



Adequate funds released to States for Rural Development

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The Government in the year 2017-18 provided highest ever allocation of Rs. 48,000 crores at BE stage for MGNREGA. In the year, the allocation to the Department also crossed more than One lakh crores for all programmes put together at Rs. 1,05,442 crores. The Ministry of Rural Development has been able to ensure payment of wages to the workers within 15 days in 85 percent of the cases as compared to only 37 percent in 2015-16 and 42 percent in 2016-17 on account of increased allocation for MGNREGA at BE Stage.

The second phase of releases to the states, which starts in September of every year depends on States fulfilling conditions specified in General Financial Rules, which relate to complete financial scrutiny including submission of audited report for the previous financial year. This was reiterated by the Government to the States repeatedly in the past few months. The Ministry of Rural Development has already released second installment for MGNREGA wage payment and material payment to the States which have submitted their audited statements on account for year 2016-17. Over the last ten days funds have been released to Rajasthan, Uttar Pradesh, Jharkhand, Gujarat, Madhya Pradesh, Sikkim and Tamil Nadu. Release of funds to Karnataka, Andhra Pradesh and Telangana are being processed as the papers have been received very recently. Funds for wage payments and other activities would be released to the States immediately on receipt of audited statements of account, once they are found in order. In a good monsoon year, demand for MGNREGS wage employment slows down in the August to November period. Due case has been taken to ensure fund flows in States and Districts that have deficient rainfall. The Government is committed to maintaining high level of timely payment and additional funding, if required, would be provided for MGNREGA at the time of supplementary budgets.

It is also pertinent to point out that in the overall development strategy for rural areas, Central Government has also significantly increased its allocation under DAY-NRLM, PMGSY, PMAY(G) and all other initiatives. A record number of one crore new houses under PMAY(G) are to be completed by December, 2018. By March, 2018, 51 lakh such houses will be completed. Already nearly eight lakh houses are complete and work is going on in the remaining 43 lakh houses at an advanced stage. PMGSY now spends nearly Rs. 29,000 crore a year including State share. Through significant speeding up of implementation, nearly 85 percent of the eligible habitations (population of 500 in plain areas and 250 in hill areas) have already been connected by all weather road. This was at 57 percent three and a half years ago. The target of 100 percent connectivity by March, 2019 is being rigorously followed and is likely to be nearly achieved. Under DAY-NRLM, thrust has been on livelihood diversification and current level of SHG bank linkage is over Rs. 47 thousand crore, which is more than double the amount where it stood two and half years ago. Other rural development initiatives are also generating employment in rural areas and it is for this reason that real wage rates in Rural India have registered a significant increase. Resources under Swachh Bharat Mission, Fourteenth Finance Commission and many other initiatives for rural areas are also contributing to higher availability of wage employment in rural areas.

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