



## Note on MGNREGA

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Implementation of MGNREGA Scheme has seen major changes in the last two years. Use of ICT tools, space technology, focus on improving livelihood resource base of people, provision of diversified livelihood opportunities through convergent programme implementation are some of the major features of changes brought in programme management. High budget allocation to meet the objectives of the Act and strengthening of monitoring system have been ensured. Measure like electronic fund management system (eFMS), Aadhaar seeding, Geo tagging of assets and strengthening of Social Audit System are some steps towards bringing in more transparency and accountability in the programme implementation. Emphasis on proper work file maintenance, setting up of Citizen Information Boards as part of Janta Information Systems are some of the other measures.

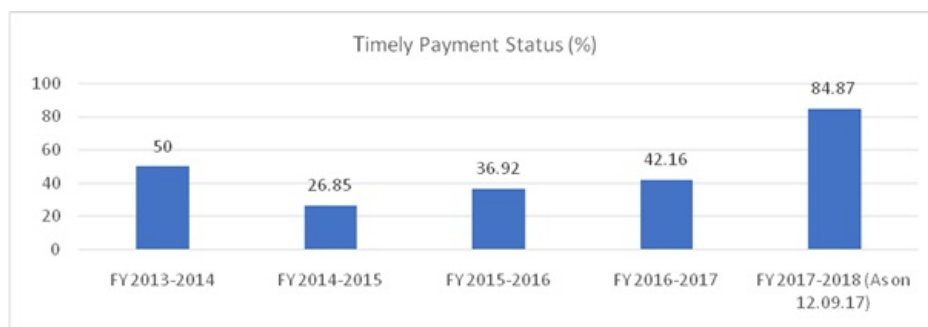
The current Financial Year is marked by the highest ever budget allocation of Rs. 48000 Cr. The table below gives a glimpse of the revised estimate at the Centre's level and the expenditure in the States/UTs over the last 7 years.

Year	Revised (Cr)	Expenditure (Cr)
2011-12	31,000.00	37,072.82
2012-13	30,287.00	39,778.29
2013-14	33,000.00	38,511.10
2014-15	33,000.00	36,025.04
2015-16	37,345.95	44,006.56
2016-17	48,220.26	57,946.72
2017-18*	48,000.00	35,436.92

\* Figures as on 12.09.2017

Availability of funds is not a constraint for the implementation of the program. The Government is committed to provide funds for implementation of MGNREGA.

To ensure that MGNREGA workers receive their wages on time, National Electronic Fund Management System (NeFMS) has been put in place. Almost 96% of wages are being paid directly to the beneficiaries' bank accounts. Additionally, intense monitoring and fixing accountability for delays in payments has shown significant result in the current financial year. Around 85% of the wages are being paid to the workers in time. This is almost double the percentage in comparison with last FY as can be seen in the graph below:

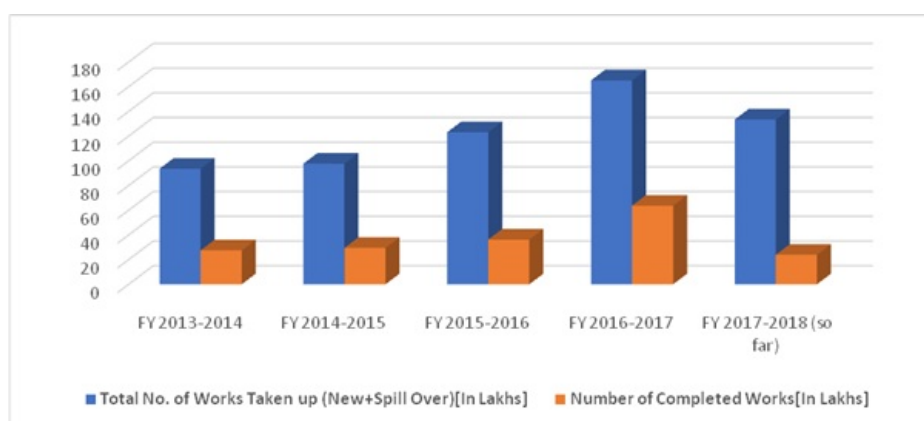


All efforts are being taken by the Ministry to further improve the situation. FTOs for Andhra Pradesh and West Bengal are pending for payment for specific reasons. Internal Audits conducted by the Ministry in the recent past in both the States have detected irregularities in implementation for which the States have been asked to take appropriate steps to rectify the situation.

