

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:914

ANSWERED ON:27.11.2014

RELEASE UNDER MGNREGS

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

- (a) the funds earmarked for Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and funds released to various States/UTs and its utilisation during each of the last three years and the current year, State/UT-wise;
- (b) the reasons for under-utilisation of funds by various States/UTs and the advisories issued by the Union Government in this regard;
- (c) whether the Government has conducted any study on the effectiveness of the scheme and the corrupt practices involved in its implementation and if so, the details and the outcome thereof;
- (d) the details of the various irregularities/corruption cases reported during the said period and the action taken by the Government thereon State/UT-wise; and
- (e) whether the performance of MGNREGS has remained dismal as even one-third of the households were not provided 100 days of employment guaranteed under the Scheme and if so, the corrective measures taken by the Government in this regard?

**Answer**

MINISTER OF RURAL DEVELOPMENT (SHRI BIRENDER SINGH)

(a) Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) is a demand driven wage employment programme. Central funds are released to the States/UTs on the basis of agreed to Labour Budgets and taking into consideration the performance and the pace of utilization of available funds. Details of amounts released and utilised by the States/UTs under the MGNREGS during the last three years and the current year are indicated in Annexure-I.

(b) MGNREGA is a demand driven programme. Therefore, some float of funds is necessary to be kept with the implementing agencies.

An Electronic Fund Management System (e-FMS) is being implemented to do away with unspent balance at sub-state level. Implementation of MGNREGA/utilization of funds by the States/UTs under MGNREGA is periodically reviewed in various National and State level performance review meetings and regional review meetings. Among others, States/UTs are requested to follow bottom up approach and realistic estimation of labour demand through household survey of job card holders, reinforcement of demand registration processes so that all those who wish to apply for work under MGNREGA are facilitated and appropriate planning of works and their execution time to ensure adequate worker participation rate in MGNREGA.

(c) The Ministry of Rural Development had engaged Institutions like Indian Institute of Science, Bangalore, Indian Institute of Management (IIMs), Indian Institutes of Technology (IITs), National Institute of Rural Development (NIRD), National Sample Survey Organization (NSSO) and other professional institutions to conduct studies and surveys on the implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Some major findings of such studies related to impact of MGNREGA works are:

- (i) Increase in Agriculture wages and enhanced bargaining power of rural poor.
- (ii) Creation of environmental friendly jobs.
- (iii) Reduction in soil erosion and enhancement in soil organic matter.
- (iv) Improvement in ground water table, agricultural productivity and cropping intensity.
- (v) Reduction in water vulnerability index, agriculture vulnerability, livelihood vulnerability
- (vi) Reduction in distress migration.

(d) The Ministry receives a large number of complaints about implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in the country. The complaints mainly relates to cases of job cards not provided, misappropriation of funds, engagement of contractors, forgery of muster roll, manipulation in job cards, under payment of wages, non-payment of wages, corruption and other irregularities, use of machinery, delay in payments etc. Since the responsibility of implementation of (MGNREGA) is vested with the State Governments in accordance with the Schemes formulated by them as per the provisions of the Act, all complaints received in the Ministry are forwarded to the concerned state Governments for taking appropriate action including investigation, as per law. Detailed instructions by way of Standard Operating Procedure (SOP) for dealing with complaints have also been issued to all States/UTs.

(e) MGNREGA is a demand-driven programme. Therefore, number of days of employment provided to a household depends on the number of days of employment demanded by the household.

The major steps taken by the Government to improve the programme implementation under MGNREGA are as follows:

# At least 60% of the works to be taken up in a district in terms of cost shall be for creation of productive assets directly linked to agriculture and allied activities through development of land, water and trees.

# The wage-material ratio for works taken up by agencies other than Gram Panchayats would be counted at the district level to facilitate taking more durable assets.

# The associated outcomes of each work would be estimated before taking up the work and the same would be measured after completion of the work-thereby bringing in more focus on outcomes.

# The quality of the assets is sought to be improved through better planning and closer technical supervision.

# States/UTs have been asked to operationalize the provision relating to compensation for delayed wage payments as per Para-29, Schedule II of MGNREGA 2005.

# States/UTs have been asked to strengthen Social audits of MGNREGS works in accordance with the provisions of the Audit of Schemes Rules 2011 issued in consultation with the Comptroller and Auditor General of India.

# With a view to avoid bogus attendance and to check instances of tempering and misuse of muster rolls, the e-Muster system has been introduced.

# For smooth fund flow, the electronic Fund Management System (e-FMS) has been introduced which would also reduce delays in payment of wages.

# All States have been requested to appoint Ombudsman at the district level for grievance redressal.

# The Ministry has established a comprehensive system of monitoring and review mechanism for MGNREGA, which, inter alia, include visits of Area Officers of the Ministry and National Level Monitors and Vigilance & Monitoring Committee meetings at the State/ District levels.

# To facilitate states to engage technical assistants/barefoot engineers for better technical planning and supervision of works under MGNREGA, guidelines have been issued to allow their establishment cost as a part of material cost of works instead of administrative cost.

# Formulation of State Convergence Plan in 21 States.