchayats. If necessary, the technical and professional component of these PBs could be retained as Cells or Units within the PRIs, for carrying out their technical and professional functions. This issue is also raised in various meeting and forums by MoPR.
2.	c. The District Health Society (DHS) and FFDA should be restructured to have an organic relationship with the PRIs.(90)		
3.	d. The Union and State Governments should normally not setup special committees outside the PRIs. However, if such specialised committees are required to be set-up because of professional or technical requirements, and if their activities coincide with those listed in the Eleventh Schedule, they should, either function under the overall supervision and guidance of the Panchayats or their relationship with the PRIs should be worked out in consultation with the concerned level of Panchayat.(91)		
4.	e. Community level bodies should not be created by decisions taken at higher levels. If considered necessary the initiative for their		

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
	creation should come from below and they should be accountable to PRIs.(92)		
5.	<p>21. (Para 4.2.3.10) Activity Mapping</p> <p>b. The Union Government will also need to take similar action with regard to Centrally Sponsored Schemes.(94)</p>	(b): Accepted.	<p><u>Ministry of Panchayati Raj</u></p> <p>(b): Central Ministries & States have been given guidelines vide letter dated 19th Jan, 2009. Activity mapping matrices delineating specific roles to each tier of PRIs in planning, implementation and monitoring in respect of a large number of CSSs like ICDS, SSA, NRHM, MGNREGA, NHM, Gram Van Yojana had been sent to the respective Ministries / Departments for incorporation in the relevant scheme guidelines. But implementation by Ministries has been poor.</p>
6.	<p>28. (Para 4.4.8.6) Information, Education and Communication – IEC</p> <p>a. A multi-pronged approach using different modes of communication like the print media, the visual media, electronic media, folk art and plays etc. should be adopted to</p>	(a) to (c): Accepted. Ministry of Panchyati Raj would take up the recommendations with the Ministry of	<p><u>Ministry of Panchayati Raj</u></p> <p>(a) to (c): Reference has been made to Ministry of Information & Broadcasting vide D.O. letter dated 27.02.09. A reminder has</p>

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
7.	disseminate information and create awareness about Panchayati Raj. It should be ensured that there is a convergence in approach to achieve synergies and maximise reach.(119)	Information and Broadcasting.	been sent to Min of I & B vide D.O No.J-11022/ARC-IEC/2009-Media dated 30 th July,2010 to intimate the status of implementation of the recommendation. The response from Ministry of I &B is awaited.
7.	b. The Union Ministry of Information and Broadcasting should devise a mechanism in consultation with the Union Ministry of Panchayati Raj, Ministry of Rural Development and Ministry of Agriculture and other concerned Ministries for effectively implementing this activity.(120)		MoPR's publicity material using print media, visual media, electronic media, folk art and plays etc. is often designed through the concerned Media unit of I&B.
8.	c. Rural broadcasting should become a full-fledged independent activity of the All India Radio. Rural broadcasting units should be based in the districts and the broadcasts should be primarily in the local language(s) prevalent in the district. These programmes should focus on issues related to Panchayati Raj Institutions, rural development, agriculture, Right to Information and relevant ones on public health, sanitation, education etc.(121)		.
9.	30. (Para 4.5.5.6) Resource Centre at the Village Level a. Steps should be taken to set up Information and Communication Technology (ICT) and space Technology enabled Resource Centres at the Village and Intermediate Panchayat levels for	(a) to (c): Accepted. However, it would need to be ensured that these Centres take into account the Department of	<u>Ministry of Panchayati Raj</u> (a) to (b): The proposed e-Panchayat scheme covers this aspect. But plan funds have not been made available for this scheme. Therefore, inspite of

