

By Speed Post

कार्यालय रक्षा लेखा महानियंत्रक, उलान बतार रोड, दिल्ली छावनी-10
Office of the CGDA, Ulan Batar Road, Palam, Delhi
Cantt - 110010

No. AN/III/3068/MATR/Vol-I

Dated: 14.03.2013

To

All PCsDA / CsDA/PCA (Fys)

Sub:- Implementation of certain recommendation contained in the 4th Report of 2nd Administrative Reforms Commission titled 'Ethics in Governance.

Please find enclosed a copy of MoD(Fin.) DAD (Coord) ID No. 17(4)/C/10 dated 18-02-2012 along with its enclosures on the subject. In this connection, it is requested to furnish the requisite report on the above mentioned subject for onward submission to the Ministry.


(P.K. Rai)

Sr. ACGDA (AN)

Attachment may be download from CGDA official website/CGDA Mail Server.

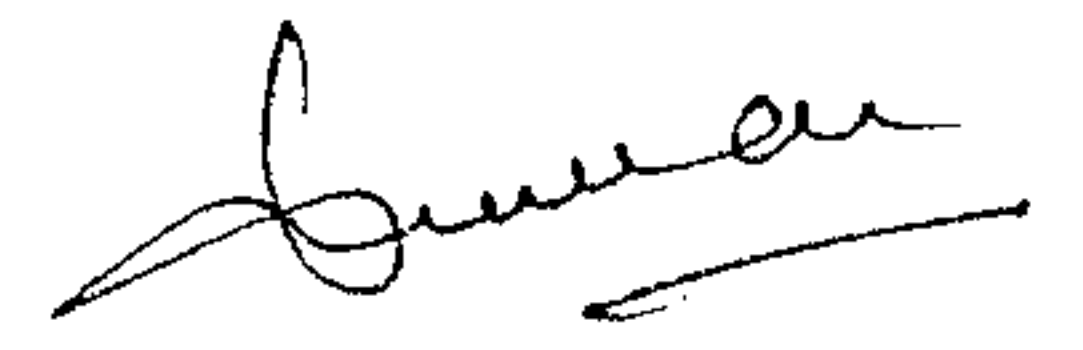
111

117

MINISTRY OF DEFENCE (FINANCE)
DAD (COORD)
Room No. 24-A, South Block, New Delhi.

Subject :Implementation of the accepted recommendations of 2nd Administrative Reforms Commission – regarding.

A copy of Ministry of Defence, D(O&M) ID No. 182/2013-D(O&M) dated 21.03.2013 alongwith copy of OM No. K-11022/86/2011-AR dated 01.01.2013 of Ministry of Personnel, Public Grievances and Pensions, Department of Administrative Reforms & Public Grievances on the above mentioned subject is enclosed for necessary action.



(Vinod Kumar)
OSD

Ministry of Defence (Finance)
Establishment – I, South Block, New Delhi.

Ministry of Defence (Finance) ID No. 17(4)/C/10 dated 18th February 2013.

Copy to :

Office of the CGDA,
AN-I, AN/III
Palam, Delhi Cantt. -110 010.

Along with a copy of Ministry of Defence, D(O&M) ID No. 182/2013-D(O&M) dated 21.03.2013 and OM No. K-11022/86/2011-AR dated 01.01.2013 of Ministry of Personnel, Public Grievances and Pensions, Department of Administrative Reforms & Public Grievances on the above mentioned subject for necessary action.

Ministry of Defence
D(O & M)

With reference to above for information. On receipt of requisite information/report so far as Defence Accounts Department is concerned, a further communication on the subject will be sent to MoD (Fin/Estt) for incorporation in one consolidated Action Taken Report in respect of Finance Division.



Ministry of Defence
D(O&M)

Subject: Implementation of the accepted recommendations of 2nd Administrative Reforms Commission - regarding.

....

'X'

A copy of OM No.K-11022/86/2011-AR, dated 01st January, 2013 from Ministry of Personnel, Public Grievances and Pensions, Department of Administrative Reforms & Public Grievances on the above subject is forwarded herewith.

2. All the Wings are requested to go through the communications circulated separately on the under-mentioned subjects and furnish their "Success Stories" on implementation of administrative reforms direct to D(IT) Section for uploading in the MOD's official website under intimation to D(O&M) Section:-

- (i) 4th Report titled "Ethics in Governance";
- (ii) 12th Report titled "Citizen Centric Administration - The Heart of Governance";
- (iii) 13th Report titled "Organization Structure of Government of India".

3. Due priority may kindly be accorded.

(Amitava Saha)
Under Secretary(O&M)
Tel.23013963.

219/Adltd PA(VP)/13
22/1/13

All Joint Secretaries/Addl.FAs in Ministry of Defence
M of D ID No.182/2013-D(O&M), dated 21-01-2013.

Copy to:

D(IT) Section - Along with OM dated 01.01.2013 referred above.

- 2 -

Reference talk on telephone dt. 22/1/13.

2. Copy mentioned at 'X' is ^{not} received in this office, ~~without~~ alongwith this letter.

7/2/13

Post to Adltd. PA (VP)

443/D(O&M)/13
12/2/13

S. Surinder
12/2/13

Spoken to US.
12/4/13

have not we sent copy already?
So (VP)

3. 12/2/13 30/1/13
18/2/13

US(O&M)

U-A
115

No. K-11022/86/2011-AR
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Administrative Reforms and Public Grievances

5th Floor, Sardar Patel Bhavan,
New Delhi, Dated 1st January, 2013

OFFICE MEMORANDUM

Subject: Implementation of the accepted recommendations of 2nd Administrative Reforms Commission – reg.

