

**COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND  
SCHEDULED TRIBES  
(2013-2014)**

**(FIFTEENTH LOK SABHA)**

**TWENTY EIGHTH REPORT**

**ON**

**MINISTRY OF RURAL DEVELOPMENT**

**Examination of Mahatma Gandhi National Rural Employment Guarantee Act  
(MNREGA) with particular reference to Scheduled Castes and Scheduled Tribes**

Presented to Lok Sabha on 7.8.2013

Laid in Rajya Sabha on 7.8.2013



**LOK SABHA SECRETARIAT  
NEW DELHI**

7 August , 2013 / 16 Sravana, 1935 (Saka)

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**COMPOSITION OF THE COMMITTEE ON THE WELFARE OF SCHEDULED  
CASTES AND SCHEDULED TRIBES (2013-2014)**

Shri Gobinda Chandra Naskar - Chairman

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4. Shri Bhudeo Choudhary
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**SECRETARIAT**

- |    |                    |   |                      |
|----|--------------------|---|----------------------|
| 1. | Dr. R.K. Chadha    | - | Additional Secretary |
| 2. | Shri D.R. Shekhar  | - | Director             |
| 3. | Shri S. Chatterjee | - | Additional Director  |
| 4. | Smt. Sunita Sharma | - | Committee Officer    |

## INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to finalise and submit the Report on their behalf, present this Twenty Eighth Report (Fifteenth Lok Sabha) on the Ministry of Rural Development on the subject "Examination of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) with particular reference to Scheduled Castes and Scheduled Tribes".

2. The Committee took evidence of representatives of the Ministry of Rural Development. The Committee wish to express their thanks to the officers of the Ministry of Rural Development for placing before the Committee the material and information the Committee required in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 8th July, 2013.

4. A summary of conclusions/recommendations contained in the Report is appended (Appendix\_\_\_\_\_).

**New Delhi;**  
**7 August, 2013**  
**16 Sravana, 1934 (Saka)**

**(GOBINDA CHANDRA NASKER)**  
**Chairman**  
**Committee on the Welfare of**  
**Scheduled Castes and**  
**Scheduled Tribes**

## Chapter I

### INTRODUCTORY

1.1 An essential component of any development intervention is to provide full equality of opportunity to the Vulnerable groups of people particularly SCs and STs. The mandate of the Ministry of Rural Development is to alleviate poverty in the rural areas. With an objective to provide avenues of employment to most disadvantaged sections of the society including SCs/STs, the Ministry of Rural Development is implementing various Schemes through special employment generation programmes. The Ministry has made specific provisions in the guidelines of the programmes being implemented to ensure adequate flow of resources to the Scheduled Castes and Scheduled Tribes. Hence, the Ministry of Rural Development came out with a new strategy to introduce National Rural Employment Guarantee Act (NREGA) which is uniformly applicable to all rural households irrespective of their caste.

#### **National Rural Employment Guarantee Act (NREGA)**

1.2 The National Rural Employment Guarantee Act, (NREGA) was notified on September 7, 2005. The objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. Rural area as defined under the Act means any area in a State except those areas covered by any urban local body or a Cantonment Board established or constituted under any law for the time being in force. It is not linked with the percentage of the urban population in an area. NREGA covers all rural areas in the country including those in Schedule Five and Schedule Six areas. Panchayats at district, intermediate and village levels are the principal authorities for planning and implementation of the Schemes made under the Act. However, where Part nine of the Constitution does not apply, local

councils/authorities, as mandated by the State concerned are invested with corresponding responsibilities.

### **NREGA : Main objectives**

1.3 The main objectives of NREGA are :

- Strong social safety net for the vulnerable groups by providing a fall-back employment source, when other employment alternatives are scarce or inadequate.
- Growth engine for sustainable development of an agricultural economy. Through the process of providing employment on works that address causes of chronic poverty such as drought, deforestation and soil erosion, the Act seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas, Effectively implemented, NREGA has the potential to transform the geography of poverty.
- Empowerment of rural poor through the processes of a rights-based Law.
- New ways of doing business, as a model of governance reform anchored on the principles of transparency and grass root democracy.

1.4 NREGA fosters conditions for inclusive growth ranging from basic wage security and recharging rural economy to a transformative empowerment process of democracy.

1.5 The National Rural Employment Guarantee Act (NREGA) 2005, which came into force in 200 districts in February 2006, guarantees 100 days of employment in a financial year to any rural household on demand. At the request of the Ministry of Rural Development, a performance audit of the implementation of NREGA was carried out for the period February 2006 to March 2007, covering 558 Gram Panchayats (GPs) in 141 blocks in 68 districts in 26 States. At present NREGA cover 624 districts.

## CHAPTER II

### OBJECTIVES AND STRATEGIES

2.1 The Committee have been informed that the National Rural Employment Guarantee Act (NREGA) guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The Act had come into force in 200 selected districts of the country w.e.f. 2<sup>nd</sup> February, 2006. Now all the districts of the country have been brought in the ambit of the Act from April, 2008.

#### **NREGA : Salient features**

2.2 The salient features of National Rural Employment Guarantee Act (NREGA) are as under:-

- i) Adult members of a rural household, willing to do unskilled manual work, may apply for registration in writing or orally to the local Gram Panchayat.
- ii) The Gram Panchayat after due verification will issue a Job Card. The Job Card will bear the photograph of all adult members of the household willing to work under NREGA and is free of cost.
- iii) The Job Card should be issued within 15 days of application.
- iv) A Job Card holder may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment have to be at least fourteen.
- v) The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.



- vi) Employment will be given within 15 days of application for work, if it is not then daily unemployment allowance as per the Act, has to be paid. The liability of payment of unemployment allowance is of the States.
- vii) Work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10% are payable to meet additional transportation and living expenses.
- viii) Wages are to be paid at rates notified by the Central Government in accordance with Section 6(1) of the NREGA. Equal wages are to be paid to men and women workers.
- ix) Wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done on weekly basis and not beyond a fortnight in any case.
- x) At least one-third beneficiaries shall be women who have registered and requested work under the scheme.
- xi) Work site facilities such as crèche, drinking water, shade have to be provided.
- xii) The shelf of projects for a village *will be recommended by the gram sabha and approved by the zilla panchayat.*
- xiii) At least 50% of works will be allotted to Gram Panchayats for execution.
- xiv) Permissible works predominantly include water and soil conservation, afforestation and land development works.
- xv) A 60:40 wage and material ratio has to be maintained. No contractors and machinery is allowed.

- xvi) The Central Government bears the 100 percent wage cost of unskilled manual labour and 75 percent of the material cost including the wages of skilled and semi skilled workers.
- xvii) Social Audit has to be done by the Gram Sabha.
- xviii) Grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process.
- xix) All accounts and records relating to the Scheme should be available for public scrutiny.

2.3 On being asked by the Committee about any special provisions for SCs and STs, in NREGA, the Ministry of Rural Development have stated that NREGA is uniformly applicable to all rural households irrespective of their castes. All rural households may avail wage employment for at least 100 days in every financial year on demand for doing unskilled manual work. Thus, NREG Act does not contain any special provision for SCs/STs. NREGA is a demand driven scheme, therefore, separate earmarking of employment/resources for SC/STs has not been provided.

**2.4 The Committee note that NREGA is a demand driven scheme and is uniformly applicable to all rural households irrespective of their castes. Also that NERGA guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The Committee feel that SCs/STs living in rural areas are poorer of the poor and therefore, deserve priority employment under NREGA. The Committee recommend that the Centre must prepare village wise/Panchayat wise/District wise list of target beneficiaries and those who are SCs/STs should be given priority in employment under NREGA. The Committee also recommend that NERGA should be amended to guarantee at least 150 days of employment per**

**household of SCs/STs in a financial year instead of the existing provision of 100 days. The Committee strongly feel that on the lines of NERGA, the Government should also bring a piece of legislation to guarantee employment to urban poor, particularly SCs/STs. The Committee would like to know the response of the Government in this regard.**

2.5 When asked as to how the interests of SCs/STs are taken care of while distributing work by the Gram Panchayat and whether any instructions/guidelines have been issued to State Governments/Panchayati Raj institutions in this regard. The Ministry of Rural Development in their reply have informed that Mahatma Gandhi NREGA is demand based and employment under the Act is available to all rural households subject to 100 days of employment per household in a financial year. However, provision of irrigation facilities, horticulture plantation and land development facilities on individual lands is available to households belonging to SC, ST, BPL, small & marginal farmers and beneficiaries of land reforms and IAY (Indira Awas Yojana) schemes of the Government of India. State have been advised that works on the land of SC/ST households will be taken on priority. Once works on the lands of SC/ST are saturated in a Gram Panchayat, works on land of small and marginal farmers may be considered.

2.6 When enquired by the Committee about the difference between the programme under NREGA and the other programmes of the Central Government, the Ministry of Rural Development informed that NREG Act was not a programme but an Act passed by the Parliament and it was demand based whereas the earlier wage employment programmes were allocation based. Under NREGA, panchayats at all the three levels viz. village, intermediate and district, are the principal planning and implementing agencies whereas the earlier programmes were being implemented through DRDAs.

The striking features of NREGA are:

- i) NREGA provides a statutory guarantee of wage employment.
- ii) It provides a rights-based framework for wage employment. Employment is dependent upon the worker exercising the choice to apply for registration, obtain a Job Card, and seek employment for the time and duration that the worker wants.
- iii) There is a 15 day time limit for fulfilling the legal guarantee of providing employment.
- iv) The legal mandate of providing employment in a time bound manner is underpinned by the provision of Unemployment Allowance.
- v) The Act is designed to offer an incentive structure to the States for providing employment as ninety percent of the cost for employment provided is borne by the Centre. There is a concomitant disincentive for not providing employment as the States then bear the double indemnity of unemployment and the cost of unemployment allowance.
- vi) Unlike the earlier wage employment programmes that were allocation based. NREGA is demand driven. Resource transfer under NREGA is based on the demand for employment and this provides another critical incentive to States to leverage the Act to meet the employment needs of the poor.
- vii) NREGA has extensive inbuilt transparency safeguards.
- viii) The public delivery system has been made accountable, as it envisages an Annual Report on the outcomes of NREGA to be presented by the Central Government to the Parliament and to the Legislature by the State Government. Specifically personnel responsible for implementing the

Act have been made legally responsible for delivering the guarantee under the Act.

