

**STANDING COMMITTEE ON RURAL DEVELOPMENT & PANCHAYATI RAJ**

**(2021-2022)**

**25**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)**

*[Action taken on the recommendations contained in the Twentieth Report (Seventeenth Lok Sabha) on 'Critical Evaluation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) of the Ministry of Rural Development (Department of Rural Development)'.]*

**TWENTY-FIFTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

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Presented to Lok Sabha on 03.08.2022

Laid in Rajya Sabha on 03.08.2022



LOK SABHA SECRETARIAT

NEW DELHI

August, 2022/Shravana, 1944 (Saka)

CRD No 179

*Price : Rs.*

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (\_\_\_\_ Edition)  
and Printed by \_\_\_\_\_.

## CONTENTS

	Page No.
COMPOSITION OF THE COMMITTEE (2021-2022) .....	(ii)
INTRODUCTION .....	(iii)
CHAPTER I Report .....	1
CHAPTER II Recommendations which have been accepted by the Government .....	26
CHAPTER III Recommendations which the Committee do not desire to pursue in view of the Government's replies.....	62
CHAPTER IV Recommendations in respect of which replies of the Government have not been accepted by the Committee .....	63
CHAPTER V Recommendations in respect of which final replies of the Government are still awaited .....	74

## ANNEXURES

I. Extracts of Minutes of the Fourteenth Sitting of the Committee held on 28.07.2022*	75
II. Analysis of Action taken by the Government on the recommendations contained in the Twentieth Report (17 <sup>th</sup> Lok Sabha) of the Standing Committee on Rural Development & Panchayati Raj .....	77

\* Not Attached

**COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT AND  
PANCHAYATI RAJ  
(2021-2022)**

**Shri Prataprao Jadhav -- Chairperson**

**MEMBERS**

***Lok Sabha***

2. Shri Sisir Kumar Adhikari
3. Shri C. N. Annadurai
4. Shri A.K.P Chinraj
5. Shri Rajveer Diler
6. Shri Vijay Kumar Dubey
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21. Shri Shyam Singh Yadav

***Rajya Sabha***

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23. Smt. Shanta Chhetri
24. –vacant–
25. Shri Iranna Kadadi
26. Dr. Wanweiroy Kharlukhi
27. Shri Naranbhai J. Rathwa
28. Shri Ram Shakal
29. Shri Bashistha Narain Singh
30. Shri Ajay Pratap Singh
31. Shri M. Mohamed Abdulla

***Secretariat***

1. Shri D. R. Shekhar - Joint Secretary
2. Dr. Yumnam Arun Kumar - Additional Director
3. Shri Inam Ahmed - Executive Officer

## INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development & Panchayati Raj (2021-2022) having been authorised by the Committee to present the Report on their behalf, present the 25<sup>th</sup> Report on the action taken by the Government on the recommendations contained in the Twentieth Report of the Standing Committee on Rural Development & Panchayati Raj (17<sup>th</sup> Lok Sabha) on 'Critical Evaluation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)' of the Ministry of Rural Development (Department of Rural Development).

2. The Twentieth Report was presented to the Lok Sabha on 08.02.2022 and was laid on the Table of Rajya Sabha on the same date. Replies of the Government to all the recommendations contained in the Report were received on 13.05.2022.

3. The Report was considered and adopted by the Committee at their sitting held on 28.07.2022.

4. An analysis of the action taken by the Government on the recommendations contained in the Twentieth Report (17<sup>th</sup> Lok Sabha) of the Committee is given in **Appendix-II**.

NEW DELHI;  
28 July, 2022  
06 Shrawana, 1944 (Saka)

PRATAPRAO JADHAV  
*Chairperson,*  
Standing Committee on Rural Development & Panchayati Raj

## CHAPTER I

### REPORT

This Report of the Standing Committee on Rural Development & Panchayati Raj (2021-22) deals with the action taken by the Government on the Observations/Recommendations contained in their Twentieth Report (Seventeenth Lok Sabha) on 'Critical Evaluation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)' of the Ministry of Rural Development (Department of Rural Development).

2. The Twentieth Report was presented to Lok Sabha on 08.02.2022 and was laid on the Table of Rajya Sabha on the same date. The Report contained 33 Observations/Recommendations.

3. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Government. These have been examined and categorised as follows: -

(i) Observations/Recommendations which have been accepted by the Government:

Serial Nos. 1,3, 5, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33

Total: 26  
Chapter-II

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of replies of the Government:

Serial No. NIL

Total: NIL  
Chapter-III

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:

Serial No. 2, 4, 6, 7, 12, 22, 28

Total: 07  
Chapter-IV

(iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:

Serial No. NIL

Total: NIL  
Chapter-V

4. The Committee desire that Final Action Taken Notes on the Observations/ Recommendations contained in Chapter I of this Report may be furnished to the Committee within three months of the presentation of this Report.

5. The Committee will now deal with action taken by the Government on some of their Observations/Recommendations that require reiteration or merit comments.

I. **Effective Coordination with the States for timely release of funds and submission of requisite details**

**Recommendation (Serial No. 2)**

6. With regard to the Effective Coordination with the States for timely release of funds and submission of requisite details, the Committee had recommended as under:-

"The Committee note the submission made by the Department of Rural Development during the course of evidence that one of the impediments obstructing the smooth and unhindered flow of funds is that of non-completion of requisite procedural formalities by the State governments within the stipulated time-frame. Non-updation of muster roll within three days of completion of the work or delay in the submission of documents for release of wages/skilled/material share by the States along-with delay in release of States' share of 25% material costs came to the fore. The Committee were bemused on the approach exhibited by the nodal agency of the scheme, i.e. Department of Rural Development in highlighting only the States' loopholes. This is completely unacceptable and the Committee find the 'blame-game' unpalatable. The 'need of the hour' in a federal form of government should not be limited to merely finger pointing at each other at the cost of detriment to a public welfare scheme, rather working in unison with the common goal of upliftment of the quality of lives of rural masses. In this context, the Committee vehemently recommend the Department of Rural Development to entail all possible measures in bringing all the shareholders on a common platform and coerce the State Governments to abide with the statutory provision of the MGNREGA Act in 'letter and spirit' so that the beneficiaries fate do not keep hanging around the bureaucratic procedures."

7. The DoRD in their action taken reply have stated as under:-

"Mahatma Gandhi NREGA is a demand driven wage employment programme and funds are released to the State/UTs on the basis of "Agreed to" Labour Budget and performance of the State/UTs during financial year. Funds release under Mahatma Gandhi



NREGA is based on the provision of the Act and guidelines. First installment of the 1<sup>st</sup> tranche is released in the first half of April after adjusting unspent balance available with the States and considering the pending liabilities, if any.

The 2<sup>nd</sup> tranche is released on the submission of proposal in the prescribed format by the State and subject to fulfilment of all the prescribed conditions. The proposal can be submitted after a State has utilized 75 percent of the total available funds. If the proposal for 2<sup>nd</sup> tranche is submitted after 1<sup>st</sup> October, then the Audit Report and Audited UC of previous FY is also required. Quantum of funds to be released as part of 2<sup>nd</sup> tranche depends upon the performance of the State/UT.

There is a provision that State may submit 2<sup>nd</sup> Tranche proposal at least 15 days before the 50% achievement of the Annual labour budget.

Also appropriate documents for check lists have been made available to the State so that State may submit dully completed proposal well in advance so that timely release of funds may be ensured.

It also needs to be mentioned that there is a regular dialogue with The States/UTs not only through informal channels including through Whatsapp, but also through several formal channels such as Performance Review Committee, meeting for determination and revision of Labour Budgets, Mid-Term Reviews and so on. The States are facilitated to the best extent through both.”

**8. While taking note of the submission made by the Department of Rural Development (DoRD) regarding the obstacles witnessed in the seamless flow of funds under MGNREGA, the Committee had recommended DoRD to ensure effective coordination with the States so that the requisite details are submitted by them for facilitating timely release of funds. DoRD in their action taken reply have stated that “funds released under MGNREGA is based on the provision of the Act and guidelines” and have elaborated on the existing mechanisms in the 1<sup>st</sup> tranche and the 2<sup>nd</sup> tranche subject to fulfilment of all the prescribed conditions. In addition, various modes of communication with the States have also been outlined in their response. Nonetheless, the Committee find the reply inadequate, bereft of any concrete action to streamline the prevalent delay causing issues for timely released of**

**funds under MGNREGA. DoRD have merely furnished their stereotypical reply delineating only the provisions of the scheme without addressing the issue with the seriousness it warrants. Delving upon the reply of DoRD, the Committee opine that, had these provisions and mechanisms been functioning optimally, the issue of delay in fund release would not have arisen. Thus it indicates lack of coherence between the theoretical provisions and their enactment on ground level . Taking this into cognisance the Committee feel that there is an immediate need for a much more effective and synchronised action between the Central and States' nodal agencies . To address this, the Committee emphasise that stringent measures need to be taken by DoRD to critically assess and examine the existing situation and urge DoRD to reinvigorate the process for the betterment of Centre-State ties in the matter and reiterate their recommendation for ensuring timely release of funds under MGNREGA with suitable action so that the scheme's progress is unhindered.**

## **II. Mitigation of Unspent Balances**

### **Recommendation (Serial No. 3)**

9. With regard to the Mitigation of Unspent Balances, the Committee had recommended as under:-

“While the data provided by the Department of Rural Development pertaining to the unspent balances at the end of financial year 2020-21, shows an amount to the tune of Rs. 5,270.76 crore as unspent, for the current financial year, the amount unspent as on 05.11.2021 is Rs. 1,351.46 crore. The Committee certainly note the improvement shown through the efforts of Department of Rural Development wherein a reduction in amount of unspent balances is being noticed. In this regard, the Committee are still of the uniform view that funds remaining unutilized on one hand along-with the existence of pendency in payment of wages and release of skilled share does not augur well for the performance of the scheme, thus putting a question mark on the administrative acumen of the nodal agency. Keeping this in mind, the Committee feel that this downward trend in the accrual of unspent balances need to be maintained through rational measures. Therefore,

the Committee recommend the Department of Rural Development to ensure that the unspent balances are completely mitigated by the utilization of allocated funds in a time-bound and financially prudent manner.”

10. The DoRD in their action taken reply have stated as under:-

"Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The Ministry has made concerted efforts to reduce delays in payment of wages. A Standard Operating Procedure (SoP) on timely payment process for direct payment into the accounts of beneficiaries was issued and its implementation by the States/ UTs is being monitored on a regular basis. In addition, use of platforms such as PFMS/NeFMS has enabled real-time monitoring of the payments. Use of the aforesaid mechanisms have resulted in considerable improvement in the status of timely generation of pay orders leading to improvement in actual time taken to credit wages in the workers accounts.

The Ministry regularly reviews the performance of the implementation of Mahatma Gandhi NREGS including pending liabilities for material component and unspent balance available with States through various fora viz., Labour Budget meetings, Labour Budget Revision meetings, Mid-Term Review, Programme Review meetings. Central Employment Guarantee Council and State Employment Guarantee Councils periodically monitor implementation of the programme.

The recommendation of the Committee has been noted for further guidance.”

**11. The Committee had taken note of the appreciable efforts being taken by the DoRD for the mitigation of unspent balances under MGNREGA by drastically reducing the unspent amount from Rs. 5,270.76 crore at the end of Financial Year 2020-21 to Rs. 1,351.46 crore as on 05.11.2021. In view of that, the Committee had recommended the DoRD to maintain and increase the momentum even further so that the complete unspent balance amount gets exhausted at the earliest. The response of DoRD in this regard has been examined and is found to be in the right direction. While acknowledging the measures undertaken by DoRD for bringing down the unspent balances and expediting its utilization, the Committee hope that DoRD would not let their**

guards down and would keep accelerating their best effort by maintaining a sustained curb on the accumulation of unspent balances.

### III. Delay in Payment of wages

#### Recommendation (Serial No. 4)

12. With regard to the increase in wages through linkage with commensurate inflationary index, the Committee had recommended as under:-

"One of the key aspect behind the enunciation of MGNREGA scheme was the guarantee of 100 days work to the rural masses who take up works under MGNREGA voluntarily. Not only was this welfare scheme envisaged to provide a 'fall back' option of employment for those who had no other avenues to look upon but the objective was also to create durable asset utilizing the manpower. However, the entire fulcrum of balance upon which rested the success of this scheme was supposed to be the timely payment of wages as guaranteed through the MGNREG Act, 2005, wherein the payment of wages is to be done within fifteen days from the date of closure of muster rolls. Instead, the Committee painfully take the cognizance of the inordinate delay in the payment of wages to the beneficiaries of MGNREGA. There may-be plethora of reasons causing delay in the payment of wages, but none of the reason can be sufficient enough to justify this blatant nonadherence to the statutory provision of the Act. The beneficiaries of the Act are generally poor and marginalized sections of the society whose hopes of decent upliftment to their economic status hinge upon the succor through MGNREGA. The Committee in this context view the amount of Rs. 276,378.22 lakhs wage liabilities as on 05.11.2021 seriously and feel sorry at the 'state of affairs' in this scheme. No reason is good enough for such huge pendencies and hence, the Committee, in all earnest, call upon the Department of Rural Development to 'pull up its socks'and take all possible measures to wipe off the wage liabilities as soon as possible."

13. The DoRD in their action taken reply have stated as under:-

"Under Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS), States/UTs submit funds release proposals to Government of India. Fund release to the States/UTs is a continuous process and Central Government is committed in making funds available to States/UTs for the implementation of the Scheme. The Ministry release funds periodically in two tranches with each tranche consisting of one or more installments, keeping in view the "agreed to" Labour Budget, demand for works, opening balance, pace of utilization of funds, pending liabilities, overall performance and subject to submission of relevant documents by the State/UT. In the financial year 2021-22 (as on 31.03.2022), an amount of Rs. 73,023.05 crore has been released to State/UT for wage component under Mahatma Gandhi NREGS."

14. The Committee placed their highest regard with the ethos upon which the entire scheme of MGNREGA was built upon, i.e. a welfare scheme for the rural masses providing them with an avenue of employment when they have no other means to look upto. Thus, the timely payment of wages guaranteed under the MGNREG Act assumes paramount importance which acts as additional allurements to the poor and marginalized sections of the society. On this premise, the Committee had painfully seized themselves of the burning issue of inordinate delay in the payment of wages to the beneficiaries under MGNREGA and recommended DoRD to entail all possible measures to wipe off the wage liabilities to the tune of Rs. 2,76,378.22 lakh as on 05.11.2021. Responding to the Committee, DoRD have only simply stated about the release of funds being a continuous process alongwith the provisions in vogue . It has also been mentioned that an amount of Rs. 73,023.05 crore has been released to States/UTs for wage component under MGNREGA. The Committee are not oblivious to the 'hue and cry' for the release of pending wages across the Country for plethora of reasons. In this backdrop, the Committee find the reply unsatisfactory as no specific action has been elicited regarding the complete wiping off of the pendency in wages. Moreover, the amount of existing pendency of wages and the reasons thereof have also been furnished to the Committee. The release of the amount as stated by the DoRD maybe a step in the right direction but the 'need of the hour' is to ensure that the guarantee of payment of wages within 15 days as per the MGNREG Act should be complied with 'in letter and spirit' and not a single penny remains unpaid to the needy beneficiaries. The bureaucratic cobweb surrounding the factors for delay need to be surgically cleared off.