The 2nd Administrative Reforms Commission (ARC) was constituted on 31.08.2005 under the chairmanship of Shri Veerapa Moily for preparing a blue print for revamping the public administrative system. The 2nd ARC submitted 15 Reports to the Government before it was wound up on 30.04.2009. 13 Reports of 2nd ARC has been considered by the Government. The report on 'Combating Terrorism' (Eighth Report) is being handled by Ministry of Home Affairs.

2 Decisions on approved reports have been communicated to respective Ministries / Departments and States / UTs. Review meetings are also being held regularly to review the status of implementation of accepted recommendations.

3 One such Review meeting under the chairmanship of Secretary (AR&PG) was held on 20/11/2012 on the status of implementation of accepted recommendations of 2nd Administrative Reforms Commission. In the said meeting it was inter-alia decided that the 'success stories' on implementation of the reforms may be publicized by the Government. In this regard it was felt that such success stories should be uploaded by the concerned Ministries/Departments on their respective websites.

4 All Ministries/Departments are requested to take suitable steps to select the success stories on implementation of the administrative reforms and upload such success stories in their respect websites.

182/AR(C+M)/13
11/01/13

AS(A)
JS(E)

A

27/1

182/AR/13
Dy. No. 236
Date 7/1/13

4 WMO
21/1/13
To Dir (E) Genl
9/1/13

All Ministries/Departments of Government of India

Ritika Bhatia
Director
Tel.: 23360369

(23267060)
AR Section
23401429
23401426
US CARD

Director (D) & Chief
Dy. No. 105
Date 8-1-2013
Deputy Secretary
Diary No. 208
Date 4/1/13

DS(OAM)

urgent
98/DS(C+mis)
11/1/13
-2-
Pl. check with
earlier rep. We are
forwarding today. Are there same?
21/1/13
So (OAM) 11/1/13
Sr. Ravi 11/1/13

Additional Secretary (A)'s Office
Dy. No. 113
Date 27/1

114

Most Immediate

Ministry of Defence
D(O&M)

Subject: Recommendations made by the 2nd Administrative Reforms Commission's in its 4th Report titled "Ethics in Governance".

-...-

Reference this Ministry's ID Note No.680/2008/SO(Vig)/2671/2008-D(O&M), dated 26-06-2009 on the above subject.

2. Department of AR & PG, vide its DO letter No.33013/5/2008-O&M, dated 30th May 2011 has requested to furnish an updated and consolidated Action Taken Report on the above subject in respect of this Ministry including the attached/subordinate/autonomous bodies/Public Sector Undertakings etc. as per the prescribed proforma.

3. Accordingly, a copy of the above mentioned DO letter is forwarded herewith alongwith its enclosures including the prescribed proforma. It is requested that a consolidated Action Taken Report (including 'nil' report) may be furnished, duly approved at JS/Addl.FA level, at the earliest but not later than 11th July 2011.

*ASC + MES,
D(O&M) Gh.
13.7.11*

(Signature)
(K. K. Daimary)
Under Secretary(O&M)
Tel.23013963.

All Joint Secretaries/Addl.FAs in Ministry of Defence
M of D ID No.24(1)/2011-D(O&M), dated 8-07-2011

D(O&M)

Copy, for information, to -

Ministry of Personnel, Public Grievances & Pensions,
Department of Administrative Reforms
& Public Grievances,
Sardar Patel Bhawan, Sansad March, New Delhi.

(Signature)
1st. A.
SK - SR.

संख्या/No.: 33013/5/2008-O&M

भारत सरकार / GOVERNMENT OF INDIA
कार्मिक, लोक शिकायत तथा पेंशन मंत्रालय
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES & PENSIONS
प्रशासनिक सुधार और लोक शिकायत विभाग
Department of Administrative Reforms & Public Grievances

सरदार पटेल भवन, संसद मार्ग, नई दिल्ली-110001
Sardar Patel Bhavan, Sansad Marg, New Delhi-110001

Dated the 30th May, 2011

To

Shri Pradeep Kumar,
Secretary,
Department of Defence
South Block,
New Delhi.

Sub: Implementation of certain recommendations contained in the 4th Report of 2nd Administrative Reforms Commission titled 'Ethics in Governance'.

Sir,

Kindly refer to the Department of Administrative Reforms & Public Grievances references of even number dated 4th July, 2008 and 18th July, 2008 (copy enclosed) regarding implementation of certain recommendations contained in the 4th Report of the 2nd Administrative Reforms Commission (ARC).

2. The Department of Defence was requested to take appropriate action on the following recommendation in a time bound manner and to keep the Department of AR&PG informed of the action taken on quarterly basis:

- (i) Paragraph No.6.7.3-
Recommendations pertaining to "Reducing Discretion"
- (ii) Paragraph No.6.3.5 -
Recommendations pertaining to "Simplifying Transaction"
- (iii) Paragraph No.6.2.1 to 6.2.5 -
Recommendations pertaining to "Promoting Competition"

Defence Secy.'s Office Sh. Sh.
Dy. No. 7185
10-6-11

J.S. (E/PG)