2.7 The focus of the works to be taken up under NREGA is on water harvesting and water conservation, flood control, irrigation facilities etc. The permissible activities have been clearly stipulated in para 1 of schedule -1 of the Act.

2.8 When the Committee enquired about the authority who approves such plan, the Ministry of Rural Development have informed that Gram Panchayat prepares the development plan and maintain a shelf of possible works to be taken up under the scheme. The plan is finally approved by the district panchayat. The Committee further note that Section 13 of NREGA makes the Panchayats at district, intermediate and village levels the principal authorities for planning. The Power to make recommendations on the works to be taken up under NREGA rests with the Gram Sabha and the power to prepare a development plan comprising a shelf of projects on the basis of these recommendations the Gram Sabha is with the Gram Panchayats.

2.9 For preparing a development plan comprising of shelf of projects, the Ministry of Rural Development had issued directives to all States under Section 34(1) of the NREGA. A copy of these directives is at **ANNEXURE – A**

**2.10 The Committee note that Section 13 of NREGA makes the Panchayats at district, intermediate and village levels the principal authorities for planning. The power to make recommendations on the works to be taken up under NREGA rests with the Gram Sabha and the power to prepare a development plan comprising a shelf of projects on the basis of these recommendations of the Gram Sabha is with the Gram Panchayats. The Committee note that the Operational Guidelines of NREGA stipulate the preparation of a five year District Perspective Plan (DPP) to facilitate advance planning and provide a development**

**perspective for the District. The aim is to identify the types of REGS (Rural Employment Guarantee scheme) works to be encouraged in the district and the potential linkages between these works and long term employment generation and sustained development. The Committee recommend that for ensuring a long term shelf of projects, and ensuring timely preparation of Annual Plans, all Districts should be directed to prepare District Perspective Plan (DPPs) primarily on the works which can be undertaken for the welfare of SCs/STs. The Committee also recommend that more and more works should be included under NREGA so that while preparing District Perspective Plan, a holistic view of the development of the District can be taken and simultaneously to generate more employment avenues.**

## CHAPTER III

### IMPLEMENTATING STRUCTURE

3.1 The Committee have been informed that Ministry of Rural Development prepared operational guidelines for implementation of NREG Scheme in the States. Copies of operational guidelines have been provided by the Ministry to all States. The operational guidelines have been revised twice and last revision of these guidelines was done during the year 2008.

3.2 When asked as to whether NREGA has been extended to all the Districts of the country. The Committee have been informed that NREG Act was implemented in 200 districts in its first phase with effect from 2.2.2006. 130 additional districts were covered under the Act during the 2007-2008 and all the remaining rural areas in the country were covered under NREG Act with effect from 1.4.2008.

#### **Permissible activities under NREGA**

3.3 The Committee have been informed that activities which are permissible under NREG Act have been stipulated in para (1) of Schedule (1) of NREG Act. A list of permissible activities, as amended from time to time, is given below :-

- (i) water conservation and water harvesting;
- (ii) drought proofing ( including afforestation and tree plantation);
- (iii) irrigation canals, including micro and minor irrigation works;
- (iv) provision of irrigation facility, horticulture plantation and land development facilities to land owned by households belonging to the SC/ST or BPL families or to beneficiaries of land reforms, or to the beneficiaries under the Indira Awas Yojana of Government of India or that of the small farmers or marginal farmers as defined in the Agriculture Debt Waiver and Debt Relief Scheme, 2008;

- (v) renovation of traditional water bodies, including de-silting of tanks;
- (vi) land development;
- (vii) flood-control and protection works, including drainage in waterlogged areas;
- (viii) rural connectivity to provide all-weather access;
- (ix) construction of Bharat Nirman Rajiv Gandhi Sewa Kendra as Village Knowledge Resource Centre and Gram panchayat Bhawan at gram panchayat level;
- (x) any other work that may be notified by the Central Government in consultation with the State Government.

3.4 The Committee have been informed that the role of Central Government as well as of State Governments have been clearly defined in the Act itself. Central Government provides funds to the State Governments for implementation of the Act. Besides funding, the Central Government monitors and review the implementation of the Act, prepare an Annual Report on the Status of implementation of the Act in all the States and place it in Parliament, amends/ modify the Act.

3.5 It was also informed that State Governments on the other hand, are responsible for implementation of the Act. They are required to formulate schemes to give effect to the provisions of the Act, monitor its schemes at the State level, furnish reports to the Central Government and prepare an annual report of the implementation of the Act and place it before the State Legislative Assembly.

3.6 When asked as to how it is ensured that the works undertaken for NREGA Scheme do not overlap with the works undertaken under SCSP and TSP plans in SCSP and TSP areas and how it is ensured that funds from one account to another are not displaced or diverted, the Ministry have replied that by preparing annual action plan



and shelf of project at Gram Panchayat level under Mahatma Gandhi NREGA, it is ensured that the works undertaken do not overlap with the works of SCSP and TSP plans.

3.7 On being asked as to how it is ensured that separate records are maintained for NREGA Scheme in SCSP and TSP areas so that the funds enumerating from SCSP and TSP for SC/ST beneficiaries do not overlap, the Committee were informed that there are separate formats designed for Mahatma Gandhi NREGS in which records are maintained by the Rozgar Sahayak at every Gram Panchayat level. This is ensured by the supervisory staff i.e. Project officer at Intermediate Panchayat level and inspection by the District Programme Coordinator at District Panchayat level.

3.8 When enquired whether NREGA has been extended to all the Districts of the country, if so, the details of SC/ST dominated districts which have been included under NREGA, the Committee have been informed that NREG Act was implemented in 200 districts in its first phase with effect from 2.2.2006. 130 additional districts were covered under the Act during the 2007-2008 and all the remaining rural areas in the country were covered under NREG Act with effect from 1.4.2008.

**3.9 The Committee note that the Central Government monitors and review the implementation of the Act. The State Governments are primarily responsible for the implementation of the schemes under NREGA. The Committee also note that while preparing annual action plan and shelf of projects at Gram Panchayat level under NERGA, it is ensured that the works undertaken do not overlap with the works of the SCSP and TSP Plans. Also that separate records are maintained for NERGA schemes in SCSP and TSP areas so that funds enumerating from SCSP and TSP for SCs/STs beneficiaries do not overlap. The Committee, however, are apprehensive that despite mechanism, a possibility of overlapping of works and**

**distribution of funds between NERGA and other programmes for the development of SCs/STs can not be refuted. The Committee, therefore, recommend the Central Government to monitor that funds meant for different schemes for the development and welfare of SCs/STs are not diverted and are fully utilized on the allocated works only. The Committee would like to be apprised about the effective steps taken by the Government to avoid possibility of overlapping of works and distribution of funds between NREGA and other programmes.**

### **Convergence of Development Programmes**

3.10 In regard to the convergence of rural development programme of other Ministries, the Committee have been informed that NREGA guidelines provide for convergence of rural development programmes of other Ministries with NREGA. In accordance with these provisions, convergence guidelines with Ministries of Environment & Forests, Agriculture, Water Resources, Department of Land Resources and PMGSY and SGSY programmes of Department of Rural Development have been issued. 115 pilot districts in 23 states have been identified by the MoE&F, MoWR and ICAR. In selected districts, pilot projects on convergence have been taken up for action research identifying further possibilities and up-scaling. Three Roundtables were held with Ministry of Environment and Forests, Indian Council of Agricultural Research, Ministry of Water Resources including district and State officials. Civil Society Organizations/ Professional Institutions having technical competence & resources are being enlisted for monitoring of convergence pilots.

3.11 On being asked about the instances when the State Governments have not been able to provide employment under the Scheme and have to bear Unemployment Allowance, the Ministry have given statewise details in **ANNEXURE - B**

3.12 On being enquired whether any unemployment allowance was paid to beneficiaries living in SC/ST dominated areas in lieu of employment, the Ministry of Rural Development in their written reply have stated that Mahatma Gandhi NREGA is uniformly applicable in all the rural areas in the country irrespective of its inhabitants. Unemployment allowance becomes payable if an applicant for employment is not provided employment within 15 days of receipt of his application seeking employment or from the date on which the employment has been sought in case of an advance application whichever is later.

### **Roles and Responsibilities of Implementing Agencies**

3.13 The Committee were informed that the roles and responsibilities of each implementing agency have been clearly assigned under NREGA as given below :-

#### **Role of Gram Sabha:**

- Assist in identification of beneficiaries
- Recommend developmental works
- Social audit of all projects within the gram Panchayat jurisdiction

#### **Role of Gram Panchayat:**

- Registration of the rural households and issue of job cards
- Identification of the projects to be taken up in its area under the scheme as per recommendations of the Gram Sabha/ward Sabha and forward it to Programme Officer for scrutiny and preliminary approval
- Preparation of development plan and maintain shelf of possible works to be taken up under the scheme as and when demand for work arises.
- Execute atleast 50% of the works in terms of their cost under the scheme.

## **Role of Intermediate and District Panchayats**

The Intermediate Panchayat shall approve the Block level Plan and forward the same to the District panchayat for approval

- The district Panchayat shall finalise and approve the Block-wise shelf of projects to be taken up for implementation under the Scheme.
- The plan approved by District panchayat will assign implementation responsibilities to various agencies like Panchayats, line departments, NGOs etc.

