APPENDICES
RECOMMENDATIONS OF 2ND ARC ON RURAL LOCAL GOVERNANCE

1. (Para 3.1.1.12) The Principle of Subsidiarity
   a. Article 243 G should be amended as follows:
      “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”.
   b. Article 243 W should be similarly amended to empower urban local bodies.

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. (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”.
   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.
   c. Members of Parliament and State Legislatures should not become members of local bodies.
   d. Article 243 C(1) should be retained.
   e. Article 243 C (2 & 3) should be repealed and supplanted by Article 243 C(2) as follows:
      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 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.

f. There shall be a District Council in every district with representation from both urban and rural areas.

g. 243 B (2) should be substituted by:

"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."

4. (Para 3.2.1.12) The Electoral Process

a. The task of delimitation and reservation of constituencies should be entrusted to the State Election Commissions (SECs);

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 to local bodies should follow the Building Blocks approach;

c. The Registration of Electors Rules, 1960, should be amended to define a ‘Part’ as a compact geographical unit.

d. In order to achieve convergence between census data and electoral rolls, the boundaries of a ‘Part’ and an ‘Enumeration Block’ should coincide.

e. Reservation of seats should follow any one of the two principles mentioned below:

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.

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.

f. The conduct of elections for the elected members of District and Metropolitan Planning Committees should be entrusted to the State Election Commission.

5. (Para 3.2.2.6) Constitution of the State Election Commission
   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.
   b. An institutional mechanism should be created to bring the Election Commission of India and the SECs on a common platform for coordination, learning from each other’s experiences and sharing of resources.

6. (Para 3.2.3.4) Correcting the Urban Rural Imbalance in Representation in Legislative Bodies
   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.

7. (Para 3.3.1.7) Devolution of Powers and Responsibilities
   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 and has to be done continuously while working out locally relevant socio-economic programmes, restructuring organisations and framing subject-matter laws.
   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.

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.

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:

- School education;
- Public health, including community health centres/area hospitals;
- Traffic management and civic policing activities;
- Urban environment management and heritage; and
- Land management, including registration.

These, however, are only illustrative additional functions and more such functions could be devolved to urban local bodies by the respective States.

8. (Para 3.4.20) Framework Law for Local Bodies

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:

- Principle of Subsidiarity
- Democratic Decentralisation
- Delineation of Functions
- Devolution in Real Terms
- Convergence
- Citizen Centricity

9. (Para 3.5.2.18) The State Finance Commission (SFC)

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.
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".

c. Each State should prescribe through an Act, the qualifications of persons eligible to be appointed as Members of the State Finance Commission.

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.

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 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.

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.

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.

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.

i. SFCs should evolve norms for staffing of local bodies.

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.

10. (Para 3.6.16) Capacity Building for Self Governance

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.

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 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.

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.

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.

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.
f. Academic research has a definite role to play in building long-term strategic institutional capacity for greater public good. Organisations 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.

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.

11. (Para 3.7.5.6) Decentralised Planning

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.

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.

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.

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.

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.
Each State Government should develop the methodology of participatory local level planning and provide such support as is necessary to institutionalise a regime of decentralised planning.

States may design a planning calendar prescribing the time limits within which each local body has to finalise its plan and send it to the next higher level, to facilitate the preparation of a comprehensive plan for the district.

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 institutionalising this process.

- The function of planning for urban areas has 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.

- 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 Plan/CDP for the entire metropolitan area including the peri-urban areas.

- 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.

- 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.
c. 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.

12. (Para 3.8.6) Accountability and Transparency

a. Audit committees may be constituted by the State Governments at the district level to exercise oversight regarding the integrity of financial information, 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 authorised 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.

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.

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.

i. Local body Ombudsman should be constituted for a group 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.
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.

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.

iv. In case of a Metropolitan Corporations, a separate Ombudsman should be constituted.

v. Time limits may be prescribed for the Ombudsman to complete its investigations into complaints.

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.

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.

f. Each local body should have an in-house mechanism for redressal of grievances with set norms for attending and responding to citizens’ grievances.

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
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 that Act but other subjects where public interest exists should also be covered.

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.

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.