**Therefore, the Committee strongly reiterate their recommendation for taking more effective and result oriented steps to ward off the malaise of delay in the payment of wages to the beneficiaries of MGNREGA.**

**IV. Increase in wages through linkage with commensurate inflationary index**

**Recommendation (Serial No. 5)**

15. With regard to the Increase in wages through linkage with commensurate inflationary index, the Committee had recommended as under:-

"One of the pertinent issue engulfing the scheme under MGNREGA has been concerning with the adequate wage rate, commensurate with the inflation. The Committee note the States/UTs-wise wage rates as per Gazette notification for financial year 2021-22 which shows the wage rate to range from as low as Rs. 193/- per day in Chattisgarh and Madhya Pradesh and Rs. 198/- per day in Bihar and Jharkhand to Rs. 318/- per day in 3 Gram Panchayats of Sikkim (namely Gnathang, Lachung, Lachen) and Rs. 315/- per day in Haryana. Rest all States/UTs fall between Rs. 200/- to Rs. 300/- per day bracket (majority remaining below Rs. 250/- per day). At a time when cost of living is increasing day by day, with the rise of inflation having effect on the price rise of even essential commodities, fathoming people of marginalized and economically challenged stature, who primarily form the beneficiaries of the scheme, striving to make 'ends meet' surviving on this amount is quite concerning. Taking up works under MGNREGA is a sort of last resort for the rural masses when they don't have any other option to utilize, but wages of such nominal nature only discourage them and propel them to seek work in areas giving better remuneration or migrate to urban locales. One of the objective of MGNREGA was definitely to provide work at or nearby places of habitation of the poor and downtrodden and not to cause them to move longer distances. But, the wage rates being offered under MGNREGA is surely working as a deterrent which is amply evident in the data reflecting that number of households who were provided employment under MGNREGA for the year 2018-19 is 526.61 lakh but households who completed 100 days of employment is only 52.58 lakh, similarly in 2019-20, only 40.60 lakh completed 100 days of work out of 548.23 lakh household who were provided employment. For 2020-21, the figure is 72 lakh out of 755.36 lakh, while as on 31.08.2021, for financial year 2021-22 the figure is even more poor with only 7.76 lakh households completing 100 days of work out of 537.78 lakh who were provided employment. The Committee do understand that MGNREGA is a demand driven scheme where the workers move out for better opportunities. However, the figures are abysmally low and it definitely points towards low wage rates as being one of the major reasons for the workers to opt out of MGNREGA, hampering the percentage of work completed under MGNREGA also. Upon this very premises, the

Committee have time and again urged Department of Rural Development to increase the wage rates under MGNREGA by linking it with an index commensurate with inflation. Department of Rural Development in their replies have elaborated upon the setting up of Dr. Nagesh Singh Committee for wage rate revisions and that the same Committee had recommended for using Consumer Price Index – Rural (CPI-R) in place of Consumer Price Index – Agricultural Labour (CPI-AL) for indexation of wages under MGNREGA. The Ministry further clarified that it had accepted the recommendations of the said Committee and after the approval of Finance Ministry had initiated the process of revision of wage rates under MGNREGA by indexing CPI-R in place of CPI – (AL). However, pursuant to a meeting with the Ministry of Statistics & Employment, Government of India and with the approval of Hon'ble Minister of Rural Development, the Ministry of Rural Development has decided to continue with the existing index CPI-AL for wage rate revision under MGNREGA. Thus, the wage rates under MGNREGA would continue to remain languishing on account of no change in indexation. In view of the above situation, the Committee strongly recommend the Ministry to review its stand concerning with the wages once again and approach all the decision making bodies with plausible rationale so that a long pending demand of justifiable hike in the wages under MGNREGA is fulfilled for the welfare of beneficiaries."

16. The DoRD in thier action taken reply have stated as under:-

"As per Section 6 (1) of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, the Central Government may by notification specify the wage rate for unskilled work for its beneficiaries. Accordingly, the Ministry of Rural Development notifies Mahatma Gandhi NREGA wage rate for every financial year for States/UTs. To compensate the Mahatma Gandhi NREGA workers against inflation, the Ministry of Rural Development revises the wage rate every year based on change in Consumer Price Index for Agricultural Labour (CPI-AL). The index is different for different States/UTs as notified by Labour Bureau Shimla. If the calculated wage rate of any State/UT is coming lower than the wage rate of previous year, it is being protected by maintaining the previous year wage rate. The wage rate is made applicable from 1st April of each financial year.

The consultation with Ministry of Finance was held earlier. The CPI Now, after the due consultation with the Ministry of Statistics and Programme Implementation and Ministry of Labour & Employment, Government of India, the Ministry of Rural Development has decided to continue with existing index CPI-AL for wage rate revision under Mahatma Gandhi NREGA with the approval of competent Authority."

17. A long standing demand from various quarters of the country has been that of increase in wages under MGNREGA through linkage with an appropriate inflationary index. While taking into consideration the efforts made by DoRD in initiating the process of revision of wage rates under MGNREGA by indexing Consumer Price Index – Rural (CPI-R) in place of Consumer Price Index – Agricultural Labour (CPI-AL), the issue was discussed threadbare during the deliberations of the Committee. It was noted that the efforts of the DoRD felt flat in the wake of the final decision by the Government of India to continue with the existing index of CPI-AL. Thus, the Committee had urged upon DoRD to review its stand again for the revision of wages. However, the reply furnished by DoRD have again repeated their present stance that after due consultation, the Ministry of Rural Development have decided to continue with existing CPI-AL for wage rates under MGNREGA. The Committee in wake of the non-yielding situation are seriously concerned about the plight of the beneficiaries of MGNREGA who belong to extreme periphery of the society and for whom any increase in wage through suitable linkage with inflationary index, providing buffer against rising costs, would indeed be a blessing. Thus, the Committee once again make a strong appeal to the prudence of the DoRD to review its stand and bring onboard all the stakeholders so as to increase the wage under MGNREGA through suitable linkage to inflationary index.

V. **Uniform wages across the country to end the disparity of wages under MGNREGA**

**Recommendation (Serial No. 6)**

18. With regard to the Uniform wages across the country to end the disparity of wages under MGNREGA, the Committee had recommended as under:-



"Time and again the issue of disparity of wages under MGNREGA crop up before the Committee. The Committee find the concept of wage rates under MGNREGA being different in the States/UTs of the country quite baffling. MGNREGA is a Centrally sponsored scheme with the wages of unskilled labour being released through the Central Share. Moreover, Department of Rural Development is the nodal implementing agency of the scheme in the entire country and it only seem befitting if the nodal agency fixes a single unified wage rate at the start of every financial year applicable for all the States/UTs of the Country. Wage rates fluctuating from Rs. 193/- to Rs. 318/- across the different States/UTs in no way seem justified. Moreover, the parameters of economics perhaps will also be convenient in terms of calculations and indexation in one go for the entire country, rather different States/UTs bringing in their own dynamics in fixing the wage rates. It is also noteworthy to mention here that the beneficiaries being targeted under MGNREGA are no doubt the poor and marginalized sections of the society. In this context, States such as Bihar, UP, Jharkhand and West Bengal showing a notified wage rate of Rs. 198/-, Rs. 204/-, Rs. 198/- and Rs. 213/- is unfathomable. Bridging the disparity of wages and bringing the wages at par will not only end the conundrum of uncertainty among beneficiaries but will also serve the larger purpose of welfare of MGNREGA workers. Thus, the Committee recommend in all earnest that the Department of Rural Development look into the matter of disparity of wages among States/UTs pragmatically and devise a mechanism for notifying a unified wage rate across the entire country."

19. The DoRD in their action taken reply have stated as under:-

"As per Section 6 (1) of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, the Central Government may by notification specify the wage rate for unskilled work for its beneficiaries. Accordingly, the Ministry of Rural Development notifies Mahatma Gandhi NREGA wage rate for every financial year for States/UTs. To compensate the Mahatma Gandhi NREGA workers against inflation, the Ministry of Rural Development revises the wage rate every year based on change in Consumer Price Index for Agricultural Labour (CPI-AL). The index is different for different States/UTs as notified by Labour Bureau Shimla. If the calculated wage rate of any State/UT is coming lower than the wage rate of previous year, it is being protected by maintaining the previous year wage rate. The wage rate is made applicable from 1st April of each financial year. However State Governments can provide wage over and above the wage rate notified by the Central Government."

**20. Over the period of time, since the inception of MGNREGA, one aspect surrounding the scheme which has always baffled the Committee is that of**

disparity of wages under the Scheme in different States/UTs. The Committee fail to comprehend as to why a Centrally Sponsored Scheme cannot have a single unified wage rate across the country which could be suitably revised at the start of every financial year for accounting the inflationary effect. In this context, taking note of fluctuation in wage rates from Rs. 193/- to RS. 318/- across different States/UTs, the Committee had recommended DoRD to consider the idea of notifying a unified wage rate across the country. The Committee find the reply of DoRD in this regard, unacceptable and evasive wherein the mechanism of revision of wage rates for each financial year has been talked about without giving any specific riposte to the novel idea recommended by the Committee. The Committee through their recommendations aim to bring solace to the poor rural masses of the country who rely upon MGNREGA for their livelihoods. It is expected in all earnest that any solution being provided by the Committee at least deserve thorough analysis and a befitting response. Remaining silent on such significant recommendation and bypassing it without giving specific reply does not augur well for the sustained efforts being undertaken for the betterment and evolution of MGNREGA Scheme. The Committee, therefore, vehemently reiterate their recommendation and coerce DoRD to come up with a robust mechanism for ending the disparity of wages under MGNREGA by utilizing the concept of unified wage rate across the country.

**Recommendation (Serial No. 7)**

**VI. Increase in number of days of work sought under MGNREGA**

21. With regard to the Increase in number of days of work sought under MGNREGA, the Committee had recommended as under:-

While examining the subject of MGNREGA and during their deliberations, the Committee were made to realize about demands from various quarters of the country regarding the increase in number of days from 100. The Committee also take cognizance of the provision of the scheme through which State Governments can ask for additional 50 days of work under MGNREGA to meet the need for work in cases of exigencies arising out of natural calamity. The Committee take note of this existing provision and are of the view that MGNREGA is a last 'fall back' option for numerous rural people and the amount of expenditure under it also elicit a keen interest in the scheme by the poor and marginalized. It is 'high time' that the scheme be revamped keeping in view the changing times and emerging challenges particularly in wake of the COVID Pandemic. Moreover, the basic thought process behind MGNREGA also warranted the creation of permanent durable asset while providing works to the needy. The Committee feel that durable assets under various heads of permanent nature, go a long way in creating/rectifying infrastructures pertaining to the Government agencies. This only aids and augments the initiatives of the Government towards progressing the society and taking it forward with a robust infrastructure. In view of such background, the Committee are of firm opinion that the 'need of the hour' is to further diversify the nature of works under MGNREGA in such manner and through such mechanisms which could also propel the number of guaranteed working days under MGNREGA to at least 150 days from the current 100 days. Therefore, the Committee strongly recommend the Department of Rural Development to review the scheme of MGNREGA in such a way which could ensure an increase of guaranteed days of work from 100 to 150 days.

22. The DoRD in their action taken reply have stated as under:-

“Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA) is to provide at least 100 days of guaranteed wage employment in a financial year to each household in rural areas of the country whose adult members volunteers to do unskilled manual work. In addition to this, there is a provision for upto additional 50 days of wage employment in a financial year in drought/natural calamity notified rural areas. As per Section 3 (4) of the Act, the State Governments may make provision for providing additional days of employment beyond the period guaranteed under the Act from their own funds.”

**23. The Committee noted the demand from various quarters regarding the hike in the number of days of work sought under MGNREGA, particularly in wake of the COVID pandemic causing reverse migration of the workforce from urban to rural areas. MGNREGA emerged as a last ray of hope for the poor rural masses in the unprecedented challenging times witnessed by all of us.**

Taking into cognizance, the role of MGNREGA and the raised demand for works under the Scheme, the Committee felt appropriate that the scheme be revamped in such a way that the number of guaranteed days of work under MGNREGA be increased from the existing 100 days to 150 days. Responding to the recommendation of the Committee in this regard, DoRD in their reply have stated about the provision of 100 days of guaranteed wage employment under MGNREGA. Further, the reply also states that Section 3(A) of the Act allows the State Governments to make provision for additional days of employment beyond the guaranteed period from their own funds. The Committee find the reply routine and generic in nature, merely highlighting the formulated provisions of the Act. Much time has elapsed since the inception of the scheme and the dynamics of rural poverty and employment has considerably changed during the present times. The Committee view the demand for increase in number of days not only beneficial for the needy but also for the aim of the Scheme regarding creation of durable assets as it would provide continuity of same experienced workforce on a project for a longer time. Although the State Governments may make provisions for additional days, still the Committee are of the firm view that the mandatory increase in number of guaranteed days should be brought about by the DoRD by moving an amendment in the Act in order to make it applicable for the entire country, so that the demand of needy beneficiaries may not hinge upon the arbitrariness of the State Governments. Therefore, the Committee reiterate their recommendation for increase in number of days of work sought under MGNREGA from 100 to 150 days and implore upon DoRD to take up the matter in right earnest.

**Recommendation (Serial No. 12)**

**VII. Prompt release of Skilled/Material Share**

24. With regard to the Prompt release of Skilled/Material Share, the Committee had recommended as under:-

One of the key aspect which drew the attention of the Committee towards itself was the delay in the release of skilled labourers and material components share funds by the Centre and State. The funding pattern of the scheme clearly outlines that the Central Government shall meet the cost of up to three-fourths of the material cost of the Scheme including payment of wages to skilled and semi- skilled workers while the State Government will bear one-fourth of the material cost of the Scheme including payment of wages to skilled and semi-skilled workers. Despite a clear cut demarcation of funds origin and their supposed flow, there remained pendency in the release of such components. These delays ultimately cause the delay in the completion of works under MGNREGA owing to which the projects taken up under MGNREGA do not get completed on time and are often left incomplete for long period of time wasting the entire exercise of the creation of durable assets under MGNREGA. When queried upon this aspect, reasons being cited were non-completion of documentary procedures for the release of next batches of funds *et. al.* The Committee find a stereotypical excuse placed before them at almost most of the junctures wherein blame-game kept on changing posts but redressal remained elusive. Hence, the Committee recommend the Department of Rural Development to supervise this aspect at each level so that all pre-requisites and the formalities for timely release of funds are completed on time so that the status of completion of projects under MGNREGA do not get stuck or delayed for want of timely release of funds.

25. The DoRD in their action taken reply have stated as under:-

“Under Mahatma Gandhi NREGS fund release to the States is a continuous process and Central Government is committed to making fund available to States for the implementation of the Scheme. Under Mahatma Gandhi NREGS, States submit fund release proposals to Government of India. The Ministry releases funds periodically in two tranches with each tranche consisting of one or more installments, keeping in view the “agreed to” Labour Budget, demand for works, opening balance, pace of utilization of funds, pending liabilities, overall performance and subject to submission of relevant documents by the State.

The Ministry seeks additional funds under Mahatma Gandhi NREGS from Ministry of Finance as and when required for meeting the demand for work on the ground.

The Central Government had enhanced the financial allocation under Mahatma Gandhi NREGS for previous financial year 2020-21 from Rs. 61,500 crore at Budget Estimate (BE) stage to Rs.1,11,500 crore at Revised Estimate (RE) stage.

Section 22 of the Mahatma Gandhi NREGA provides the framework for the funding pattern under Mahatma Gandhi NREGA. Funds will be released to the States/UTs normally in two tranches with more than one instalment in one tranche based on agreed Labour Budget (LB), opening balance, pending liabilities of the previous financial year, if any, and overall performance. The first instalment of first tranche will be released to the States/UTs in 1st half of April month of the financial year. The fund release system in Programme Division has been streamlined in FY 2016-17. Three check lists – (A), (B) & (C), have been prepared and shared with the States/ UTs which are to be furnished with fund proposal, under the signature of Commissioner, Mahatma Gandhi NREGA/ Principal Secretary/ Secretary of the Department in-charge of Mahatma Gandhi NREGA.

#### First Tranche

The first instalment of the first tranche will be released in the first half of April month of the financial year after adjusting unspent balance available with the districts/States and considering the pending liabilities, if any.

#### Steps to release of first tranche

a) Once Labour Budget of a State is examined and agreed to by the Ministry and State Government, the State Government shall prepare district-wise and month-wise projections of the Category wise (i.e. SC, ST and Other beneficiaries) labour demand.

b) Requisition for release of 1st tranche should be accompanied with modified checklist A and B, provisional UC of previous financial year by 5th April.

c) The 1st tranche is estimated based on funds required for initial six months of a financial year (FY) or 50 per cent of the Labour Budget for the State/UT, whichever is lower, minus the opening balance of the State/UT as per MIS. Pending liability shall also be considered.

d) As MIS reports form the basis of fund release, it is necessary that all expenditure is entered in the NREGASoft. Expenditure not entered in the NREGASoft will result in larger opening balance than what is available and the 1st tranche would be lower by an equivalent amount.

e) Details of works proposed in the Labour Budget need to be entered into the software and should be from among the approved shelf of projects.

f) 1st tranche is released to the State Fund subject to submission of the following certificate/ documents:

I. A certificate to the effect that accounts for all the districts of the State for the FY before 2017 have been examined and settled.

II. A certificate indicating satisfactory compliance of Ministry's clarifications/ suggestions/ advice/ observations issued from time to time on the implementation of Mahatma Gandhi NREGA in the State/Districts.

III. No mis-utilisation / misappropriation of funds has been noticed, during the year

g) After receipt of Central share and the matching State share in the State Nodal Bank Account of the State Nodal Agency.

h) If the States require additional funds for implementation of Mahatma Gandhi NREGA up to 30th September, the same would be considered based on performance during the period from April to the date of submission of the proposal and funds would be released accordingly.

i) The funds towards material, admin and other projects to the states will be subject to compliance of guidelines vide the O.M. dated 23.03.2021 of Department of Expenditure, Government of India.

a. Instalments under 1st Tranche

The quantum of instalments under the first tranche will be based on –

i. The instalments of fund towards material shall be released for two months at a time depending upon availability of the funds.

ii. The number of persondays projected by States/UTs for the next two months of Labour Budget for current FY will form the basis for calculation of instalment amount.

iii. However, the fund released under 1st tranche will be well within 50% of total persondays agreed to in the Labour Budget for the year.

iv. Adjustment of unspent balance available with the States/UTs.

v. Pending liability, which will include excess State share (as per the MIS).

vi. The States would have released the entire State share (cumulative).

vii. The quantum and number of installments for release of funds for wage payment will be decided by the programme division as per the actual assessment.

b. Second tranche

The 2nd Tranche is released on submission of proposal in the prescribed format by the State and subject to fulfilment of all the prescribed conditions. The proposal can be submitted after a State/ UTs has utilized 75 percent of the total available funds. If the proposal for 2nd Tranche is submitted after 30th September, then the Audit Report and Audited UC of the previous financial year is also required. Quantum of funds to be released as part of second tranche depends upon the performance of the State/UT.

