

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

STARRED QUESTION NO:260

ANSWERED ON:15.03.2010

ALLOCATION UTILISATION OF FUNDS UNDER MGNREGS

Gandhi Shri Feroze Varun;Nahata Smt. P. Jaya Prada

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) the norms prescribed/adopted for allocation of funds under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) along with the details of funds allocated/released/utilized and jobs created thereunder in the country including Uttar Pradesh during each of the last three years and the current year, State-wise;
- (b) whether the funds have been allocated/released as per the demand of the respective States;
- (c) if so, the details thereof and if not the reasons therefor;
- (d) whether the Government is aware that certain States have not utilized the allocated funds completely during the said period;
- (e) if so, the details thereof and the reasons therefor?
- (f) the number of authorities and employees appointed in each State of the country to implement MGNREGS alongwith the expenditure incurred thereon during the same period;and
- (g) the steps taken by the Government to ensure proper utilization of allocated funds and effective implementation of MGNREGS?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF RURAL DEVELOPMENT (DR. C. P. JOSHI)

(a) to (g): A statement is laid on the Table of the House.

Statement as referred to in reply to parts (a) to (g) of Lok Sabha Starred Question No. 260 for answer on 15.3. 2010.

(a)to(c): Mahatma Gandhi NREGA is demand based. Therefore, no allocation of funds is made under the Act. Central Government releases funds to the States for implementation of the Act based on the labour demand arising at field level. The States/districts are required to submit their proposal to the Centre for release of funds alongwith Utilisation Certificates indicating atleast 60% utilisation of the total available funds, Audit Report for the previous year, bank reconciliation statement and fund non-diversion certificate. State-wise details of the funds released, their utilisation and number of persondays of employment generated during 2006-07, 2007-08, 2008-09 and 2009-10 (up to January,2010) is given in the Annexure-I.

(d)&(e): As Mahatma Gandhi NREGA is demand based, funds are to be kept upfront to meet any sudden spurt in labour demand. Next installment of funds is released to the State/District in case 60% of the total available funds have been utilized. Funds under Mahatma Gandhi NREGA are non-lapsable and un-spent funds of a financial year are carried forward to the next financial year to be used for meeting the labour demand in that year.

(f): Section 13(1) of Mahatma Gandhi NREGA provides that the Panchayats at district, intermediate and village levels shall be the principal authorities for planning and implementation of the Schemes made under the Act. Section 16(5) further provides that atleast 50% of the works in terms of its cost under a scheme should be implemented through the Gram Panchayats. The other implementing agencies can be Intermediate and District Panchayats, line departments of the Government, Public Sector Undertakings of the Central and State Governments, Cooperative Societies with a majority shareholding by the Central and State Governments and reputed NGOs having a proven track record of performance. Self help groups may also be considered as possible Implementing Agencies. States have been directed to appoint dedicated staff for implementation of the Act at all levels. Expenditure incurred on salaries of such dedicated staff is borne by the Central Government out of the administrative expenses under the Act. State-wise number of staff appointed for implementation of Mahatma Gandhi NREGA at Gram Panchayat level, Block level and district level alongwith the administrative expenditure incurred during 2009-10 so far is given in Annexure-II.

(g): The Ministry has taken the following steps to ensure proper utilisation of funds and effective implementation of the Act:

(i) Awareness generation through intensive IEC activities involving print as well as electronic media.

(ii) ICT based MIS to make data available to public scrutiny, inclusive of Job cards, Employment demanded and allocated, Days worked, Muster rolls, shelf of works, Funds available/spent and fund to various implementing agencies, Social Audit findings,

registering grievances and generating alerts for corrective action.

(iii) Permissible administrative expenditure limit has been enhanced from 4% to 6% for deployment of dedicated staff for NREGA, strengthening of management and administrative support structures for social audit, grievance redressal and ICT infrastructure

(iv) Payment through institutional accounts of NREGA workers to infuse transparency in wage disbursement. To cover gaps in financial services and outreach and also to ensure greater transparency in wage disbursement, Rural ATM, hand held devices, smart cards, biometrics have been initiated.

(v) Instructions have been issued on 7.9.09 directing all States to appoint ombudsman at district level for grievance redressal.

(vi) Social audit: Modifications have been made in the Act on 31.12.08 for laying down the procedures for social audit.

(vii) States have been asked to set up State Employment Guarantee Funds for smooth flow of funds.

(viii) Proper planning of works has been insisted upon.

(ix) Independent Monitoring by Eminent Citizens.

(x) Periodic reviews with State Governments

(xi) National Helpline now being upgraded to ICT based network of national helpline. Toll free Helpline No. is 1800110707.

(xii) District Excellence Award for districts with outstanding performance under NREGA

(xiii) Rozgar Jagrookta Puruskar for NGOs working towards effective implementation of NREGA.