13. (Para 3.9.22) Accounting and Audit

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.

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 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.

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.

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
e. The independence of the Director. Local Fund Audit (DLFA) or any other agency responsible for audit of accounts of local bodies should be institutionalised 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.

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.

g. Audit reports on local bodies should be placed before the State 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).

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.

i. Each State may ensure that the local bodies have adequate capacity to match with the standards of accounting and auditing.

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.

k. To complement institutional audit arrangements, adoption and monitoring of prudent financial management practices in the local bodies should be institutionalised by the State Governments by legislating an appropriate law on Fiscal Responsibility for local Bodies.

14. (Para 3.10.1.2) Information and Communication Technology

a. Information and Communication Technology should be utilised by the local governments in process simplification, enhancing transparency and accountability and providing delivery of services through single window.

15. (Para 3.10.2.8) Space Technology

a. Space technology should be harnessed by the local bodies to create an information base and for providing services.
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.

16. (Para 4.1.3.5) Size of the Gram Panchayat
   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.

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.

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.
   b. In all States, a detailed review of the staffing pattern and systems, with a zero-based approach to PRI staffing, may be undertaken over the next one year in order to implement the policy of PRI ownership of staff. The Zila Parishads, particularly, should be associated with this exercise.

19. (Para 4.1.6.8) PRIs and the State Government
   a. The provisions in some State Acts regarding approval of the budget of a Panchayat by the higher tier or any other State authority should be abolished.
   b. State Governments should not have the power to suspend or rescind any resolution passed by the PRIs or take action against the elected representatives on the ground of abuse of office, corruption etc. or to supersede/ dissolve the Panchayats. In all such cases, the powers to investigate and recommend action should lie with the local Ombudsman who
will send his report through the Lokayukta to the Governor.

c. For election infringements and other election related complaints, the authority to investigate should be the State Election Commission who will send its recommendations to the Governor.

d. If, on any occasion, the State Government feels that there is need to take immediate action 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.

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.

20. (Para 4.1.7.8) Position of Parastatals

a. Parastatals should not be allowed to undermine the authority of the PRIs.

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).

c. The District Health Society (DHS) and FFDA should be restructured to have an organic relationship with the PRIs.

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.

e. Community level bodies should not be created by decisions taken at higher levels. If considered necessary the initiative for their creation should come
from below and they should be accountable to PRIs.

21. **(Para 4.2.3.10) Activity Mapping**
   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.
   b. The Union Government will also need to take similar action with regard to Centrally Sponsored Schemes.

22. **(Para 4.2.4.2) Devolving Regulatory Functions to the Panchayats**
   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.
   b. Regulatory functions which can be performed by the Panchayats should be identified and devolved on a continuous basis.

23. **(Para 4.3.5.3) Resource Generation by the Panchayats**
   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.
   b. All common property resources vested in the Village Panchayats should be identified, listed and made productive for revenue generation.
   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.
   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.

e. The expanded tax domain could interalia include levies on registration of cattle, restaurants, large shops, hotels, cybercafés and tourist buses etc.

f. The role of State Governments should be limited to prescribing a band of rates for these taxes and levies.

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.

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 additional/special surcharge from such activities (mines/minerals/plants).

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.

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.

24. (Para 4.3.7.5) Transfer of Funds to the Panchayats

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.

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.

c. There should be a separate Panchayat sector line in the State budget.

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.

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 instalments. It could be done in two instalments; one at the beginning of the financial year and the other by the end of September of that year.

25. (Para 4.3.8.2) PRIs and Access to Credit

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.

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.

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.

27. (Para 4.4.7) Rural Development

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.

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 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.

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.

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.

28. (Para 4.4.8.6) Information, Education and Communication - IEC

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 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.

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.

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.

29. (Para 4.5.4) Rule of Panchayats in Delivery of Services
   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.
   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.

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 local resource mapping and generation of local information base.
   b. These Resource Centres should also be used for documenting local traditional knowledge and heritage.
   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.

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.
   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.
32. **(Para 4.6.1.4.4) Effective Implementation of PESA**

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.

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.

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.

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.

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.

c) The government may consider preparing an impact assessment report every year with respect to 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.

