

Resolution

No. K-11022/9/2004-RC. -- The President is pleased to set up a Commission of Inquiry to be called the second Administrative Reforms Commission (ARC) to prepare a detailed blueprint for revamping the public administration system.

2. The Commission will consist of the following :

- (i) Shri Veerappa Moily - Chairperson
- (ii) Shri V. Ramachandran - Member
- (iii) Dr. A.P. Mukherjee - Member
- (iv) Dr. A.H. Kalro - Member
- (v) Dr. Jayaprakash Narayan - Member
- (vi) Smt. Vineeta Rai - Member-Secretary

3. The Commission will suggest measures to achieve a proactive, responsive, accountable, sustainable and efficient administration for the country at all levels of the government. The Commission will, inter alia, consider the following :

- (i) Organisational structure of the Government of India
- (ii) Ethics in governance
- (iii) Refurbishing of Personnel Administration
- (iv) Strengthening of Financial Management Systems
- (v) Steps to ensure effective administration at the State level
- (vi) Steps to ensure effective District Administration
- (vii) Local Self-Government/Panchayati Raj Institutions
- (viii) Social Capital, Trust and Participative public service delivery
- (ix) Citizen-centric administration
- (x) Promoting e-governance
- (xi) Issues of Federal Polity
- (xii) Crisis Management
- (xiii) Public Order

Some of the issues to be examined under each head are given in the Terms of Reference attached as a Schedule to this Resolution.

4. The Commission may exclude from its purview the detailed examination of administration of Defence, Railways, External Affairs, Security and Intelligence, as also subjects such as Centre-State relations, judicial reforms etc. which are already being examined by other bodies. The Commission will, however, be free to take the problems of these sectors into account in recommending re-organisation of the machinery of the Government or of any of its service agencies.

5. The Commission will give due consideration to the need for consultation with the State Governments.

6. The Commission will devise its own procedures (including for consultations with the State Government as may be considered appropriate by the Commission), and may appoint committees, consultants/advisers to assist it. The Commission may take into account the existing material and reports available on the subject and consider building upon the same rather than attempting to address all the issues ab initio.

7. The Ministries and Departments of the Government of India will furnish such information and documents and provide other assistance as may be required by the Commission. The Government of India trusts that the State Governments and all others concerned will extend their fullest cooperation and assistance to the Commission.

8. The Commission will furnish its report(s) to the Ministry of Personnel, Public Grievances & Pensions, Government of India, within one year of its constitution.

(P.I. Suvrathan)
Additional Secretary to
Government of India

Order

ORDERED that a copy of the Resolution be communicated to all Ministries and Departments of the Government of India, State Governments, Administrations of Union Territories, etc. etc.

ORDERED also that the Resolution be published in the Gazette of India for general information.

(P.I. Suvrathan)
Additional Secretary to
Government of India

TERMS OF REFERENCE FOR THE SECOND ADMINISTRATIVE REFORMS COMMISSION

1. Organizational Structure of the Government of India
2. Ethics in Governance
3. Refurbishing of Personnel Administration
4. Strengthening Financial Management Systems
5. Steps to ensure effective administration at the State level
6. Steps to ensure effective District Administration
7. Local Self Government/ Panchayati Raj Institutions
8. Social Capital, Trust and Participative public service delivery
9. Citizen Centric Administration
10. Promoting e-governance
11. Issues of Federal Polity
12. Crisis Management
13. Public order

1. Organizational Structure of the Government of India

1.1 Reorganization of Ministries and Departments

1.1.1 Revisiting and redefining the role of the Ministries and Departments in the context of evolving role of governance and need for greater collaboration.

1.2 Manpower planning and Process re-engineering.

1.3 Suggest ways to position the administrative services in the modern context of global integration, emergence of markets and liberalisation.

1.4 To examine if the present system of governance is optimally suited to the environment of the times

1.4.1 To suggest a framework for possible areas where there is need for governmental regulation (regulators) and those where it should be reduced.

1.4.2 To strengthen the framework for efficient, economical, sensitive, clean, objective and agile administrative machinery.

2. Ethics in Governance

2.1 Vigilance and Corruption:

2.1.1 Strengthening pro-active vigilance to eliminate corruption and harassment to honest civil servants including, wherever necessary, limiting executive discretion.

2.1.2 Addressing systemic deficiencies manifesting in reluctance to punish the corrupt.

2.1.3(a) Identify procedures, rules and regulations and factors which lead to corruption (b) suggest measures to combat corruption and arbitrary decision making, and (c) suggest a framework for their periodical review in consultation with the stakeholders.

2.2 Relationship between Political Executive and Permanent Civil Service:

2.2.1 To suggest improvements in the institutional arrangements for smooth, efficient and harmonious relationship between civil service and the political executive.