State/UT may revise district-wise and month-wise projections of the Category wise (i.e. SC, ST and Other beneficiaries) labour demand within approved LB with prior approval of Programme division head of the Ministry. The 2nd Tranche entitlement of the State/UT will be based on revised projection. The State must ensure that the proposal for the 2nd Tranche of funds is received at least 15 days before the 50% achievement of the Annual labour budget.

Steps to release of Second Tranche:

I. The State/UT/District will submit a consolidated proposal for 2nd tranche along with modified checklist A, B and C, to the Ministry, only after utilizing 75 percent of total fund available with the State as a whole and compliance of the prerequisites as laid down under Mahatma Gandhi NREGA.

II. A certificate stating that no programme fund has been diverted during the FY is required to be given. It should also be certified that there has been no embezzlement or misappropriation of funds under Mahatma Gandhi NREGA and in cases where this has happened; adequate steps have been taken to punish the guilty and recover the embezzled or misappropriated amount.

III. In case State becomes eligible for release of 2nd tranche after 30th September in a FY, the State will submit a certificate stating that Audit Reports (AR) and Utilisation Certificates (UCs) from all the districts in the State have been received and found to be in order in all respects. A consolidated Audit Report will also be submitted with the proposal.

IV. If there are pending liabilities at the end of the previous financial year, the same should be reflected as liability in the balance sheet of the Audit Report of the previous financial year.

V. Advance State share or loans taken by the State may also be reflected as pending liability in the Utilisation Certificate and balance sheet attached to the proposal.

VI. A certificate stating that all pending audit observations by the auditor have been complied with should be provided along with the fund release proposal.

VII. The Check list on prerequisites/documents for release of 2nd Tranche of Central share (Annexure -27 of the Operational Guidelines, 2013).

VIII. States/UTs may share Utilization certificate for unskilled wages in Category wise manner (i.e. SC, ST and Other beneficiaries).

In financial year 2021-22 (as on 31.03.2022), an amount of Rs. 98,467.84 crore has been released by Central Government to the States/UTs under Mahatma Gandhi NREGS.

Whenever any support is needed by States/UTs, Central Government extends, its support to State Audit Report relaxation of guidelines for release of 2nd tranche of funds to the States under Schemes of the Department of Rural Development.”

**26. A pertinent issue that has marred the welfare Scheme of MGNREGA for long has been the non-timely release of the skilled/material share by the Government. Reasons cited for such occurrence have more often than not centred primarily around non-completion of documentary procedures for the**



release of next batches of funds among others. Taking the importance of this issue seriously, the Committee had recommended DoRD to supervise and ensure the timely release of skilled/material share so that the projects under MGNREGA do not get stuck due to dearth of funds. From the reply submitted, the Committee find that DoRD while quoting Section 22 of the MGNREG Act have elaborately detailed the existing provisions and steps for the release of first and second tranche of funds during each financial year . However, the serious issue flagged by the Committee through their recommendation have been conveniently sidelined and not paid any attention by DoRD. The Committee are wary of the projects under MGNREGA getting delayed/stalled specifically for non-release of skilled and material share of the funds. Instances are galore for such happenings and the ground experiences of elected representatives corroborate such delays. This is a rampant anomaly which needs to be addressed strictly on priority. Hence, the Committee, while reiterating their recommendation for the prompt release of skilled/material share of the funds, also strongly urge DoRD to fine tune the implementation of existing theoretical provisions with an hawkish mode of surveillance for the effective redressal of grievances of the beneficiaries.

#### **VIII. Promotion of 'Buldhana Pattern'**

##### **Recommendation (Serial No. 22)**

27. With regard to the Promotion of 'Buldhana Pattern', the Committee had recommended as under:-

In recent times, a much recognized and appreciated framework of work obtained through the convergence of water conservation aspect with National Highway Construction has garnered huge praise and National recognition, is that of 'Buldhana Pattern' First time used in the Buldhana District of Maharashtra in the drought affected Vidarbharegion. This pattern synchronizes the work of water

conservation through desilting and deepening of waterbodies by the removal of earthen material and silt and using this material for National Highway. Thus, a unique and beautiful symbiotic relationship is being observed between two aspects of development wherein the raw material for road construction is obtained from the clogged and overflowing water bodies through their desiltation. This not only rejuvenates the water bodies and deepens them but also provide cheap and easily available raw material for the road construction. The Committee applauded this 'Buldhana Pattern' and unanimously decide to urge the Department of Rural Development to examine the scope of this pattern to be brought under the ambit of MGNREGA works. Not only will this pattern create new and meaningful work under MGNREGA but will also go a long way in increasing the resources of the country through convergence with other relevant schemes.

28. The DoRD in their action taken reply have stated as under:-

"Under Mahatma Gandhi NREGS, construction and renovation of water harvesting pond, fishery pond at the community level are permissible activities under Mahatma Gandhi NREGA. The excavated soil from the ponds can be shifted from the site after saturation of the bund formation with proper documentation of earthwork. However, transportation cost of the earth (soil) from the site to the other place should not be made from the scheme as it is not permissible under the scheme. Similar kind of renovation/construction work such as canal, farm pond, and traditional water bodies can also be taken up in convergence with other Department for transportation of excess excavated soil."

**29. Convergence of various rural development schemes can only further aid and augment the progress of welfare oriented programmes of DoRD which would go a long way in addressing the rural poverty. With this thought process, the Committee had recommended the widely applauded 'Buldhana Pattern' to be brought under the ambit of MGNREGA works. This could have synchronized the work of water conservation through desilting and deepening of water bodies by the removal of earthen material and silt and using this material for National Highway. The idea could have further benefitted the works under PMGSY through cost-cutting while upholding the tenets of waste management. However, the reply of the DoRD state that the transportation cost of the earth (soil) from the site to the other place should not be made from the**

**Scheme as it is not permissible. The Committee find such reply completely unsatisfactory, exhibiting lack of farsightedness. Few aspects of the ongoing Scheme which can be tweaked for the benefit of symbiotic convergence with other scheme is perhaps an exercise of administrative skill and acumen of the nodal agency. Instead of citing only the obstacles for the implementation of any novel concept, the impetus of DoRD should be to at least scrutinize the proposal in a more elaborate manner and ensure that such practical ideas materialize to the hilt. Therefore, the Committee strongly reiterate their recommendation to bring the 'Buldhana Pattern' under the ambit of MGNREGA so that convergence of schemes get fructified on ground.**

#### **IX. Better Promotion of Women-Centric Works under MGNREGA**

##### **Recommendation (Serial No. 28)**

30. With regard to the Better Promotion of Women-Centric Works under MGNREGA, the Committee had recommended as under:-

MGNREG Act, 2005 mandates for the provision of minimum 33% of the work to be provided to the women labourers. It has been also taken note of the fact that average percentage of women participation across the country is hovering around the 50% mark for the last 5-6 years. In this regard, the Committee, however, feel that projects under MGNREGA should be envisaged which are women centric in nature and which could maintain and increase the women participation even further and can go a long way in women empowerment through economic independence too. The Committee also observe that there already exist self help groups of women in villages which are engaged in either farm works or animal rearing activities and these groups can be linked to MGNREGA to enable them a source of income. Therefore, the Committee recommend Department of Rural Development to work upon the idea of promotion of women centric works under MGNREGA through creation or linkage of livelihood projects already in existence.

31. The DoRD in their action taken reply have stated as under:-

" As per the Para 15 of Schedule-II of the Mahatma Gandhi National Rural Employment Guarantee Act, "Priority shall be given to women in such a way that at least one-third of the beneficiaries shall be women

who have registered and requested for work. Efforts to increase participation of single women and the disabled shall be made”.

To encourage women to participate in the works under the Scheme features like separate schedule of rates for women, no discrimination in the wage, women caretaker for looking after children upto five years of age, if there are 5 or more children of such age, encouragement to women SHG members as mate, worksite facilities exist under the Scheme.

The percentage of participation of women under Mahatma Gandhi NREGS from FY 2018-19 to FY 2021-22 is given below:

Financial Year	2021-22	2020-21	2019-20	2018-19
Percentage of participation of women	54.72	53.19	54.78	54.59

**32. The Committee were of the unanimous opinion that MGNREGA can also act as a tool of women empowerment through the economic upliftment of rural women by engaging them more in the women-centric works. In this context, the Committee had recommended DoRD to devise means through which already existing women Self Help Groups engaged in farm works or animal rearing activities be linked to MGNREGA for ensuring increased participation of women. This would only provide further boost to the cause of ultimate welfare of rural women populace of the country. DoRD in their reply have furnished the details of the women centric provisions already existing under MGNREGA but have remained silent upon the creation or linkage of more livelihood projects under existence with MGNREGA. The Committee, thus, after thoroughly examining the reply are of the strong view that much more is needed to be done regarding the exploration of the feasibility for the linkage of existing women centric works along with finding the practicability of more women centric programmes under MGNREGA. The aim should be to provide reasonable platforms for the rural women to strengthen their economic**

proceed even further. Hence, the Committee reiterate their recommendation and stresses upon DoRD to find out ways and means for the realization of the objective through creation of more women-centric works and linkage of works already in practice with MGNREGA.

**X. Revamping of Scheme to meet the changing Demands including Medical Facilities to meet the challenges of Covid/Omicron**

**Recommendation (Serial No. 33)**

33. With regard to the Revamping of Scheme to meet the changing Demands including Medical Facilities to meet the challenges of Covid/Omicron, the Committee had recommended as under:-

MGNREG Act, 2005 was implemented w.e.f. 01st April, 2008 in the entire country. 'Much water has flown under the bridge' since then and the 'need of the hour' is the review and revamping of MGNREGA Scheme in totality to meet the new demands while overcoming the impediments thrown in its path during its journey so far. The Committee strongly believe that value addition to the scheme such as skilling of labourers in different aspects, introduction of provision to upgrade the quality of life of the beneficiaries, increased utilization of technologies and software to ward off obstacles associated with wage transfer and verification of job cards are just a few required changes. Moreover, the Committee also opine that unified wage rate after revision, removal of disparity of wages, increasing number of days of guaranteed work, completing Aadhar based payment system, review of 60%: 40% wage material ratio, inclusion of new works and robust mechanism of monitoring are also urgent areas of review. The Committee are also of the strong opinion that in prevailing situation of Covid needs/Omicron pandemic, it is imperative that all labourers working under MGNREGA must be given free basic medical facilities attached with Job Cards at the doorstep of respective villages to make them healthy to contribute more for creation of durable assets for the country. Therefore, the Committee urge Department of Rural Development to conduct a holistic review of the scheme and undertake the exercise of its revamping for prolonged successful implementation of MGNREGA.

34. The DoRD in their action taken reply have stated as under:-

" Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The core objective of the Scheme is to provide not less than 100 days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability.

The following welfare measures to workers under Mahatma Gandhi NREGA at worksite, as elaborated in Schedule II of Mahatma Gandhi NREGA, 2005

(i) If any personal injury is caused to any person employed under the Scheme by any accident arising out of and in the course of his employment, he shall be entitled to such medical treatment as required, free of cost.

(ii) Where hospitalisation of the injured worker is necessary, the State Government shall arrange for such hospitalisation including accommodation, treatment, medicines and payment of daily allowance which is not less than half of the wage rate.

(iii) If a person employed under the Scheme meets with death or becomes permanently disabled by accident arising out of and in the course of employment, he or his legal heirs, as the case may be, shall be paid by the implementing agency an ex gratia as per entitlements under the Pradhan Mantri Suraksha Bima Yojana or as may be notified by the Central Government.

(iv) If any personal injury is caused by accident to a child accompanying a person who is employed under the Scheme, such person shall be entitled to medical treatment free of cost; and in case of death or disablement of the child due to the said accident, ex gratia shall be paid to the legal guardians as determined by the State Government."

**35. During the changing scenario witnessed by the world due to COVID pandemic, the need for bolstering medical facilities and newer ideas for strengthening health care came to fore. The Committee strongly believe that mass oriented schemes of huge proportions such as MGNREGA need to include newer safety measures for the MGNREGA workers in terms of easily accessible medical facility at the doorstep of villagers. Thus, the Committee had recommended for the revamping of the scheme to meet the new and unforeseen challenges of COVID. In this regard, the Committee find that the DoRD have furnished about the various welfare measures pertaining to the medical facilities provided to the MGNREGA workers ranging from hospitalization to insurance schemes, etc. The Committee acknowledge the**

**existing mechanism for safeguarding health of labourers and find the implementation of such components of scheme in right direction. Still, the Committee are of the view that COVID pandemic was an unseen and unheard calamity which threw unpredictable challenges before everyone. It might have ended or not but the prudence calls upon to get prepared for any such emergency in future also. In view of this and in the fitness of things, the Committee, while appreciating the effort of DoRD urge upon them to carry out review of the medical facilities under MGNREGA once again and explore the idea of revamping of scheme for the inclusion of doorstep medical facilities attached with job cards of the labourers.**

## CHAPTER II

### RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation (Serial No. 1)**

One of the flagship schemes of the Government of India, MGNREGA is a platform which provides opportunity of employment to the rural populace who are willing to take up works under MGNREGA. The uniqueness of the scheme lies in its statutory backing through the enactment of the Act, providing a Right to Employment under MGNREGA to the masses residing in villages and hinterland of the country. The Committee find that since its inception and particularly during the last 4 – 5 financial years, it has been seen through the analysis of its Budget Estimate that each time there has been a substantial hike at the Revised Estimate (RE) Stage, further augmenting the budgetary allocation of the scheme. In the financial year 2018-19, the BE was hiked from Rs. 55,000/- crore to Rs. 61,830.09 crore, from 60,000/- crore to Rs. 71,001.81 crore in 2019-20, from Rs. 61,500/- crore to Rs. 1,11,500/- crore in 2020-21, while during the ongoing financial year 2021-22, from the allocated BE of Rs. 73,000/- crore, Rs. 52,228.84 crore have already been spent by 01.09.2021 i.e. in only six months. Thus, the Committee are of the view that the scheme is definitely showing an increase in demand as elicited by the ever increasing budgetary demand. Moreover, it is also quite perplexing as to the rationale behind keeping the BE for 2021-22 at Rs. 73,000/- crore while in the previous financial year, the expenditure was to the tune of Rs. 1,11,170.86 crore. Even after acknowledging the fact that the last financial year 2020-21 witnessed a surge in demand due to reverse migration of workers from urban areas back to rural locations and their dependence on MGNREGA as a last resort of solace and also taking note that MGNREGA is a demand driven scheme, the Committee are still of the view that Budgetary Allocation of a scheme of such enormous magnitude should be done in a more pragmatic manner so that there is no dearth of funds in mid-year and flow of funds for payment of wages, material share, etc. is maintained seamlessly. Therefore, the Committee recommend the Department of Rural Development to review its budgetary demand pertaining to MGNREGA and ensure that 'agreed to labour budget' is made at concerned level keeping in view the expenditure of previous years.



### **Reply of the Government**

Mahatma Gandhi NREGA is a demand driven wage employment programme and funds are released to the State/UTs on the basis of Agreed to Labour Budget and performance of the State/UTs during financial year. Funds release to States/UTs is a continuous process and Central Government is committed in making funds available keeping in view the demand for work on the ground.

The Annual action plan and Labour Budget is prepared by the State after following due process as per provision of the Act. This Labour Budget is an anticipated demand for wage employment. After the approval of Empowered Committee, the “agreed to Labour budget” is getting revised as per demand from the fields and proposal for revision of “agreed to Labour budget” from the State.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 3)**

While the data provided by the Department of Rural Development pertaining to the unspent balances at the end of financial year 2020-21, shows an amount to the tune of Rs. 5,270.76 crore as unspent, for the current financial year, the amount unspent as on 05.11.2021 is Rs. 1,351.46 crore. The Committee certainly note the improvement shown through the efforts of Department of Rural Development wherein a reduction in amount of unspent balances is being noticed. In this regard, the Committee are still of the uniform view that funds remaining unutilized on one hand along-with the existence of pendency in payment of wages and release of skilled share does not augur well for the performance of the scheme, thus putting a question mark on the administrative acumen of the nodal agency. Keeping this in mind, the Committee feel that this downward trend in the accrual of unspent balances need to be maintained through rational measures. Therefore, the Committee recommend the Department of Rural Development to ensure that the unspent balances are completely mitigated by the utilization of allocated funds in a time-bound and financially prudent manner.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The Ministry

has made concerted efforts to reduce delays in payment of wages. A Standard Operating Procedure (SoP) on timely payment process for direct payment into the accounts of beneficiaries was issued and its implementation by the States/ UTs is being monitored on a regular basis. In addition, use of platforms such as PFMS/NeFMS has enabled real-time monitoring of the payments. Use of the aforesaid mechanisms have resulted in considerable improvement in the status of timely generation of pay orders leading to improvement in actual time taken to credit wages in the workers accounts.