## **Role of Central Government**

To make rules, amend/modify the Act

- Release of Central share of funds to the State Governments
- Set up Central Employment Guarantee Council and convene its meeting from time to time
- Facilitate technical support
- Monitoring evaluation and review of NREGA

## **Role of State level officers**

Programme Officer

- Prepare a plan for the block under his jurisdiction by consolidating the project proposals prepared by the Gram Panchayat and the proposals received from the intermediate panchayat
- Matching the demand for employment with the employment opportunities arising from projects in the area under his jurisdiction
- Over-all supervision and coordination of registration of applicants for employment and for providing wage employment in accordance with the provisions of the Act

- Receive resources from District Programme Coordinator and release them to the Implementing Agencies
- Maintain proper account of the resources received, released and utilized
- Monitoring of projects taken up by the Gram Panchayats and other implementing agencies within his jurisdiction
- Sanctioning and ensuring payment of unemployment allowance to the eligible households
- Ensuring payment of wages to the NREGA workers
- Dealing with all complaints arising in connection with the implementation of the scheme within the block.

### **Role of District Programme Coordinator**

To consolidate the plans prepared by the blocks and project proposals received from other implementing agencies for inclusion in the shelf of projects to be approved by the Panchayat at district level

- To accord necessary sanction and administrative clearance wherever necessary
- To review, monitor and supervise the performance of the Programme Officer
- To conduct periodic inspection of works in progress
- To redress the grievances of the applicants
- To prepare labour budget for the next financial year containing details of anticipated demand for work in the district.

### **NGO's works for NREGA Scheme**

3.14 When asked what was the criteria for NGOs to qualify to work for NREGA scheme, Ministry of Rural Development has informed the Committee that Registered NGOs which can take up the following activities from their own resources qualify to work for NREGA schemes:

- (i) Generation of awareness in the rural community in regard to the provisions of the Act, and in particular, the statutory rights of the workers.
- (ii) Enabling the workers/households to register for work and obtain job cards.
- (iii) Facilitating the workers to demand for work by submission of application for work and receive the dated acknowledgement receipt.
- (iv) Enabling the workers to get work allocated to them within the statutory limit of 15 days.
- (v) Facilitating the workers to receive proper and timely payment of wages.
- (vi) Enabling the workers to understand their obligation to perform the work allotted to them according to the norms laid down for the purpose.
- (vii) Enabling the workers to properly acknowledge receipt of wages in the Muster rolls.
- (viii) Enabling the workers and other persons to submit complaints and grievances to the programme Officer and other functionaries under the scheme.

3.15 On being asked about the financial and monitoring mechanism of the NGO's, the Ministry in their written reply have stated that the NGOs are not given any financial aid to work for NREGA. State Governments are responsible for the credentials of the NGOs. For selection of the awardees for the Rozgar Jagrookata Awards, screening of applications as well as selection of applications is done by the Screening

Committee constituted by the State Governments. Nominations recommended by the Screening Committee of the State Government are forwarded to the Ministry of Rural Development which makes the final selection on the basis of an evaluation criteria fixed by the Ministry. 5 NGOs were awarded Rozgar Jagrookta Puraskar in the NREGA Sammelan held on 2.2.2009 for their contribution in generating awareness among the rural population regarding their entitlements under the Act during 2007-08. These NGOs are (i) Asha Gram Trust, (ii) Rozgar evam Suchna Adhikar, (iii) Rupayan, (iv) Unnati and (v) Aasha Trust.

### **Appointment of Personnel in implementing Agency**

3.16 On being asked by the Committee as to whether the personnel involved in implementation of the scheme are trained and what is the procedure for their recruitment and who is the appointing authority. The Committee were informed by the Ministry of Rural Development that the personnel appointed with the various Implementing Agencies for implementation of NREGA are appointed by the State Governments. They are also provided training for smooth and effective implementation of the Act.

**3.17 The Committee note that the personnel working in the various Implementing Agencies for implementation of NREGA are appointed by the State Governments. They are also imparted training for smooth and effective implementation of the Act. The Committee desire that for effective working of NREGA Scheme, the training should also be imparted to the members of Village Panchayats and Gram Sabha. The Committee further recommend that with a view to safeguarding the interest and welfare of SCs/STs, it is essential that the personnel appointed by the various Implementing Agencies should also include SCs/STs in large numbers. The Government may also take up the matter with**

**the State Governments to ensure inclusion of SC/ST members in implementing agency, even if it entails amendment of the existing provisions for such appointments. The Committee may also be apprised of the existing provisions governing appointment of personnel with the various implementing agencies.**

3.18 The Government of India has established a fund called the National Employment Guarantee Fund, from which grants are released directly to Districts. Revolving funds are to be set up under REGs at the District, Block and Gram Panchayat levels, with separate bank accounts being opened for such funds at each level.

**3.19 The Committee are concerned to note that no separate allocations have been earmarked for SCs/STs under the Act. The Committee, therefore, recommend that separate allocation should be made for SCs/STs in the annual budget plan under NREGA scheme. The funds earmarked for SCs/STs should also be utilized on priority basis during the same year and should not lapse or diverted to other schemes.**

### **Findings of the C&AG Report on performance of NREGA Scheme**

3.20 In view of the importance of the Act and the programme and to provide assurance that the processes under the Act were put in place and were being adopted effectively by the State Governments a performance audit of implementation of NREGA, covering the initial 200 districts, was initiated during 2007-2008.

3.21 The main audit objectives for the Performance Audit were to ascertain whether :-

- effective preparatory steps for planning, implementation and monitoring/evaluation of outcomes were taken by the Central and State Governments;



- the procedures for preparing perspective and annual plan at different levels for estimating the likely demand for work, and preparing a shelf of projects were adequate and effective;
- there was an effective process for registration of households, allotment of job cards, and allocation of employment in compliance with the guidelines;
- NREGA works were properly planned, and executed in compliance with the Act and the guidelines, and durable assets were created and properly accounted for;
- wages and unemployment allowance were paid in accordance with the Act and the guidelines, and the intended objective of providing 100 days of annual employment at the specified wage rates was effectively achieved;
- funds released for NREGA were accounted for, and utilized in compliance with the guidelines;
- there was an adequate and effective mechanism at different levels for monitoring and evaluation of NREGA outcomes; and
- there was an adequate and effective mechanism for social audit and grievance redressal.

3.22 The Committee observed from the Report of the Comptroller and Auditor General of India March 2007 that delays in issue of job cards were noticed in 196 Gram Panchayats in Andhra Pradesh, Assam, Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Kerala, Maharashtra, Manipur, Odisha, Sikkim, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal ( 16 states). The Committee further observed that photographs of the applicants were not attached to job cards in 251 Gram Panchayats in Andhra Pradesh, Assam, Bihar, Chhattisgarh, Harayana, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Uttar Pradesh, Uttarakhand and West Bengal (13 States).

3.23 The Committee note in the Report that in Tripura the user Rolls were not maintained in the prescribed format as a result of which SCs/STs population provided with employment could not be ascertained in audit. The Committee in an another case observed that in Chhattisgarh summary of Muster Roll (MRs) and classification of labour viz men and women, total number of workers, SCs/STs etc. was not recorded/drawn to verify exact representation of these sections.

**3.24 The Committee take a serious note on the findings of the C&AG on performance of NREGA Scheme in various States of the country and therefore recommend that Job cards should be issued within a fortnight of the application for registration and in order to ascertain that intended benefits of the Scheme, SCs/STs applications should be screened on priority. The Committee also insist that Employment Register to indicate employment demanded and Asset Register should be maintained to achieve transparency and accountability and to minimize fictitious/duplicate entries, besides providing a basis for verifications.**

**3.25 The Committee in order to ensure transparency and fairness in the working of NREGA Scheme strongly recommend that State Governments should take up a time bound programme to ensure affixing of photographs to the exiting job cards and under no condition Job Cards should be retained by Gram Panchayats and other departmental officials for any purpose.**

**3.26 The Committee are concerned to note in the Audit Report that in Tripura the user Rolls were not maintained in the prescribed format as a result of which SC/STs population provided with employment could not be ascertained in audit. The Committee in an another case further observed that in Chhattisgarh summary of Muster Roll (MRs) and classification of labour viz men and women, total number of workers, SCs/STs etc. was not recorded/drawn to verify exact**

**representation of these sections. Improper maintenance of MRs makes identification of genuine beneficiaries difficult, especially in the absence of bank/postal payments. The Committee, therefore, strongly recommend that State Governments should ensure compliance with the necessary rules and procedure so as to ensure proper maintenance of MRs. To ensure unique identity of the MRs across the Block, merely using serial numbers as printed on the MRs is not enough. A MR must be serially numbered for the entire block with the Block code en faced on it. The Committee further desire that full efforts should be made to ensure that Muster Rolls are entered on line and are thus available publicly. Further a hard copy may also be displayed both at the Panchayat offices and Gram Panchayat offices particularly in rural areas. Further Committee would like to know out of 100 days guaranteed employment under the NREGA Scheme how many eligible persons have got 100 days work and less and details of payment made to the targeted persons for 100 days in each of the States.**

3.27 When asked about the data on total land holdings registered in each Gram Panchayat/Block/District of each State/Union Territory, total land holdings of SC/ST which have been developed or provided with irrigation facilities under the scheme during the last three years, the Ministry of Rural Development have stated that NREGA division does not maintain data regarding land holdings of SC/ST who have been developed or provided with irrigation facilities under Mahatma Gandhi NREGA. The Ministry receives data regarding number of such works taken up of the individual land owned by SC/ST/BPL/IAY beneficiaries. As per reports available from the States, 0.81 lakh such works were taken up during 2006-07; 2.63 lakh during 2007-08; 5.67 lakh during 2008-09 and 7.77 lakh during 2009-10.

