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Ministry of Rural Development
Department of Rural Development
(MGNREGA Division)

Krishi Bhavan, New Delhi
Dated : 10th November, 2015

To

The Principal Secretary/Secretary,
Department of Rural Development/ Panchayati Raj (In charge of MGNREGA)
All States/UTs

Sir/Madam,

The Ministry has decided to bring out a Master Circular for guiding the implementation of MGNREGA on annual basis. Currently, there are approximately 1038 Circulars/Advisories on MGNREGA. Such huge number of Circulars/Advisories creates a lot of confusion in the field while implementing the programme.

2. The Master Circular which has been drafted is intended to supercede all earlier instructions/advisories issued so far. It is expected that it will go in a long way in simplifying the entire implementation process.
3. Your views are solicited on the draft Master Circular. This will be discussed and formally presented in the **National Workshop on Good Practices under MGNREGA scheduled on 20-21 November, 2015 at Hyderabad.**
4. You are requested to kindly go through the draft Master Circular and give your valuable suggestions for enabling us to finalise the same.

Yours faithfully,


(Aparajita Sarangi)
Joint Secretary (RE)

10/11/15

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Annual Master Circular On MGNREGA

DRAFT

MGNREGA DIVISION, MORD, KRISHI BHAVAN

Contents

ACT AND SCHEDULE	1
DEMAND CAPTURE - JOB CARDS, ROZGAR DIWAS, LABOUR GROUPS	3
Rozgar Diwas	3
UNEMPLOYMENT ALLOWANCE	4
Payment of Wages	5
Compensation For Delayed Payment Of Wages	6
Planning and the Preparation of Labour Budget	7
WORKS	8
Emphasizing on continuous availability of works:	11
MGNREGA MIS	20
MIS (NREGASOFT)	20
B. MIS Measurement Book	20
C. e-Muster Roll	21
PAYMENT SYSTEMS UNDER MAHATMA GANDHI NREGA	21
e-FMS , PFMS AND NE-FMS	21
B. Public Fund Management System (PFMS)	22
C. National Electronic Fund Management System (Ne-FMS)	22
ICT INFRASTRUCTURE	23
DIRECT BENEFIT TRANSFER (DBT) AND THE AADHAR PLATFORM	25
Computerization	26
FINANCING MGNREGA	29
SOP ON COMPLAINTS	30
IEC ACTIVITIES UNDER MAHATMA GANDHI NREGA	31
TRANSPARANCY AND ACCOUNTABILITY- SOCIAL AUDIT, GRIEVANCE REDRESS AND OMBUDSMAN UNDER MAHATMA GANDHI NREGA	32
Skilling and Capacity Building Under MGNREGA	38
Project for Livelihoods in Full Employment under Mahatma Gandhi NREGA (Project LIFE- MGNREGA)	38
2. Convergence of MGNREGS, NRLM and the CFT strategy: 250 Block pilot	39
3. CAPACITY BUILDING UNDER MAHATMA GANDHI NREGA	41
PARTNERSHIPS WITH CIVIL SOCIETY ORGANISATIONS	42
AWARDS	42
State Awards	43
District Awards	43
Award for Excellence in NREGA Administration for Officials of the Department of Posts	43
Award for best performing Gram Panchayat	43

ACT AND SCHEDULE

The National Rural Employment Guarantee Act was notified in 2005. As per an amendment to the Act in 31.12.2009, the words National Rural Employment Guarantee Act have been replaced by Mahatma Gandhi NREGA.

In exercise of the powers conferred by Sub Section (1) of Section 29 of the Mahatma Gandhi National Rural Employment Guarantee Act, the Central Government on being satisfied that it is necessary and expedient to amend Schedule I and II of the Act, notified the National Rural Employment Guarantee Act Schedule I and II Amendment Order, 2013 which substituted the previous schedules.