The Ministry regularly reviews the performance of the implementation of Mahatma Gandhi NREGS including pending liabilities for material component and unspent balance available with States through various fora viz., Labour Budget meetings, Labour Budget Revision meetings, Mid-Term Review, Programme Review meetings. Central Employment Guarantee Council and State Employment Guarantee Councils periodically monitor implementation of the programme.

The recommendation of the Committee has been noted for further guidance.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Comments of the Committee**

(Please see Paragraph No. 11 of Chapter I of the Report)

### **Recommendation (Serial No. 5)**

One of the pertinent issue engulfing the scheme under MGNREGA has been concerning with the adequate wage rate, commensurate with the inflation. The Committee note the States/UTs-wise wage rates as per Gazette notification for financial year 2021-22 which shows the wage rate to range from as low as Rs. 193/- per day in Chattisgarh and Madhya Pradesh and Rs. 198/- per day in Bihar and Jharkhand to Rs. 318/- per day in 3 Gram Panchayats of Sikkim (namely Gnathang, Lachung, Lachen) and Rs. 315/- per day in Haryana. Rest all States/UTs fall between Rs. 200/- to Rs. 300/- per day bracket (majority remaining below Rs. 250/- per day). At a time when cost of living is increasing day by day, with the rise of inflation having effect on the price rise of even essential commodities, fathoming

people of marginalized and economically challenged stature, who primarily form the beneficiaries of the scheme, striving to make 'ends meet' surviving on this amount is quite concerning. Taking up works under MGNREGA is a sort of last resort for the rural masses when they don't have any other option to utilize, but wages of such nominal nature only discourage them and propel them to seek work in areas giving better remuneration or migrate to urban locales. One of the objective of MGNREGA was definitely to provide work at or nearby places of habitation of the poor and downtrodden and not to cause them to move longer distances. But, the wage rates being offered under MGNREGA is surely working as a deterrent which is amply evident in the data reflecting that number of households who were provided employment under MGNREGA for the year 2018-19 is 526.61 lakh but households who completed 100 days of employment is only 52.58 lakh, similarly in 2019-20, only 40.60 lakh completed 100 days of work out of 548.23 lakh household who were provided employment. For 2020-21, the figure is 72 lakh out of 755.36 lakh, while as on 31.08.2021, for financial year 2021-22 the figure is even more poor with only 7.76 lakh households completing 100 days of work out of 537.78 lakh who were provided employment. The Committee do understand that MGNREGA is a demand driven scheme where the workers move out for better opportunities. However, the figures are abysmally low and it definitely points towards low wage rates as being one of the major reasons for the workers to opt out of MGNREGA, hampering the percentage of work completed under MGNREGA also. Upon this very premises, the Committee have time and again urged Department of Rural Development to increase the wage rates under MGNREGA by linking it with an index commensurate with inflation. Department of Rural Development in their replies have elaborated upon the setting up of Dr. Nagesh Singh Committee for wage rate revisions and that the same Committee had recommended for using Consumer Price Index – Rural (CPI-R) in place of Consumer Price Index – Agricultural Labour (CPI-AL) for indexation of wages under MGNREGA. The Ministry further clarified that it had accepted the recommendations of the said Committee and after the approval of Finance Ministry had initiated the process of revision of wage rates under MGNREGA by indexing CPI-(R) in place of CPI – (AL). However, pursuant to a meeting with the Ministry of Statistics & Employment, Government of India and with the approval of Hon'ble Minister of Rural Development, the Ministry of Rural Development has decided to continue with the existing index CPI-AL for wage rate revision under MGNREGA.

Thus, the wage rates under MGNREGA would continue to remain languishing on account of no change in indexation. In view of the above situation, the Committee strongly recommend the Ministry to review its stand concerning with the wages once again and approach all the decision making bodies with plausible rationale so that a long pending demand of justifiable hike in the wages under MGNREGA is fulfilled for the welfare of beneficiaries.

### **Reply of the Government**

As per Section 6 (1) of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, the Central Government may by notification specify the wage rate for unskilled work for its beneficiaries. Accordingly, the Ministry of Rural Development notifies Mahatma Gandhi NREGA wage rate for every financial year for States/UTs. To compensate the Mahatma Gandhi NREGA workers against inflation, the Ministry of Rural Development revises the wage rate every year based on change in Consumer Price Index for Agricultural Labour (CPI-AL). The index is different for different States/UTs as notified by Labour Bureau Shimla. If the calculated wage rate of any State/UT is coming lower than the wage rate of previous year, it is being protected by maintaining the previous year wage rate. The wage rate is made applicable from 1<sup>st</sup> April of each financial year.

The consultation with Ministry of Finance was held earlier. The CPI Now, after the due consultation with the Ministry of Statistics and Programme Implementation and Ministry of Labour & Employment, Government of India, the Ministry of Rural Development has decided to continue with existing index CPI-AL for wage rate revision under Mahatma Gandhi NREGA with the approval of competent Authority.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Comments of the Committee**

(Please see Paragraph No. 17 of Chapter I of the Report)

### **Recommendation (Serial No. 8)**

Ministry of Rural Development (Department of Rural Development) although keeps on revising the nature and number of permissible works under MGNREGA, still, the Committee are of the firm opinion that the ambit of permissible works under

MGNREGA require a much frequent revision for including such works also which are felt utmost necessary at the local levels through the emerging needs of the specific geographical terrain. Particularly, works such as construction of bunds which would stop the land erosion/cutting due to flow of rivers during the time of floods in various parts of the country definitely merit a serious look. Other works such as boundary works for croplands/agricultural fields in order to protect them from grazing animals are a valid demand. The Committee strongly believe that while revising and adding new works to be undertaken under MGNREGA, a process of dialogue with concerned stakeholders at ground level should always be done in order to ascertain the local sentiments and requirements. Works can also be added in area-specific manner through specific orders for a fixed time period. Thus, the Committee, recommend the Department of Rural Development to revisit their procedures while revising and including new works under MGNREGA for having an objective and logical approach to include area specific work as per local requirement also.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The core objective of the Scheme is to provide not less than 100 days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability.

As per Schedule -I of the Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), "works which are non-tangible, not measurable, repetitive such as, removing grass, pebbles, agricultural operations, shall not be taken up".

There are 262 permissible works under Mahatma Gandhi NREGA. Adding new works under Mahatma Gandhi NREGS is a regular exercise and new works are added on the basis of merit in alignment with focus and objectives of the Act.

Addition of new work such as unconnected villages and border areas and construction of Bio Gas Plant for individuals and unskilled wage component of community Bio Gas Plant have been done in the list of permissible work recently.

There is a committee under the chairpersonship of Joint Secretary (RE) to review the request of addition of any work.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 9)**

The Committee with utmost concern note the provision mentioned in Schedule-II of the MGNREGA, 2005 through which wage seekers are entitled to receive payment of compensation for the delay in receiving wages at the rate of 0.05% of the unpaid wages per day for the duration of delay beyond the sixteenth day of closure of muster roll. While examining the data concerning the delay compensation paid by various States/UTs, the Committee find that during financial year 2018-19, 2019-20 & 2020-21 amounts to the tune of Rs. 729.08 lakhs, Rs. 289.33 lakhs and Rs. 160.63 lakhs were paid respectively across the country as delay compensation. While, during the ongoing financial year as on 05.11.2021 an amount of Rs. 92.47 lakhs have been paid so far. These are abysmally low figures which either suggest that the amount of delay in payment of wages is very less or that the provision of delay compensation is not being implemented strictly on ground level. The experience of the Committee through its interaction with local populace and the sentiments echoed by the MPs reflect clearly that the picture regarding payment of wages is very grim. There is inordinate delay in payment of wages and despite that, the payment of delay compensation allowance is not at all adhered to strictly at majority of the places in the country. The Committee find this non-adherence to the provision of the Act regarding payment of delay compensation as a 'breach of trust' of the goal of the scheme, aimed at first place and thus, vehemently recommend the Department of Rural Development to ensure stricter compliance of the provision of MGNREGA Act, 2005 in payment of compensation so that delay compensation is paid immediately without any further lapse.

### **Reply of the Government**

As per the provisions of Mahatma Gandhi National Rural Employment Guarantee Act, wage seekers shall be entitled to receive payment of compensation for the delay, at the rate of 0.05% of the unpaid wages per day of delay beyond the sixteenth day of closure of muster roll.

As per the provision of the Act, the State Government shall pay the compensation upfront after due verification within the time limits as specified above

and recover the compensation amount from the functionaries or agencies who are responsible for the delay in payment. An amount of Rs. 431.73 lakh has been paid as delay compensation in the financial year 2021-22 by the State Governments to Mahatma Gandhi NREGS workers.

The Ministry regularly reviews the payment of delay compensation to beneficiaries of Mahatma Gandhi NREGS during the Labour Budget meetings, Labour Budget Revision meetings, Mid-Term Review and other review meetings. This Ministry also requests to State Governments/UTs from time to time through issuing advisories/ circulars requesting to make payments of delay compensation timely.

Government of India has accorded priority and also requested State Employment Guarantee Council (SEGC) to review it. For this, the Central Government has shared an indicative agenda points for SEGC including review of status of delay compensation. As per the Act, SEGC is authorised to monitor the implementation of this Act and the Schemes in the State and coordinating such implementation with the Central Council.

It may be mentioned that as per the provision of Act, Scheme notification & implementation is the primary role of State Government.

State/UT-wise details of delay compensation under Mahatma Gandhi NREGS during the last three financial years 2019-20, 2020-21 and 2021-22 is given at **Annexure-I**.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

#### **Recommendation (Serial No. 10)**

The Committee are taken aback and appalled at the blatant violation of the provision of unemployment allowance mandated through Section 7(1) of the MGNREGA, 2005 which envisages that if an applicant for employment under scheme is not provided employment within 15 days, he/she shall be entitled to a daily unemployment allowance that shall not be less than one-fourth of the wage rate for the first thirty days during the financial year and not less than one-half of the wage rate for the remaining period of the financial year. This being the legal mandate, while the stark reality reflects a dismal picture evinced by the data of the ministry which reflects that only Rs. 0.12 lakh in 2019-20, Rs. 0.03 lakh in 2020-21 and Zero amount in 2021-22 as on 05.11.2021 have been paid in the name of unemployment allowance. This is a shocking revelation to say the least and the Committee are dumbfounded at the state of affairs. The Committee are fully aware

that it is the responsibility of each State Government to determine the rate of unemployment allowance and pay the same to the eligible applicants. Still, the Committee cannot decipher the role of the nodal agency, the Department of Rural Development in this regard merely 'passing the buck' and moving one's face in the opposite direction. This approach can not at all justify the inaction and callous methods of the Central Ministry regarding such a key provision. The Scheme is a Centrally Sponsored Scheme with all its modalities being supervised by the Department of Rural Development. In such scenario, the role of nodal agency is definitely of paramount importance and any inaction shows it in very poor light. Therefore, the Committee, while taking very strong notice of the dire situation firmly call upon the Department of Rural Development to shed its lackadaisical manner and ensure that the provision of MGNREG Act, 2005 do not remain unheeded but are implemented intrue 'letter and spirit' on the ground level.

### **Reply of the Government**

As per Section 7(1) of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), "If an applicant for employment under the Scheme is not provided such employment within fifteen days of receipt of his application seeking employment or from the date on which the employment has been sought in the case of an advance application, whichever is later, he shall be entitled to a daily unemployment allowance in accordance with this section."

As per provision of the Act, the unemployment allowance is to be paid by the State Government and State Government may prescribe the procedure for payment of unemployment allowance under this Act. The unemployment allowance payable to the household of an applicant jointly shall be sanctioned and disbursed by the Programme Officer or such local authority (including the Panchayats at the district, intermediate or village level) as the State Government may, by notification, authorise in this behalf".

Also as per Section 7 (5) of the Act, "Every payment of unemployment allowance under sub-section (1) shall be made or offered not later than fifteen days from the date on which it became due for payment".

Following the process defined in the relevant rules framed by State Government, Unemployment Allowance shall be paid to the workers. The State Government, District Programme Co-ordinator (DPC) and Programme Officers will monitory this for each Gram Panchayat and also take all required remedial measures, like getting an adequate shelf of projects prepared in the Gram Panchayats. MIS Reports on payment of unemployment allowance and remedial measures taken will have to be part of the essential set of reports for monitoring at the State level.



States have to pay unemployment allowances as per the provisions of the Mahatma Gandhi National Rural Employment Guarantee Act. An amount of Rs. 1.52 lakh has been paid as unemployment allowance in the financial year 2021-22 by the State Governments to Mahatma Gandhi NREGS workers.

However, the Ministry regularly monitors the status of payment of unemployment allowances by framing of the Rules during the Labour Budget meetings, Labour Budget Revision meetings, Mid-Term Review Meeting. This Ministry also makes pressure upon State Governments/UTs time to time for timely payment of unemployment by issuing circulars, advisories and through monitoring visits by the Central Team to streamline the payment of unemployment allowances.

Government of India has accorded priority and also requested State Employment Guarantee Council (SEGC) to review it. For this, the Central Government has shared an indicative agenda points for SEGC including review of status of unemployment allowances. As per the Act, SEGC is authorised to monitor the implementation of this Act and the Schemes in the State and coordination such implementation with the Central Council.

It may also be mentioned that as per the provision of Act, Scheme notification & implementation is the primary role of State Government.

State/UT-wise details of unemployment allowance paid by States/UTs under Mahatma Gandhi NREGS during the last three financial years 2019-20, 2020-21 and 2021-22 is given at Annexure-II.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

#### **Recommendation (Serial No. 11)**

The beneficiaries of MGNREGA become eligible for the payment of their wages after the muster closure on the completion of the work and fifteen days count (ceiling for wage payment) starts from this time onwards. During the deliberation of the Committee, Members sharing their ground experience brought before the Committee the startling fact of delay in muster roll updation as one of the main reasons for delay in payment of wages to the workers. The Committee, painfully, note the ordeal which the beneficiaries of MGNREGA undergo due to lethargic speed of muster clerks in updating the muster roll. Various reasons for this delay came up, primary being that of non-updation of muster roll at the level of Gram Panchayat itself. Instead, the prevalent practice of the muster clerks travelling to the Blocks for updating muster of 2-3 Gram Panchayats at once, perhaps due to non-availability of working internet connection at Gram Panchayat level or just a casual approach towards a major fundamental procedure upon which rests various further

stages of payments came up. The Committee also noted this practice while on their study visits to different Gram Panchayats and were extremely anguished at the non-alacrity exhibited by the officials at Gram Panchayat level against their primary responsibility. Therefore, finding this exercise of timely muster roll updation as a very important factor in timely release of wages, the Committee urge the Department of Rural Development to issue necessary directions at all the concerned levels by also bringing the State Governments onboard for ensuring that the muster rolls are updated at the Gram Panchayat level itself without any delay.

### **Reply of the Government**

As per the provision, e-muster is the norm. Only in exceptional and unavoidable circumstance, paper musters can be issued by State Government after due approval of Central Government. e- Muster has printed names of workers who have demanded employment and are allocated a particular work. In the case of e-muster, muster roll numbers are generated by the NREGASoft and, therefore, not required to be entered in the system.

Central Government has made mandatory for capturing of real time attendance alongwith geotagged photographs of beneficiaries through National Mobile Monitoring system (NMMS) of all worksite wherein muster roll have been issued to engage 20 or more beneficiaries. These captured attendances go directly to NREGASoft for wage list creation. There is no need to do separate data entry. State can use NMMS even for the worksite having less than 20 workers.

Schedule-II of the Act has provision for the purpose of ensuring accountability in payment of wages and to calculate culpability of various functionaries or agencies, the State shall devise the processes leading to determination and payment of wage into various stages and specified Stage wise maximum time limits alongwith the functionary or agency which is responsible for discharging the specific function. These are required to be monitored by the State. These are also reviewed at different occasions as alluded to earlier and States advised to improve.

It has also been advised that the State Government shall pay the compensation upfront after due verification within the time limits as specified above and recover the compensation amount from the functionaries or agencies who is responsible for the delay in payment.

