Mahatma Gandhi National Rural Employment Guarantee Scheme

Dr. C. Dheeraja
Why MGNREGA?

- Addressing rural devt. challenges:
  - Large rural labour force with little or no skills
    - Livelihood insecurity for millions living in rural areas
  - Minimal participation of poor in development programmes
  - Heavy dependence on agriculture for livelihood
  - Low agriculture productivity
  - Low & unequal wage rates between men & women
  - Environmental degradation
The Transition...

From an "Allocation based welfare program" to a "Rights based, Demand driven, people centric, bottom-up, self selecting" strategy
MGNREGA: Evolution & Preamble

HISTORY

05.09.05: Historic legislation passed
02.02.06: Implemented in 200 districts.
01.04.07: Extended to 130 districts.
01.04.08: Extended to remaining districts.
31.12.09: Name of the Act changed w.e.f 02.10.09

THE ACT-Preamble

An Act to provide for the enhancement of livelihood security of rural households 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.”
Goals of MGNREGS

• i) Social protection
• ii) Livelihood security through creation of durable assets
• iii) Drought-proofing and flood management
• iv) Empowerment of the socially disadvantaged, through the processes of a rights-based legislation
• v) Strengthening decentralised, participatory planning through convergence of various anti-poverty and livelihoods initiatives
• vi) Deepening democracy at the grass-roots by strengthening Panchayati Raj Institutions
• vii) Effecting greater transparency and accountability in governance
NREGA : Basic Entitlements

- Right to Job card
- Right to demand and receive work within 15 days
- Right to Unemployment allowance
- Right to obtain work within a radius of 5 km
- Right to Work site facilities
- Right to notified wage rate and Right to receive wages within 15 days
- Compensation for delay in payment of wages
- Right to time bound redress of grievances, conduct of social audits and concurrent social audits
- Right to Medical Aid
STAKEHOLDERS

I. Wage seekers
II. Gram Sabha
III. PRIs, specially the gram panchayat
IV. Programme Officer at the block level
V. District Programme Coordinator
VI. State Government
VII. Ministry of Rural Development
VIII. Civil Society
IX. Other stakeholders [viz. line departments, convergence departments, Self-Help Groups]
## Primary Stakeholders & Roles

<table>
<thead>
<tr>
<th>SN</th>
<th>Stakeholder</th>
<th>Role</th>
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<tbody>
<tr>
<td>1</td>
<td>Central Govt.</td>
<td>Provides funds, ensures that the spirit of the Act is observed</td>
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<tr>
<td>2</td>
<td>State Govt.</td>
<td>Preparation of scheme &amp; implementation</td>
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<tr>
<td>3</td>
<td>Panchayats</td>
<td>Planning &amp; execution</td>
</tr>
<tr>
<td>4</td>
<td>Workers</td>
<td>Rights &amp; entitlements</td>
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<tr>
<td>5</td>
<td>Community</td>
<td>Planning &amp; oversight</td>
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## Institutional Architecture of MGNREGA

<table>
<thead>
<tr>
<th>National Level</th>
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<tbody>
<tr>
<td>Ministry of Rural Development, (MoRD), GoI</td>
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<tr>
<td>Central Employment Guarantee Council (CEGC)</td>
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<tr>
<td>National Management Team (NMT)</td>
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<tr>
<th>State Level</th>
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<tbody>
<tr>
<td>State Ministry of Rural Development (MoRD)</td>
</tr>
<tr>
<td>State Employment Guarantee Council (SEGC)</td>
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<tr>
<td>State Employment Guarantee Mission &amp; Management Team (SEGM &amp; MT)</td>
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<tr>
<td>State Social Audit Unit</td>
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<td>State Vigilance Cell</td>
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<thead>
<tr>
<th>District Level</th>
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<tbody>
<tr>
<td>District Panchayat</td>
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<tr>
<td>District Programme Coordinator (DPC)</td>
</tr>
<tr>
<td>Dist. Technical Committee (DTC)</td>
</tr>
<tr>
<td>Voluntary Technical Corps (VTC)</td>
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<tr>
<td>District Vigilance Cell</td>
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<tr>
<td>Ombudsman</td>
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<tr>
<th>Block Level</th>
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<tbody>
<tr>
<td>Intermediate Panchayat</td>
</tr>
<tr>
<td>Programme Officer (PO)</td>
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<tr>
<td>Block Resource Centre (BRC)</td>
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<tr>
<td>Engineer</td>
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<table>
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<tr>
<th>Cluster Level</th>
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<tbody>
<tr>
<td>Technical Assistant (TA)</td>
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<tr>
<td>Cluster Facilitation Teams (CFTs)</td>
</tr>
<tr>
<td>Computer Operator-cum-Accounts clerk</td>
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<tr>
<th>GP Level</th>
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<tbody>
<tr>
<td>Gram Panchayat</td>
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<tr>
<td>Panchayat Development Officer (PDO)</td>
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<tr>
<td>Gram Rozgar Sahayak (GRS)</td>
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<tr>
<td>Mate</td>
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<tr>
<td>Vigilance Monitoring Committee</td>
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Non-negotiable