Dy. No. 5364

13/6

1813/PS (Cemis)
12/6/11

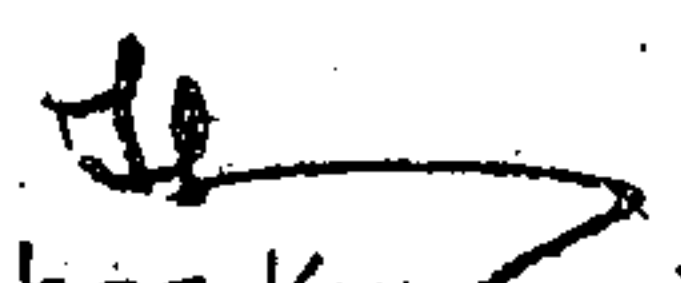
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(iv) Paragraph Nos. 6.9.1 to 6.9.4 -
Recommendations relating to "Ensuring Accessibility and Responsiveness"

3. I would request you to have an updated and consolidated action taken report in respect of the Department of Defence including its attached / subordinate / autonomous bodies / Public Sector Undertakings etc., in the enclosed proforma (Annexure I to IV), sent to Department of AR&PG by 20th June, 2011.

Yours sincerely,


(Prabhas Kumar Jha)
Joint Secretary to the Govt. of India

S. No 2(I)

No.33013/1/2008-O&M

Government of India

Ministry of Personnel, Public Grievances & Pensions
Department of Administrative Reforms & Public Grievances

Sardar Patel Bhavan, Sansad Marg,
New Delhi-110001,

Dated the 4 July, 2008

OFFICE MEMORANDUM

Sub: Recommendation made by the 2nd Administrative Reforms Commission in its Fourth Report titled "Ethics in Governance" relating to "Reducing Discretion".

The second ARC constituted by the Government of India has made certain recommendations relating to "Reducing Discretion" in its 4th Report titled "Ethics in Governance". The Commission has observed that the opportunities for corruption were greater in a system with excessive discretion in the hands of the official machinery particulars at lower levels.

2. The recommendations of the ARC were considered in a meeting of the Core Group on Administrative Reforms (CGAR) chaired by the Cabinet Secretary and it has been decided to accept the following recommendations:-

6.7.3 Recommendations:

- (a) All government offices having public interface should undertake a review of their activities and list out those which involve use of discretion. In all such activities, attempt should be made to eliminate discretion. Where it is not possible to do so, well-defined regulations should attempt to 'bound' the discretion. Ministries and Departments should be asked to coordinate this task in their organizations/offices and complete it within one year.
- (b) State Governments should take steps on similar lines, especially in local bodies and authorities, which have maximum 'public contact'.

Extracts of paras 6.7.1 and 6.7.2 of the Report are also enclosed for perusal.

9/7

O/c

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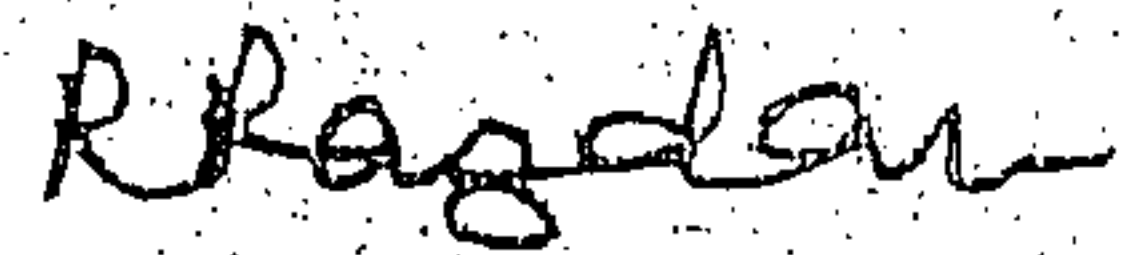


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3. The Commission has recommended all the Ministries/Departments should coordinate the task of eliminating discretion/putting in place well defined regulations to 'bound' the discretion in their organizations/ offices, within one year. The Commission has further recommended that the State Governments should take steps on similar lines, especially in local bodies and authorities, which have maximum "public contact".

4. All the Ministries/Departments of the Government of India, State Governments and UT Administrations are requested to take appropriate action on the recommendations mentioned in para 2 above in a 'time bound' manner. This Department may be kept informed of the steps being taken on quarterly basis, and the first report for the period ending 30th September, 2008 may be sent to this Department by 10th October, 2008.

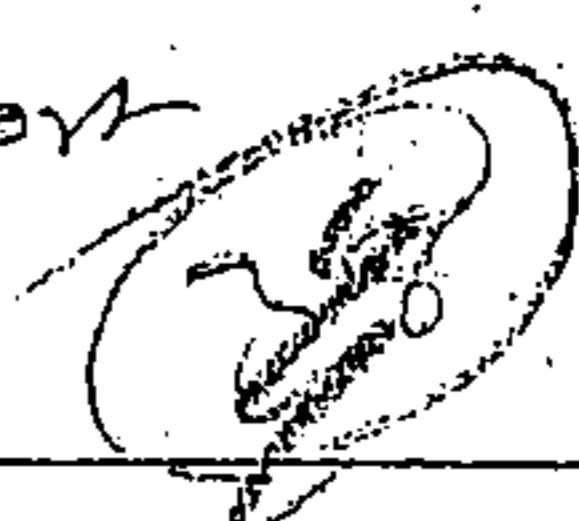


(Rajni Razdan)

Secretary to the Government of India

All Secretaries of Ministries of
Govt. of India / Chief Secretaries of
State Govt.