It is further stated that the Operational Guidelines of the Programme permit data entry at the GP level, however, the critical bottleneck is availability of Internet Facility, which is being addressed by Bharatnet. Ministry is working with the Ministry of Telecommunications to expedite the internet connectivity through Bharatnet.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

**Recommendation (Serial No. 13)**

The Committee take due note of the provision as per Para 20 of the Schedule-I of the Mahatma Gandhi NREGA that entails “for all works taken up under the scheme, by the Gram Panchayat and other implementing agencies, the cost of the material component including the wages of the skilled and semi skilled workers shall not exceed forty percent at the district level”. Thus 60% component is for the wages of unskilled labourers under MGNREGA. However, the Committee were enlightened during the course of meetings and also through their assessment on ground that with the passage of time, the nature of works under MGNREGA has undergone myriad changes and practices which were integral to the scheme at the inception have now become obsolete and redundant at various places. With the evolution of time, the manual works being undertaken under MGNREGA are now being taken up by the usage of machines in the pretext that the demand of nature of works such as digging of ponds, construction of roads, leveling work etc necessarily require the increased usage of machines. This is an undeniable reality of today’s situation that creation of asset of permanent nature through MGNREGA undoubtedly require the increased usage of machines. Majority of the works requiring only manual labours have been exhausted and same works are also beyond manual intervention. The Committee are well aware of the fact that usage of machines is permitted in few enlisted works under MGNREGA. However, still, the Committee feel that the ‘need of the hour’ has changed necessitating DoRD to take an informed decision regarding changes in requirement of works under MGNREGA as per usage. The increased usage of machine will only augment the nature of infrastructure creation under MGNREGA and with ever evolving list of permissible works, one can’t shy away from the ground reality. In view of the existing situation, the Committee recommend the Department of Rural Development to conduct exhaustive exercise for assessing the ground condition regarding usage of machines and take a flexible and logical approach in reviewing and revising the present 60%:40% wage-material ratio in a manner commensurate with the present requirement.

### Reply of the Government

The Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The core objective of the Scheme is to provide not less than 100 days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability.

Para 22 of Schedule-I of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, lays down that “as far as practicable, works executed by the programme implementation agencies shall be performed by using manual labour and no labour displacing machines shall be used”.

However, there may be activities in executing works which cannot be carried out by manual labour, where use of machine may become essential for maintaining the quality and durability of works. For some prescribed works only, machines can be used under Mahatma Gandhi NREGA.

As per Para 20 of the Schedule-I of the Mahatma Gandhi NREG Act, lays down that, “For all works taken up under the Scheme, by the Gram Panchayat and other Implementing Agencies, the cost of the material component including the wages of the skilled and semi-skilled workers shall not exceed forty percent at the district level.” The wage material ratio of 60:40 at the district level has been purposefully mandated as per Para 20 of Schedule-1 of the Act to promote creation of productive assets, as on date, there is no plan to change wage material ratio under the Scheme.

As per MIS, the percentage of material expenditure at the National Level during the last three financial years is given below:

Financial Year	2021-22	2020-21	2019-20
Material expenditure (%)	26.89	27.48	24.9

State Government can also make provisions for more material extensive works either by convergence or through some other source of funds. The 60:40 wage material ratio provisions has been provided also for the making availability of funds for works related to Natural Resources Management, climate resilience related works, wherein otherwise getting funds for such works from other sources may be difficult.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

#### Recommendation (Serial No. 14)

MGNREGA is a marquee scheme of the Government of India of enormous proportion with the intent of welfare of assets. The reach of this scheme assumes great value as it spans to every ‘nook and corner’ of the country in rural areas and the beneficiaries view it as a last ‘fall back’ hope. Even during the COVID pandemic, when various other schemes could not progress on a good rate owing to various Standard Operating Procedures put in place for the prevention of spread of Corona virus, the BE of MGNREGA was hiked by Rs. 40,000/- crore during financial year

2020-21, which is a clear indicator of the fact that this scheme provided succor to the poor and needy of the rural masses. The Committee, take cognizance of the above facts and feel that the enormity of this scheme along-with huge finances involved in it all the more necessitates a much robust mechanism of monitoring. Although provisions are already in place under MGNREGA, however, the Committee are still of the unanimous opinion that the aspect of real time monitoring of the scheme may be increased and strengthened further to have an honest assessment of the ground reality. Beside geo-tagging of assets under MGNREGA, steps may-be devised to supervise and monitor ongoing works through real time surveillance systems and increased uses of technology for also verifying the number of labourers engaged along-with checking of their credentials like genuinity of job cards, etc. This mechanism would go a long way in ensuring the progress of MGNREGA as envisaged, while covering the loopholes and vulnerabilities in its ground zero implementation. Therefore, the Committee strongly recommend to devise/strengthen 'real-time' surveillance system for having stricter and effective monitoring of the scheme.

### **Reply of the Government**

The National Mobile Monitoring Service (NMMS) was launched on 21st May 2021. The National Mobile Monitoring System App permits taking real time attendance of workers at Mahatma Gandhi NREGA worksites along with geo-tagged photographs. This NMMS app aids in increasing the citizen oversight of the programme and is one more step towards transparency and accountability.

The Mobile Monitoring system has enabled real time attendance capturing for NREGA workers. The attendance is uploaded on daily basis by 11:00 am along with photograph of the workers on work site and the second photograph in between 2:00 to 5:00 pm. The vigilant groups can verify the attendance in real time. The morning attendance along with first Photograph can be captured in offline mode and to be uploaded once the device comes in network.

Area Officer Monitoring Visit App was also launched on 21st May 2021. The purpose of the App is to make real time inspection & evidence-based reporting of RD scheme.

The Ministry has been constantly reviewing various aspects of the monitoring through the Area Officer Monitoring Visit Application. Moving forward with this endeavor, the Ministry has directed the States/UTs to register their senior officers to this App and start monitoring through this App. The minimum nos. of visit of ongoing work to be conducted by the Commissioner, DPC/ ADPC, in charge Mahatma Gandhi NREGA and Project officer (PO) per month regularly and visit report may be

uploaded by using the App which could be seen by any citizen on the link <https://ruraldiksha.nic.in/areaofficerwebnew/login.aspx>.

This App will facilitate the officials of the State/UT to record their field visit findings online. The App will also allow the officials to record time stamped and geotagged photograph for all the schemes launched by Department of Rural Development. This App will help in developing hassle-free reporting of field visit. The provision to view the field visit outcome report by the senior officials is also there in the App.

Real time monitoring by geo-tagging of assets and special monitoring is also done through NLM.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 15)**

The Gram Sabha shall conduct regular Social Audits of all the projects under the scheme taken up within the Gram Panchayat” is an integral provision of the MGNREG Act, 2005. Further, the Secretary, DoRD deposed before the Committee that as per Social Audit rules there is a mechanism of conducting Social Audits of the Gram Panchayats twice a year. Despite the provision and the rules, the Committee find to its utter dismay that the actual implementation of this provision is poor and abysmally low figures of audit of Gram Panchayats come before the Committee. While only 29,611 Gram Panchayats were audited at least once in financial year 2020-21, the picture is even more bleak during the current financial year 2021-22 with only 18,589 Gram Panchayats audited so far out of total 2,68,981 Gram Panchayats. These are ridiculously low figures reflecting a very poor adherence to such an important mechanism of monitoring/accounting of Gram Panchayats by the Gram Sabha. The Committee take a very strong view of this negligent and non-serious approach elicited by the concerned agencies in obviating the regular conduct of Social Audits of the Gram Panchayats and vehemently urge Department of Rural Development to take up this matter in all earnest with a firm resolve and ensure that the Gram Panchayats do not go unaudited during the financial year. The Committee also desire that a copy of such audit report received in time by the Department may be forwarded to the Committee through Secretary, DoRD for information.

### **Reply of the Government**

As per the provision, Social Audit has to be conducted for at least once in every six month of every Gram Panchayat. Keeping in view the COVID-19 pandemic

situation the Ministry has issued guideline of concurrent of Social Audit on 15th July, 2020.

State has been directed to conduct regular Social Audit and if not possible in case due to COVID-19, concurrent Social Audit may be conducted. During the FY 2020-21, a total of 31,235 regular Social Audit and a total of 4,30,061 concurrent Social Audit were conducted. Similarly, during the FY 2021-22 a total of 62,164 regular Social Audit and a total of 80,767 concurrent Social Audit were conducted.

To ensure the compliance in letter and spirit of the provisions on Social Audit Government has linked the finalisation of “agreed to Labour Budget” for the FY 2022-23 with the condition that State has to have independent SAU under independent Director, all the GP which have not been Audit by SAU in 2019-20 to be Audited as well as 75% of the recovery of the total recoverable amount as brought under Social Audit to be made.

In addition with this, findings of Gram Panchayat wise Social Audit report are available on public platform. Report comprises Social Audit Basic Information Details, Expenses for the facilitation of this Social Audit, Summary of Reported Issues, Summary of Action Taken Report, details on Individual Issues along with a Gram Panchayat checklist with on Job Cards, Work and Wage, Administration, Transparency & Accountability, Worksite Facilities and Personnel & Training. The Gram Panchayat wise details may be seen on following URL:

[https://mnregaweb4.nic.in/netnrega/SocialAuditFindings/SAGPReport.aspx?lflag=eng&fin\\_year=20222023&source=national&labels=labels&rep\\_type=SoA&Digest=TJp6Joa/Wi5B9HbDxz6yMQ](https://mnregaweb4.nic.in/netnrega/SocialAuditFindings/SAGPReport.aspx?lflag=eng&fin_year=20222023&source=national&labels=labels&rep_type=SoA&Digest=TJp6Joa/Wi5B9HbDxz6yMQ)

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 16)**

The other aspect concerning with Social Audits of Gram Panchayats that flummoxed the Committee was that of absence of Social Audit Reports for public. The Committee could not fathom the logic behind non-publication of Social Audit Reports so far. The Scheme of MGNREGA runs on a huge budget and accounting of every penny spent under the scheme needs to be mandatorily brought to fore in public domain. Until and unless the agencies and other stakeholders, primary being Gram Panchayats are not held accountable for their performances, such welfare scheme would not be able to serve the purpose it was meant to, at its initiation. The people have the right to know the detail of the work done and amount spent in this regard, through MGNREGA and thus, it is essential to bring all Audit Reports Gram Panchayat-wise in full public domain, accessible to anyone who wants to know about it. Therefore, the Committee, unequivocally recommend the Department of Rural

Development to take stock of the situation and devise mechanism for timely placement of Social Audit Reports of Gram Panchayats immediately after the audit exercise is over.

### **Reply of the Government**

Gram-Panchayat wise findings of Social Audit are available in NREGASoft, in public domain. The recommendation of the committee is accepted.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 17)**

Among the various issues thwarting the successful implementation and conduct of MGNREGA works at ground level, one of the primary lacuna that emerged before the Committee was that of non-participation of officials of concerned Departments for a thread-bare discussion at the time of deciding the works that need to be undertaken through MGNREGA by the Gram Panchayats. The Committee find this aspect baffling as the success of projects taken under MGNREGA solely depend on the choices made at the selection level itself and also merit the inputs from the officials of the concerned departments. The discussion at the selection of projects' time delineate the administrative and infrastructure teething issues at the onset and various clearances and other procedural hassles can be obtained at early stage. Rather than the stalling of projects at later stages, discussion at initial moment would perhaps go a long way in ensuring the success of MGNREGA works. Thus, the Committee recommend Department of Rural Development to ensure the mandatory participation of concerned officials of Government agencies/departments at the stage of selection of works by the Gram Panchayats under MGNREGA.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment scheme with bottom up planning. The works are identified, approved and prioritized out of shelf of work by the Gram Panchayat, recommended by Gram Sabha in each State/UT as per the provision of the Mahatma Gandhi National Rural Employment Guarantee Act. Accordingly, the works are approved and taken up by Panchayat as per the demand. The planning of works is done as per the estimated person days to be generated for the work in a financial year at the time of assessment of labour budget.



Convergent planning is an important strategy of implementation of the Scheme, wherein, the resources from the Scheme are pooled with those of other schemes for more impactful outcomes. As such, the States have been directed to ensure the presence of the officials of the line departments to ensure such convergence.

Spatial planning of works under Mahatma Gandhi NREGS have been started using advanced technologies viz. Geographical Information System (GIS) and Remote Sensing (RS). The Ministry has provided States/UTs-wise detailed training to Mahatma Gandhi NREGS functionaries on using GIS & RS technology in rural area planning. Thereafter, all the States/UTs were directed to start the preparation of GIS based Gram Panchayat plans in 4 Gram Panchayats per Block and accordingly prepare a shelf of works from the GIS based Integrated Plan during FY 2020-21. The States/UTs were directed to prepare GIS based plans in saturation mode for all the Gram Panchayats of the Block in FY 2021-22. So far 2.58 lakh GPs have prepared their plan out of 2.69 lakh GPs. It is a special case of convergent planning by the Gram Panchayats involving the departmental officials.

However, considering the gravity of matter, this recommendation would be gain brought to the notice of the States both through circulars and during interactions with the States.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 18)**

The provisions of MGNREGA permits for the 50% of works to be done through Gram Panchayats while the other 50% of works to be undertaken through different agencies/departments. While the attention centres around the work done through Gram Panchayats and monitoring of work through Gram Panchayats take front seat, perhaps the monitoring of works done under MGNREGA by other agencies merit a relook. The Committee note that although majority of the works under MGNREGA are being conducted through Gram Panchayats, yet the different yardstick of monitoring is followed vis-à-vis work done by the other agencies. Therefore, the Committee recommend the Department of Rural Development to employ the same yardstick of monitoring on all the works under MGNREGA and the Monitoring/Social Audit of works through other agencies should be given equal weightage.

### **Reply of the Government**

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Mahatma Gandhi NREGA) provides at least 100 days of wage employment in a financial year to every rural household whose adult member volunteers to do unskilled manual work. Gram Panchayat is the implementing agency under the Mahatma Gandhi National Rural Employment Guarantee Scheme at Panchayat level

and at least 50 percent of the works are to be implemented by Gram Panchayats. The works being taken up through agencies other than Panchayati Raj Institutions are also subject to the same level of monitoring and audit processes.

The Ministry regularly reviews the performance of the implementation of Mahatma Gandhi NREGS (including completion of ongoing works) in States/UTs through various fora viz., Mid-Term Review, Labour Budget meetings, Labour Budget Revision meetings, Programme Review meetings. Central Employment Guarantee Council and State Employment Guarantee Councils periodically monitor implementation of the programme.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 19)**

One of the malaise afflicting the implementation of the scheme since inception has been the rampant prevalence of fake job cards as highlighted through various quarters. The Committee find through the dialogue with stakeholders and assessment of ground reality through study visits that there is a possibility of collusion between the unscrupulous elements at the Gram Panchayat level along-with erring officials who not only facilitate the issuance of fake job cards by way of manipulating the genuine beneficiaries but also devise fraudulent means for creating fake job cards and signatures. Therefore, it cannot be rule out that there is also a huge nexus of commission mongering agents whereby wages under the garb of fake labourers are being collected and distributed on commission basis. Although the creation of job cards has gone through manifold changes over the years, still the fraud created through connivance of mischievous characters at ground level not only undermine the scheme but also deprive genuine beneficiaries from their legitimate and need based right. The Committee, therefore, strongly recommend the Department of Rural Development to keep a hawkish eye of surveillance over the issue of job cards and monitor each aspect associated with job cards with increased seriousness.

### **Reply of the Government**

As per Para 3 of Schedule-II of the Mahatma Gandhi NREG Act, the job card is valid for at least five years after which, it may be renewed after due verification.

The States may hold time bound campaigns to verify/ update JCs on a periodic basis. It is the role of the District Programme Coordinator/ Collector and the State Government to ensure that these verification campaigns are conducted in a

time bound manner. For verification/ update of a Job Card, the following may be looked into:

- i. SECC TIN number, if any; bank account/ Post Office account number must be verified and entered into the Job Card.
- ii. Either family photo or photos of workers or individual photos (preferably) of that family, duly attested by the competent authority is mandatory.
- iii. Demand, allocation, work done and payment details must be updated in the Job Card.

Under Mahatma Gandhi NREGS, cancellation of Job Cards No Job Card is to be cancelled in a routine manner and certainly not on the ground of non-demand/non-reporting for work. The JCs can be cancelled, after due verification, only if,

- i. The household has migrated permanently to the urban areas, or
- ii. It is proved to be a duplicate, or
- iii. It has been registered based on forged documents (i.e. not issued by authorised personnel and/or issued to non-existent person or to a person on the basis of fake identity)
- iv. A household migrated to a different Gram Panchayat.

Further, in case a Gram Panchayat area is declared as a Municipality/ Municipal Corporation, all households residing in the area will cease to have the facilities of employment on production of the existing Job Cards. All such Job Cards shall be considered as automatically cancelled. The DPCs will ensure that these are done immediately after such notification. Concomitant changes will also be made by the concerned State Government, who will also bring this to the notice of the Ministry.

In all cases, the Programme Officer, after independent verification of the facts, may direct the Gram Panchayat to cancel the Job Card. All additions/deletions/cancellations must be made public, presented to the Gram Sabha/Ward Sabha, reported to the Programme Officer and updated in the MIS.

