

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

STARRED QUESTION NO:526

ANSWERED ON:14.08.2014

RELEASE OF CENTRAL FUNDS UNDER MGNREGS

Gavit Dr. Heena Vijaykumar; Mahadik Shri Dhananjay Bhimrao

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) the manner in which Central funds are released to the States/UTs under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);

(b) whether the Union Government has urged the States to submit district level development perspective plans, in support of their demand for funds, on the basis of 'labour budgets' under this scheme;

(c) if so, the details thereof and the response of the States thereto; and

(d) whether the proposal is likely to check corruption and other irregularities in the implementation of MGNREGS and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI UPENDRA KUSHWAHA)

(a) to (d) A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No.526 due for Answer on 14.08.2014

(a) The Central funds, under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), are released to the States/UTs as per the funding pattern given in Section 22 of MGNREGA, 2005. The Central Government bears the entire expenditure on payment of wages. The cost of material component is shared between the Centre and States on 75:25 basis. The Central Government shares the entire administrative cost of the programme which is now fixed at 6% of the total wage and material expenses.

(b) to (d) Yes, Madam. With a view to strengthen the planning process under MGNREGA and to ensure quality, durability and productivity of assets created in rural areas, the Ministry had consultations with State Governments regarding preparation of district level development plans on 5th June, 2014. As a follow up, the Ministry, vide circular dated 21st July, 2014, has issued detailed guidelines/framework for planning of works and preparation of labour budget under MGNREGA for the Financial Year (FY) 2015-16. This initiative is expected to improve the quality and durability of assets and enhance the wage employment and livelihood opportunities and thereby strengthen the overall implementation of the Scheme.