In the National Rural Employment Guarantee Act 2005, the Schedule I and II are as per Gazette Notification F No J-11011/5/2006-MGNREGA dated 3.01.2014.

Subsequent to the Substitution of Schedule I and II of the MGNREGA by the National Rural Employment Guarantee Act Schedule I and II Amendment Order, 2013 the following have been the key directives issued:

1. The prescribed norms of expenditure of the administrative fund allocated by the Center to the State under MGNREGA, have been detailed vide Ministry's Directive J-1101/18/2007-MGNREGA dated 21.08.2014
2. The norms of appointment of Technical Assistants/Barefoot Engineers (at the rate of 1 for every 2500 active job card holders) to be necessarily filled up by State Governments have been detailed vide Ministry's Directive J-1101/18/2007-MGNREGA dated 21.08.2014
3. The Ministry vide an Amendment to Schedule I of the MGNREGA dated 21.07.2014 directed that:
 - a. The word 'Individual Asset' in Schedule I, Section 4 (1) (II) of the Act be replaced with 'Community Asset or Individual Asset'.
 - b. The word 'NRLM' in Schedule I, Section 4 (1) (III) of the Act be replaced with 'including for NRLM'.
 - c. Addition of following proviso in Schedule I, Section 4 (2):

Provided that the District Programme Coordinator shall ensure that at least 60% of the works to be taken up in a district in terms of cost shall be for the creation of productive assets directly linked to agriculture and allied activities through development of land, water and trees.
 - d. Schedule I, Section 20 to read as follows:

"For all works taken up by Gram Panchayats, the cost of the material component including the wages of skilled and semi skilled workers shall not exceed 40% at the Panchayat level. For works taken up by the implementing agencies other than the Gram Panchayats, the overall material component including the wages of the skilled and semi skilled workers shall not exceed 40% at the District level.
4. The Ministry vide Letter No J-11011/1/2009-MGNREGA dated 07.01.2014 mandated provision of additional 50 days of wage employment beyond the stipulated 100 days per Scheduled Tribe Households living in the forest area provided that these households have no other private property except for the land rights provided under the FRA Act 2006.
5. The Ministry vide Letter No 11060/3/2009-NREGA dated 1.09.2009 issued directions in accordance with Section 27(1) of the MGNREGA to ensure due compliance with the amendment notified above for the creation of durable assets and strengthening the livelihood resource base of the poor.

6. The Ministry vide its Letter No V-24011/5/2005-NREGA dated 13.03.2009 clarified that the process of registration of households and issuance of job cards to registered households under NREGA must be carried on even after the announcement of the General Election and enforcement of Model Code of Conduct.

7. The Ministry vide its Letter No J-11013/2/2008-NREGA dated ___ mandated the setting up of a high level coordination committee under the chairmanship of the Chief Secretary of the State to ensure inter-departmental coordination in the implementation of the Act and review the implementation of works and maintenance of records at the State/District/Block respectively once a quarter.

8. The Ministry vide its Letter No _____ mandated the inclusion of NREGA workers/beneficiaries in rural poor under Janashree Bima Yojana subject to the eligibility norms stated by the Central Government.

9. The Ministry vide its Letter No J-11011/07/2012-RE-I dated 11.02.2014 clarified that no rural household applying for issue of Job Card or for provision of work shall be denied issue of job card/provision of work on the ground of non-possession of bank or post account number. Detailed standard operating protocols regarding the same are stated in the above mentioned Directive.

10. The Ministry vide its Letter No J-11011/07/2012-RE-I dated 11.02.2014 clarified that no job card holder shall be denied work on the ground of non-possession of Aadhar card.

11. The Ministry vide its Letter No M-12014/8/2008-NREGA Vol III dated 16.09.2009 clarified the acceptance of NREGA job Card as an officially valid document under Know Your Customer Norms.