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6.7 Reducing Discretion

6.7.1 Opportunities for corruption are greater in a system with excessive discretion in the hands of the official machinery particularly at lower levels. Such opportunities can be minimized by reducing discretion and maximizing transparency in the system and introducing strict accountability for actions. The most successful anti-corruption reforms are those that seek to reduce discretionary benefits, which are controlled by public officials. An interesting example of improved transparency is the system introduced for effecting transfers of teachers in Karnataka. Under the old system, the practice was that every year some 15000 school teachers used to request transfers to a place of their choice through written applications to several authorities, requiring initiation of action at different levels. Often, the process of decision-making was non-transparent and was riddled with corruption. Under the changed system, applicants are required to submit the reasons for the request for transfer and these are prioritized centrally. A computer-generated list containing the names of transfer seekers along with their ranking (based on the reasons for transfer) are published on the notice board of the department, and objections, if any, are invited. It is reported that this scheme contributed to considerably reducing corruption.

6.7.2 There are a large number of governmental activities where discretion can be totally eliminated. All such activities could be automated and supported by IT. Registration of 'Births and Deaths' and recruitment of teachers based on marks secured in qualifying exams are examples of this. Where it is not possible to eliminate discretion, then the exercise of powers should be bound by well-defined guidelines to minimize discretion. Effective checks and balances should be built over exercise of discretion.

6.7.3 Recommendations:

- a. All government offices having public interface should undertake a review of their activities and list out those which involve use of discretion. In all such activities, attempt should be made to eliminate discretion. Where it is not possible to do so, well-defined regulations should attempt to 'bound' the discretion. Ministries and Departments should be asked to coordinate this task in their organizations/offices and complete it within one year.
- b. Decision-making on important matters should be assigned to a committee rather than individuals. Care has to be exercised, however, that this practice is not resorted to when prompt decisions are required.
- c. State Governments should take steps on similar lines, especially in local bodies and authorities, which have maximum 'public contact'.

Accepted →

Not accepted →

Accepted →



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S. No. 2 (I)
No. 33013/2/2008-O&M
Government of India

Ministry of Personnel, Public Grievances & Pensions
Department of Administrative Reforms & Public Grievances

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Sardar Patel Bhavan, Sansad Marg,
New Delhi-110001,

Dated the 4 July, 2008

OFFICE MEMORANDUM

Sub: Recommendation made by the 2nd Administrative Reforms Commission in its Fourth Report titled "Ethics in Governance" relating to "Simplifying Transactions".

The second ARC constituted by the Government of India has made certain recommendations relating to "Simplifying Transactions" in its 4th Report titled "Ethics in Governance". The Commission has rightly observed that complex nature of work methods, elaborate hierarchies, multiplicity of layers in decision-making process etc. in the Government give rise to incidence and intensity of corruption, and it has made several recommendations to improve public service delivery.

2. The recommendations of the ARC were considered in a meeting of the Core Group on Administrative Reforms (CGAR) chaired by the Cabinet Secretary and it has been decided to accept the following recommendations:-

6.3.5. Recommendations:

- (a) There is need to bring simplification of methods to the center-stage of administrative reforms. Leaving aside specific sectoral requirements, the broad principles of such reforms must be: adoption of 'single window' approach, minimizing hierarchical tiers, stipulating time limits for disposal etc.
- (b) The existing Departmental Manuals and Codes should be thoroughly reviewed and simplified with a responsibility on the Head of the Department to periodically update such documents and make available soft-copies online and hard copies for sale. These manuals must be written in very precise terms, and phrases like 'left to discretion of', 'as far as possible', 'suitable decision may be taken' etc. should be avoided. This should be followed for all rules and regulations governing issue of permissions, licenses etc.

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- (c) A system of rewards and incentives for simplification and streamlining of procedures may be introduced in each government organization.
- (d) The principle of 'positive silence' should generally be used, though this principle cannot be used in all cases. Wherever permissions/licenses etc. are to be issued, there should be a time limit for processing of the same after which permission, if not already given, should be deemed to have been granted. However, the rules should provide that for each such case the official responsible for the delay must be proceeded against.

However, with regard to the recommendation at (d) above, the CGAR has observed the time limits for processing of identified permissions/ licences have to be worked out realistically. Extracts of paras 6.3.1 to 6.3.5 of the Report are enclosed for perusal.

3. The Commission has recommended simplification of methods, adoption of single-window approach, periodical review and updation of departmental manuals, incentivisation of the efforts taken in this regard etc. The Commission has referred to examples of certain initiatives taken by different entities which resulted in increased citizen satisfaction. It may be further mentioned that the Central Secretariat Manual of Office Procedure (CSMOP) issued by this Department also calls for periodic review of rules, regulations and manuals (para 161 - 12th edition) but it is generally observed that this requirement is not being fulfilled meticulously.

4. All the Ministries/Departments of the Government of India, State Governments and UT Administrations are requested to take appropriate action on the recommendations mentioned in para 2 above in a 'time bound manner. This Department may be kept informed of the steps being taken on quarterly basis, and the first report for the period ending 30th September, 2008 may be sent to this Department by 10th October, 2008.