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
10.	local resource mapping and generation of local information base.(124) b. These Resource Centres should also be used for documenting local traditional knowledge and heritage.(125)	Information Technology's initiative to set up 1,00,000 Common Service Centres (CSC).	Detailed Project Reports prepared by each State, the scheme could not be rolled out. (c) Ministry of HRD, Department of School Education & Literacy has been requested to take appropriate action vide letter No.M-11011/142/2008-P&C dated 23.02.2009 Min. of HRD (Dept. of School Education & Literacy) has been again reminded on 1 st Novmber,2010.
11.	c. Capacity building should be attempted at the local level by shifting the currently available post school generalistic education to a skill and technology based system having focus on farm & animal husbandry practices, computer applications, commercial cropping and soil and water management.(126)		
12.	31. (Para 4.6.1.2.3) Local Government in the Fifth Schedule Areas a) The Union and State legislations that impinge on provisions of PESA should be immediately modified so as to bring them in conformity with the Act.(127)	(a): Accepted.	<u>Ministry of Panchayati Raj</u> (a): The meetings were held with relevant Departments of PESA States for amendment of State Act in relation to Panchayati Raj, Revenue Exercise, Environment and Forests and Mining etc. where required and make rules and take steps towards implementation. A study in respect of 4 Central Laws has been undertaken and forwarded to MoEF, Department of

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
			Land Resources and Ministry of Mines. Specific suggestions have also been given by MoPR to these Ministries. MoPR has followed up with States and Ministries for amendment of laws. A detailed advisory dated 21.05.2010 has been issued in this regard.
	32. (Para 4.6.1.4.4) Effective Implementation of PESA		<u>Ministry of Panchayati Raj</u>
13.	a. Regular Annual Reports from the Governor of every State as stipulated under the Fifth Schedule, Part A (3) of the Constitution must be given due importance. Such reports should be published immediately and placed in the public domain. (129)	(a) to (c): Accepted subject to the views of MHA being obtained in this matter.	(a): Ministry of Tribal Affairs has been requested to take necessary action vide letter No.N-11012/13/2008-P&J dated 04/02/2009 from Ministry of Panchayati Raj. Ministry of Tribal Affairs has again been reminded on 1 st Novemeber,2010. In the advisory dated 21 st May,2010 from Secretary, MoPR, to all PESA States', interalia, this aspect has been underlined.
14.	b. In order to ensure that women are not marginalised in meetings of the Gram Sabha, there should be a provision in the PESA Rules and Guidelines that the quorum of a Gram Sabha meeting will be acceptable only when out of the members present, at least thirty-three per cent are women. (130)		(b) & (c): Referred to PESA States vide letter dated 16/02/2009 from Ministry of Panchayati Raj. Model Rules for PESA have been prepared and circulated to States. The provision for mandatory presence of women in the quorum has been

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
15.	c. Each State should constitute a group to look into strengthening of the administrative machinery in Fifth Schedule areas. This group will need to go into the issues of (i) special administrative arrangements, (ii) provision of hardship pay, (iii) other incentives, and (iv) preferential treatment in accommodation and education. All expenditure in this regard should be treated as charged expenditure under Article 275 of the Constitution.(131)		incorporated. As per advisory dated 21.05.2010, PESA States having Fifth Schedule Areas are required to constitute a Committee headed by Chief Secretary with membership of relevant departments to review implementation of PESA after every three months.
16.	33. (Para 4.6.1.5.3) Effective Implementation of the Tribal Sub-Plan (TSP) a. Keeping in view the inadequacy of the past efforts, State Governments should form a special planning unit (consisting of professionals and technically qualified personnel) to prepare their Tribal-Sub Plan.(132)	(a) to (c): Accepted subject to consultation with the Ministry of Finance and the Ministry of Tribal Affairs on the recommendations.	<u>Ministry of Panchayati Raj</u> (a) to (c): Referred to States vide letter dated 01.09.2009.. Reminders issued on 10.02.09 and 1 st November,2010.
17.	b. A certain portion of the allocation under TSP should be made non-lapsable on the pattern of the Non Lapsable Central Pool of Resources (NLCPR) created for the North-Eastern States. A special cell may be set up in the Ministry of Tribal Affairs to monitor expenditure from this fund.(133)		M/o Tribal Affairs is broadly in agreement with the recommendations of ARC and would be able to operate a special cell for TSP, if separate staff and support is made available.
18.	c. The government may consider preparing an impact assessment report every year with respect to		Studies have been sanctioned to Tribal Welfare Research Institutes in Jharkhand and Bhubaneshwar to study the impact of PESA in