2.3 Code of Conduct for different organs of Government.

2.3.1 Political Executive, Civil Services, etc.

3. Refurbishing of Personnel Administration

3.1 Review the policy relating to, and all methods of recruitment, training and placement and suggest changes, if required.

3.2. Provide guidelines for enhancing performance of civil servants and its appraisal.

3.3. Improved methods of cadre management focussing on career progression, motivation and productivity enhancement.

3.4 Strategies for up-gradation of skills and competencies of civil servants and administrative cadres and appropriate interventions for capacity building.

3.5 Linking of performance of Civil Servants and Government personnel to social and economic objectives and outcomes.

4. Strengthening Financial Management Systems

4.1 Capacity building in financial management systems at all levels of Governance, to ensure smooth flow of funds for programmes/ projects, proper maintenance of accounts and timely furnishing of necessary

information/ documents for this purpose.

4.2 Strengthening of internal audit systems, to ensure proper utilisation of funds for the purposes/outcomes for which they have been provided, and checking that unit cost of delivery/outcome is as per benchmark developed for this purpose.

4.3 An institutionalised method of external audit and assessment of the delivery and impact of programmes.

5. Steps to ensure effective administration at the State level

5.1 To encourage and promote appropriate changes in State Administration in the governance of the States to achieve envisaged outcomes.

5.1.1 Changes required in the State administration to achieve the objectives.

6. Steps to ensure effective District Administration

6.1 Progressive modernization and transformation of district administration in form and content keeping in mind the centrality thereof in regulating, facilitating and delivering services at the grass-root level.

6.2 Bringing about systemic changes to infuse and sustain vibrancy and responsiveness.

6.3 Streamlining and fine-tuning a comprehensive and accessible public

grievance handling and redress mechanism.

6.4 Greater devolution and delegation of functions and resources to the local levels.

6.5 Examine the coordinating and leadership role of the District Officer in developmental activities and enlisting peoples' participation therein.

7. Local Self Government/ Panchayati Raj Institutions

7.1 Improving delivery mechanism of public utilities and civic services with greater citizens' and stakeholders' involvement in such processes

7.1.1 Utilities like water, power, health and sanitation, education etc.

7.2 Empowerment of local self-government institutions for encouraging participative governance and networking.

7.3 To encourage capacity building and training interventions for better performance of local bodies.

8. Social Capital, Trust and Participative public service delivery

8.1 Ways of investing and promoting social capital at all levels of government as an instrument of enhancing governmental effectiveness.

8.2 Improve and strengthen the capability of the administration to proactively partner with local community, particularly in remote areas.

8.3 Better synergy between the government and the Civil Society
Institutions

8.3.1 Increase the people-centric ness of the administrative approaches.

8.4 Ensuring greater involvement of people's representatives and
community at large in the conceptualization and execution of programmes.

9. Citizen Centric Administration

9.1 Accountable and Transparent Government

9.1.1 Issues of delegation, accountability and transparency

9.1.2 Move from Processes Accountability to Productivity Accountability and
from Transactional to Transformative Governance.

9.1.3 Reduce delays and ensure promptness in delivery of services

9.2 Progressive Interventions to make administration more result oriented.
These interventions, inter-alia, include:

9.2.1 Process Simplification

9.2.2 Target Group Consultations

9.2.3 Flexibility to implementing agencies customised to local needs.

9.3 Strengthening Citizen Centric decision making.

9.3.1 To further empower the citizen through Citizens' Charter etc.

9.4 To facilitate accessibility of user groups to decision-making processes.

The operational details, inter alia, may include:

9.4.1 Setting up of Information Facilitation and Solution Centres.

9.4.2 Augmenting facilities for submission and redress of grievances and providing replies thereto.

9.4.3 Setting up consultative mechanism for receiving suggestions

9.5 Freedom of Information

9.5.1 To review the confidentiality classification of government documents specially with reference to the Officials Secrets Act.

9.5.2 To encourage transparency and access to non-classified data.

9.5.3 Disclosure of information and transparency as a supplement to the Right to Information of the citizens.

10. Promoting e-governance

10.1 To reduce red-tape, delay and inconveniences through technology interventions including the use of modern tools, techniques and instruments of e-governance.

10.2 Promote knowledge sharing to realise continuous improvement in the quality of governance.

11. Issues of Federal Polity

11.1 Review the operation of the federal relationship to better the civil service performance

11.1.1 Framework for continuing interaction between Centre and the States.

11.1.2 Harmonise differential conditions of service prevalent across different States for All India Services

12. Crisis Management

12.1 Suggest ways to quicken the Emergency Responses of administration

12.2 Suggest ways to increase the effectiveness of the machinery to meet the crisis situation and enhance crisis preparedness.

13. Public order

13.1 Suggest a framework to strengthen administrative machinery to maintain public order conducive to social harmony and economic development.

13.2 Capacity building for conflict resolution.