Funds will be released to them once complete and sufficient response is received. The Ministry reviews the financial status of all States/UTs on daily basis and the issue of release of further funds to the States/UTs wherever FTOs are shown as pending is under examination. It is pertinent to mention that around Rs. 36500 Cr (76% of total allocation) have already been released in this financial year, leading to timely payment of wages in 85% cases.

Through a bottom-up participatory approach, every year the GPs prepare the shelf of works to be executed in the next financial year. These works are taken up considering the 155 permissible activities under the Scheme, which are revised periodically depending upon State requests. The Centre safeguards the decisions of the local bodies through its emphasis on creation of shelf of projects in the GPs and in no way attempts to undermine their authority. However, in accordance with the NREGA Act, Central Employment Guarantee Council (CEGC) under the aegis of the Ministry is expected to guide, regularly evaluate and monitor the implementation of the program on the ground.

Strengthening the livelihood resource base of the poor is one of the main objectives of MGNREGS. Apart from meeting the demand for wage employment on the ground, the government is laying stress on strengthening the livelihood resource base of the poor and the vulnerable. Close to 1.5 Cr works are taken up every year under MGNREGA. In the last FY, strong push towards work completion led to the highest work completion of 62 Lakhs.



These completed works have been geo tagged and made available in public domain improving and enhancing transparency in programme management. More than 2 Cr assets have been geo tagged so far. Now, the Ministry has made it mandatory to geo tag three stages of an asset creation.

In order to optimize public investments, adequate focus is also being laid on convergence of MGNREGS with other schemes. A good example of convergence is houses being constructed under Pradhan Mantri Awas Yojana (PMAY). While 33 Lakhs houses were constructed in FY 2016-17 with Rs. 18000 from MGNREGS as unskilled wage labour contribution to every house, the current financial year's target is 51 lakh PMAY houses. Besides, MGNREGA provides Rs. 12000 for construction of household latrines in every PMAY house. Through such examples of convergence, the Ministry is trying to ensure gainful and proper utilization of funds along with provision of wage employment seeking work.

Independent Social Audit Units have been set up in 24 States and 3100 State Resource Persons have been trained to conduct social audit as per auditing standards. Large scale training of Self-Help Group women as Village Resource Persons for social audit is being undertaken.

All initiatives under MGNREGS have been taken in consultation with the States and UTs. The government is committed to make the implementation of the program as effective as possible so that the objectives of the Act can be met.

Multiple assets to a household for augmentation of livelihood potential is a major thrust under MGNREGS. Besides this, skilling the MGNREGS workers through Barefoot Technician program is another initiative. So far, 5380 Bare Foot Technicians (BFT) have been trained so far in 19 States to provide technical support at field level.

The Ministry had set up a Committee under the Chairmanship of Additional Secretary with representatives of relevant Central Ministries and five State Governments to examine the issue of Alignment of MGNREGA Wages with Minimum Agricultural Wages. The MGNREGA Wages were notified under Section 6.1 of the MGNREGA Act on 1st December, 2009. For the States where minimum wages were higher than Rs.100/-, those wages were taken as MGNREGA wages. For States where minimum agricultural wages were less than Rs.100/- MGNREGA wages were notified as Rs.100/-. On 1st December, 2009 only for 4 States, viz. Goa, Haryana, Mizoram and Kerala had minimum wages for agricultural labour was higher than Rs.100/- and these were protected by December, 2009 Notification. Since then, MGNREGA wages have been indexed to Consumer Price Index for Agricultural Labour. The present divergence between MGNREGA wages and minimum wages for agricultural labour is on account of the fact that the States do not follow a scientific and uniform system of indexation of wage rates while MGNREGA wages are increased based on changes in Consumer Price Index for Agricultural Labours.

The Government has provided much higher allocations to the Ministry of Rural Development in the last three years. As is evident from the table below, the allocation to Rural Development programmes for creation of infrastructure, rural housing and employment has gone up from 0.50% of the GDP in 2012-13 to 0.63% of the GDP in 2016-17:

Rs. Crores					
Year	GDP at Current Prices (2011-12 Series)	MGNREGS Exp.	% of GDP	Releases by MoRD for all Programmes	Releases as % of GDP
1	2	3	4	5	6
2012-2013	9944013	39,778.82	0.40	50,161.86	0.50
2013-2014	11233522	38,552.62	0.34	58,623.08	0.52
2014-2015	12445128	36,025.04	0.29	67,263.31	0.54
2015-2016	13682035	44,002.59	0.32	77,321.35	0.57
2016-2017	15183709	58,354.21	0.38	95,096.04	0.63

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