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
	<p>the States covered under PESA. This exercise may be assigned to a national level institute which has done similar work in the past e.g. National Council for Applied Economic Research (NCAER), National Institute of Public Finance and Policy (NIPFP), National Sample Survey Organisation (NSSO) or some other suitable agency. This agency will rate the performance of the State on predetermined indices.(134)</p>		<p>these States.</p>
<p>19.</p>	<p>34. (Para 5.1.4) Urbanization and Growth</p> <p>a. A new National Commission on Urbanisation should be constituted by Government to suggest measures to deal with the rapid urbanisation, including the large cities and bring about more balanced and efficient urbanisation in the country.(135)</p>	<p>(a): Accepted. This Commission should be with limited duration and not a standing one.</p>	<p><u>Ministry of Urban Development</u></p> <p>(a): The line of action that was decided in the Ministry with the approval of the Minister was that the urban issues should first be discussed at the level of National Development Council so that view point of Chief Ministers are also taken into account.</p> <p>As per the decision of the National Development Council in its 55th Meeting held on 24.07.2010, a Sub-Committee under the chairmanship of Hon'ble Minister of Urban Development has been constituted for drawing up implementation actions on urbanization issues. A view will be taken after the Sub-Committee submits its</p>

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
			report in September, 2011.
20.	<p>41. (Para 5.3.5.2) Other Taxes</p> <p>b. Article 276(2) may be amended to enhance the upper ceiling on Profession Tax and this ceiling should be reviewed periodically.(166)</p>	(b): Accepted.	<p><u>Ministry of Urban Development</u></p> <p>(b): M/o Finance has been requested to take necessary action vide letter O.M. No.N-11025/56/2007-UCD dated 08/12/2008 and reminded vide letters dated 7.8.2009 and 3.9.2009.</p> <p>The Ministry of Finance has been again reminded on 13.04.2010 and 28.05.2010.</p>
21.	<p>53. (Para 5.4.6.14) JNNURM - A Reform Process</p> <p>a. On the basis of projections, the total investment needed for urban renewal appears to be far in excess of the funds available. Government must find ways and means to fund this flagship programme – JNNURM – adequately.(220)</p>	(a) to (d) : Accepted	<p><u>Ministry of Urban Development</u></p> <p>(a) to (d): The matter relating to additional allocation of funds was taken up with the Planning Commission. Planning Commission has indicated that the 11th Plan is coming to a close and much of the resources are already tied up. Further, there are a number of projects under JNNURM which are still under implementation. Hence, instead of additional allocation of funds it has advised the Ministry to concentrate only on implementation of already approved projects. In addition Ministry of</p>
22.	<p>b. The conditionalities linking reforms with fund flows should be enforced as per the schedules agreed between the ULBs and the Government of India without exceptions or relaxations.(221)</p>		
23.	<p>c. There should be sectoral allocations for sanitation and solid waste management.(222)</p>		
24.			

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
	<p>d. Capacity building measures should not be confined to only the selected towns and should be available for all cities/towns.(223)</p>		<p>Urban Development had set up a High Powered Expert Committee (HPEC) for estimating the investment requirements for urban infrastructure services. The HPEC is chaired by Dr Isher Judge Ahluwalia, and the Joint Secretary in charge of Jawaharlal Nehru National Urban Renewal Mission is the Member Secretary. Inter alia, the terms of reference of the HPEC is to “ Provide an estimate of the Investment requirements for urban infrastructural services for the period 2008-2020 including the maintenance and replacement requirements on a cycle basis”, and, “ <u>Suggest options of financing urban infrastructure services</u> . It will fully explore the scope of financing infrastructure services through appropriate user charges.”On receipt of the report, the various financing options can be explored further.</p> <p>The release of subsequent installment of Additional Central Assistance (ACA) is essentially related to the achievement of reforms as per commitment made by cities in the Memorandum</p>