## SCs/STs participation in NREGA Scheme

3.28 It has been stated that share of SCs/STs participation in NREG Act is maintained in terms of the persondays of employment generated for SCs/STs beneficiaries. The details during the year 2006-07, 2007-08, 2008-09 and 2009-10 up to November 2009 is as follows:

S.No.	States	FY: 2006-07		FY: 2007-08		FY: 2008-09		FY: 2009-10 upto Nov, 09	
		Persondays Generated		Persondays Generated		Persondays Generated		Persondays Generated	
		In Lakhs		In Lakhs		In Lakhs		In Lakhs	
		SCs	STs	SCs	STs	SCs	STs	SCs	STs
	1	4	5	4	5	4	5	4	5
1	ANDHRA PRADESH	202.41	88.31	557.16	257.18	715.02	354.36	687.00	376.00
2	ARUNACHAL PRADESH	0.00	4.53	0.00	1.85	0.59	28.35	0.00	3.64
3	ASSAM	49.57	265.05	37.06	190.76	78.18	258.78	49.94	143.05
4	BIHAR	281.00	19.13	385.30	21.02	496.55	26.33	321.59	14.06
5	CHHATTISGARH	84.08	318.98	196.29	544.77	203.97	513.65	109.10	235.95
6	GUJARAT	7.07	64.57	5.33	59.37	26.99	107.73	57.87	113.69
7	HARYANA	14.48	0.00	19.24	0.00	36.65	0.00	18.50	0.03
8	HIMACHAL PRADESH	9.09	6.70	31.51	10.76	68.80	15.99	51.80	14.80
9	JAMMU AND KASHMIR	1.75	7.50	2.07	9.62	6.67	21.61	2.40	9.55
10	JHARKHAND	122.19	209.70	155.03	311.36	135.78	299.74	81.13	246.03
11	KARNATAKA	73.37	45.18	59.79	37.94	79.89	39.91	159.08	80.06
12	KERALA	4.12	2.54	10.25	10.26	29.94	14.23	17.67	7.18
13	MADHYA PRADESH	312.96	959.05	491.96	1342.46	525.07	1379.55	336.78	784.80
14	MAHARASHTRA	25.79	65.12	34.09	71.16	69.31	185.44	40.78	82.06
15	MANIPUR	0.00	18.57	0.13	48.04	4.71	208.25	54.01	117.74
16	MEGHALAYA	0.07	20.14	0.19	36.40	0.39	81.75	0.35	65.45
17	MIZORAM	0.00	7.85	0.00	31.53	0.00	125.76	1.00	97.18
18	NAGALAND	0.00	13.08	0.00	24.31	0.00	202.70	0.00	180.51
19	ORISSA	189.06	393.87	98.58	160.66	87.55	154.90	40.52	76.37
20	PUNJAB	10.80	0.00	14.61	0.00	29.63	0.00	24.93	0.00
21	RAJASTHAN	159.50	642.90	322.91	778.60	1390.40	1122.52	954.19	808.80
22	SIKKIM	0.02	2.38	0.61	3.66	1.50	11.63	1.51	9.39
23	TAMIL NADU	102.48	4.34	370.10	16.99	725.39	20.93	1054.53	39.74

24	TRIPURA	7.98	31.17	37.72	75.95	82.35	158.68	47.18	79.24
25	UTTAR PRADESH	467.82	25.62	732.69	25.21	1216.90	44.57	940.80	28.62
26	UTTRANCHAL	10.84	0.57	21.93	3.49	28.33	5.37	28.53	3.85
27	WEST BENGAL	158.78	81.88	351.43	133.70	294.55	116.53	275.35	105.53
28	ANDAMAN AND NICOBAR					0.00	0.10	0.00	0.19
29	DADRA & NAGAR HAVELI					0.00	0.48	0.00	0.51
30	DAMAN & DIU					0.00	0.00	0	0
31	GOA					0.00	0.00	0.14	0.94
32	LAKSHADWEEP					0.00	1.81	0.00	1.16
33	PONDICHERRY					0.81	0.00	3.68	0.00
34	CHANDIGARH					0.00	0.00	0	0
<b>TOTAL</b>		<b>2295.23</b>	<b>3298.73</b>	<b>3935.98</b>	<b>4207.05</b>	<b>6335.90</b>	<b>5501.64</b>	<b>5360.36</b>	<b>3726.12</b>

3.29 The Ministry in their written reply have stated that reasons for decrease in beneficiaries in the States of Assam, Chhatisgarh, Jharkhand, Odisha, Karnataka from 2007-2008 to 2008-2009 that Mahatma Gandhi NREGA is demand based. Demand for employment under the Act depends upon availability of other employment opportunities available in an area. A registered job card holder under the Act may take up any other employment available to him/her. The figures given in the Table relate to the mandays of employment generated for SC/ST beneficiaries. As given in the Table above, there has been an increase in the persondays of employment for SC/ST in Assam and Karnataka from 2007-08 to 2008-09. In Chhattisgarh and Orissa, figures for SC/ST beneficiaries has slightly decreased. Similarly in Jharkhand there has been slight fall in the employment generation in respect of both the communities.

**3.30 The Committee are surprised to note that the figures relate to the mandays of employment generated for SCs/STs beneficiaries has been decreased. The Committee recommend that state should ensure more publicity at the grass root level through radio, television, local newspapers by displaying notice board in their vernacular language at Panchayat Ghars and implementing agencies. For**

effective and meaningful operation of this Scheme, the Committee desire that the Government should utilize services of the NGOs and voluntary organizations for creating awareness among the people about NREGA and also to make use of the print and the audio-visual media for campaigning the cause of the programme. In view of the negligible or no participation of SCs/STs persons in various States mentioned above for implementation of NREGA Scheme, the Committee desire that an Assessment Committee be constituted by the Government to know the reasons as to why beneficiaries of SCs/STs persons under NREGA Scheme are decreased in various States mentioned above.

### **Impact of schemes under NREGA**

3.31 On being enquired about the quality of life of the rural communities since adopting NREGA Schemes and the parameters used for evaluating such improvement and what data has been collected in this regard, the Committee were informed by the Ministry that a number of Independent studies have been conducted to assess the impact of Mahatma Gandhi NREGA in rural areas. The studies indicate economic, social and environmental impacts of the Act. Findings of the studies are as under:

#### **I. Economic impact**

(i) *Creating supplementary income and augmenting Income:*

There has been an increase in minimum wages for agricultural labourers in most states. The average wage rate rose from Rs. 65 per day to Rs. 91 per day from 2006 to 2010

(ii) *Increase in wage rates:*

Initially wage rates were linked with minimum wages of agricultural labourers, as a result of which minimum wages for agricultural labourers rose significantly in all States, from as low as Rs. 50 per day to Rs. 100

per day in several states. The wage rate is to be indexed with the cost of living to give a real wage rate of Rs.100 per day. Workers now have the assured wage rate under MGNREGA to bargain with private employers.

(iii) *Reduction in distress migration:*

The IIM Shillong in its findings suggested that as per third party stakeholders MGNREGS has curbed migration of people from rural to urban area in search of employment; more than 90% of them in East and North Sikkim agreed to it.

According to a study by the Centre for Science and Environment, Sidhi in Madhya Pradesh witnesses large scale migration during the winter months of December till February or early March. The labourers come back during March-April for the harvest season of rabi crop and to prepare for the monsoons. With NREGA works concentrated in January and February as well as summer months, these people now have the option to stay within the village instead of migrating outside looking for work. In the study sample, migration has reduced by around 60% due to availability of work under NREGA

## **II Social Impact**

(i) *Effective Targeting of Disadvantaged Groups*

Women's workforce participation ratio surpassed the statutory minimum 33 percent all years, reaching 48% in the financial year (FY) 2009-2010 at the national level. Independent studies point towards positive trends and women empowerment as a result of economic opportunities under MGNREGA.

Similarly more than 50% of persondays generated have been the result of SC/ST participation. In most States the STworkforce participation ratio has been higher than the ST/ share in the State's population. According to Indian Institute of Management, Lucknow, MGNREGA has effectively targeted marginalized sections IIM Lucknow: 85.3 % of the beneficiaries (out of the sample coverage) belong to BPL, of these, 50% belong to Schedule Castes, 44.5 % belong to Other Backward classes). These findings were supported by Administrative Staff College of India and Indian Institute of Ahmedabad in their studies of Andhra Pradesh, Gujarat & West Bengal

### **III Environmental Impact**

(i) *Creating Productive Green Jobs :*

Almost all works under the Act relate to natural resource regeneration addressing causes of chronic poverty such as soil erosion, water scarcity, land degradation. Being green jobs, MGNREGA works constitute a climate change adaptation strategy and contribute to sustainable development .

The Indian Institute of Science Bangalore has finalized the indicators and methodology and conducted a pilot study in Chitradurga district, Karnataka. Preliminary findings suggest reduction in water vulnerability index, agriculture vulnerability, livelihood vulnerability index .

According to the findings of the pilot study conducted in Chitradurga district of Karnataka, there is an increase in groundwater level, increase in water percolation, improvement in soil fertility leading to improved land



productivity. In addition to this the findings also suggest a reduction in water vulnerability and livelihood vulnerability in these areas.

(ii) *Augmenting agricultural productivity and Strengthening the natural resource base*

NREGA focuses on strengthening natural resource management through its schedule of permissible works. As per IIM Shillong, 71% of the Third-party stakeholders in East, 82% in North, and 100% in South district of Sikkim reported that there is definitely improvement in communication in rural areas because of NREGA. This is because most of the works taken up include road and foot-path construction.