R. Razdan
(Rajni Razdan)

Secretary to the Government of India

*All Secretaries of Ministries of
Govt. of India / The Chief Secretaries
of State Govts.*

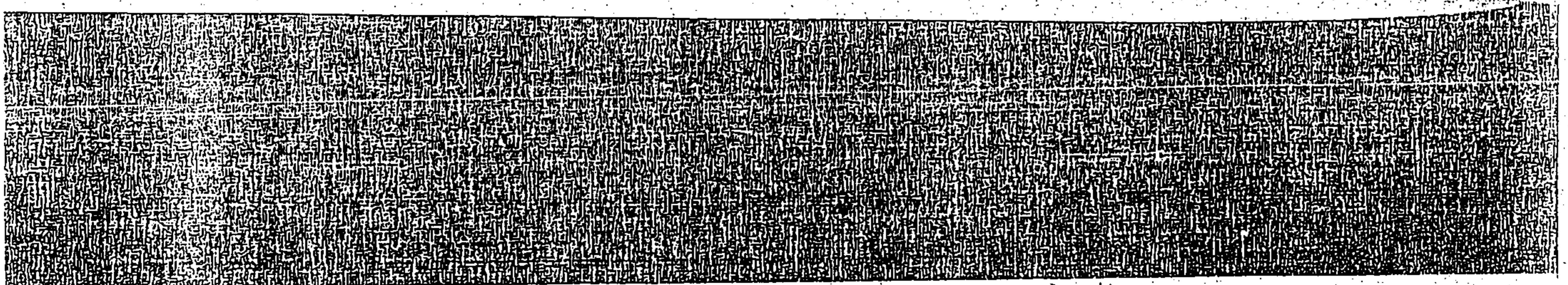
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Extracts from the ARC's 4th Report on
"Ethics in Governance" Ethics in Governance

6.3 Simplifying Transactions

6.3.1 The causal relationship between incidence and intensity of corruption and the complex nature of work methods needs no elaboration. An ordinary citizen who has just to pay a bill to the government could be condemned to making multiple visits to government offices. There is high probability of such a citizen ending up greasing the palms of officials to avoid harassment. Similarly, elaborate hierarchies not only breed complex work methods but also cause diffusion of responsibility. Time honoured practices like "territorial" distribution of work also, for instance, tend to cause overcrowding and consequent motivation to 'jump queues' by paying speed money or employing touts and middlemen. The practice of laying down methodologies through manuals has fallen in disuse. Properly deployed, and regularly upgraded, such documents can be a great source of demystifying administrative procedures and promoting accountability. In the era of Information Technology and Right to Information, such documents can be an excellent source for 'simplifying transactions' inasmuch as they would afford a degree of clarity to the literate service user.

6.3.2 One of the maladies of administration in India is the multiplicity of layers in every decision making process. Apart from delays, this contributes to corruption. Whenever abuse of authority is noticed, another layer of administration is added in the hope that this would act as a check. More often than not, each additional layer further adds to delay and corruption without solving the original problem. A classic example of this is of when, confronted with



the presence of large-scale black money in real estate transactions, a 'Competent Authority' was constituted in the Income Tax department to clear all sale transactions above a certain value. This 'Competent Authority' had the power to acquire properties, which were found to be undervalued. Very few properties were acquired but the arrangement proved extremely counter productive as it created a further incentive for undervaluation to avoid the process of getting a clearance from the 'Competent Authority'. After more than two decades of experimentation the provision has been deleted from the rulebook!

6.3.3 A single window clearance of all requirements or one-stop service centres is a step which can cut down on corruption as it simplifies procedures and reduces layers. In Canada, for instance, the single window gives all approvals in just two days. This requires not merely a single window but also fully automated back up of all related offices. Yet another administrative method is what is called 'positive silence' sanctions, an example of which is deemed sanction of an application upon expiry of the stipulated period for such sanction as in the case of deemed sanction of building permits (one has to take care however to avoid subsequent harassment by the building inspector who is sure to find violation of bylaws for possible extraction of a bribe). One of the most successful examples of one-stop service centres is Andhra Pradesh's E-Seva model. E-Seva offers the services of some 13 state and local government organisations, three central government organisations and nine private sector organisations under one roof. The services that E-Seva offers include the payment of public service bills, provision of birth and death certificates, payment of property tax, train and bus reservations, private mobile phone bill payments, receipt of passport applications and also, transfer of shares. A user survey conducted by the Administrative Staff College of India indicates that the expected benefits are being realized by E-Seva and that corruption has been reduced substantially.

6.3.4 Most of the procedures dealing with permissions, licenses and registration were laid down years ago. These procedures are quite complex and require documentation, which a common citizen finds difficult to complete. It is, therefore, necessary to have a review of all such procedures so that unnecessary procedural requirements are eliminated.

6.3.5 Recommendations;

- a. There is need to bring simplification of methods to the center-stage of administrative reforms. Leaving aside specific sectoral requirements, the broad principles of such reforms must be: adoption of 'single window' approach, minimizing hierarchical tiers, stipulating time limits for disposal etc.

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- b. The existing Departmental Manuals and Codes should be thoroughly reviewed and simplified with a responsibility on the Head of the Department to periodically update such documents and make available soft-copies on-line and hard copies for sale. These manuals must be written in very precise terms, and phrases like 'left to the discretion of', 'as far as possible', 'suitable decision may be taken' etc should be avoided. This should be followed for all rules and regulations governing issue of permissions, licenses etc.
- c. A system of rewards and incentives for simplification and streamlining of procedures may be introduced in each government organization.
- d. The principle of 'positive silence' should generally be used, though this principle cannot be used in all cases. Wherever permissions/licenses etc are to be issued, there should be a time limit for processing of the same after which permission, if not already given, should be deemed to have been granted. However, the rules should provide that for each such case the official responsible for the delay must be proceeded against.

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No.33013/3/2008-O&M
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Administrative Reforms & Public Grievances

Sardar Patel Bhavan, Sansad Marg,
New Delhi-110001,

Dated the 4 July, 2008

OFFICE MEMORANDUM

Sub: Recommendation made by the 2nd Administrative Reforms Commission in its Fourth Report titled "Ethics in Governance" relating to "Promoting Competition".