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
			<p>of Agreement (MoA) signed by the Government of India. However, in practical terms, it is noted that States and Cities have not been able to fulfill each and every reform conditionality, as a result of which the funds flow has been affected and this may adversely impact the implementation of projects. Hence, a rigid view cannot be taken regarding relaxation of reforms and funds need to be released to the projects while at the same time implementation of reforms is pursued.</p> <p>The allocation of funds under JNNURM has not been made sector-wise and prioritization of sectors/schemes to be taken up is done by State Level Steering Committee (SLSC), which is broadly accepted by Government of India. Further, most of the funds under UIG & UIDSSMT are already committed by now and it may not be possible to earmark funds for sanitation and solid waste management sectors at this stage. However, it may be noted that 42% funds have been committed for sanitation (sewerage and drainage) and solid waste</p>

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
			<p>management under UIG and 25% under UIDSSMT.</p> <p>Capacity building measures are undertaken in all Mission cities under JNNURM. Training and capacity building is also proposed for small and medium towns under UIDSSMT. In addition, under capacity building for Urban Local Bodies (ULBs), the Ministry also covers additional number of towns and cities which are not covered under JNNURM.</p>
25.	<p>54. (Para 5.4.7.2) A Critical and Urgent Area of Reform - Real Estate</p> <p>a. There is urgent need to bring in legislation to regulate the Real Estate sector on the lines mentioned in paragraph 5.4.7.1.(224)</p>	<p>(a) : Accepted. MoUD, M/o H&PA and M/o Finance may work together and formulate the concept International models may also be referred to. States should thereafter be consulted by MoUD.</p>	<p><u>Ministry of Housing and Urban Poverty Alleviation</u></p> <p>(a): The Ministry of Housing and Urban Poverty Alleviation (HUPA) is examining the issue and has brought out a Model Real Estate (Regulation of Development) Act.</p>
26.	<p>58. (Para 5.6.2.3) Beneficiary Identification</p> <p>a. An exhaustive survey to identify</p>	<p>(a): Accepted</p>	<p><u>Ministry of Housing and Urban Poverty Alleviation</u></p>

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
	<p>the urban poor should be carried out within one year. The parameters to be used for such identification should be simple and easily comprehensible, allowing objective measurement without the use of discretion. The basic parameters should be spelt out at the national level. The identification should be based on a door-to-door survey with the survey teams including at least one person from the Area Sabha concerned. The urban poor so identified may be issued multi-utility identity cards for availing benefits under all poverty alleviation programmes.(233)</p>		<p>(a):Planning Commission has constituted an Expert Group on Urban Poverty to recommend “appropriate detailed methodology with simple transparent and objectively measurable indicators to identify Below Poverty Line (BPL) households in urban areas for providing assistance under various schemes targeted at the urban poor. The Expert Group will also recommend the periodicity for the conduct of BPL Survey in Urban Areas or the mechanisms to review such BPL list. The Expert Group will also recommend able institutional mechanism for the conduct of BPL survey, survey questionnaire, processing data, training, validation and approval of urban BPL list at various levels, to address grievances of public on exclusion / inclusion in the urban BPL list or any other suggestion to make the exercise of urban BPL survey simple, transparent and acceptable. Further modalities for the Urban BPL survey will be considered thereafter.” The 6th meeting of the Expert Group was held on 26.04.2011.</p> <p>Meanwhile for purposes</p>

