


constitution of an Ombudsman to take care of complaints against local bodies. The question of creating a third tier of representative government at the district level without doing away with the historical institutional strengths represented by the office of the District Collector is also extensively examined and our recommendation on this issue represents the golden mean between the strident positions that are often taken on this issue.

Thereafter, in the section on rural governance, issues relating to the role of Ward Sabhas, giving Panchayati Raj Institutions greater autonomy in personnel management and in the management of local resources are discussed in detail. The question of ‘activity mapping’ to ensure clear cut transfer of functions to the Panchayati Raj Institutions (PRIs) as well as the critical issue of fiscal decentralisation are also analysed in detail in this section. Finally, the need to give the PRIs the central role in the implementation of centrally sponsored schemes while, at the same time, increasing the proportion of untied funds made available to them for carrying out their statutory functions are also highlighted.

In the area of urban governance, the trends in urbanisation in India, the need for clear cut demarcation of the functional domain of Urban Local Governments (ULBs) and the need to make the Mayor a directly elected CEO of the ULBs are examined along with examples of international best practices. How municipal finances can be revitalised is also covered in detail in this section. In the area of infrastructure and service provision, the need to clearly make all infrastructure service providers accountable to the concerned ULBs is clearly prescribed. The importance of the emerging mega cities in the country and need for special institutional mechanisms to tackle their specific problems are also emphasised. The opportunity of creating 25 to 30 world class mega cities in India by using the JNNURM Scheme is also highlighted. Finally, the need for creating a symbiotic relationship between the ULBs and State Governments and how this can be achieved is examined and recommendations made.

In conclusion, I would like to extend our gratitude to Sri Mani Shankar Aiyar, Minister for Panchayati Raj, Government of India; Shri V.N. Kaul, Comptroller and Auditor General of India and Shri N. Gopalaswamy, Chief Election Commissioner of India for their valuable inputs and suggestions which were of immense help to the ARC in formulating its recommendations on various issues relating to Local Governance in India.

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Chairman