Further, as per Schedule-II (para 32, 33 and 34), the Gram Panchayat shall prepare and maintain or cause to be prepared and maintained such registers, vouchers and other documents in such form and in such manner as may be specified in the Scheme containing particulars of job cards and pass books issued, name, age and address of the head of the household and the adult members of the households registered with the Gram Panchayat.

The Gram Panchayat shall send such list or lists of the names and addresses of households and their adult members registered with it and supply such other information to the concerned Programme Officer at such periods and in such form as may be specified in the Scheme.

34 (I) Notwithstanding anything contained in this Schedule, in the event of any national calamity such as flood, cyclone, tsunami and earthquake resulting in mass dislocation

of rural population, the adult members of the rural households of areas so affected may-

- a. Seek for registration and get job card issued by the Gram Panchayat or Programme Officer of the area of temporary relocation;
- b. submit written or oral application for work to the Programme Officer or the Gram Panchayat of the area of temporary relocation; and
- c. Apply for re-registration and re-issuance of job card in the event of any loss or destruction.

(2) The details of such job cards shall be intimated to the District Programme Coordinator.

(3) In the event of restoration of normalcy, the job card so issued shall be re-endorsed at original place of habitation and clubbed with the original job card on being retrieved to avoid the delicacy of the job cards.

During the financial year 2021-22, 28.56 lakh job cards have been deleted and a total number of job card included in 2021-22 is 128.93 lakh.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 20)**

A key issue pertaining with the assets created under MGNREGA has been that of durability. The Committee note the fact that mere creation of assets under MGNREGA does not suffice the objective of the scheme. The intent of the scheme was not only to provide wage guarantee to rural masses but also that of creation of infrastructure through durable assets such as ponds, Gram Panchayat Bhawans, roads, etc. Therefore, until and unless the quality of assets created under MGNREGA is not maintained, the purpose of the scheme is defeated. Hence, it is of utmost importance that the durability of assets is maintained under MGNREGA. Thus, the Committee strongly recommend Department of Rural Development to ensure stricter compliance with the qualitative and maintenance aspect of infrastructure or other assets created through MGNREGA funds for the better realization of the objectives of the scheme.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The core objective of the Scheme is to provide not less than 100 days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability.

The Ministry has a comprehensive system of monitoring and review mechanism for Mahatma Gandhi NREGS. Some of the important elements of the above framework are listed below :

The Ministry regularly reviews the performance of the implementation of Mahatma Gandhi NREGS in States/UTs through various fora viz., Mid-Term Review, Labour Budget meetings, Labour Budget Revision meetings, Programme Review meetings. Central Employment Guarantee Council and State Employment Guarantee Councils periodically monitor implementation of the programme.

National Level Monitors, Common Review Missions and Officers of the Ministry visit States/UTs at regular interval to review implementation of the programme. After the field visits, the findings/shortcomings and recommendations are shared with the States/UTs for appropriate action at their end. In respect of more than 70% of cases referred to NLM inquiry has already been conducted.

Auditing Standards for Social Audit have been issued and States/UTs have been advised to establish independent Social Audit Units, conduct Social Audit as per Audit of Scheme Rules, 2011 and training of village resource persons for conducting Social Audit etc. Internal Audit Teams of the Department also conduct regular audit.

Steps have been taken to strengthen transparency and accountability which include geo-tagging of assets, Direct Benefit Transfer (DBT), National electronic Fund Management System (NeFMS), Aadhar Based Payment System (ABPS), Software for Estimate Calculation using rural rates for Employment (SECURE) and appointment of Ombudsperson in every district of States/UTs.

Steps have been taken for establishment of Technical Cell at all levels for qualitative monitoring and supervision of works under Mahatma Gandhi NREGS.

In order to ensure higher level of monitoring and oversight, National Mobile Monitoring System and Area Officer App have been introduced. In the former, attendance of workers on a particular work, where more than 20 workers are employed is taken daily along with a geo-tagged & time stamped photograph of theirs. The latter has been designed to ensure that field officials do conduct inspections in the requisite numbers and look into all the relevant aspects of the scheme.

In addition Central and State Employment Guarantee Councils, District Development Coordination and Monitoring Committees (DISHA) as also PRIs do also take up the monitoring and oversight of the Programme.

Under Mahatma Gandhi NREGS, GeoMGNREGA where 3 stages (Before, During and After) of Geotagging provision has been made. The provision made for the better monitoring of the progress of the work. It is also available on Public domain so that any citizen can check the quality of the Asset created on ground. As per the ground survey conducted by third party, it has been found that 91% of the assets surveyed were in usable condition.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 21)**

The Committee while going through the examination of the subject MGNREGA pondered over the multifaceted approach that can be undertaken through this scheme which can help achieve more than one target in 'one go'. Specifically discussing about the drought prone areas and the scarcity of water also in rainfed areas for their agricultural works, the Committee harped upon the feasibility of lining of ponds / dug wells / pits with plastic so that the water is stored in them during the rainy season for future agricultural works. More often than not it has been observed that the farmers of rain deficient region somehow sow their crop and wait for proper rainfall for water needs. Even if they are able to irrigate their crops initially but later are not able to do so owing to the scarcity of rains. This situation can be eased a bit if through MGNREGA works the water is stored and not allowed to be wasted by the lining of plastic done all around with proper cover so that water so stored is not evaporated by scorching heat and this water can be used in the time of need when there is severe shortage. On the one hand, it will create a new area of work while on the other hand it will create a reservoir of water in rain deficient regions. The Committee are aware of the fact that the concept of 'ground water recharging' exists, but still, it recommend Department of Rural Development to examine this issue based on geographical stretch and specific location which are deprived of water mostly and come up with suitable revision in their list of permissible works by including the plastic lining of ponds also.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The core objective of the Scheme is to provide not less than 100 days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability.

Construction of farm pond, dug well for the individuals are being taken up as per the design specification of the structure and presently these water bodies are being taken up as per feasibility provided through GIS planning. Farm pond /dug wells are such types of structures in which rain water as well as the seepage water enters the structures through cracks in the nearby vicinity. However grass turfing in the farm pond and masonry lining in the dug wells are being provided for protection of the structures.

The purpose of such ponds is to ensure Water Harvesting & Conservation. State may take up such works, as proposed by the Committee, through convergence.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 23)**

While examining the works permitted under 'National Resource Management' component of MGNREGA, the Committee feel that although the provision mandate for nurturing and strengthening water resources in the country through MGNREGA works, still much can be done by way of rejuvenating already existing dilapidated and unusable traditional water bodies like ponds, old wells and reservoirs, etc. The Committee note that work is progressing in this regard but the pace is very slow and a sustained focus for accelerated momentum is required. The Committee feel that rejuvenating traditional water bodies not in use at present will not only save financial resources but will also yield better results in much less amount of time. Suchage old water bodies which used to be engineering marvels need to be studied extensively and through positive manipulation and better utilization of scientific temperament can again bring them back to their erstwhile glory. Thus, the Committee urge Department of Rural Development to ensure through stricter directives and supervision so that the traditional water bodies may be revived and rejuvenated using the MGNREGA resources.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment scheme with bottom up planning. The works are identified, approved and prioritized out of shelf of work by the Gram Panchayat, recommended by Gram Sabha in each State/UT as per the provision of the Act. Accordingly, the works are approved and taken up by Panchayat as per the demand. The planning of works is done as per the estimated person days to be generated for the work in a financial year at the time of assessment of labour budget.

As per Schedule I of Mahatma Gandhi NREGA Section 4 (3), Para 4 (1), I. Category: A : Public works relating to Natural Resource Management (iv) renovation of traditional water bodies including desilting of irrigation tanks and other water bodies and conservation of old step well/boalis is a permissible activity.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 24)**

Plantation of trees is a permissible work under MGRNEGA. According to the guidelines, saplings are planted on roadside, government lands or other feasible

sites and are taken care of for the next three years. However, the Committee note that more often than not, plants of such nature are sowed which do not have any revenue generation capacity. Keeping them alive for 3 years and despite investing in them in terms of time, money and human resources entails quite a lot of effort. The Committee feel that this provision under MGNREGA can be effectively utilized in a much more pragmatic manner so that the purpose of plantation is also solved on one hand while simultaneously creating a revenue model side by side. Plantation of cash crops like fruit bearing trees or trees having good wood quality for utilization purpose in the long term would perhaps amplify and add value to the work taken under MGNREGA. Therefore, the Committee recommend Department of Rural Development to suitably ammend their guidelines for the inclusion of mandatory plantation of such plants under MGNREGA works which bear fruits or products having economic value to aid the revenue of the local administration.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The core objective of the Scheme is to provide not less than 100 days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability.

As per Schedule I of Mahatma Gandhi NREG Act, Section 4(3), Para 4(1) I: Category A: Public works relating to Natural Resource Management:(v)Afforestation: tree plantation and horticulture plantation in common and forest lands, road margins, canal bunds, tank foreshore and coastal belts duly providing right to usufruct to the household covered in Paragraph-5;and Category B: (Community assets or Individual assets) for vulnerable sections (only for households in Paragraph 5) (ii) Improving livelihood through horticulture, sericulture, plantation and farm forestry are permissible activities.

Fruit bearing trees under horticulture plantation and trees having good wood quality for utilization purpose under forestry tree plantation are already permissible under Mahatma Gandhi NREGS.

As per Schedule -I of the Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), "works which are non-tangible, not measurable, repetitive such as, removing grass, pebbles, agricultural operations, shall not be taken up".

There are 262 permissible works under Mahatma Gandhi NREGA. Adding new works under Mahatma Gandhi NREGS is a regular exercise and new works are added on the basis of merit in alignment with focus and objectives of the Act.



(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 25)**

A long pending demand to widen the ambit of works / nature of workers under MGNREGA which attracted the attention of the Committee was that of inclusion of agricultural labourers and variety of agricultural works also under the ambit of MGNREGA. On practical grounds, it is a known fact that the agricultural work comprises majority of the unskilled nature of works and utilizing this aspect can only widen the horizon of the permissibility of works under MGNREGA. There are numerous new works that can be undertaken in the villages under MGNREGA but cannot be done now since they do not fall under the permissible category. These works are in some way or other associated with agriculture related activities like sowing, reaping, cutting of weeds, fencing/barricading of farms and other earthen works associated with farming. Therefore, the Committee find it appropriate if a review of inclusion of agricultural works and agricultural labourers are done by the Department of Rural Development and recommend the Department to find ways by interpreting such requirements on practical terms so that more agricultural works and agricultural labourers are included under permissible domain of MGNREGA.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The core objective of the Scheme is to provide not less than 100 days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability.

Mahatma Gandhi NREGS is for providing a fall back option for livelihood security to the rural poor and is not a regular employment scheme.

There are 262 works which are permissible under Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS), of which 164 works relate to agriculture and allied activities. Mahatma Gandhi NREGS already lays emphasis that atleast 60% of works at district level in terms of cost shall be for creation of productive assets directly linked to Agriculture and Allied Activities which include works related to water security like construction of farm ponds, wells, earthen check dam, field channels and other water harvesting structures. The expenditure on Agriculture and Allied Activities is given as under:

<b>Year</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Percentage of expenditure</b>	<b>64.37</b>	<b>65.01</b>	<b>66.13</b>

As per Schedule -I of the Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), "works which are non-tangible, not measurable, repetitive such as, removing grass, pebbles, agricultural operations, shall not be taken up".

There are 262 permissible works under Mahatma Gandhi NREGA. Adding new works under Mahatma Gandhi NREGS is a regular exercise and new works are added on the basis of merit in alignment with focus and objectives of the Act.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 26)**

The provisions of MGNREGA are aimed at the fulfillment of objective of providing mainly unskilled works to willing persons of rural population who do not have any other avenue of employment while also creating durable assets as a result. While 60% of the funds are earmarked for the payment of wages to unskilled labourers, the remaining 40% of the funds cover for material component and wages of skilled/semi skilled workers employed as per requirement. In this context, the Committee are of the view that the above formula of fund division was done from the initiation of the scheme wherein primary works were concerned with unskilled manual component. However, with the passage of time and changing demands of infrastructure/asset creation, there is an increased need of skilled labourers to perform meaningful work under MGNREGA. Thus, the Committee are of the firm view that with growing requirement of skilled labour, it is perhaps in the fitness of things if skilling of labourers, already engaged in MGNREGA works is done simultaneously, so that in a span of time a pool of skilled labourers is created along-with fulfillment of objective of the scheme. Therefore, the Committee recommend the Department of Rural Development for creating ways and mechanism pragmatically for effectively carrying out the skilling of labourers which would certainly go a long way in not only ensuring the improvement of professional opportunities of labourers by equipping them with new armory of skill-set but would also augment the faster completion of MGNREGA works in future.

### **Reply of the Government**

The Capacity building of Mahatma Gandhi NREGS functionaries and skilling of Mahatma Gandhi NREGS workers is important for effective implementation of the Programme at one end and for facilitation of Mahatma Gandhi NREGS workers to

break out of cycle of unskilled employment at the other end. The steps being taken towards capacity building of the functionaries and workers are Barefoot Technicians trainings, Project Unnatti, skilling of masons, training of technical persons of SAKSHAM, capacity building of resource persons of Social Audits Units and of the Village Resource Persons from women SHGs, amongst others. States need to utilize these training/ skilling exercises by facilitating coordination with National Institute of Rural Development and Panchayati Raj and the State Institutes of Rural Developments as well as Extension Training Centres.

The Project 'UNNATI', launched in December 2019 by Government of India, is a skilling project that intends to upgrade the skill base of Mahatma Gandhi NREGS workers and thereby improve their livelihoods, so that they can move from the current partial employment to full employment and thereby reduce their dependence on Mahatma Gandhi NREGS. So far, about 21, 235 candidates have been trained.

This project will improve the livelihoods of most needy Mahatma Gandhi NREGS workers by providing a skill either for self-employment or wage employment. This project is meant for providing training for one adult member (of age 18 -45 year) of a household who has completed 100 days of work under Mahatma Gandhi NREGA in the previous financial year from the year of commencement of the project. Registration of candidates will be done through Aadhaar identification. This skilling program will be conducted through convergence between Rural Skill Division of MoRD, NRLM Division of MoRD and KVKs of Ministry of Agriculture with Mahatma Gandhi NREGA Division of MoRD. The household from which, a candidate will be selected for the training; will continue to enjoy 100 days of work under Mahatma Gandhi NREGA. A family member of eligible household in age group of 18-35 years will be eligible for under DDU-GKY. In case of special groups, the age group shall be upto 45 years as per DDU-GKY guideline. For RSETI and KVKs, a family member of eligible household in age group of 18-45 years will be eligible. The candidate undergoing training will be paid stipend for a maximum period of 100 days and for one program per household as per the wage rate prevailing in the concerned State as per the provisions of the project, subject to the guidelines of the project.

The Ministry of Rural Development has launched the Rural Mason Training (RMT) program under the Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) to address the issue of insufficient number of skilled masons for construction of quality PMAY-G houses. The initiative not only avails livelihood opportunities for the rural workforce but also contributes towards the availability of a skilled workforce for the construction of rural infrastructure under different schemes. The MoRD has partnered with the Construction Skill Development Council of India (CSDCI) and National Skill Development Corporation (NSDC) in the implementation of the RMT program.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 27)**

From the replies submitted by the Department of Rural Development regarding the provision for creating a better workplace for women under MGNREGA,

the Committee note that Para 23 and 24 of Schedule II of MGNREG Act, 2005 has mandated for the facilities of safe drinking water, shade for children, periods of rest, first aid box, deployment of a women from amongst women workers for providing child care services and encouragement to women for working as the mate (worksite supervisor). However, the ground experience is perhaps not according to the provision mandated and instances of non-compliance are visible at many locales. These provisions were indeed drafted with noble intent aimed at the welfare of women labourers and provide encouragement to them so that workers of female gender feel safe and have basic amenities to carry on their work under MGNREGA. Therefore, the Committee strongly recommend the Department of Rural Development to ensure stricter compliance with the provision for creating a better workplace for women workers without any laxity and also undertake surprise visits through Central Monitoring Agencies to keep a tab on the ground reality vis-à-vis implementation of the provisions of MGNREGA.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme which provides for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work.

As per the Para 15 of Schedule-II of the Mahatma Gandhi National Rural Employment Guarantee Act, "Priority shall be given to women in such a way that at least one-third of the beneficiaries shall be women who have registered and requested for work. Efforts to increase participation of single women and the disabled shall be made".

To encourage women to participate in the works under the Scheme, features like separate schedule of rates for women, no discrimination in the wage, women caretaker for looking after children upto five years of age, if there are 5 or more children of such age, encouragement to women SHG members as mate, worksite facilities exist under the Scheme.

As per Schedule –II

Para 23: of the Mahatma Gandhi NREG Act: The facilities of safe drinking water, shade for children and periods of rest, first aid box with adequate material for emergency treatment for minor injuries and other health hazards connected with the work being performed shall be provided at the work site.