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
			<p>of programmes under the scheme of Urban Statistics for the Human Resource and Assessments (USHA,) formats have been prepared for survey of slums, slum households and their livelihoods. Formats and detailed guidelines have been issued to States / UTs Administrations. Funds have been allocated to States and UTs for conducting these surveys in towns having population of 50,000 and above. The surveys have been initiated by States / UTs.</p> <p>Biometric identification cards are being issued to identified beneficiaries under BSUP and IHSDP. However, as Biometric Cards are costly, there is no programme to issue Biometric Cards to all urban poor in the country at present. Moreover, Unique Identification Authority of India (UIDAI) will be fixing the standards for Biometric Cards.</p>
27.	<p>61. (Para 5.6.3.4.2) Measures for Poverty Alleviation - Health and Nutrition</p> <p>a. Urban Local Bodies should adopt the concept of 'Primary Health Care, for providing health and medical facilities to the urban</p>	<p>(a): Accepted. MoUD may pursue with M/o H& UPA, It was noted</p>	<p><u>Ministry of Housing and Poverty Alleviation</u></p> <p>(a): Ministry of Housing and Urban Poverty Alleviation is working together with Ministry of Health and Family Welfare</p>

	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
	poor, particularly to women and children with the help of auxiliary health staff. These should specifically cater to the population living in slum areas. (239)	that M/o H&FW is also considering a National Urban Health Mission on the pattern of NRHM.	to look at mechanism of physical infrastructure and involving the Urban Local Bodies (ULBs) of community structure in the delivery of health services to the urban poor, through the proposed National Urban Health Mission (NUHM).

	<p>62. (Para 5.6.3.6.3) Slums in Urban Areas and Land Use Reservation for the Poor</p>		<p><u>Ministry of Housing and Urban Poverty Alleviation</u></p>
<p>28.</p>	<p>a. There has to be total redevelopment of slum areas. While redeveloping, it should be ensured that adequate provision has been made for schools, health centres, sanitation etc. (240)</p>	<p>(a) to (d): Accepted.</p>	<p>(a) to (d): Under Jawaharlal Nehru National Urban Renewal Mission (JNNURM), 21 States (55 cities) have undertaken implementation of the reform. JNNURM prescribes for:</p>
<p>29.</p>	<p>b. For slum redevelopment the approach suggested in para 5.6.3.5.11 may be considered while formulating policy or specific schemes.(241)</p>		<p>(i) Internal earmarking within local body budgets for basic services to the urban poor – eventually creating Basic Services to the Urban Poor Fund in every Municipality (25% earmarking has been suggested).</p>
<p>30.</p>	<p>c. It is necessary to earmark and reserve a certain percentage of land projects in each town and city for the urban poor. If a construction cannot allocate housing for the poor, the developer must, at his own cost, provide suitable housing in any other appropriate place acceptable to the authorities.(242)</p>		<p>(ii) Implementation of 7-Point Charter i.e. provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation, education, health, social security within the Mission period (2005-2012) – preparing and implementing time-bound action plans for cities and towns.</p>
<p>31.</p>	<p>d. A detailed programme for the provision of night shelters needs to be drawn up in all cities, beginning with large cities having Metropolitan and Municipal Corporations, for implementation.(243)</p>		<p>(iii) Earmarking at least 20-25% of developed land in all housing projects (by both Public and Private Agencies) for</p>