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Confusion marks zila parishad meeting
Projects sanctioned, claims chairman; ADC says otherwise

Sushil Manav
Fatehabad, June 9
A meeting of the zila parishad, which was called here today to accord its sanction to certain projects to be taken under the National Rural Employment Guarantee Scheme (NREGS), ended in confusion with members expressing dissenting views on the works.
Additional deputy commissioner-cum-chief executive officer of the District Rural Development Authority (DRDA) C.G. Rajnikanthan placed 30 projects for the sanction.
The DRDA had earlier announced that it would start providing work to villagers under the employment scheme from June 10 after getting sanction of the zila parishad.

However, most of the members objected to the works included in the projects placed before the parishad for sanction.
Twenty-six out of 30 projects pertained to digging of village ponds, which members felt, was a futile exercise.
Many such ponds, which were dug up in Sirsa villages in the past two years, were lying useless. Further, members felt that it was not possible to dig ponds in the rainy season, said Krishan Swaroop Gorakhpuria, a member of the zila parishad.
Members objected that they had not been taken into confidence before selecting works. They further objected to the claims of a block development and panchayat officer (BDPO) that works under the NREGS had already been started in Jakhal block of the district.
Members said how it was possible for a BDPO to start work without the formal approval of the same.
The meeting ended in the afternoon without according sanction to any of the 30 projects placed before it. It was decided that a special meeting of the zila parishad would be held on June 13 for the purpose.

However, chairman of the zila parishad Balbir Singh Bal in the evening announced that he had accorded sanction to 42 projects, including the 30 projects placed before him by the ADC.
He had some more projects been added after consultation of the members.

Sarpanches decry fiscal restrictions

Zila parishad meeting boycotted

Jind, May 30
The meeting of the Zila parishad, Jind, today turned out to be a damp squib after members of the body decided to boycott it in protest against the alleged failure of the officials concerned to reach the venue on time.
They charged the authorities concerned of taking the meeting lightly and hurting the sentiments of the members.
Chairperson of the parishad Seema Biroli later issued a statement charging the authorities of not taking adequate interest in the affairs of the body resulting in various problems, including lack of pace of development on various projects.
She claimed that the meeting was due to start at 11 am but the officials, including the ADC, did not reach till 11.40 am.
The chairperson claimed that she was told that the ADC was busy with some important work and could not make it to the meeting at the scheduled time.
The next meeting is scheduled to be held in the first week of June.

There are 24 elected members in the parishad and it is scheduled to meet at least six times in a year.

A project at Jakhal, on which work had already begun, had also been approved by the parishad and now the June 13 meeting stood cancelled, he added.
However, Rajnikanthan said no project had so far been sanctioned by the parishad and maintained that June 13 meeting would be held as per schedule.
He said he had directed his BDPOs to get in touch with the zila parishad members for the identification of projects so that the government money was not wasted on useless projects.
He further added that the payment of the works started at Jakhal without approval of the zila parishad could not be made from the NREGS accounts.

Sarpanches decry fiscal restrictions

Our Correspondent
Sonipat, September 8
At least 50 sarpanches of different gram panchayats in three development blocks of Gohana subdivision today expressed resentment over the new restrictions imposed by the administration in handling the finances of gram panchayats.
They unanimously decided to bring this matter to the notice of Haryana Chief Minister Bhupinder Singh Hooda tomorrow.
The administration had reportedly enforced new directions following detection of irregularities and misappropriations in accounts of many gram panchayats.
According to the new directions, a sarpanch could now withdraw only Rs 5,000 instead of Rs 10,000 from the bank and if the amount was more than it had to be countersigned by the BDPO concerned; the estimate of any work to be carried out by the sarpanch must be countersigned by the JE and entered in the panchayat records before withdrawing the amount from the bank.
The instructions also said a gram panchayat could keep only up to Rs 5,100 in the bank account. More than that had to be put into fixed deposits.

Criticising the new directions in a meeting of the sarpanches of Gohana, Kothali and Gidana blocks in Gohana block office here today, they alleged that it would not be possible to carry out development works in the villages under these new regulations.
"Such restrictions are against the spirit of the panchayati raj system," they said.