### **Evaluation studies of NREGA**

3.32 When asked whether the Government propose to take action on the shortcomings pointed out by the evaluation studies of NREGA, it was informed that the shortcomings pointed out in the implementation of Mahatma Gandhi NREGA are mainly procedural in nature which may be attributed to lack of dedicated staff with the implementing authorities. Delay in wage payment to the workers is another area of concern to the Ministry which is also primarily due to lack of adequate staff. Limited infrastructure, including bank and post office branches is another major factor in this regard. The Ministry of Rural Development has raised the administrative expenditure under the Act from 4% to 6% to allow for deployment of dedicated NREGA personnel and other required infrastructure for effective implementation of the Programme. These issues are being reviewed on a regular basis. Discussions are being held with banks and post offices to encourage use of business correspondent models (BC Model) for wage disbursement.

## **Payment of wages**

3.33 The Committee have been informed that due to non-availability of banking/postal network in some areas, difficulties are being faced in making timely wage payment to the workers through their accounts. To resolve the issue, the matter has been taken up with the Department of Financial Services. In such areas, use of Business correspondent model is being implored.

3.34 The Committee have also been informed that the objective of ensuring greater financial inclusion and increasing the outreach of the banking sector, the Reserve Bank of India had decided to enable Banks to use the services of Non-Governmental Organisations, Self Help Groups, Micro-Finance Institutions and other Civil Society Organisation as intermediaries in providing financial and banking services through the use of Business facilitator and Correspondent Models. Such services may include :-

- (i) Identification of borrowers and fitment of activities;  
verification of primary information/data;
- (iii) Creating awareness about savings and other products and education and advice on managing money and debt counselling;
- (iv) Processing and submission of applications to banks.
- (v) Promotion and nurturing Self Help Groups/Joint liability Groups.
- (vi) Post-sanction monitoring
- (vii) Monitoring and handholding of Self Help Groups/Joint Liability Groups/Credit Groups/others
- (viii) Follow-up of recovery
- (ix) Disposal of small value credit
- (x) Recovery of principal/collection of interest

- (xi) Collection of small value deposits
- (xii) Sale of micro-insurance/mutual funds products/pension products/other third party products and
- (xiii) receipt and delivery of small value products/other payment instruments.

The Business Correspondent Model would thus open up channels beyond banking network.

3.35 When asked about the steps taken by the Government to extend banking/postal services in such remote areas along with NREGA; it was informed that the Ministry has undertaken constant reviews with the Post Offices, Banks and States to overcome challenges like delay in wage payment. The basic reason for delay in payment is the limited outreach of banks/Post Office and infrastructural constraints like shortage of manpower and stationery with the banks/post offices. Time and again, the issue of outreach and limited infrastructural facilities have been taken up with the Department of Posts and Department of Financial Services. States have been asked to identify areas where Business Correspondent Model may be required and discussed the possibility of extending this model to such area with the banks. Possibility of using Self Help Groups has also being explored.

3.36 The Committee have been informed that the personnel involved in various implementing Agencies for implementation of NREGA are appointed by the State Governments. They are also funded training for smooth and effective implementation of the act. It is further informed that deployment of staff with the various implementing authorities is done by the concerned State Governments. The Ministry has issued instructions to the States indicating the minimum number of core staff, including technical staff, to be appointed at each level. Salaries of such core staff is borne by the

Central Government out of the administrative expenses under the Act which was enhanced from 4% to 6% from 1.4.2009.

3.37 The Committee have also been informed that the training of the functionaries is also taken care of by the concerned State Governments. Training is imparted by the SIRD (State Institute for Rural Development) or any other institutions identified by the State Governments. The Ministry has however, signed an MOU with Lala Bahadur Shastri national Academy for Administrations to organize Peer learning Workshops for State officials, DPCs, CSOs and professionals.

3.38 When Committee equired about the provision for reservation for SC and ST in appointment of various personnel by State Governments, the Ministry in their written reply has stated that appointment of staff is done by the concerned State Government in accordance with the Rules.

3.39 When the Committee asked whether the Govt. is satisfied with the performance of all States/UTs in the country in implementing the Scheme and also to mention the States/UTs where the performance is not up to the mark and the reasons therefor, the Committee were informed that MGNREGA is a demand based programme. Employment provided under the Scheme and the utilization of funds is contingent on the demand for employment by the workers. There are no pre-set targets to evaluate performance of states/UTs.

3.40 It was informed that the Government of India monitors, quantitative and qualitative indicators for states and districts through internal and external mechanisms like Monthly Progress Reports, MIS, inspections, independent appraisals, media reports, social audits. Feedback on programme implementation is discussed and analyzed with State Governments through quarterly Performance Review Committee meeting and periodic state level reviews.

3.41 The Committee have been informed that permissible works under Mahatma Gandhi NREGA are undertaken in coordination with the concerned Government agencies of the State . In some cases, they also act as the implementing agencies. However, work is executed by job card holders under Mahatma Gandhi NREGA. Constraint faced in coordination of NREGA programmes with the relevant government agencies is lack of sufficient manpower to provide required coordination. Further, they do not get establishment charges under Mahatma Gandhi NREGA. The role of Government agencies ( i.e. the Line Departments) is to give technical support in the nature of estimates, measurement and supervision of the works executed. District Panchayat is the final authority for deciding the viability of a project under the Act. No financial limit for a project at Block and District level has been fixed. In cases where Implementing agencies are Panchayats, work related to rural connectivity, soil conservation, irrigation etc. are carried out by manual labour with supervision by the Rozgar Sahayak and Technical Assistant at Gram Panchayat level without involving the contractors. Works assigned to the line departments are also executed by job card holders under Mahatma Gandhi NREGA without involving any contractors.

3.42 When asked about the massive efforts which are still needed for successful implementation of the Scheme, the Ministry of Rural Development have stated during evidence that the Ministry have raised the administrative expenditure head from 4% to 6% to allow for deployment of dedicated NREGA personnel and other required infrastructure for effective implementation of the Programme. However, feedback from the states indicates issues of non-availability of qualified technical personnel and limited mandate of temporary/contractual staff. Retention of temporary/contractual has also been highlighted as a constraint. Delay in Payment due to shortage of staff leading to

delays in measurement of work, non-updated Muster Rolls, Measurement Books. Limited infrastructure, including bank and post office branches, is another major factor. Discussions are being held with banks and post offices to encourage use of Business Correspondent Models (BC Model) for wage disbursement.

**3.43 The Committee note that the personnel working with the various implementing agencies for implementation of NREGA are appointed by the State Governments. The Committee in view of nature of work transacted under NREGA Scheme, urge the Ministry to take up the matter with the State Governments to assess the staffing requirements for implementation of NREGA so as to synchronise the working at the grass root level i.e. Panchayat Offices at each Block and supporting staff and EGAs for each Gram Panchayats.**

**3.44 The Committee appreciate the steps taken by the Department for payment of wages either through Banks or Post Offices. This system is more transparent and less prone to irregularities. The Committee desire that these steps should be taken up in all the States for payment of wages through Post Offices or Banks. However, the Department should take up the matter with Banks and Post Offices for ensuring that wages are paid on weekly basis as provided in the Act.**

**3.45 The Committee note that various studies have been made on economic, social and environmental impacts of the Act. The Committee desire that findings of the studies should be analysed and appropriate action thereon may be taken. The Committee would like to be apprised in this regard.**

.3.46 During post evidence reply the Committee have been informed that NREGA is a demand driven Scheme. Therefore, separate earmarking of employment/resources for SCs/STs has not been provided. However, the Reports of physical achievements during 2008-09 reveal that out of total employment generation of 216.01 crore persondays in

the year employment generated for SCs and STs was 63.39 crore personday (29%) and 54.78 crore persondays (25%) respectively. Thus, 54 per cent of the total percentage of employment generated were for the SC/ST households.

3.47 State-wise total number of households provided employment which includes SC/ST households are given in column 2 of **Annexure- C** Persondays of employment generated for SC/ST beneficiaries is given in columns 5 and 7 of the Annexure. It has been stated that with the objective to provide avenues of employment to most disadvantaged sections of society including SCs/STs, the Ministry are implementing various schemes/programmes through special employment generation programmes. The Ministry are making specific provisions in the guidelines of the programme being implemented to ensure adequate flow of resources to SCs and STs.

### **Funding Pattern**

3.48 When asked how the NREGA scheme was financed. The Committee have been informed about the funding pattern under NREGA is given below:

#### **The Central Government bears the following costs:**

- i) The Central Government will bear the entire cost of wage for unskilled manual workers.
- ii) 75 percent of the cost of material and wages for skilled and semi-skilled workers.
- iii) Administrative expenses as determined by the Central Government. These will include, inter alia, the salary and allowances of Programme Officers and their support staff and work site facilities.
- iv) Administrative expenses of the Central Employment Guarantee Council.

The State Government bears the following costs:

- (i) 25 percent of the cost of material and wages for skilled and semi-skilled workers.
- (ii) Unemployment allowance payable in case the State Government cannot provide wage employment within 15 days of application.
- (iii) Administrative expenses of the State Employment Guarantee Council.

3.49 The funds are released under MG NREGA on the basis of agreed to Labour Budget of the State/District discussed in the Empowered Committee in two tranches. The 1st tranche is released in the month of April and is equivalent to the requirement for the first six months with a limitation of 50% of the requirement of the whole year. The next and subsequent tranches are released on utilization of 60% of available funds by the respective district/State. The release of 2<sup>nd</sup> tranche is based on the actual performance made in the respective districts and while doing so it is also seen whether the financial accounts of the previous year has been settled. In order to get the amount as indicated in the labour budget, the pace of month-wise performance has to match with the projections made in the agreed to labour budget. If it matches, the entire balance of the approved Labour Budget is released. It depends upon the State/district how fast they utilize 60% of their available fund and submit their claim proposal to the Government of India along with all formalities indicated at para 8.4 and 11.3 of the Operational Guidelines and the pre-requisites so indicated recently vide Ministry's letter 31<sup>st</sup> May, 2010.