			<p>Economically Weaker Section (EWS)/ Low Income Group (LIG) category with a system of cross subsidization.</p> <p>As regards slum development, a holistic approach is envisaged under Rajiv Awas Yojana making India slum free. Under Rajiv Awas Yojana, it is envisaged that State should take not only development of existing slums but also measures to prevent slums. Rajiv Awas Yojana envisages supports to States that are willing to assign property rights to slum dwellers.</p> <p>Ministry of HUPA has now framed the National Urban Housing & Habitat Policy (NUHHP), 2007, which focuses on housing with basic services and seeks to promote sustainable development of habitat in the country for equitable supply of land, shelter and services at affordable prices to all sections of society.</p> <p>The NUHHP, 2007, provides for the following provisions for slum improvement and upgradation –</p> <p>(a) Specially designed slum improvement programme for</p>
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			<p>upgrading basic services and environment improvement of urban slums with a participative, in-situ slum rehabilitation approach.</p> <p>(b) Inner-city slum redevelopment programmes for creating a better environment with cross subsidization and special incentives.</p> <p>(c) Land pooling and sharing arrangement to be encouraged.</p> <p>(d) Release of Transferable Development Rights and additional Floor Area Ratio (FAR) to be carefully considered for accelerating private investment for provision of shelter to the poor. Community Based Organizations (CBOs), Non-Governmental Organizations (NGOs) and Self-Help Groups (SHGs) would be involved in partnership with the Private Sector.</p> <p>(e) Primacy to provision of shelter to the urban poor at their present location or near their work place and efforts</p>
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			<p>will be made to ensure that rights provided are non-transferable for a period of 10-15 years.</p> <p>(f) Only in cases where relocation is necessary on account of severe water pollution, safety problems, on account of proximity to rail track or other critical concerns, relocation of slum dwellers will be undertaken. In such case, special efforts will be made to ensure fast and reliable transportation to work sites.</p> <p>(g) Income generating activities in slums, which are non-polluting, will be encouraged on a mixed land use basis. Efforts will be made to structure such activities as an integral part of housing and habitat projects.</p> <p>Further, the process for integrating the Valmiki Ambedkar Awas Yojana (VAMBAY) and the environment improvement scheme titled National Slum Development Programme (NSDP) has been undertaken through the BSUP in Mission Cities and IHSDP in Non-Mission cities. Efforts will be made</p>
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		<p>to remove hurdles faced by the States / Union Territories in implementing these integrated schemes. Efforts will also be made to enhance funds under IHSDP as well as develop a new scheme for meeting water, drainage, sanitation and sewerage concerns in slum located in smaller towns with a population below 5 lakhs.</p> <p>Formation of Group Cooperative Housing Societies of urban poor and slum dwellers will be encouraged across the country for providing better housing services by basic amenities through thrift and credit based CBOs.</p> <p>The Ministry was providing financial support to States to create shelter for the houseless under the scheme for Night Shelter for Urban Shelterless earlier since 1988-89. The scheme was transferred to the State sector in 2005-06 and financial assistance from the Centre was discontinued. The present status is that there is no proposal to provide assistance again for creation of shelters for houseless.</p> <p>The Ministry of HUPA has submitted the proposal of Rajiv Awas Yojana</p>
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			(RAY) for the consideration of the Cabinet Committee on Economic Affairs on 10.02.2011. This scheme aims to provide support for shelter and basic civic and social services for slum redevelopment and creation of affordable housing stock to States that are willing to assign property rights to slum dwellers.
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Annex.III

Administrative Reforms Commission's 6th Report titled "Local Governance – An Inspiring Journey into the Future"

Recommendations not accepted

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
1.	<p>1. (Para 3.1.1.12) The Principle of Subsidiarity</p> <p>a. Article 243 G should be amended as follows:</p> <p>"Subject to the provisions of this Constitution, the Legislature of a State shall, by law, vest a Panchayat at the appropriate level with such powers and authority as are necessary to enable them to function as institutions of self government in respect of all functions which can be performed at the local level including the functions in respect of the matters listed in the Eleventh Schedule".</p>	(a): Not accepted.	(a): No action called for.

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
2.	(1) b. Article 243 W should be similarly amended to empower urban local bodies.(2)	(b): Not accepted.	(b): No action called for.
3.	2. (Para 3.1.2.4) Strengthening the Voice of Local Bodies a. Parliament may by law provide for constitution of a Legislative Council in each State, consisting of members elected by the local governments.(3)	(a): Not accepted.	(a): No action called for.
4.	3. (Para 3.1.3.11) Structure of Local Bodies a. Article 243B(1) should be amended to read as follows: "There shall be constituted in every State, as the State Legislature may by law provide, Panchayats at appropriate levels in accordance with the provisions of this part".(4)	(a): Not accepted.	(a): No action called for.
5.	c. Members of Parliament and State Legislatures should not become members of local bodies.(6)	(c): Not accepted.	(c): No action called for.
6.	e. Article 243 C (2 & 3) should be repealed and supplanted by Article 243 C(2) as follows: <i>243 C(2) Subject to the provisions of this part, the Legislature of a State may, by law, make provisions with respect to composition of Panchayats and the manner of elections provided that in any tier there shall be direct election of at least one of the two offices of Chairperson or members. Provided that in case of direct elections</i>	(e) to (g): Not accepted .	(e) to (g): No action called for.

