

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1983
ANSWERED ON:22.11.2010
ALLOCATION OF FUNDS UNDER MGNREGS
Vundavalli Shri Aruna Kumar

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the funds are being allotted to State Governments as per labour demand since the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a demand driven scheme;
- (b) if so, whether the funds are released to State Governments as per labour demand over and above the approved labour budget;
- (c) if so, the details thereof; and
- (d) the quantum of funds proposed to be released to Andhra Pradesh as per labour demand over and above the approved labour budget of Andhra Pradesh for the year 2010-11?

Answer

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

(a)to(c): Mahatma Gandhi NREGA is a demand driven legislation under which every District Programme Coordinator (DPC) is required to prepare Labour Budget for the district in accordance with Section 14(6) of the Act taking into account expected labour demand. The labour budget is discussed and agreed to by the Union Ministry of Rural development in consultation with the State Governments. The first tranche, subject to upper cap of 50% of the Central assistance required during the entire financial year is released in the first month of the financial year for the initial six months. The remaining funds are released in tranches based on the demand of the States and in accordance with the financial and physical progress and the availability of funds with the States. The releases so far have been within the approved labour budget.

(d): As on 18.11.10, Central fund amounting to Rs. 3861.34 crore has been released to the State fund of Andhra Pradesh against the approved Central share of Rs. 6011.42 crore for the current financial year 2010-11. The actual performance of fund utilisation is well within the approved labour budget and reconsideration for upward revision is justified if actual performance exceeds month-wise projections upto the reporting month.