3.50 When the Committee enquired about the constraints felt in timely release of funds and if so what remedial action is being taken, the Ministry informed in their written reply the following constraint for timely release of funds as:-Delay in recommendation of the proposal by the States



- i) Slow utilization of funds by the districts
- ii) Proposal not in the prescribed format
- iii) Inconsistency in reporting of actual performance in the MIS/MPR/proposal
- iv) Not making pace with the projections in the agreed to Labour Budget
- v) Not maintaining the 60:40 wage material ratio.
- vi) Non-settlement or delayed settlement of accounts of previous year.
- vii) Non/delayed release of the matching State share against the Central release.

**3.51 The Committee recommend that State Governments should ensure timely release of their share and issue necessary directions to ensure that NREGA funds are not diverted or misutilised. The Committee further recommend that in order to guard against manipulation, the State Governments should ensure that monthly squaring of accounts is regularly conducted.**

**3.52 The Committee strongly recommend that the Government should make all out efforts to ensure that the outlay earmarked for the NREGA scheme in a particular year are used only for the specific programmes so that the possibility of having unspent funds are minimized. The Government should gear up and streamline the existing implementing machinery at the field level so as to ensure 100% utilization of available funds. The fund spending agencies should be held accountable for lapses pertaining to the expenditure incurred by them under NREGA scheme.**

### **Transparency and Accountability**

3.53 The Committee have been informed that the capacity of the States/districts needs to be constantly enhanced which has now been taken up on a greater scale through regularly organizing State Nodal Officers meeting every month, Video

Conferencing with States, regular State visits by the senior officers of the Ministry and through Performance Review Committee meetings. From this year onwards, it has been instructed to all the States that the performance of the States would only be considered through MIS and a software has been designed and field tested for submission of online proposals for release of 2<sup>nd</sup> tranche onwards which will do away with all manual processing/submission of proposals either by the districts or State or the Centre. In this regard, letter at the level of Secretary to all States indicating pre-requisites for fund release has been issued on 31<sup>st</sup> May, 2010.

3.54 NREGA is demand based. A budget provision of Rs. 11300 crore for the year 2006-07; Rs. 12000 crore for 2007-08 and Rs. 30000 crore for 2008-09 had been made for implementation of NREGA. The Central Government releases funds to the States/UTs based on the labour demand arising at the field level. Funds are released after at least 60% of the available resources have been utilized. NREGA funds are non-lapsable and unspent balance is carried forward to the next financial year for meeting the labour demand. Details of the fund released by the Centre and utilized by the States during the last five years are as under :-

**(Rs. in crores)**

<u>Year</u>	<u>Budget Outlay</u>	<u>Central Release</u>	<u>Total funds Available</u>	<u>Expenditure</u>
<b>2006-07</b>	11,300	8,640.85	12,073.55	8,823.35
<b>2007-08</b>	12,000	12,610.39	19,305.81	15,856.89
<b>2008-09</b>	30,000	30,000	37,397.06	27,250.10
<b>2009-10</b>	39,100	33,506.61	49,579.19	37,905.23
<b>2010-11</b>	40,100	35,768.95	54,172.14	39,377.27
<b>2011-12</b>	40,000	29,189.77	48,832.49	38,034.70
<b>2012-13 (till 2.11.2012)</b>	33,000	21,970.67	37,805.23	20,601.41

3.55 The Ministry have further informed that it can be seen from the table that the utilization of the funds is more than 70% during 2006-07 & 2008-09 and 80% during 2007-08.

3.56 The Committee have been informed that under NREGA unlike other allocation driven programme, adequate liquidity has to be maintained at all times with the GPs /PIAs. This is because of very nature of the entitlement based legislation whereby State is bound to provide 100 days of wage employment to each rural household on demand. The demand under MG NREGA picks up during the lean agricultural season. The peak demand period under NREGA is generally from November to June and so stretches to two financial years. Though adequate liquidity is to be maintained with the GPs/ PIAs all the time to enable them open works instantly to meet the demand, it is more necessary during the peak demand period. It is, therefore, necessary to keep some cushion at the implementing agency level to meet the demand in the initial weeks of April when the funds for the next financial year take 21-25 days to reach the implementing agency level. Adequate liquidity would only enable the implementing agency to open up new works. Mahatma Gandhi NREGA being demand driven, the State is under obligation to provide wage employment to the registered rural household to the extent of demand subject to ceiling of 100 days per household in a financial year.

The State-wise/District-wise release position and utilization of funds is given at

**Annexure- D**

3.57 The Committee have been informed that under National Rural Employment Guarantee Act (NREGA), there are no predetermined targets because NREGA is demand based. Employment is provided to a job card holding household when it demands work. Demand for work varies from State to State and also from district to

district within a State. Thus, the pace of implementation of NREGA is different in different states.

**3.58 The Committee note that under the NREGA scheme, there are no predetermined targets because NREGA is demand based and employment is provided to job card holding household when it demands work. Demand for work varies from State to State and from district to district within a State. The Committee feel that there may be compelling reasons as to why people are not demanding work even when the job cards have been issued. One of the basic reasons in this regard may be people preferring for wage employment elsewhere, where the wages may be much more. The Committee desire that the Department have to analyse the reasons State-wise for families not demanding work after getting the job cards ready. The Committee may be kept apprised about the concrete action taken in this regard.**

## CHAPTER IV

### MONITORING AND EVALUATIONS

#### MONITORING OF NREGA SCHEME

4.1 When asked what was the mode of monitoring of NREGA scheme at local, state and Central level. It was informed by the Ministry of Rural Development that the performance of NREGA is monitored at the Central level as well as the State level. The Ministry depute National Level Monitors to oversee the performance of NREGA in the States from time to time. Members of Central Employment Guarantee Council also visit districts to see the performance of the Act. Performance Review Committee meetings are held quarterly to review and monitor the performance of the Act at the Central level. Eminent Citizens Scheme for independent monitoring of NREGA has also been approved.

4.2 The State and District level Monitoring Committees are responsible to monitor the performance of the Act. States are required to constitute State Employment Guarantee Council for monitoring the implementation of the Act at the State level. All States have constituted their State Councils. Local Vigilance Committees at the village level are also set-up for local monitoring of the schemes

4.3 The Ministry of Rural Development has further informed the Committee that 25 Studies have been conducted for evaluation of NREGA and assessing its impact in the rural areas. A list of Studies conducted is given at **Annexure- E**.

#### **Facilities provided to the Members of Vigilance and Monitoring Committees**

4.4 During the evidence when asked about the facilities, physical or otherwise that are provided to the members of the Vigilance and Monitoring Committees at District level. The Ministry informed the committee about the facilities provided to members of the District Vigilance & Monitoring Committees were as under:

- (i) Non-official members may be entitled for reimbursement of expenditure on local travel within the district attending the V&MC meetings.
- (ii) Daily allowance may be allowed to non-official members at the rate of Rs. 150/- per day or at the State Government DA rate which ever is lower.
- (iii) The District Administration may incur expenditure on light refreshment, arrangement of venue, minimum stationary required etc.
- (iv) The total expenditure should not exceed Rs. 50,000 per meeting and the bills will be cleared by the DRDA administration based on actual.
- (v) Regarding other logistics and infrastructural facilities required for the functioning of the District V&MC, the facilities available with the District Headquarter may be made use of.

#### **Social Audits under NREGA**

4.5 The Committee enquired during the evidence about the names of States who do not encourage or conduct social audit of the Scheme on regular basis. The Ministry replied that conducting Social audit under Mahatma Gandhi NREGA was mandatory. Section 17(2) of the Act provides that Gram Sabha shall conduct regular social audit of all the projects under the scheme taken up within the Gram Panchayat. Procedure for conducting the social audit has been prescribed in the Act itself by making an amendment in para 13 of Schedule-I of the Act. ( Notification dated 31.12.2008). All States have been asked to prepare a district-wise calendar of social audit and up load it on the web site of Mahatma Gandhi NREGA. As per reports available, during 2009-10, 582 districts had prepared their social audit calendar for the year and 2.41 lakh social audits had been conducted in 1.81 lakh Gram Panchayats. During 2010-2011, 254 districts have prepared their social audit

calendar and 65120 social audits have so far been conducted in 57459 Gram Panchayats.

**4.6 The Committee note that NREGA gives a central role to “social audits” as a means of continuous public vigilance. Social audit and Social Audit Forum in Gram Sabha are important means of ensuring transparency and accountability at the Gram Panchayat level. The Committee recommend that Social Audit Forums must be held twice a year at the Gram Sabha level for all works done during the preceding year. All States should also be persuaded to put in place effective grievance redressal mechanisms so as to ensure that the purpose of NREGA to provide 100 days employment as a matter of right is not diluted.**

**4.7 The Committee feel that the existing system of acknowledging applications is not foolproof. The Ministry should devise machinery that ensures transparency and roots out irregularities in the receipt of applications. The Ministry should look into the possibility of entrusting the task of receipt of applications also to any other Department of the State Government or active NGOs of the area who can forward the applications to the concerned Gram Panchayat or Officers.**

**4.8 The Committee note that the NREGA is a Central legislation, and the Ministry, as the nodal agency for NREGA, bears overall responsibility for co-ordinating and monitoring the administration of NREGA and ensuring that the funds provided by the Government of India are economically, efficiently and effectively utilized by the implementing agencies. The Committee also desire that the Ministry should direct the States/UTs to release its share of funds immediately alongwith the Centre’s share. The Committee, therefore,**

**recommend that a special cell should be created in the Ministry of Rural Development at the Centre to monitor the utilization of funds. The Committee are of strong opinion that all the reports of irregularities in implementations/misutilisations of NREGA funds received directly by the Central Government must, at any cost be investigated by the Central Government itself as it is felt that the ultimate accountability of the NREGA funds lies with the Centre. The Committee also desire that though the guidelines are suggestive and needed to be followed in letter and spirit as these have been intended to facilitate to achieve the objective of NREGA Scheme through its effective and efficient implementation. The Committee also recommend that the Ministry should carry out investigation in the cases of non-payment of wages and to take action against the defaulting officers instead of just withholding the grants to the concerned States, as ultimately it is the common man including SCs/STs who is the sufferer. The Committee, therefore urge the Ministry to take stringent action against the defaulting officers.**

4.9 When asked whether there is any proposals to amend/modify the Act to make it more successful and remove the bottlenecks for effective implementation. The Ministry informed that at present there was no proposal under consideration of the Government to further amend/modify the Act. Since inception of the Act on 2.2.2006, a number of amendments have been made in the Act as well as in the two Schedules of the Act.

