

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:846

ANSWERED ON:04.08.2011

ALLOCATION UNDER MGNREGS

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Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) the details of the funds made available and utilised by the State Governments under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) during each of the last three years and current year, State and Union Territory-wise and year-wise;
- (b) whether some of the States have not utilised the funds allocated under the Scheme fully;
- (c) if so, the details thereof indicating the reasons therefor;
- (d) whether any guidelines/advisory have been issued by the Union Government in regard to the utilisation of funds under the Scheme;
- (e) if so, the details thereof; and
- (f) the performance in terms of generating employment under the Scheme, State-wise?

Answer

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

(a) to (c): Mahatma Gandhi NREGA is demand based. Funds are released by the Central Government to the States/Union Territories based on the labour demand arising at the field level. State/UT-wise total funds available and funds utilized during the last three years and current year up to June, 2011 are given in the Annexure-I. Mahatma Gandhi NREGA provides for a legal guarantee for up to 100 days of wage employment to every rural household in every financial year for doing unskilled manual work on demand. The Act provides that work has to be provided to an applicant within 15 days of the demand failing which unemployment allowance becomes payable. Therefore, funds have to be kept upfront in order to meet any sudden spurt in the labour demand in an area. Funds available with the States/UTs which remain un-utilized in a financial year are carried forward to the next financial year to be used for meeting the labour demand in that year.

(d) & (e): The utilization of funds under MGNREGS is governed by the MGNREGA Operational Guidelines, National Employment Guarantee Fund Rules, 2006, norms and advisories issued from time to time. Employment under MGNREGA is to be provided as per demand. The Act provides for a legal guarantee of up to 100 days of wage employment in every financial year to a rural household for doing unskilled manual work on demand on permissible activities/works stipulated in Para 1 of schedule I of the Act. The Central Government bears the entire expenditure on payment of wages to unskilled manual workers under the Scheme. Wages are to be paid at the wage rates notified for every State under the Act. The cost of material component of projects including the wages of the skilled and semi-skilled workers taken up under the Scheme shall not exceed forty per cent of the total project costs. 75% of material cost, including wages of skilled and semiskilled workers, is borne by the Central Government. Up to 6% of funds are permitted as administrative expenditure for deployment of dedicated staff for MGNREGA, strengthening of management and administrative support structures for social audit, grievance redressal and ICT infrastructure.

(f): The performance in terms of persondays generated under MGNREGA during the last three years and current year up to June, 2011 as reported by the States/ UTs is given in Annexure-II.