- Usage of unskilled manual labour
- 60:40 (wages and material ratio)
- **Permissible works**
- 50% work execution by GP
- No Machinery
- No Contractors
Fund for NREGA

- Central fund- 100% wages of unskilled manual work, 75% of material cost and wages of skilled and semi-skilled workers, administrative cost
- State fund- 25% of material cost, unemployment allowance, Administrative expenses of SEGRC
- Incremental fund release on demand by States and districts on 60% utilisation and on the basis of performance report on physical and financial parameters
- **administrative cost- permissible & non-permissible items**
- Electronic Fund Management System(e-FMS), Public Fund Management System(PFMS), National Electronic Fund Management System (Ne- FMS)
- **Financial Audit**
Important Components

- Awareness Generation, (IEC, Rozgar Diwas, )
- Mobilization/ Participation
- Capacity building (BFT, Saksham, social audit, Geo-tagging)
- Planning- selection of works (CFT, BFT), SoR (work- time motion studies)
- MIS
- e.- Muster
- Geo- MGNREGS
- Labour budgets
- Work Execution
- Payment of Wages
- Records to be maintained
- Internal Quality management – Roles defined for Technical staff at GP, Block, Dist.
- Quality monitoring by external monitors – NLMs, SQMs
- Empanelment of SQM
  - Monitoring and Evaluation
  - DBT and Aadhar based payments
  - VMCs and Social Audit
  - Ombudsmen
  - Vigilance System
  - Grievance redressal
- LIFE- convergence with DDU-GKY,RSETI, NRLM
MGNREGA Issues & Challenges

- Meeting unmet demand
- Preparing participatory devt. Plan
  - Preparation of realistic LB
- Starting works without delay
- Convergence issues
- Work completion rate and quality of assets
- Capacity constraints
  - Staffing, controlling and monitoring
  - Training, awareness generation
- Accountability & transparency – Grievance redressal
- Monitoring progress and follow up action
Risks in MGNREGS

- IEC Activities
- Job card registration/ disbursement of jobcard/custody of jobcards
- Demand for employment/ acknowledgement of application/ Provision of employment/ unemployment allowance
- Identification of SoP/ inclusion of vulnerable people/approvals
- Planning and execution of works- allotment of work/MRs/MIS/procurement of material
- Supervision of works/ assets (quality)/ worksite facilities/monitoring/convergence
- Payment of wages- delays/
- Use of Machinery and contractors
- Maintenance of record- job card entries
- Expenditure on administrative cost
- Diversion of funds
- Transparency provisions- sign boards/
- Capacity building- BFT/secure/technical trainings
- Social audits
- Ombudsman
- Evaluation & research

Detailed Risks identified
Thank You
PERMISSIBLE WORKS

The Works permissible under NREGA are:

• Category A: Public works
• (i) Water conservation and water harvesting structures to augment and improve groundwaterlike underground dykes, earthen dams, stop dams, with special focus on recharging ground water near drinking water sources;
• (ii) Natural Resource Management works such as contour trenches, contour bunds, boulder checks, gabion structures and springshed development as a part of a comprehensive project for treatment of a watershed;
• (iii) Creation and maintenance of irrigation canals including micro and minor irrigation works;
• (iv) Renovation of traditional water bodies including desilting of irrigation tanks and other water bodies;
• (v) Afforestation, tree plantation and horticulture in common and forest lands, road margins, canal bunds, tank foreshores and coastal belts duly providing usufruct (tree pattas) to the households in Paragraph 5.
• (vi) Land development works in common land.
• Category B: Individual assets for vulnerable sections (only for households in Paragraph 5)
• (vii) Improving productivity of lands of households specified in Paragraph 5 by providing suitable infrastructure for irrigation including dug wells, farm ponds, horticulture, sericulture, plantation, and land development;
• (viii) Development of fallow/waste land of households defined in Paragraph 5 to bring it under cultivation;
• (ix) Weaker Section housing for rural households in paragraph 5 living in a kutcha house and not having any other pucca structure, in convergence with other schemes such as Indira AwaasYojana or such other State or Central Government schemes.
Category C: Livelihood activities formulated by Self Help Groups under National Rural Livelihood Mission

- (x) Works for promoting **agricultural productivity by creating durable infrastructure required for bio-fertilizers and post-harvest facilities including pucca storage facilities for agricultural produce**;

- (xi) Creating infrastructure for **promotion of livestock such as, poultry shelter, goat shelter, cattle shelter and fodder troughs for cattle**;

