

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:2951

ANSWERED ON:14.03.2013

RELEASE OF FUNDS UNDER MGNREGS

Biswal Shri Hemanand ;Joshi Shri Pralhad Venkatesh;Premajibhai Dr. Solanki Kiritbhai;Shekhar Shri Neeraj;Singh Shri Yashvir;Veljibhai Jat Poonamben

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) the details of funding pattern under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and the funds released and utilized during each of the last three years and the current year, State/UT-wise;
- (b) the reasons for under-utilisation of funds released, if any;
- (c) whether the Government has not released funds earmarked/allocated under the Scheme to various States/UTs including Uttar Pradesh for the year 2012-13, and if so, the reasons therefor;
- (d) the details of the States/UTs which have requested for allocation/release of funds in this regard and the action taken by the Government thereto, State/UT-wise; and
- (e) the steps taken/being taken by the Government to ensure optimum utilization of the funds to make the Scheme effective and result-oriented?

Answer

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

(a)to(d): Funding pattern under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is governed by provisions of Section 22 of MGNREGA, the MGNREGA Operational Guidelines, National Employment Guarantee Fund Rules 2006, norms and advisories issued from time to time. The Central Government bears the entire expenditure on payment of wages at notified wage rates to unskilled manual workers. 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, Information, Communication and Technology infrastructure etc. MGNREGA is a demand driven wage employment Programme under which no State-wise allocation of fund is made. Central funds are released to the States/UTs/Districts on the basis of agreed to Labour Budget and taking into consideration the performance and utilization of available funds by the States/UTs/Districts. The details of funds released and expenditure incurred during each of the last three years and the current year including Uttar Pradesh as reported by States/UTs is given in Annexure. MGNREGA is a demand driven wage employment programme and utilisation of funds by the States/UTs depends on demand for employment.

(e): Steps taken for effective implementation of MGNREGA, inter alia, are the following:

(i) Keeping in view the challenges in implementation in MGNREGA permissible administrative expenditure limit was enhanced from 4% to 6% for deployment of dedicated staff for MGNREGA, strengthening management and administrative support structures for maintenance of records, social audit, grievance redressal and Information and Communication Technology (ICT) infrastructure.

(ii) Use of information technology to automate the manual processes is promoted.

(iii) Payment of wages in cash has been allowed in IAP districts to obviate payment delays where outreach of Banks/Post Offices is inadequate, as an interim arrangement subject to certain conditions.

(iv) To strengthen the institutional outreach for wage disbursement, it has been decided that State Governments should roll out the Business Correspondent Model to make wage payment through Banks with Bio-metric authentication at village level.

(v) States have been instructed to establish State Employment Guarantee Funds for greater flexibility in management of funds for MGNREGA.

(vi) Ministry has initiated an 'Electronic Fund Management System' (e-FMS) in four states. The system will be rolled out in a phased manner across the country.

(vii) Various advisories have been issued to States/UTs to check delays in payments. A time schedule for payment of wages has

been suggested to the States/UTs to reduce administrative delays.

(viii) To facilitate disbursement of wages, provision has been made in NREGASoft for seeding of Aadhaar numbers in the database. This database may be later used for the purpose of workers' authentication for attendance and payments.

(ix) The list of permissible works under MGNREGA has been expanded with a focus to strengthen the synergy between MGNREGA and rural livelihoods, particularly agriculture, and to create durable quality assets.