**4.10 The Committee note that at present there is no proposal under consideration of the Govt. to further amend/modify the Act. The Committee, however, are of the view that Ministry on the basis of its own experience,**



**study reports and feed back received from the State Government, implementing agency, NGOs and common persons covered under the NREGA Scheme since 2006 should make assessment and see possibility to amend the NREGA Act so that intended benefits under the NREGA could yield desired results in realistic manner. The Committee desire that the Centre must take necessary steps to amend the NREG Act to make it more beneficial for SCs/STs with a view to ensure that benefits under the Act must reach to SCs/STs beneficiaries directly.**

4.11 The Ministry have been regularly preparing Annual Reports on the status of implementation of the Act in all the States and laying them on the Table of both Houses of Parliament.

4.12 The Committee have been informed about the areas identified and included in the Annual Report for 2008-09 and which need special attention relate to strengthening of the operational system. This includes:

- (i) Capacity building and strengthening of administrative support system
- (ii) Monitoring and evaluation mechanism
- (iii) Streamlining fund flow
- (iv) Convergence for sustainable development
- (v) Increasing transparency and accountability

4.13 It has been stated that Gram Panchayat is the Pivotal body for implementation of NREGA Scheme at the village level. It has further been stated that where part 9 of the Constitution does not apply, local Councils/Authorities as mandated by the State concerned will be invested with corresponding responsibilities.

4.14 The Ministry of Rural Development have informed the Committee that Part IX of the Constitution of India does not apply to the States and areas as enumerated in article 243M of the Constitution. All NREGA districts are required to furnish Monthly Progress Report to the Ministry regarding the status of implementation of the Act. They are also required to furnish on-line data through MIS which has been provided to them by the Ministry. The status of implementation of the Act is also discussed in the Performance Review Committee meetings held on quarterly basis and discrepancies, if any, are brought to the notice of the concerned officials of the State for rectification. Besides, National Level Monitors (NLM) are deputed by the Ministry from time to time to visit various districts to oversee the status of implementation of the Act.

4.15 Officials of the Ministry as Area Officers and National Level Monitors (NLM) are deputed by the Ministry from time to time to visit various districts including those where part IX of the Constitution does not apply to oversee the status of implementation of the Act.

#### **Eminent Citizens Scheme to monitor NREGA**

4.16 In a reply during evidence the Committee have been informed that the Eminent Citizens Scheme envisages empanelment of 100 persons for independent monitoring of Mahatma Gandhi NREGA. Qualification of a person for being selected as an Eminent Citizen has been prescribed in the Scheme itself. Each Eminent Citizen will be allocated one district for making a field visit for 6 days once in a year. He/She will submit his/her report on the visit which will be examined in the Ministry and will also be shared with the concerned State. So far 60 Eminent Citizens have been empanelled and are being deputed to various districts for field visits. 22 more Eminent Citizens are in the process of being selected.

4.17 On being asked as to what kind coordination exists between members of the Central Employment Guarantee Council and SEGC (State Employment Guarantee Council) , the Ministry in their written reply have stated that as such no coordination exists between members of the Central Employment Guarantee Council and those of the SEGC. The Central Council is constituted by the Ministry of Rural Development under the Chairmanship of Rural Development Minister and advises the Central Government on all matters concerning the implementation of the Act. The Council also prepares Annual Report to be laid before the Parliament by the Central Government. The State Council is constituted by each State Government and advises the State Government on all matters concerning the Scheme formulated by each State for implementation of the Act. The State Council prepares Annual Report of the State to be laid before the State Legislature.

**4.18 The Committee note that the officials of the Ministry as Area Officers and National Level Monitors (NLM) are deputed by the Ministry from time to time to visit various districts including those where part IX of the Constitution does not apply to oversee the status of implementation of the Act. The Committee are of the view that on the basis of Monthly Progress Reports submitted by the NREGA Districts, Performance Review Committee meeting should also be held monthly basis instead of quarterly basis so that discrepancies, if any pointed out can be rectified simultenously in a same month and responsibility can also be fixed against the erring officers. The Committee are seriously concerned to note from the reply of the Ministry that no co-ordination exists between members of the Central Employment Guarantee Council and those of State Employment Guarantee Council (SEGC). The Committee strongly recommend that all out efforts should be made by the**

**Ministry to have a good coordination and synergy in the working of the NREGA Scheme otherwise basic purpose of the Scheme would be defeated. The Committee would like to be apprised of the progress made by the Government in this regard. The Committee also recommend that the Local Vigilance and Monitoring Committees should have the SCs/STs representatives. The Committee further recommend that State Governments should be directed to ensure the requisite level of inspection by different levels of officials. The Committee desire that some members of the Central Employment Guarantee Council and the State Employment Guarantee Council should be appointed from people belonging to SC/ST Category.**

#### **Impact of NREGA on SCs/STs**

4.19 The Committee have been informed that NIRD Hyderabad has commissioned a study during 2009-10 to assess the impact of Mahatma Gandhi NREGA on SC/ST. This study would cover the States of Rajasthan, Maharashtra, UP, Tamil Nadu, Odisha and Jharkhand. Report of the study is awaited. However, a number of studies by other institutions have been undertaken to assess the overall impact of the Act in rural areas. These studies have also evaluated the impact of Mahatma Gandhi NREGA on SC/ST population.

4.20 In most States the ST workforce participation ratio has been higher than the ST share in the State's population. According to Indian Institute of Management, Lucknow, MGNREGA has effectively targeted marginalized sections. 85.3 % of the beneficiaries (out of the sample coverage) belong to BPL, of these, 50% belong to Schedule Castes, 44.5 % belong to Other Backward classes). These findings were supported by Administrative Staff College of India and Indian Institute of Ahmedabad in their studies of Andhra Pradesh, Gujarat & West Bengal

**4.21** The Committee note that NIRD Hyderabad has commissioned a study during 2009-10 to assess the impact of Mahatma Gandhi NREGA on SC/ST. This study would cover the States of Rajasthan, Maharashtra, UP, Tamil Nadu, Odisha and Jharkhand. Report of the study is awaited. However, a number of studies by other institutions have also been undertaken to assess the overall impact of the Act in rural areas. These studies have also evaluated the impact of Mahatma Gandhi NREGA on SC/ST population. The Committee recommend that a list of SCs/STs beneficiaries should be prepared and separate allocation of resources be done for these target groups. The Committee desire to know the outcome of the study of NIRD Hyderabad during 2009-10 and other studies to assess the impact of Mahatma Gandhi NREGA on SCs/STs.

## Summary of Conclusions/Recommendations contained in the Report

Sl. No.	Para No.	Summary of Conclusions/Recommendations
1.	2.	3.
1.	2.4	<p>The Committee note that NREGA is a demand driven scheme and is uniformly applicable to all rural households irrespective of their castes. Also that NERGA guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The Committee feel that SCs/STs living in rural areas are poorer of the poor and therefore, deserve priority employment under NREGA. The Committee recommend that the Centre must prepare village wise/Panchayat wise/District wise list of target beneficiaries and those who are SCs/STs should be given priority in employment under NREGA. The Committee also recommend that NERGA should be amended to guarantee at least 150 days of employment per household of SCs/STs in a financial year instead of the existing provision of 100 days. The Committee strongly feel that on the lines of NERGA, the Government should also bring a piece of legislation to guarantee employment to urban poor, particularly SCs/STs. The Committee would like to know the response of the Government in this regard</p>
2.	2.10	<p>The Committee note that Section 13 of NREGA makes the Panchayats at district, intermediate and village levels the principal authorities for planning. The power to make recommendations on the works to be taken up under NREGA rests with the Gram Sabha and the power to prepare a development plan comprising a shelf of projects on the basis of these recommendations of the Gram Sabha is with the Gram Panchayats. The Committee note that the Operational Guidelines of</p>

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3.9

NREGA stipulate the preparation of a five year District Perspective Plan (DPP) to facilitate advance planning and provide a development perspective for the District. The aim is to identify the types of REGS (Rural Employment Guarantee scheme) works to be encouraged in the district and the potential linkages between these works and long term employment generation and sustained development. The Committee recommend that for ensuring a long term shelf of projects, and ensuring timely preparation of Annual Plans, all Districts should be directed to prepare District Perspective Plan (DPPs) primarily on the works which can be undertaken for the welfare of SCs/STs. The Committee also recommend that more and more works should be included under NREGA so that while preparing District Perspective Plan, a holistic view of the development of the District can be taken and simultaneously to generate more employment avenues

The Committee note that the Central Government monitors and review the implementation of the Act. The State Governments are primarily responsible for the implementation of the schemes under NREGA. The Committee also note that while preparing annual action plan and shelf of projects at Gram Panchayat level under NERGA, it is ensured that the works undertaken do not overlap with the works of the SCSP and TSP Plans. Also that separate records are maintained for NERGA schemes in SCSP and TSP areas so that funds enumerating from SCSP and TSP for SCs/STs beneficiaries do not overlap. The Committee, however, are apprehensive that despite mechanism, a possibility of overlapping of works and distribution of funds between NERGA and other programmes for the development of