- (xii) Creating infrastructure for **promotion of fisheries such as, fish drying yards, storage facilities, and promotion of fisheries in seasonal water bodies on public land**;
Category D: Rural infrastructure:

(xiii) Rural sanitation related works, such as, individual household latrines, school toilet units, Anganwadi toilets, solid and liquid waste management to achieve open defecation free status and in convergence with schemes of other government departments;

(xiv) Providing all-weather rural road connectivity to unconnected villages and to connect identified rural production centres to the existing pucca road network; and construction of pucca internal roads including culverts within a village;

(xv) Construction of play fields;

(xvi) Works for improving disaster preparedness or restoration of roads or restoration of other essential public infrastructure including flood control and protection works, providing drainage in water logged areas, deepening and repairing of flood channels, chaur renovation, construction of storm water drains for coastal protection;
• xvii) Construction of pucca buildings for Gram Panchayats, women self-help groups, cyclone shelters, Anganwadi centres at the village or block level using building material produced locally as far as possible and in convergence with Central/State Government schemes;

• (xviii) Construction of Food Grain Storage Structure for implementing the provisions of The National Food Security Act 2013;

• (xix) Maintenance of public assets created under the Act or any asset specified by the Central Government in the manner prescribed;

• (xx) Any other work which may be notified by the Central Government in consultation with the State Government.
Negative List of works

Non-tangible

Not measurable

Repetitive

- Grass removal
- Pebbles removal
- Agri-operations
  - Maintenance of works except for plantation

Bore wells and tube wells
Administrative cost

The permissible activities - training, IEC, MIS, quality management, grievance redressal system, professional/technical services, operational expenses, ICT facilities at GP, additional staff deployment, social audits, worksite facilities, evaluation and research, contingency expenditure, ex-gratia payment, medical treatment, hospitalisation etc.

Activities not permitted - Purchase of vehicles and repair of vehicles, civil works, salaries/remuneration of functionaries engaged by government/PRI/any other implementing agencies, Material procurement for works
Financial audit of MGNREGA accounts

- MGNREGA accounts at the district level and of SEGF are to be audited by CA/CA firms annually who are expected to do a check of the receipts and payment statements of the GPs.
- The GP accounts are normally internally audited by officials at the Block level and later by the Local Fund Auditors.
- To improve the accounting of MGNREGS at GP level certification of records and accounts by CA is prescribed.
- CA will visit GP examine the records and vouchures and comment on financial statements, wage material ratio, identify the gaps and weak areas, and certify that funds are deployed for admissible activities.
- CAs will be selected by state govt from the list empanelled with C&AG/state AG. One CA will be selected for one district.
- The remuneration will be fixed by MoRD in consultation with C&AG.
- Expenses will be met from the administrative cost.
• The period of assignment for CAs will not be more than 2 years
• CAs will submit the PO report for each GP and consolidated summary to DPC
• The principal Secretary, RD/State Commissioner, and the DPC shall monitor the progress of certification, corrective actions and submission of ATRs
• In addition, comptroller and Auditor General can appoint any person to do audit if he deem fit
<table>
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<tr>
<th>Date Range</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>3rd Oct to 30th Nov</td>
<td>Gram Sabha to approve GP Annual Plan and submit to PO</td>
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<tr>
<td>15th September</td>
<td>PO submits consolidated GP Plans to Block Panchayat</td>
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<tr>
<td>2nd October</td>
<td>Block Panchayat to approve the Block Annual Plan and submit to DPC</td>
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<tr>
<td>15th November</td>
<td>DPC to present District Annual Plan and LB to District Panchayat</td>
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<tr>
<td>1st December</td>
<td>District Panchayat to approve District Annual Plan</td>
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<tr>
<td>15th December</td>
<td>DPC to ensure that shelf of projects for each GP is ready</td>
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<tr>
<td>31st December</td>
<td>Labour Budget is submitted to Central Govt.</td>
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<tr>
<td>January</td>
<td>Ministry scrutinizes the Labour Budget and requests for compliance for deficiencies, if any</td>
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<tr>
<td>February</td>
<td>Meetings of Empowered Committee are held and LB finalized</td>
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<td>February, March</td>
<td>Agreed to LB communicated to States. States to feed data of Month wise and District wise breakup of “Agreed to” LB in MIS and communicate the same to Districts/ blocks / GPs</td>
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<tr>
<td>Before 7th April</td>
<td>States to communicate OB, Center to release upfront / 1st Tranche.</td>
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Records to be maintained

Register- I: Job cards application, registration and issue, household employment reports

Register-II: Gramsabha Meetings- Minutes, resolutions and prioritized list of works, Social Audit Gramsabha- Minutes, resolutions and action taken reports

Register-III: Demand for work, allocation and payment of wages

Register IV: Register for Works

Register-V: Fixed asset register

Register-VI: Complaint register

Register VII: Material Register