

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:4090

ANSWERED ON:21.03.2013

RELEASE UNDER MGNREGS

Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Mahato Shri Narahari; Nagar Shri Surendra Singh; Roy Shri Nripendra Nath; Toppo Shri Joseph; Yadav Shri Dharmendra; Yaskhi Shri Madhu Goud

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

- (a) whether the pace of utilisation of funds released by the Union Government under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is below average in some of the States/UTs;
- (b) if so, the details of such States/UTs indicating the reasons therefor;
- (c) the steps taken by the Union Government for accelerating the pace of utilisation of the said funds;
- (d) whether the Union Government proposes to make it mandatory for each State/UT to submit performance report regularly;
- (e) if so, the details thereof;
- (f) whether some State Governments are facing financial crisis in meeting the increasing cost of wages under the Scheme; and
- (g) if so, the details thereof and the reaction of the Government thereto?

**Answer**

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

(a) to (e): Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a demand driven wage employment programme and 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. 1st tranche of Central share under MGNREGA is released to States/UTs/Districts taking into account availability and requirement of funds as per agreed to labour budget subject to settlement of accounts of the financial year before last and 2nd tranche is released provided Utilization Certificates of previous year and current year are submitted. A detail of funds released by the Central Government to the States/Union Territories under MGNREGA and expenditure incurred as reported by states/UTs during 2012-2013 are given in Annexure. As employment is provided on demand, households provided employment under MGNREGA and expenditure incurred by the States/UTs depends on demand for employment. Demand for employment under MGNREGA is dependent upon several factors including availability of alternate employment opportunities.

(f) & (g): No, Sir. Funding pattern under MGNREG Act 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.