		<p>SCs/STs can not be refuted. The Committee, therefore, recommend the Central Government to monitor that funds meant for different schemes for the development and welfare of SCs/STs are not diverted and are fully utilized on the allocated works only. The Committee would like to be apprised about the effective steps taken by the Government to avoid possibility of overlapping of works and distribution of funds between NREGA and other programmes.</p>
4	3.17	<p>The Committee note that the personnel working in the various Implementing Agencies for implementation of NREGA are appointed by the State Governments. They are also imparted training for smooth and effective implementation of the Act. The Committee desire that for effective working of NREGA Scheme, the training should also be imparted to the members of Village Panchayats and Gram Sabha. The Committee further recommend that with a view to safeguarding the interest and welfare of SCs/STs, it is essential that the personnel appointed by the various Implementing Agencies should also include SCs/STs in large numbers. The Government may also take up the matter with the State Governments to ensure inclusion of SC/ST members in implementing agency, even if it entails amendment of the existing provisions for such appointments. The Committee may also be apprised of the existing provisions governing appointment of personnel with the various implementing agencies.</p>
5.	3.19	<p>The Committee are concerned to note that no separate allocations have been earmarked for SCs/STs under the Act. The Committee, therefore, recommend that separate allocation should be made for SCs/STs in the annual budget plan under NREGA scheme. The funds</p>



	6.	3.24 earmarked for SCs/STs should also be utilized on priority basis during the same year and should not lapse or diverted to other schemes. The Committee take a serious note on the findings of the C&AG on performance of NREGA Scheme in various States of the country and therefore recommend that Job cards should be issued within a fortnight of the application for registration and in order to ascertain that intended benefits of the Scheme, SCs/STs applications should be screened on priority. The Committee also insist that Employment Register to indicate employment demanded and Asset Register should be maintained to achieve transparency and accountability and to minimize fictitious/duplicate entries, besides providing a basis for verifications.
	7.	3.25 The Committee in order to ensure transparency and fairness in the working of NREGA Scheme strongly recommend that State Governments should take up a time bound programme to ensure affixing of photographs to the exiting job cards and under no condition Job Cards should be retained by Gram Panchayats and other departmental officials for any purpose.
	8.	3.26 The Committee are concerned to note in the Audit Report that in Tripura the user Rolls were not maintained in the prescribed format as a result of which SC/STs population provided with employment could not be ascertained in audit. The Committee in an another case further observed that in Chhattisgarh summary of Muster Roll (MRs) and classification of labour <u>viz</u> men and women, total number of workers, SCs/STs etc. was not recorded/drawn to verify exact representation of

these sections. Improper maintenance of MRs makes identification of genuine beneficiaries difficult, especially in the absence of bank/postal payments. The Committee, therefore, strongly recommend that State Governments should ensure compliance with the necessary rules and procedure so as to ensure proper maintenance of MRs. To ensure unique identity of the MRs across the Block, merely using serial numbers as printed on the MRs is not enough. A MR must be serially numbered for the entire block with the Block code enfacd on it. The Committee further desire that full efforts should be made to ensure that Muster Rolls are entered on line and are thus available publicly. Further a hard copy may also be displayed both at the Panchayat offices and Gram Panchayat offices particularly in rural areas. Further Committee would like to know out of 100 days guaranteed employment under the NREGA Scheme how many eligible persons have got 100 days work and less and details of payment made to the targeted persons for 100 days in each of the States.

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The Committee are surprised to note that the figures relate to the mandays of employment generated for SCs/STs beneficiaries has been decreased. The Committee recommend that state should ensure more publicity at the grass root level through radio, television, local newspapers by displaying notice board in their vernacular language at Panchayat Ghars and implementing agencies. For effective and meaningful operation of this Scheme, the Committee desire that the Government should utilize services of the NGOs and voluntary organizations for creating awareness among

		<p>the people about NREGA and also to make use of the print and the audio-visual media for campaigning the cause of the programme. In view of the negligible or no participation of SCs/STs persons in various States mentioned above for implementation of NREGA Scheme, the Committee desire that an Assessment Committee be constitute by the Government to know the reasons as to why beneficiaries of SCs/STs persons under NREGA Scheme are decreased in various States mentioned above.</p>
10.	3.43	<p>The Committee note that the personnel working with the various implementing agencies for implementation of NREGA are appointed by the State Governments. The Committee in view of nature of work transacted under NREGA Scheme, urge the Ministry to take up the matter with the State Governments to assess the staffing requirements for implementation of NREGA so as to synchronise the working at the grass root level i.e. Panchayat Offices at each Block and supporting staff and EGAs for each Gram Panchayats.</p>
11.	3.44	<p>The Committee appreciate the steps taken by the Department for payment of wages either through Banks or Post Offices. This system is more transparent and less prone to irregularities. The Committee desire that these steps should be taken up in all the States for payment of wages through Post Offices or Banks. However, the Department should take up the matter with Banks and Post Offices for ensuring that wages are paid on weekly basis as provided in the Act.</p>
12.	3.45	<p>The Committee note that various studies have been made on economic, social and environmental impacts of the Act. The Committee desire that findings of the studies should be analysed and appropriate action</p>

		thereon may be taken. The Committee would like to be apprised in this regard.
13.	3.51	The Committee recommend that State Governments should ensure timely release of their share and issue necessary directions to ensure that NREGA funds are not diverted or misutilised. The Committee further recommend that in order to guard against manipulation, the State Governments should ensure that monthly squaring of accounts is regularly conducted.
14.	3.52	The Committee strongly recommend that the Government should make all out efforts to ensure that the outlay earmarked for the NREGA scheme in a particular year are used only for the specific programmes so that the possibility of having unspent funds are minimized. The Government should gear up and streamline the existing implementing machinery at the field level so as to ensure 100% utilization of available funds. The fund spending agencies should be held accountable for lapses pertaining to the expenditure incurred by them under NREGA scheme.
15.	3.58	The Committee note that under the NREGA scheme, there are no predetermined targets because NREGA is demand based and employment is provided to job card holding household when it demands work. Demand for work varies from State to State and from district to district within a State. The Committee feel that there may be compelling reasons as to why people are not demanding work even when the job cards have been issued. One of the basic reasons in this regard may be people preferring for wage employment elsewhere, where the wages may be much more. The Committee desire that the Department have to analyse the reasons State-wise for families not demanding work after getting

16.	4.6	<p>the job cards ready. The Committee may be kept apprised about the concrete action taken in this regard.</p> <p>The Committee note that NREGA gives a central role to “social audits” as a means of continuous public vigilance. Social audit and Social Audit Forum in Gram Sabha are important means of ensuring transparency and accountability at the Gram Panchayat level. The Committee recommend that Social Audit Forums must be held twice a year at the Gram Sabha level for all works done during the preceding year. All States should also be persuaded to put in place effective grievance redressal mechanisms so as to ensure that the purpose of NREGA to provide 100 days employment as a matter of right is not diluted.</p>
17.	4.7	<p>The Committee feel that the existing system of acknowledging applications is not foolproof. The Ministry should devise machinery that ensures transparency and roots out irregularities in the receipt of applications. The Ministry should look into the possibility of entrusting the task of receipt of applications also to any other Department of the State Government or active NGOs of the area who can forward the applications to the concerned Gram Panchayat or Officers.</p>
18.	4.8	<p>The Committee note that the NREGA is a Central legislation, and the Ministry, as the nodal agency for NREGA, bears overall responsibility for co-ordinating and monitoring the administration of NREGA and ensuring that the funds provided by the Government of India are economically, efficiently and effectively utilized by the implementing agencies. The Committee also desire that the Ministry should direct the States/UTs to</p>

release its share of funds immediately alongwith the Centre's share. The Committee, therefore, recommend that a special cell should be created in the Ministry of Rural Development at the Centre to monitor the utilization of funds. The Committee are of strong opinion that all the reports of irregularities in implmentations/misutilisations of NREGA funds received directly by the Central Government must, at any cost be investigated by the Central Government itself as it is felt that the ultimate accountability of the NREGA funds lies with the Centre. The Committee also desire that though the guidelines are suggestive and needed to be followed in letter and spirit as these have been intended to facilitate to achieve the objective of NREGA Scheme through its effective and efficient implementation. The Committee also recommend that the Miinistry should carry out investigation in the cases of non-payment of wages and to take action against the defaulting officers instead of just withholding the grants to the concerned States, as ultimately it is the common man including SCs/STs who is the sufferer. The Committee, therefore urge the Ministry to take stringent action against the defaulting officers.

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The Committee note that at present there is no proposal under consideration of the Govt. to further amend/modify the Act. The Committee, however, are of the view that Ministry on the basis of its own experience, study reports and feed back received from the State Government, implementing agency, NGOs and common persons covered under the NREGA Scheme since 2006 should make assessment and see possibility to amend the NREGA Act so that intended

benefits under the NREGA could yield desired results in realistic manner. The Committee desire that the Centre must take necessary steps to amend the NREG Act to make it more beneficial for SCs/STs with a view to ensure that benefits under the Act must reach to SCs/STs beneficiaries directly.

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representatives. The Committee further recommend that State Governments should be directed to ensure the requisite level of inspection by different levels of officials. The Committee desire that some members of the Central Employment Guarantee Council and the State Employment Guarantee Council should be appointed from people belonging to SC/ST Category.

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The Committee note that NIRD Hyderabad has commissioned a study during 2009-10 to assess the impact of Mahatma Gandhi NREGA on SC/ST. This study would cover the States of Rajasthan, Maharashtra, UP, Tamil Nadu, Odisha and Jharkhand. Report of the study is awaited. However, a number of studies by other institutions have also been undertaken to assess the overall impact of the Act in rural areas. These studies have also evaluated the impact of Mahatma Gandhi NREGA on SC/ST population. The Committee recommend that a list of SCs/STs beneficiaries should be prepared and separate allocation of resources be done for these target groups. The Committee desire to know the outcome of the study of NIRD Hyderabad during 2009-10 and other studies to assess the impact of Mahatma Gandhi NREGA on SCs/STs.