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
7. 8.	<p><i>of members in any tier, the ratio between the population of the territorial area of a Panchayat at any level and the number of seats in such Panchayat to be filled by election shall, so far as practicable, be the same throughout the State. Also, each Panchayat area shall be divided into territorial constituencies in such manner that the ratio between the population of each constituency and the number of seats allotted to it shall, so far as practicable, be the same throughout the Panchayat area.</i>(8)</p> <p>f. There shall be a District Council in every district with representation from both urban and rural areas.(9)</p> <p>g. 243 B (2) should be substituted by:</p> <p><i>“There shall be constituted in every District, a District Council representing all rural and urban areas in the District and exercising powers and functions in accordance with the provisions of Articles 243 G and 243 W of the Constitution.”</i>(10)</p>		
9.	<p>6. (Para 3.2.3.4) Correcting the Urban Rural Imbalance in Representation in Legislative Bodies</p> <p>a. In order to set right the electoral imbalance between the urban and rural population in view of rapid urbanisation, an adjustment of the territorial constituencies - both for the Lok Sabha and the Legislative Assembly – within a State should be carried out after each census. Articles 81, 82, 170, 330 and 332 of the Constitution would need to be amended.(19)</p>	(a): Not accepted.	(a): No action called for.
	<p>8. (Para 3.4.20) Framework Law for Local Bodies</p>		

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
10.	<p>a. Government of India should draft and place before Parliament, a Framework Law for local governments. The Framework Law could be enacted under Article 252 of the Constitution on the lines of the South African Act, for the States to adopt. This Law should lay down the broad principles of devolution of powers, responsibilities and functions to the local governments and communities, based on the following:</p> <ul style="list-style-type: none"> • Principle of Subsidiarity • Democratic Decentralisation • Delineation of Functions • Devolution in Real Terms • Convergence • Citizen Centricity (24) 	(a): Not accepted.	(a): No action called for.
11.	<p>11. (Para 3.7.5.6) Decentralised Planning</p> <p>a. A District Council should be constituted in all districts with representation from rural and urban areas. It should be empowered to exercise the powers and functions in accordance with Articles 243 G and 243 W of the Constitution. In that event, the DPCs will either not exist or become, at best, an advisory arm of the District Council. Article 243 (d) of the Constitution should be amended to facilitate this.(42)</p>	(a): Not accepted.	(a): No action called for.
12.	<p>13. (Para 3.9.22) Accounting and Audit</p> <p>f. Release of Finance Commission Grants to the local bodies may be made conditional on acceptance of arrangements regarding technical supervision of the C&AG over audit of accounts of local bodies. (70)</p>	(f): Not accepted	(f): No action called for.

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
13.	<p>26. (Para 4.3.9.5) Local Area Development Schemes</p> <p>b. As recommended by the Commission in its report on "Ethics in Governance", the Commission reiterates that the schemes of MPLAD and MLALAD should be abolished.(114)</p>	(b): Not accepted	(b): No action called for.
14.	<p>31. (Para 4.6.1.2.3) Local Government in the Fifth Schedule Areas</p> <p>b) If any State exhibits reluctance in implementing the provisions of PESA, Government of India may consider issuing specific directions to it in accordance with the powers given to it under Proviso 3 of Part A of the Fifth Schedule.(128)</p>	(b): Not accepted.	(b): No action called for.
15.	<p>37. (Para 5.2.4.3) The Office of the Mayor/Chairperson</p> <p>a. The functions of chairing the municipal council and exercising executive authority in urban local government should be combined in the same functionary i.e. Chairperson or Mayor.(147)</p>	(a) to (e): Not accepted.	(a) to (e): No action called for.
16.	<p>b. The Chairperson/Mayor should be directly elected by popular mandate through a city-wide election.(148)</p>		
17.	<p>c. The Chairperson/Mayor will be the chief executive of the municipal body. Executive power should vest in that functionary.(149)</p>		
18.	<p>d. The elected Council should perform</p>		