CEGC AND SEGC

The Central Government has notified the National Rural Employment Guarantee (Central Council) Rules, 2006 in exercise of the powers conferred by section 31 of the act. The Central Council shall perform the duties and discharge the functions assigned to it under section 11 of the Act.

2. Composition: The Composition of the council will be as under:-

- | | | |
|----|--|---------------------------|
| 1. | Union Minister for Rural Development | _ Chairperson, ex officio |
| 2. | Secretary (RD) | - Member, ex-officio |
| 3. | Nominees of concerned Ministries,
Planning Commission, PMO | - Member |
| 4. | Representative of 6 States RD Department | -Member |
| 5. | Twelve members from Panchayati Raj Institutions,
organisation of workers and disadvantaged groups | -Member |
| 6. | Eight experts from different areas | - Member |
| 7. | Joint Secretary (RE) | - Member-Secretary |

3. The Term of Office: The term of office of the non-official members and Official members of the State Governments shall be for one year at a time and shall be eligible for re-nomination not more than three years in any case.

4. Meetings: The Central Council shall meet at least two times in a year.

5. The Remuneration: The non-official members shall be entitled to receive travelling allowance and dearness allowance and honorarium at the rate of the thousand rupees per day for the day of the meeting of the Central Council.

Section 12 of the Mahatma Gandhi NREGAct, 2005 stipulates that for the purposes of regular monitoring and reviewing the implementation of the Act at the State level, every State Government shall constitute a State Council with a Chairperson and such members of official as may be determined by the State Government and not more than 15 non-official members from PRIs, organization of workers and disadvantaged groups with 1/3rd non-official women members and at least 1/3rd members from SC/ST/OBC/Minorities. The terms and conditions of appointment, the time, procedure of meetings shall be prescribed by the State Government. The State Council shall perform the duties assigned to it under sub-section (3) of section 12 of the Act.

DEMAND CAPTURE - JOB CARDS, ROZGAR DIWAS, LABOUR GROUPS

1. The accurate capture of demand is central to the implementation of MGNREGA. The implementing agencies must ensure that workers in need of employment under MGNREGA are provided work within 15 days as mandated by the Act, the process of submission of applications, for work must be kept open and available on a continuous basis.
2. Demand may be registered using the Form 6, or orally or through written letter. Demand may also be registered through IVRS or phone helplines, which the states have implemented. The persons responsible for registering demand are the GRS at the GP and the authorised functionary at the intermediate panchayat level. The demand can be registered at the GP office, block office as well as on the worksite. The Gram Panchayat or the Program Officer as the case may be shall be bound to accept valid applications of work.
3. The demand for work must be followed by the issuance of a dated receipt without fail.
4. All the Job cards (JC) must remain in the custody of the workers and lack of possession of JC with the workers is a violation of the act. If taken for updation, the JC must be returned immediately after updating the JC. Job Cards found in the possession of any Panchayat or MGNREGA functionary, without a valid reason, will be considered as an offence punishable under Section 25 of the Act.
5. The states may hold time bound campaigns to validate JC. No JC can be cancelled in a routine manner and certainly not on the ground of non-demand/non reporting for work. JCs can be cancelled only if the HH has migrated permanently to the urban areas. In all cases, the PO after independent verification of the facts may direct the GP to cancel the JC. This list of all cancelled JC's must be made public and presented in the Gram Sabha. All additions/deletions/cancellations must be presented to the Gram Sabha, reported to PO and updated in the MIS.
6. Fresh job cards (in lieu of old ones whose validity of 5 years has expired) will only be issued in the cases where the already issued job card is not fit for further usage. Otherwise, validity of such cards will be extended by endorsing the old ones by authorized functionaries. Expenditure involved for printing of new job cards, if required, will be met from administrative expenditure within the ceiling of 6%.