The second ARC constituted by the Government of India has made certain recommendations relating to "Promoting Competition" in its 4th Report titled "Ethics in Governance". The Commission has observed that provision of public services by the Government in a monopolistic setting provides scope for corruption and as such it has suggested introduction of competition in the provision of public services.

2. The recommendations of the ARC were considered in a meeting of the Core Group on Administrative Reforms (CGAR) chaired by the Cabinet Secretary and it has been decided to accept the following recommendations:-

6.2.5 Recommendations:

- (a) Every Ministry/Department may undertake an immediate exercise to identify areas where the existing 'monopoly' of functions' can be tempered with competition. A similar exercise may be done at the level of State Governments and local bodies. This exercise may be carried out in a time bound manner, say in one year, and a road map laid down to reduce 'monopoly' of functions. The approach should be to introduce competition along with a mechanism for regulation to ensure performance as per prescribed standards so that public interest is not compromised.
- (b) Some Centrally Sponsored schemes could be restructured so as to provide incentives to States that take steps to promote competition in service delivery.
- (c) All new national policies on subjects having large public interface (and amendments to existing policies on such subjects) should invariably address the issue of engendering competition.

Extracts of paras 6.2.1 to 6.2.5 of the Report are enclosed for perusal.

By 9/7
[Stamp]

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3. The Commission has recommended introduction of competition in the provision of public services and at the same time putting in place regulatory mechanism to ensure performance as per prescribed standards so that public interest is protected. The Commission has referred to successful examples the opening up of telecom sector and direct marketing services provided to the farmers in Madhya Pradesh.

4. All the Ministries/Departments of the Government of India, State Governments and UT Administrations are requested to formulate appropriate policies to achieve the objectives of the recommendations mentioned in para 2 above in a time bound manner. This Department may be kept informed of the steps being taken on quarterly basis, and the first report for the period ending 30th September, 2008 may be sent to this Department by 10th October, 2008.

Razdan

(Rajni Razdan)

Secretary to the Government of India

All Secretaries of Ministries of
Govt. of India & Chief Secretaries of
State Govts.

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6.2 Promoting Competition

6.2.1 Most public services in India are provided by government in a monopolistic setting. Such a situation by its very nature is conducive to arbitrariness, and complacency with a high probability of a section of functionaries taking advantage of the 'departmental hegemony' for corruption. Introduction of an element of competition in the provision of public services is thus a very useful tool to curb corruption. Two successful initiatives can be cited in this connection; *first*, the gradual de-monopolisation of the telecom sector; *second*, the growing role of private players in providing direct marketing services to farmers outside the government-controlled *mandis* in Madhya Pradesh.

6.2.2 The case of telecommunication is one of the most successful examples of curbing corruption through introduction of competition. Our telecommunication sector was, until recently, the exclusive preserve of government. Such monopolistic control led to a high incidence of corruption. The Indian Telegraph Act, 1885, stipulated that it was only the Department of Telecommunication, which could operate as the policy maker, service provider and the licensor in the field of telecommunications. As a result of policy reforms, which introduced competition, private players have been allowed in the international and national long distance sectors as well as in the form of private cellular services. Policymaking has thus been separated from provision of services. The result has been a drastic lowering in the cost of services and the universal recognition of a major decline in corrupt practices.

6.2.3 The Agricultural Produce Marketing Act, 1972, of Madhya Pradesh permitted only the traders in the officially designated *mandis* to buy the produce of the farmers. The officials of the Mandi Samitis and the traders formed a monopsonistic nexus to cheat the farmers by paying them less than the fair price of their produce. The Act was later amended and now farmers and traders are no longer obliged to transact business only in designated *mandis*. This reduced corruption in the regulated markets indulged in by traders and officials.

6.2.4 Clearly, ending government's monopoly in a large number of service sectors and allowing others to compete can play a major role in reducing corruption. To a large extent, therefore, dismantling monopolies and introducing competition go together. However, deregulating in one area may increase corruption elsewhere. The process can itself be subverted and sometimes private agencies, which replace the government agencies in service delivery could be even more corrupt. It is, therefore, necessary that such demonopolisation and competition is accompanied by a 'regulation mechanism' to ensure performance as per prescribed standards so that public interest is protected.



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6.2.5 Recommendations:

- a. Each Ministry/Department may undertake an immediate exercise to identify areas where the existing 'monopoly of functions' can be tempered with competition. A similar exercise may be done at the level of State Governments and local bodies. This exercise may be carried out in a time bound manner, say in one year, and a road map laid down to reduce 'monopoly' of functions. The approach should be to introduce competition along with a mechanism for regulation to ensure performance as per prescribed standards so that public interest is not compromised.
- b. Some Centrally Sponsored schemes could be restructured so as to provide incentives to states that take steps to promote competition in service delivery.
- c. All new national policies on subjects having large public interface (and amendments to existing policies on such subjects) should invariably address the issue of engendering competition.