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
19.	<p>the functions of budget approval, oversight and framing of regulations and policies.(150)</p> <p>e. In municipal corporations and metropolitan cities, the Mayor should appoint the Mayor's 'Cabinet'. The members of the Cabinet should be chosen by the Mayor from the elected corporators. The Mayor's Cabinet shall not exceed 10 per cent of the strength of the elected Corporation or fifteen, whichever is higher. The Cabinet will exercise executive authority on matters entrusted to them by the Mayor, under his overall control and direction.(151)</p>		
20.	<p>38. (Para 5.2.5.4) Management Structure of Urban Local Governments</p> <p>a. The Mayor should be the Chief Executive of the municipal body while the Commissioner should perform the functions delegated to him/her.(152)</p>	(a) to (c): Not accepted	(a) to (c): No action called for.
21.	<p>b. The responsibility for selection and appointment of the Commissioner and other staff may be given to the Metropolitan Corporations within a period of two years. For other bodies this may be done within three years. States should, however, by law, lay down the procedure and conditions of such appointment. For the duration that the Commissioner/ Chief Officer continues to be drawn from the State Government, selection should be made by the Mayor from out of a panel of names sent by the State Government.(153)</p>		
22.	<p>c. The Directorates of Municipal Administration, wherever they exist, should be abolished. In case there are</p>		

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
	State-wide cadres of municipal employees, no fresh appointments to these may be made and the employees should be absorbed in municipal bodies through a due process.(154)		
23.	43. (Para 5.3.7.7) Borrowings a. The limits of borrowings for various municipal bodies in a State may be fixed on the recommendation of the SFC.(171)	(a): Not accepted	(a): No action called for.
24.	57. (Para 5.5.4.7) Authorities for Metropolitan Corporations a. As recommended in the Commission's report on 'Public Order', a Metropolitan Police Authority should be set up in all cities with a population above one million to oversee community policing, improve police-citizen interface, suggest ways to improve quality of policing, approve annual police plans and review the working of such plans.(229)	(a): Not accepted.	(a): No action called for.

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**Administrative Reforms Commission's 6th Report titled
"Local Governance – An Inspiring Journey into the Future"**

Recommendations which have been Deferred by GoM

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
1.	20. (Para 4.1.7.8) Position of Parastatals b). There is no need for continuation of the District Rural Development Agency (DRDA). Following the lead taken by Kerala, Karnataka and West Bengal, the DRDAs in other States also should be merged with the respective District Panchayats (Zila Parishad). Similar action should be taken for the District Water and Sanitation Committee (DWSC).(89)	(b): The Commission has also recommended merger of the DRDAs with the District Panchayats in its 2 nd Report on NREGA and this recommendation has been submitted to the GoM for taking a decision. As such, the present recommendation about merging DRDAs with the District Panchayats may be decided by the GoM separately.	(b): The matter is to be placed before the GoM.
2.	26. (Para 4.3.9.5) Local Area Development Schemes a). The flow of funds for all public development schemes in rural areas should be exclusively routed through Panchayats. Local Area Development Authorities, Regional Development Boards and other organization having similar functions should immediately be wound up and their functions and assets transferred to the appropriate level of the Panchayat.(113)	(a): The Minister of Panchayati Raj proposed a revised formulation as below for consideration. "The flow of funds for public development schemes in rural areas for subjects covered by the Eleventh Schedule to the Constitution should be routed through Panchayats.	(a): The matter is to be placed before the GoM.

S. No.	Recommendations made by Administrative Reforms Commission	Government's Decision	Action Taken
		<p>Parallel bodies should be avoided where the pattern of devolution involves planning and implementation by the Panchayats under Article 243-G.”</p> <p>GoM decided that a decision on the revised formulation will be taken later after consideration.</p>	