

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

STARRED QUESTION NO:215
ANSWERED ON:17.07.2009
FINANCIAL ALLOCATION UNDER NREGS
Dhruvanarayana Shri R.

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether some State Governments including Karnataka are facing financial difficulties in meeting the increasing cost of wages under the National Rural Employment Guarantee Scheme (NREGS);
- (b) if so, the details thereof;
- (c) whether the Union Government proposes to increase the financial allocation to these States under NREGS; and
- (d) if so, the details thereof?

Answer

MINISTER OF RURAL DEVELOPMENT (DR. C. P. JOSHI)

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

Statement as referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 215 for answer on 17.07.2009

(a) & (b): No, Sir. NREGA is demand based. Central Government releases funds to the States for implementation of the Act in accordance with the State Government's financial proposal based on the labour demand. Entire cost of wages paid to the unskilled workers under NREGA is borne by the Centre. As per the initial estimates of Labour Budget projections in respect of districts of Karnataka, central liability for the year 2009-10 is of the order of Rs. 1041.33 crore. Out of this amount, the first tranche as per the need indicated by the State Government to meet their requirement for the first 6 months was Rs. 404.65 crore. Un-utilised funds available with the districts as on 1.4.2009 were of the tune of Rs. 303.69 crore that were adjusted before releasing the first tranche. Accordingly, a sum of Rs 116.20 crore was released to the State Fund, which alongwith the un-utilised balance of Rs. 303.69 crore make the total central funds available with State as Rs. 419.89 crore, which is higher than the agreed amount of first instalment i.e. Rs. 404.65 crore. As per the information made available by the State Government, the State had utilized Rs. 80.20 crore till May, 2009 which is around 20% of the total fund available. Therefore the State Governments of Karnataka has sufficient funds available to meet their present requirements.

(c) & (d): As indicated above, under NREGA funds are released by the Central Government in accordance with the labour demand. For the year 2009-10, a budget provision of Rs. 39100 crore has been made for implementation of NREGA. So far, a sum of Rs. 8213.68 crore has been released to various States. Further releases to States are made on receipt of requests and in conformity with the norms laid down in the NREGA guidelines.