RAJNI RAZDAN
सचिव
SECRETARY

S.No. 1 (I)

भारत सरकार,
कार्मिक, लोक शिकायत तथा पेंशन मंत्रालय,
प्रशासनिक सुधार और लोक शिकायत विभाग,
सरदार पटेल भवन, संसद मार्ग,
नई दिल्ली-110001

GOVERNMENT OF INDIA,
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES
& PENSIONS,
DEPARTMENT OF ADMINISTRATIVE REFORMS
& PUBLIC GRIEVANCES,
SARDAR PATEL BHAVAN, SANSAD MARG,
NEW DELHI-110001

D.O.No.33013/4/2008-O&M

Dated the 18 July, 2008

Doae

As you are aware the second ARC was appointed by the Government of India in September, 2005. This Commission has been submitting its various reports on different aspects of administration and Governance. This Commission has made certain recommendations relating to "Ensuring Accessibility and Responsiveness" in its 4th Report titled "Ethics in Governance". The Commission has called upon making the processes transparent and for providing hassle-free services to the public in accordance with pre-defined service standards.

2. The recommendations of the ARC were considered in a meeting of the Core Group on Administrative Reforms (CGAR) chaired by the Cabinet Secretary and it has been decided to accept the following recommendations:-

6.9.4 Recommendations:

- (a) Service providers should converge their activities so that all services are delivered at a common point. Such common service points could also be outsourced to an agency, which may then be given the task of pursuing citizens' requests with concerned agencies.
- (a) Tasks, which are prone to corruption, should be split up into different activities that can be entrusted to different persons.
- (b) Public interaction should be limited to designated officers. A 'single window front office' for provision of information and services to the citizens with a file tracking system should be set up in all government departments.

3. I am attaching herewith extracts of paras 6.9.1 to 6.9.3 of the Report for your kind perusal.

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4. The Commission has recommended convergence of activities of all service providers, taking necessary steps to check corruption, and introduction of a 'single-window' approach for providing information and services to the citizens.
5. I would request you to take appropriate action on the recommendations mentioned in para 2 above in a 'time bound' manner.
6. I shall be grateful if you could kindly keep me informed of the steps being taken on quarterly basis, and the first report for the period ending 30th September, 2008 may please be sent by 10th October, 2008.

With regards,

Yours sincerely,

R Razdan

(Rajni Razdan)

All Secretaries of Ministries / Depts of Govt. of India
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All Chief Secretaries of State Govts.

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Extract from the Second Administrative Reforms Commission (Fourth Report).

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6.9 Ensuring Accessibility and Responsiveness

6.9.1 Departments of government have to be accessible to members of the public and responsive to their needs and aspirations and also responsible for prompt redressal of their grievances. To ensure this, it is necessary that the facilities, concessions and rights which are available to them in each department should be made public and the details about authorities who are competent to grant them together with the procedure for securing the same and getting their grievances redressed should be put in the public domain. There is need to define service standards. Every department should be required to take steps to understand the problems of its customers; define the standards which the department would maintain in the provision of its services and specify the conditions which customers should fulfil to qualify for the same. Appeal procedures available in case the customers want further redressal should also be indicated. It is also essential to ensure timely disposal of applications. In order to do this, time limits need to be prescribed for disposal of different categories of applications. The Rustomjee Committee on Administrative Reforms had identified 187 services required by the citizens in different departments and had fixed time-limits for their disposal. A compilation of time-frames was made and the government released a booklet on 'Time-Frames' which was supplied to all government departments as well as representatives of the public. Such an attempt to codify the services provided in each Department, specify time-frames for provision of such services and make these details available in all offices and on the internet, needs to be re-emphasized and continued. The drive to have a citizens' charter for different services will be a right step in this direction.

6.9.2 Various small measures, too numerous to detail here, are possible to improve transparency in government offices. Help desks at the cutting edge level, prominent display of names of officials, automatic call centres and simplified computerized systems of service delivery are steps in the right direction. Concentration of tasks which are corruption prone in a few hands should be avoided. These tasks should be, as far as possible, broken up into activities which are handled by different people. Public interaction should be limited to the head of office and some designated officers. This can be supported by a 'single window front office' for providing information.

6.9.3 Accessibility of government servants to the public should be so designed as to ensure regular, time bound and courteous interaction between the citizens and official functionaries. To this end, business process in government departments should be re-engineered so that back office functions are segregated and take place in a time bound manner based on the principle of 'first in first out', with the minimum scope for discretion while the front office should be a "single window" for provision of services to citizens in full public view.

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ACTION TAKEN REPORT FOR THE QUARTER ENDING ON PARAGRAPH NO.6.7.3
TITLED "REDUCING DISCRETION" CONTAINED IN THE 4TH REPORT (ENTITLED
ETHICS IN GOVERNANCE) OF SECOND
ADMINISTRATIVE REFORMS COMMISSION

1. Name of Ministry _____
2. No. of PSUs under the administrative control of the Ministry
3. No. of Autonomous Bodies under the administrative control of the Ministry
4. No. of Commissions under the Ministry.....
5. No. of Attached Offices under the Ministry
6. No. of Subordinate Offices under the Ministry
7. No. of Other Units (if any) under the Ministry
8. Total of (2)+(3)+(4)+(5)+(6)+(7)=
9. Text of Para No.6.7.3 titled 'Reducing Discretion' contained in the 4th Report of 2nd ARC

"(a) All government offices having public interface should undertake a review of their activities and list out those which involve use of discretion. In all such activities, attempt should be made to eliminate discretion. Where it is not possible to do so, well-defined regulations should attempt to 'bound' the discretion. Ministries and Departments should be asked to coordinate this task in their organizations/offices and complete it within one year.

"(b) State Governments should take steps on similar lines, especially in local bodies and authorities, which have maximum 'public contact'."

