

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:3  
ANSWERED ON:26.07.2010  
NON UTILISATION OF FUNDS UNDER MGNREGS  
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**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

- (a) whether a huge amount of money allocated under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is lying idle in various States in the country;
- (b) if so, the details thereof and the number of workers deprived of employment under this scheme, State-wise;
- (c) whether the Union Government has issued any directions to the States for effective utilisation of funds under the scheme;
- (d) if so, the details and the compliance of the State Governments thereto; and
- (e) if not, the action taken thereon?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a): Mahatma Gandhi NREGA is demand based. Central Government releases funds to the States/districts for implementation of the Act based on the labour demand arising at field level. To meet any sudden spurt in labour demand, funds are to be kept upfront. 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.

(b): Household is the basic unit for demanding and providing employment under the Act. A job seeker having a valid job card needs to apply for work which is to be provided to him within 15 days from the date from which the work has been demanded. State-wise details of the number of households demanded and provided work during 2009-10 is given in the Annexure.

(c)to(e): To ensure effective utilisation of funds, the Ministry has taken the following steps:

(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.

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

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

(vii) Periodic reviews with State Governments