Para 24: In case of number of children below the age of five years accompanying the women working at any site is five or more, provisions shall be

made to depute one of such women workers to look after such children. The person so deputed shall be paid wage rate. The more marginalized women in the locality, women in exploitative conditions or bonded labour or those vulnerable to being trafficked or liberated manual scavengers should be employed for providing child care services.

The following welfare measures to workers under Mahatma Gandhi NREGA at worksite, as elaborated in Schedule II of Mahatma Gandhi NREGA, 2005

(i) If any personal injury is caused to any person employed under the Scheme by any accident arising out of and in the course of his employment, he shall be entitled to such medical treatment as required, free of cost.

(ii) Where hospitalization of the injured worker is necessary, the State Government shall arrange for such hospitalization including accommodation, treatment, medicines and payment of daily allowance which is not less than half of the wage rate.

(iii) If a person employed under the Scheme meets with death or becomes permanently disabled by accident arising out of and in the course of employment, he or his legal heirs, as the case may be, shall be paid by the implementing agency an ex gratia as per entitlements under the Pradhan Mantri Suraksha Bima Yojana or as may be notified by the Central Government.

(iv) If any personal injury is caused by accident to a child accompanying a person who is employed under the Scheme, such person shall be entitled to medical treatment free of cost; and in case of death or disablement of the child due to the said accident, ex gratia shall be paid to the legal guardians as determined by the State Government.

The percentage of participation of women under Mahatma Gandhi NREGS from FY 2018-19 to FY 2021-22 is given below:

Financial Year	2021-22	2020-21	2019-20	2018-19
Percentage of participation of women	54.72	53.19	54.78	54.59

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 29)**

A major bottleneck that emerged during the deliberations of the Committee having a negative impact of the timely transfer of wages to the beneficiaries of MGNREGA was the frequency of failed transactions and non-completion of Aadhar based payments in entirety. The Committee also note the judgment of Hon'ble Supreme Court on 26th September, 2018 whereby it has been stated that the benefits of subsidies or services from Central/State Government would only be given

on furnishing proof of possession of Aadhar. Numerous instances of transfer of funds to the beneficiaries are present wherein amount do not credit into the accounts of the beneficiaries causing concern and inordinate delay in actual realization of wages to the beneficiaries. These are procedural lapses and need to be strengthened in a robust manner to avoid failed transactions causing pain to the MGNREGA workers. Therefore, the Committee recommend Department of Rural Development to complete the formalities at the earliest for the Aadhar Based Payment (ABP) to all the MGNREGA workers, while also ensuring tightening of payment modalities so as to redress the grievances of MGNREGA workers arising out of failed transactions.

### **Reply of the Government**

States/UTs have been directed to enrolled 100% Aadhaar seeding to job card holders under Mahatma Gandhi NREGS. Currently, **12.17** crore Aadhaar seeded in Management Information System (MIS) of the Scheme, which is **82.06%** of total Active workers (**14.83** crore).

There is a provision that in case a payment got rejected due to valid reasons under Aadhaar Based Payment System (ABPS), the payment can be regenerated by using existing account number of the beneficiaries.

Ministry will work timely implementation of the recommendation of the Committee.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 30)**

With utmost concern and anguish over the repeated failure of the Department of Rural Development in complying with the provision of appointment of Ombudsmen, the Committee note that only 263 Ombudsmen have been appointed so far out of total 715 possible appointments. This is completely unacceptable and show a very grim picture of the coordination between the Centre and State nodal agencies. Such an important provision of the MGNREG Act, 2005 which gives the aggrieved beneficiaries a potent platform to approach for redressal of his/her grievance is left neglected. No reason on part of Department of Rural Development can probably be enough for justifying such callousness over a long period of time, i.e. since inception of MGNREGA. The Committee feel that all possible measures including punitive ones or stoppage of funds under MGNREGA to the erring States may be initiated by the Department of Rural Development to send a strong message to 'all and sundry' in the machinery that the time for casualness and irrational approach by the State Governments is over and that they need to act on war scale

for ensuring the appointment of ombudsmen immediately. Therefore, the Committee in sternest possible manner recommend Department of Rural Development to shed its laxity and bring on-broad the State Governments, with firm resolve for ensuring the compliance with the provision of ombudsmen appointment.

### **Reply of the Government**

This Ministry has advised the State Governments at all possible fora to appoint ombudspersons in all the districts. As this did not bear much fruit, for the first time, this Ministry has set few pre-requisite for taking up Annual Action Plan and Labour Budget for FY 2022-23, one of which is positioning of Ombudsperson in the State/UTs i.e. more than 80% of ombudspersons position are to be filled. Additionally, an online app called Ombudsperson app has been created to take all processes online. Further, to attract better candidates, the daily remuneration has been raised from rs. 1000 to Rs. 2,250. Committee may, accordingly, like to review its observation about the laxity of the DoRD.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 31)**

The well being of the performance of any scheme involving huge public money can only be ascertained through the measure of issues pertaining to malpractices and misappropriation of funds. MGNREGA is a welfare scheme of gargantuan importance in a country where majority still reside in rural areas. It acts as succor in need of distress, this being vindicated during the ongoing Corona period wherein the steep hike in the BE of MGNREGA to the tune of Rs. 1,11,000/- crore in financial year 2020-21 and also the ongoing expenditure during the financial year 2021-22 denote that the scheme acquires paramount importance in terms of monitoring and surveillance so that even the single penny of taxpayers' account do not get misused through the nexus of unscrupulous and conniving officials of Gram Panchayats. The Committee have always sounded alert to the Department of Rural Development on every possible occasion through its various recommendations given earlier to increase the monitoring and strengthen the payment system more so, through electronic mode and have a hawkish mode of surveillance through the usage of software based technology for fixing the accountability of everyone involved in the scheme. However, the Committee still find through the experience of ground reality shared by the members and also by having reality check through interactions with locals during its regular study-visits to different parts of the country that the situation is not so 'rosy' as depicted by the Department of Rural Development in

reflecting through its data that only 45 number of complaints on irregularities in MGNREG Scheme and 28 number of complaints under misuse of funds have been received so far. This seem to be very far from the reality as instances are galore of issues of fake job cards, increased number of job cards than the beneficiaries, money changing hands in lieu of commission for showing fake list of beneficiaries and obtaining the total amount by the erring officials at different levels of implementation of the scheme. Moreover, poor maintenance of MGNREGA assets, pendency of wages on account of delay in muster update etc. complaints are innumerable on ground zero. However, the Committee find the corruption complaints under MGNREGA as on 11.11.21 being 1759 received and 1710 disposed while pendency being only 49. This again belies the stark reality evinced at the ground. Either 'all is well' or the mechanism of complaints and their redressal machinery is inaccessible to the aggrieved beneficiaries. It also reflects that Department of Rural Development is completely oblivious of the real situation associated with the implementation of MGNREGA and raises question over the National Level Monitors (NLM) of the Department. It is high time that the facts surrounding the scheme are explored, ascertained and accepted by the nodal agency of the scheme, i.e. Department of Rural Development before striving to reach towards solution to reduce anomalies and malpractices that is certainly having a detrimental effect on the success of the scheme. Therefore, the Committee with due concern and profound humility beseech upon the wisdom of Department of Rural Development to not let a scheme of such importance engulf itself with the pangs of corrupt practices, instead, go all out and devise all possible stringent measures for the well-being and success of this scheme in a potent and transparent manner.

### **Reply of the Government**

The Ministry, under Mahatma Gandhi NREGS receives complaints of irregularities /misuse of funds under Mahatma Gandhi NREGA etc. Since the responsibility of implementation of Mahatma Gandhi NREGA is vested with the State Govt./UTs, all complaints received in the Ministry are forwarded to the concerned State Govt./UTs for taking appropriate action including investigation, as per law. Steps have been taken to strengthen transparency and accountability which include geo-tagging, Direct Benefit Transfer (DBT), National electronic Fund Management System (Ne-FMS), Aadhaar Based Payment System (ABPS), Software for Estimate Calculation using Rural rates for Employment (SECURE) and establishment of independent social audit units and appointment of Ombudsman in the States. State specific reviews of States are also undertaken from time to time. Officers of the Ministry and National Level Monitors also visit various districts to oversee the performance of Mahatma Gandhi NREGA. State/UT-wise details of complaints on



corruption and malpractices under Mahatma Gandhi NREGS since inception to financial year 2022-22 (as on 25.04.2022) are given at Annexure-III.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 32)**

The Committee find very disconcerting and disheartening, the treatment meted out to the elected public representatives and miniscule respect given to their experience of ground realities. The Members of Parliament are a repository of wide and diversified pool of knowledge enriched through the years of work done 'onground' and through their interaction with the local communities. They are always in the 'thick of things' and are perhaps the best resource to plan any project or development work in that specific area. Thus, it becomes imperative and is wise to tap into the pool of wisdom and knowledge of the local MPs at the time of finalization of works to be taken up under MGNREGA in that area. The Gram Sabha and Gram Panchayats officials should be instructed in no mean terms not to bypass but involve the local Members of Parliament in consultation and finalization processes. This would only strengthen and ensure the performance of the scheme in right directions. Therefore, the Committee recommend Department of Rural Development to ensure, by issuing all directives to the State Government and local bodies, the active and increased involvement of Members of Parliament in the implementation of MGNREGA.

### **Reply of the Government**

Planning of works under Mahatma Gandhi NREGS is done on bottom - up approach. Gram Sabha decides the Shelf of works for the Gram Panchayats. Subsequently, following due process at Block level, District level and Central level, the Shelf of works get finalized. Hon'ble MPs are usually members of the both District and Intermediate Panchayats. As the responsibility of approval of the Shelf of work is of those tiers of PRIs, Hon'ble MPs can meaningfully participate in the approval of those shelves of works.

The responsibility of approval of Shelf of works and the monitoring of the implementation of the Scheme lies on the Gram Sabha and the Gram Panchayat. The former is a body consisting of all adult individuals, residing within the jurisdiction of Gram Panchayats. The latter gives effect to the decisions of the Gram sabhas. The issue of mode of consultation with the Hon'ble MPs by the Gram Sabhas has been taken up with Ministry of Panchayati Raj. Based on that, appropriate advisory will be issued to the States.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Recommendation (Serial No. 33)**

MGNREG Act, 2005 was implemented w.e.f. 01st April, 2008 in the entire country. 'Much water has flown under the bridge' since then and the 'need of the hour' is the review and revamping of MGNREGA Scheme in totality to meet the new demands while overcoming the impediments thrown in its path during its journey so far. The Committee strongly believe that value addition to the scheme such as skilling of labourers in different aspects, introduction of provision to upgrade the quality of life of the beneficiaries, increased utilization of technologies and software to ward off obstacles associated with wage transfer and verification of job cards are just a few required changes. Moreover, the Committee also opine that unified wage rate after revision, removal of disparity of wages, increasing number of days of guaranteed work, completing Aadhar based payment system, review of 60%: 40% wage material ratio, inclusion of new works and robust mechanism of monitoring are also urgent areas of review. The Committee are also of the strong opinion that in prevailing situation of Covid needs/Omicron pandemic, it is imperative that all labourers working under MGNREGA must be given free basic medical facilities attached with Job Cards at the doorstep of respective villages to make them healthy to contribute more for creation of durable assets for the country. Therefore, the Committee urge Department of Rural Development to conduct a holistic review of the scheme and undertake the exercise of its revamping for prolonged successful implementation of MGNREGA.

Reply of the Government

Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme. The core objective of the Scheme is to provide not less than 100 days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability.

The following welfare measures to workers under Mahatma Gandhi NREGA at worksite, as elaborated in Schedule II of Mahatma Gandhi NREGA, 2005

(i) If any personal injury is caused to any person employed under the Scheme by any accident arising out of and in the course of his employment, he shall be entitled to such medical treatment as required, free of cost.

(ii) Where hospitalisation of the injured worker is necessary, the State Government shall arrange for such hospitalisation including accommodation, treatment, medicines and payment of daily allowance which is not less than half of the wage rate.

(iii) If a person employed under the Scheme meets with death or becomes permanently disabled by accident arising out of and in the course of employment, he or his legal heirs, as the case may be, shall be paid by the implementing agency an ex gratia as per entitlements under the Pradhan Mantri Suraksha Bima Yojana or as may be notified by the Central Government.

(iv) If any personal injury is caused by accident to a child accompanying a person who is employed under the Scheme, such person shall be entitled to medical treatment free of cost; and in case of death or disablement of the child due to the said accident, ex gratia shall be paid to the legal guardians as determined by the State Government.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

**Comments of the Committee**

(Please see Paragraph No. 35 of Chapter I of the Report)

**CHAPTER III**

**RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE  
IN VIEW OF REPLIES OF THE GOVERNMENT**

**NIL**

(DoRD O.M. No. H-11013/01/2020-RE-II(pt)dated 13/05/2022)

## CHAPTER IV

### RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### Recommendation (Serial No. 2)

The Committee note the submission made by the Department of Rural Development during the course of evidence that one of the impediments obstructing the smooth and unhindered flow of funds is that of non-completion of requisite procedural formalities by the State governments within the stipulated time-frame. Non-updation of muster roll within three days of completion of the work or delay in the submission of documents for release of wages/skilled/material share by the States along-with delay in release of States' share of 25% material costs came to the fore. The Committee were bemused on the approach exhibited by the nodal agency of the scheme, i.e. Department of Rural Development in highlighting only the States' loopholes. This is completely unacceptable and the Committee find the 'blame-game' unpalatable. The 'need of the hour' in a federal form of government should not be limited to merely finger pointing at each other at the cost of detriment to a public welfare scheme, rather working in unison with the common goal of upliftment of the quality of lives of rural masses. In this context, the Committee vehemently recommend the Department of Rural Development to entail all possible measures in bringing all the shareholders on a common platform and coerce the State Governments to abide with the statutory provision of the MGNREGA Act in 'letter and spirit' so that the beneficiaries fate do not keep hanging around the bureaucratic procedures.

#### Reply of the Government

Mahatma Gandhi NREGA is a demand driven wage employment programme and funds are released to the State/UTs on the basis of "Agreed to" Labour Budget and performance of the State/UTs during financial year. Funds release under Mahatma Gandhi NREGA is based on the provision of the Act and guidelines. First installment of the 1st tranche is released in the first half of April after adjusting unspent balance available with the States and considering the pending liabilities, if any.

The 2nd tranche is released on the submission of proposal in the prescribed format by the State and subject to fulfilment of all the prescribed conditions. The proposal can be submitted after a State has utilized 75 percent of the total available

funds. If the proposal for 2nd tranche is submitted after 1st October, then the Audit Report and Audited UC of previous FY is also required. Quantum of funds to be released as part of 2nd tranche depends upon the performance of the State/UT.

There is a provision that State may submit 2nd Tranche proposal at least 15 days before the 50% achievement of the Annual labour budget.

Also appropriate documents for check lists have been made available to the State so that State may submit dully completed proposal well in advance so that timely release of funds may be ensured.

It also needs to be mentioned that there is a regular dialogue with The States/UTs not only through informal channels including through Whatsapp, but also through several formal channels such as Performance Review Committee, meeting for determination and revision of Labour Budgets, Mid-Term Reviews and so on. The States are facilitated to the best extent through both.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Comments of the Committee**

(Please see Paragraph No. 8 of Chapter I of the Report)

### **Recommendation (Serial No. 4)**

One of the key aspect behind the enunciation of MGNREGA scheme was the guarantee of 100 days work to the rural masses who take up works under MGNREGA voluntarily. Not only was this welfare scheme envisaged to provide a 'fall back' option of employment for those who had no other avenues to look upon but the objective was also to create durable asset utilizing the manpower. However, the entire fulcrum of balance upon which rested the success of this scheme was supposed to be the timely payment of wages as guaranteed through the MGNREG Act, 2005, wherein the payment of wages is to be done within fifteen days from the date of closure of muster rolls. Instead, the Committee painfully take the cognizance of the inordinate delay in the payment of wages to the beneficiaries of MGNREGA. There may-be plethora of reasons causing delay in the payment of wages, but none of the reason can be sufficient enough to justify this blatant nonadherence to the statutory provision of the Act. The beneficiaries of the Act are generally poor and marginalized sections of the society whose hopes of decent upliftment to their economic status hinge upon the succor through MGNREGA. The Committee in this context view the amount of Rs. 276,378.22 lakhs wage liabilities as on 05.11.2021 seriously and feel sorry at the 'state of affairs' in this scheme. No reason is good enough for such huge pendencies and hence, the Committee, in all earnest, call upon

the Department of Rural Development to 'pull up its socks' and take all possible measures to wipe off the wage liabilities as soon as possible.