10. Action Taken Report in respect of all the offices mentioned in Column No.8 above

Sl.No.	Subject - Name of the Ministry/Department/State/UT	Nature of action taken so far/being taken/proposed to be taken

ACTION TAKEN REPORT ON PARAGRAPH NO.6.3.5 TITLED "SIMPLYFYING TRANSACTION" CONTAINED IN THE 4TH REPORT (ENTILED ETHICS IN GOVERNANCE) OF SECOND ADMINISTRATIVE REFORMS COMMISSION

1. Name of Ministry _____
2. No. of PSUs under the administrative control of the Ministry
3. No. of Autonomous Bodies under the administrative control of the Ministry
4. No. of Commissions under the Ministry.....
5. No. of Attached Offices under the Ministry
6. No. of Subordinate Offices under the Ministry
7. No. of Other Units (if any) under the Ministry
8. Total of (2)+(3)+(4)+(5)+(6)+(7)=
9. Text of Para No.6.3.5 titled 'Simplifying Transaction' contained in the 4th Report of 2nd ARC

(a) There is need to bring simplification of methods to the center-stage of administrative reforms. Leaving aside specific sectoral requirements, the broad principles of such reforms must be: adoption of 'single window' approach, minimizing hierarchical tiers, stipulating time limits for disposal etc.

(b) The existing Departmental Manuals and Codes should be thoroughly reviewed and simplified with a responsibility on the Head of the Department to periodically update such documents and make available soft-copies online and hard copies for sale. These manuals must be written in very precise terms, and phrases like 'left to discretion of', 'as far as possible', 'suitable decision may be taken' etc should be avoided. This should be followed for all rules and regulations governing issued of permissions, licenses etc.

(c) A system of rewards and incentives for simplification and streamlining of procedures may be introduced in each government organization.

(d) The principle of 'positive silence' should generally be used; though this principle cannot be used in all cases. Wherever permissions/licenses etc are to be issued, there should be a time limit for processing of the same after which permission, if not already given, should be deemed to have been granted. However, the rules should provide that for each such case the official responsible for the delay must be proceeded against."

10. Action Taken Report in respect of all the offices mentioned in Column No.8 above

Sl.No.	Subject - Name of the Ministry/Department/State/UT	Nature of action taken so far/being taken/proposed to be taken

ACTION TAKEN REPORT ON PARAGRAPH NO.6.2.1 to 6.2.5 TITLED "PROMOTING
COMPETITION" CONTAINED IN THE 4TH REPORT (ENTILED ETHICS IN
GOVERNANCE) OF SECOND
ADMINISTRATIVE REFORMS COMMISSION

1. Name of Ministry _____
2. No. of PSUs under the administrative control of the Ministry
3. No. of Autonomous Bodies under the administrative control of the Ministry
4. No. of Commissions under the Ministry.....
5. No. of Attached Offices under the Ministry
6. No. of Subordinate Offices under the Ministry
7. No. of Other Units (if any) under the Ministry
8. Total of (2)+(3)+(4)+(5)+(6)+(7)=
9. Text of Para No.6.2.1 to 6.2.5 titled 'Promoting Competition' contained in the 4th Report of 2nd ARC

"(a) Every Ministry/Department may undertake an immediate exercise to identify areas where the existing 'monopoly of functions' can be tempered with competition. A similar exercise may be done at the level of State Governments and local bodies. This exercise may be carried out in a time bound manner, say in one year, and a road map laid down to reduce 'monopoly' of functions. The approach should be to introduce competition along with a mechanism for regulation to ensure performance as per prescribed standards so that public interest is not compromised.

(b) Some Centrally Sponsored schemes could be restructured so as to provide incentives to States that take steps to promote competition in service delivery.

(c) All new national policies on subjects having large public interface (and amendments to existing policies on such subjects) should invariably address the issue of engendering competition."

10. Action Taken Report in respect of all the offices mentioned in Column No.8 above

Sl.No.	Subject - Name of the Ministry/Department/State/UT	Nature of action taken so far/being taken/proposed to be taken

ACTION TAKEN REPORT ON PARAGRAPH NO.6.9.1 to 6.9.4 TITLED "ENSURING ACCESSIBILITY AND RESPONSIVENESS" CONTAINED IN THE 4TH REPORT (ENTILED ETHICS IN GOVERNANCE) OF SECOND ADMINISTRATIVE REFORMS COMMISSION

- 1. Name of Ministry _____
- 2. No. of PSUs under the administrative control of the Ministry
- 3. No. of Autonomous Bodies under the administrative control of the Ministry
- 4. No. of Commissions under the Ministry.....
- 5. No. of Attached Offices under the Ministry
- 6. No. of Subordinate Offices under the Ministry
- 7. No. of Other Units (if any) under the Ministry
- 8. Total of (2)+(3)+(4)+(5)+(6)+(7)=
- 9. Text of Para No.6.9.1 to 6.9.4 titled 'Ensuring Accessibility and Responsiveness'
2nd ARC

- (a) Service providers should converge their activities so that all services are delivered at a common point. Such common service points could also be outsourced to an agency, which may then be given the task of pursuing citizens, requests with concerned agencies.
- (b) Tasks, which are prone to corruption, should be split up into different activities that can be entrusted to different persons.
- (c) Public interaction should be limited to designated officers. A 'single window front office' for provision of information and services to the citizens with a file tracking system should be set up in all government departments.

10. Action Taken Report in respect of all the offices mentioned in Column No.8 above

Sl.No.	Subject - Name of the Ministry/Department/State/UT	Nature of action taken so far/being taken/proposed to be taken