

(ABRIDGED VERSION)

**THE GAZETTE OF INDIA
EXTRAORDINARY
PART I- SECTION 1**

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MINISTRY OF HOME AFFAIRS

NOTIFICATION

No.IV/12013/9/2004-CSR – Whereas the Common Minimum Programme (CMP) of the Government of India has made a solemn pledge to the people of India to provide a government that is corruption free, transparent and accountable at all times and to provide an administration that is responsible and responsive at all times;

2. And whereas one of the commitments of the Government in the CMP under the heading 'Regional Development, Centre-State Relations' is to set up a new Commission to look into the issues of Centre-State relations keeping in view the sea-changes that have taken place in the polity and economy of India since the Sarkaria Commission had last looked at the issue of Centre-State relations over two decades ago;

3. Now, therefore, in fulfillment of that pledge, the Union Government hereby resolves to set up a Commission, which will be known as the Commission on Centre-State Relations.

4. The terms of reference of the Commission will be as follows:

- (i) The Commission will examine and review the working of the existing arrangements between the Union and States as per the Constitution of India, the healthy precedents being followed, various pronouncements of the Courts in regard to powers, functions and responsibilities in all spheres including legislative relations, administrative relations, role of governors, emergency provisions, financial relations, economic and social planning, Panchayati Raj institutions, sharing of resources; including inter-state river water and recommend such changes or other measures as may be appropriate keeping in view the practical difficulties.

- (ii) In examining and reviewing the working of the existing arrangements between the Union and States and making recommendations as to the changes and measures needed, the Commission will keep in view the social and economic developments that have taken place over the years particularly over the last two decades and have due regard to the scheme and framework of the Constitution. Such recommendations would also need to address the growing challenges of ensuring good governance for promoting the welfare of the people whilst strengthening the unity and integrity of the country, and of availing emerging opportunities for sustained and rapid economic growth for alleviating poverty and illiteracy in the early decades of the new millennium.
- (iii) While examining and making its recommendations on the above, the Commission shall have particular regard, but not limit its mandate to the following:-
- (a) The role, responsibility and jurisdiction of the Center vis-à-vis States during major and prolonged outbreaks of communal violence, caste violence or any other social conflict leading to prolonged and escalated violence.
- (b) The role, responsibility and jurisdiction of the Center vis-à-vis States in the planning and implementation of the mega projects like the inter-linking of rivers, that would normally take 15-20 years for completion and hinge vitally on the support of the States.
- (c) The role, responsibility and jurisdiction of the Center vis-à-vis States in promoting effective devolution of powers and autonomy to Panchayati Raj Institutions and Local Bodies including the Autonomous Bodies under the 6th Schedule of the Constitution within a specified period of time.
- (d) The role, responsibility and jurisdiction of the Center vis-à-vis States in promoting the concept and practice of independent planning and budgeting at the District level.
- (e) The role, responsibility and jurisdiction of the Center vis-à-vis States in linking Central assistance of various kinds with the performance of the States.

(f) The role, responsibility and jurisdiction of the Center in adopting approaches and policies based on positive discrimination in favour of backward States.

(g) The impact of the recommendations made by the 8th to 12th Finance Commissions on the fiscal relations between the Centre and the States, especially the greater dependence of the States on devolution of funds from the Centre.

(h) The need and relevance of separate taxes on the production and on the sales of goods and services subsequent to the introduction of Value Added Tax regime.

(i) The need for freeing inter-State trade in order to establish a unified and integrated domestic market as also in the context of the reluctance of State Governments to adopt the relevant Sarkaria Commission's recommendation in chapter XVIII of its report.

(j) The need for setting up a Central Law Enforcement Agency empowered to take up *suo moto* investigation of crimes having inter-State and/or international ramifications with serious implications on national security.

(k) The feasibility of a supporting legislation under Article 355 for the purpose of *suo moto* deployment of Central forces in the States if and when the situation so demands.