### **Reply of the Government**

Under Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS), States/UTs submit funds release proposals to Government of India. Fund release to the States/UTs is a continuous process and Central Government is committed in making funds available to States/UTs for the implementation of the Scheme. The Ministry release funds periodically in two tranches with each tranche consisting of one or more installments, keeping in view the "agreed to" Labour Budget, demand for works, opening balance, pace of utilization of funds, pending liabilities, overall performance and subject to submission of relevant documents by the State/UT. In the financial year 2021-22 (as on 31.03.2022), an amount of Rs. 73,023.05 crore has been released to State/UT for wage component under Mahatma Gandhi NREGS.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Comments of the Committee**

(Please see Paragraph No. 14 of Chapter I of the Report)

### **Recommendation (Serial No. 6)**

Time and again the issue of disparity of wages under MGNREGA crop up before the Committee. The Committee find the concept of wage rates under MGNREGA being different in the States/UTs of the country quite baffling. MGNREGA is a Centrally sponsored scheme with the wages of unskilled labour being released through the Central Share. Moreover, Department of Rural Development is the nodal implementing agency of the scheme in the entire country and it only seem befitting if the nodal agency fixes a single unified wage rate at the start of every financial year applicable for all the States/UTs of the Country. Wage rates fluctuating from Rs. 193/- to Rs. 318/- across the different States/UTs in no way seem justified. Moreover, the parameters of economics perhaps will also be convenient in terms of calculations and indexation in one go for the entire country, rather different States/UTs bringing in their own dynamics in fixing the wage rates. It is also noteworthy to mention here that the beneficiaries being targeted under MGNREGA are no doubt the poor and marginalized sections of the society. In this context, States such as Bihar, UP, Jharkhand and West Bengal showing a notified

wage rate of Rs. 198/-, Rs. 204/-, Rs. 198/- and Rs. 213/- is unfathomable. Bridging the disparity of wages and bringing the wages at par will not only end the conundrum of uncertainty among beneficiaries but will also serve the larger purpose of welfare of MGNREGA workers. Thus, the Committee recommend in all earnest that the Department of Rural Development look into the matter of disparity of wages among States/UTs pragmatically and devise a mechanism for notifying a unified wage rate across the entire country.

### **Reply of the Government**

As per Section 6 (1) of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, the Central Government may by notification specify the wage rate for unskilled work for its beneficiaries. Accordingly, the Ministry of Rural Development notifies Mahatma Gandhi NREGA wage rate for every financial year for States/UTs. To compensate the Mahatma Gandhi NREGA workers against inflation, the Ministry of Rural Development revises the wage rate every year based on change in Consumer Price Index for Agricultural Labour (CPI-AL). The index is different for different States/UTs as notified by Labour Bureau Shimla. If the calculated wage rate of any State/UT is coming lower than the wage rate of previous year, it is being protected by maintaining the previous year wage rate. The wage rate is made applicable from 1st April of each financial year. However State Governments can provide wage over and above the wage rate notified by the Central Government.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Comments of the Committee**

(Please see Paragraph No. 20 of Chapter I of the Report)

### **Recommendation (Serial No. 7)**

While examining the subject of MGNREGA and during their deliberations, the Committee were made to realize about demands from various quarters of the country regarding the increase in number of days from 100. The Committee also take cognizance of the provision of the scheme through which State Governments can ask for additional 50 days of work under MGNREGA to meet the need for work in cases of exigencies arising out of natural calamity. The Committee take note of this existing provision and are of the view that MGNREGA is a last 'fall back' option for numerous rural people and the amount of expenditure under it also elicit a keen interest in the scheme by the poor and marginalized. It is 'high time' that the scheme be revamped keeping in view the changing times and emerging challenges



particularly in wake of the COVID Pandemic. Moreover, the basic thought process behind MGNREGA also warranted the creation of permanent durable asset while providing works to the needy. The Committee feel that durable assets under various heads of permanent nature, go a long way in creating/rectifying infrastructures pertaining to the Government agencies. This only aids and augments the initiatives of the Government towards progressing the society and taking it forward with a robust infrastructure. In view of such background, the Committee are of firm opinion that the 'need of the hour' is to further diversify the nature of works under MGNREGA in such manner and through such mechanisms which could also propel the number of guaranteed working days under MGNREGA to at least 150 days from the current 100 days. Therefore, the Committee strongly recommend the Department of Rural Development to review the scheme of MGNREGA in such a way which could ensure an increase of guaranteed days of work from 100 to 150 days.

### **Reply of the Government**

Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA) is to provide at least 100 days of guaranteed wage employment in a financial year to each household in rural areas of the country whose adult members volunteers to do unskilled manual work. In addition to this, there is a provision for upto additional 50 days of wage employment in a financial year in drought/natural calamity notified rural areas. As per Section 3 (4) of the Act, the State Governments may make provision for providing additional days of employment beyond the period guaranteed under the Act from their own funds.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Comments of the Committee**

(Please see Paragraph No. 23 of Chapter I of the Report)

### **Recommendation (Serial No. 12)**

One of the key aspect which drew the attention of the Committee towards itself was the delay in the release of skilled labourers and material components share funds by the Centre and State. The funding pattern of the scheme clearly outlines that the Central Government shall meet the cost of up to three-fourths of the

material cost of the Scheme including payment of wages to skilled and semi- skilled workers while the State Government will bear one-fourth of the material cost of the Scheme including payment of wages to skilled and semi-skilled workers. Despite a clear cut demarcation of funds origin and their supposed flow, there remained pendency in the release of such components. These delays ultimately cause the delay in the completion of works under MGNREGA owing to which the projects taken up under MGNREGA do not get completed on time and are often left incompleated for long period of time wasting the entire exercise of the creation of durable assets under MGNREGA. When queried upon this aspect, reasons being cited were non-completion of documentary procedures for the release of next batches of funds et. al. The Committee find a stereotypical excuse placed before them at almost most of the junctures wherein blame-game kept on changing posts but redressal remained elusive. Hence, the Committee recommend the Department of Rural Development to supervise this aspect at each level so that all pre-requisites and the formalities for timely release of funds are completed on time so that the status of completion of projects under MGNREGA do not get stuck or delayed for want of timely release of funds.

### **Reply of the Government**

Under Mahatma Gandhi NREGS fund release to the States is a continuous process and Central Government is committed to making fund available to States for the implementation of the Scheme. Under Mahatma Gandhi NREGS, States submit fund release proposals to Government of India. The Ministry releases funds periodically in two tranches with each tranche consisting of one or more installments, keeping in view the "agreed to" Labour Budget, demand for works, opening balance, pace of utilization of funds, pending liabilities, overall performance and subject to submission of relevant documents by the State.

The Ministry seeks additional funds under Mahatma Gandhi NREGS from Ministry of Finance as and when required for meeting the demand for work on the ground.

The Central Government had enhanced the financial allocation under Mahatma Gandhi NREGS for previous financial year 2020-21 from Rs. 61,500 crore at Budget Estimate (BE) stage to Rs.1,11,500 crore at Revised Estimate (RE) stage.

Section 22 of the Mahatma Gandhi NREGA provides the framework for the funding pattern under Mahatma Gandhi NREGA. Funds will be released to the States/UTs normally in two tranches with more than one instalment in one tranche based on agreed Labour Budget (LB), opening balance, pending liabilities of the previous financial year, if any, and overall performance. The first instalment of first

tranche will be released to the States/UTs in 1st half of April month of the financial year. The fund release system in Programme Division has been streamlined in FY 2016-17. Three check lists – (A), (B) & (C), have been prepared and shared with the States/ UTs which are to be furnished with fund proposal, under the signature of Commissioner, Mahatma Gandhi NREGA/ Principal Secretary/ Secretary of the Department in-charge of Mahatma Gandhi NREGA.

### **First Tranche**

The first instalment of the first tranche will be released in the first half of April month of the financial year after adjusting unspent balance available with the districts/States and considering the pending liabilities, if any.

### **Steps to release of first tranche**

a) Once Labour Budget of a State is examined and agreed to by the Ministry and State Government, the State Government shall prepare district-wise and month-wise projections of the Category wise (i.e. SC, ST and Other beneficiaries) labour demand.

b) Requisition for release of 1st tranche should be accompanied with modified checklist A and B, provisional UC of previous financial year by 5th April.

c) The 1st tranche is estimated based on funds required for initial six months of a financial year (FY) or 50 per cent of the Labour Budget for the State/UT, whichever is lower, minus the opening balance of the State/UT as per MIS. Pending liability shall also be considered.

d) As MIS reports form the basis of fund release, it is necessary that all expenditure is entered in the NREGASoft. Expenditure not entered in the NREGASoft will result in larger opening balance than what is available and the 1st tranche would be lower by an equivalent amount.

e) Details of works proposed in the Labour Budget need to be entered into the software and should be from among the approved shelf of projects.

f) 1st tranche is released to the State Fund subject to submission of the following certificate/ documents:

I. A certificate to the effect that accounts for all the districts of the State for the FY before 2017 have been examined and settled.

II. A certificate indicating satisfactory compliance of Ministry's clarifications/ suggestions/ advice/ observations issued from time to time on the implementation of Mahatma Gandhi NREGA in the State/Districts.

III. No mis-utilisation / misappropriation of funds has been noticed, during the year

g) After receipt of Central share and the matching State share in the State Nodal Bank Account of the State Nodal Agency.

h) If the States require additional funds for implementation of Mahatma Gandhi NREGA up to 30th September, the same would be considered based on performance during the period from April to the date of submission of the proposal and funds would be released accordingly.

i) The funds towards material, admin and other projects to the states will be subject to compliance of guidelines vide the O.M. dated 23.03.2021 of Department of Expenditure, Government of India.

#### Instalments under 1st Tranche

The quantum of instalments under the first tranche will be based on –

The instalments of fund towards material shall be released for two months at a time depending upon availability of the funds.

The number of persondays projected by States/UTs for the next two months of Labour Budget for current FY will form the basis for calculation of instalment amount.

However, the fund released under 1st tranche will be well within 50% of total persondays agreed to in the Labour Budget for the year.

Adjustment of unspent balance available with the States/UTs.

Pending liability, which will include excess State share (as per the MIS).

The States would have released the entire State share (cumulative).

The quantum and number of installments for release of funds for wage payment will be decided by the programme division as per the actual assessment.

#### **Second tranche**

The 2nd Tranche is released on submission of proposal in the prescribed format by the State and subject to fulfilment of all the prescribed conditions. The proposal can be submitted after a State/ UTs has utilized 75 percent of the total available funds. If the proposal for 2nd Tranche is submitted after 30th September, then the Audit Report and Audited UC of the previous financial year is also required. Quantum of funds to be released as part of second tranche depends upon the performance of the State/UT.

State/UT may revise district-wise and month-wise projections of the Category wise (i.e. SC, ST and Other beneficiaries) labour demand within approved LB with prior approval of Programme division head of the Ministry. The 2nd Tranche entitlement of the State/UT will be based on revised projection. The State must ensure that the proposal for the 2nd Tranche of funds is received at least 15 days before the 50% achievement of the Annual labour budget.

#### **Steps to release of Second Tranche:**

I. The State/UT/District will submit a consolidated proposal for 2nd tranche along with modified checklist A, B and C, to the Ministry, only after utilizing 75 percent of total fund available with the State as a whole and compliance of the prerequisites as laid down under Mahatma Gandhi NREGA.

II. A certificate stating that no programme fund has been diverted during the FY is required to be given. It should also be certified that there has been no embezzlement or misappropriation of funds under Mahatma Gandhi NREGA and in cases where this has happened; adequate steps have been taken to punish the guilty and recover the embezzled or misappropriated amount.

III. In case State becomes eligible for release of 2nd tranche after 30th September in a FY, the State will submit a certificate stating that Audit Reports (AR) and Utilisation Certificates (UCs) from all the districts in the State have been

received and found to be in order in all respects. A consolidated Audit Report will also be submitted with the proposal.

IV. If there are pending liabilities at the end of the previous financial year, the same should be reflected as liability in the balance sheet of the Audit Report of the previous financial year.

V. Advance State share or loans taken by the State may also be reflected as pending liability in the Utilisation Certificate and balance sheet attached to the proposal.

VI. A certificate stating that all pending audit observations by the auditor have been complied with should be provided along with the fund release proposal.

VII. The Check list on prerequisites/documents for release of 2nd Tranche of Central share (Annexure -27 of the Operational Guidelines, 2013).

VIII. States/UTs may share Utilization certificate for unskilled wages in Category wise manner (i.e. SC, ST and Other beneficiaries).

In financial year 2021-22 (as on 31.03.2022), an amount of Rs. 98,467.84 crore has been released by Central Government to the States/UTs under Mahatma Gandhi NREGS.

Whenever any support is needed by States/UTs, Central Government extends, its support to State Audit Report relaxation of guidelines for release of 2nd tranche of funds to the States under Schemes of the Department of Rural Development.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Comments of the Committee**

(Please see Paragraph No. 26 of Chapter I of the Report)

### **Recommendation (Serial No. 22)**

In recent times, a much recognized and appreciated framework of work obtained through the convergence of water conservation aspect with National Highway Construction has garnered huge praise and National recognition, is that of 'Buldhana Pattern' First time used in the Buldhana District of Maharashtra in the drought affected Vidarbharegion. This pattern synchronizes the work of water conservation through desilting and deepening of waterbodies by the removal of earthen material and silt and using this material for National Highway. Thus, a unique and beautiful symbiotic relationship is being observed between two aspects of development wherein the raw material for road construction is obtained from the clogged and overflowing water bodies through their desiltation. This not only rejuvenates the water bodies and deepens them but also provide cheap and easily available raw material for the road construction. The Committee applauded this

'Buldhana Pattern' and unanimously decide to urge the Department of Rural Development to examine the scope of this pattern to be brought under the ambit of MGNREGA works. Not only will this pattern create new and meaningful work under MGNREGA but will also go a long way in increasing the resources of the country through convergence with other relevant schemes.

### **Reply of the Government**

Under Mahatma Gandhi NREGS, construction and renovation of water harvesting pond, fishery pond at the community level are permissible activities under Mahatma Gandhi NREGA. The excavated soil from the ponds can be shifted from the site after saturation of the bund formation with proper documentation of earthwork. However, transportation cost of the earth (soil) from the site to the other place should not be made from the scheme as it is not permissible under the scheme. Similar kind of renovation/construction work such as canal, farm pond, and traditional water bodies can also be taken up in convergence with other Department for transportation of excess excavated soil.

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Comments of the Committee**

(Please see Paragraph No. 29 of Chapter I of the Report)

### **Recommendation (Serial No. 28)**

MGNREG Act, 2005 mandates for the provision of minimum 33% of the work to be provided to the women labourers. It has been also taken note of the fact that average percentage of women participation across the country is hovering around the 50% mark for the last 5-6 years. In this regard, the Committee, however, feel that projects under MGNREGA should be envisaged which are women centric in nature and which could maintain and increase the women participation even further and can go a long way in women empowerment through economic independence too. The Committee also observe that there already exist self help groups of women in villages which are engaged in either farm works or animal rearing activities and these groups can be linked to MGNREGA to enable them a source of income. Therefore, the Committee recommend Department of Rural Development to work upon the idea of promotion of women centric works under MGNREGA through creation or linkage of livelihood projects already in existence.

### **Reply of the Government**

As per the Para 15 of Schedule-II of the Mahatma Gandhi National Rural Employment Guarantee Act, "Priority shall be given to women in such a way that at least one-third of the beneficiaries shall be women who have registered and requested for work. Efforts to increase participation of single women and the disabled shall be made".

To encourage women to participate in the works under the Scheme features like separate schedule of rates for women, no discrimination in the wage, women caretaker for looking after children upto five years of age, if there are 5 or more children of such age, encouragement to women SHG members as mate, worksite facilities exist under the Scheme.

The percentage of participation of women under Mahatma Gandhi NREGS from FY 2018-19 to FY 2021-22 is given below:

Financial Year	2021-22	2020-21	2019-20	2018-19
Percentage of participation of women	54.72	53.19	54.78	54.59

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

### **Comments of the Committee**

(Please see Paragraph No. 32 of Chapter I of the Report)

**CHAPTER V**

**RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF  
THE GOVERNMENT ARE STILL AWAITED**

**NIL**

(DoRD O.M. No.H-11013/01/2020-RE-II(pt)dated 13/05/2022)

**NEW DELHI;**  
**28 July, 2022**  
**06 Shravana, 1944 (Saka)**

**PRATAPRAO JADHAV**  
***Chairperson,***  
**Standing Committee on Rural Development & Panchayati Raj**



**ANNEXURE I**



**APPENDIX - II**

[Vide para 4 of Introduction of Report]

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE TWENTIETH REPORT (17<sup>TH</sup> LOK SABHA)  
OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT**

- I. Total number of recommendations: 33
- II. Observations/Recommendations which have been accepted by the Government:  
Serial Nos. 1, 3, 5, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33  
Total:26  
Percentage:- 79%
- III. Observations/Recommendations which the Committee do not desire to pursue in view of replies of the Government:  
Serial No. NIL  
Total: NIL  
Percentage:- 0%
- IV. Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:  
Serial No. 2, 4, 6, 7, 12, 22, 28  
Total: 07  
Percentage:-21%
- V. Observations/Recommendations in respect of which final replies of the Government are still awaited:  
Serial No. NIL  
Total: NIL  
Percentage:- 0%