

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2421  
ANSWERED ON:10.03.2011  
RELEASE OF FUNDS  
Patil Shri C. R.

**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

- (a) whether the Government releases the Programme funds for NREGS, IAY, SGSY, DRDA directly to the District Panchayats which weakens the role of the State Government, and makes it difficult to regulate State share of expenditure as a part of each scheme and also results in poor quality of output;
- (b) if so, the details thereof;
- (c) whether the Government proposes to revise this procedure and transfer the funds to the respective State Governments; and
- (d) if so, the time by which the Government proposes amendments in this regard?

**Answer**

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

(a) & (b): No, Sir. The existing mechanism for release of funds to the State for implementing rural development programmes has neither weakened the role of the State Governments nor resulted in poor quality of output. Under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) funds are released to the States for implementation of the Programme in accordance with labour budget and from 2009-2010, central funds are released to State Employment Guarantee Fund Account in eleven States. For the remaining States, funds are released to the concerned Districts. Under Indira Awaas Yojana (IAY), Swarnjyanati Gram Swarozgar Yojana (SGSY)/National Rural Livelihood Mission (NRLM) and DRDA Administration, funds are released to the DRDAs.

(c) & (d): The Ministry of Rural Development do not propose to revise this procedure and transfer of funds to respective State Governments at present.