Rozgar Diwas

In order to accurately capture unmet demand, as mandated in the Act i.e., within 15 days from the date of work application (Para 6, Schedule II). The Mahatma Gandhi NREGA Operational Guidelines, 2013 (Para 3.3.) has suggested organization of Rozgar Diwas" as a means of demand capture and grievance redress. Rozgar Diwas should be organised preferably at the GP level at least once a month. The details of the methodology for organising Rozgar Diwas may be referred vide circular J11012/02/2012, dated 17.10.2013.

Formation of Labour Groups of MGNREGA Workers

As per the provisions of Para 28 of the Schedule I of MGNREGA, for better awareness of the entitlements, proper capture of demand and grievance redressal, the state Governments are mandated to take steps to organise, either through their own machinery or through collaboration with CSO, MGNREGA workers into formal labour groups or collectives.

Formal labour Groups or collectives are constituted by MGNREGA worker households in possession of a Job card, and whose members have worked upto at least 10 days in the previous year. The preferable size of the labour groups is 10-15 households in contiguous habitations and neighbourhoods. Wherever, habitations are scattered, smaller groups may be formed.

The detailed guidelines for the formation of Labour Groups may be referred to vide circular J12039/1/4/2014-MGNREGA IV, dated 22.01.2015

UNEMPLOYMENT ALLOWANCE

Sections 7, 8 and 9 of the Act contain the provisions relating to payment of Unemployment allowance. Accordingly, State Governments are required to:

- a. **specify the rate** of unemployment allowance payable (which will not be less than one-fourth of the wage rate for the first thirty days and not less than one-half of the wage rate for the remaining period of the financial year),
- b. **frame Rules** governing the procedure for payment of unemployment allowance and
- c. make necessary **budgetary provision** for payment of unemployment allowance.

The **procedure** should be kept very simple and may include

- a. Automatic generation of a payment order (requiring no separate sanction order) and payment of unemployment allowance from the SEGF or any other fund specified for this purpose on the basis of data in NREGASoft.
- b. Payment to be made no later than 15 days from when it becomes due or else the recipients shall be entitled to compensation based on the same principles as Compensation for delayed Payment of Wages.
- c. Unemployment allowances to be credited to Bank/ PO account as in the case of wage payments etc.

NREGASoft has been enabled to automatically calculate unemployment allowance based on data entered by the implementing machinery. Under this, NREGASoft will check for cases of demand which has not resulted in provision of work within 15 days from the date of registration of demand or date from which work has been demanded, whichever is later. The provision of work is evidenced by the start date of issue of Muster roll . Based on this data, the UA will be calculated 'automatically and placed in the log-in of the Programme Officer for his/her decision in the matter. The decision of the PO will be made available on the web reports of NREGASoft. The **Programme Officer (PO)** will ensure that all entries relating to unemployment allowance are made through NREGASoft only.

Following the process defined in relevant rules framed by the State Government, unemployment allowance shall be paid to the workers. The State Government, DPCs and POs will monitor this (for each GP) and also take all required remedial measures including getting prepared an adequate shelf of projects in respective GP. **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.**

The liability of the State Government to pay unemployment allowance to a household during any financial year shall cease as soon as:

- a. applicant is directed by the GP or the PO to report for work either by himself or depute at least one adult member of his household; or
- b. The period for which employment is sought comes to an end and no member of the household of the applicant had turned up for employment; or
- c. The adult members of the household of the applicant have received in total at least one hundred days of work within the financial year; or
- d. The household of the applicant has earned as much from the wages and unemployment allowance taken together which is equal to the wages for one hundred days of work during the financial year.

An applicant who does not accept the employment provided to his/her household; or does not report for work within fifteen days of being notified by the Programme Officer or the

implementing agency to report for the work; or continuously remains absent from work, without obtaining a permission from the concerned implementing agency for a period of more than one week or remains absent for a total period of more than one week in any month, shall not be eligible to claim the unemployment allowance payable under this Act for a period of three months but shall be eligible to seek employment under the Scheme at any time.

Wage seekers can apply for the unemployment allowance to the Gram Panchayat or Block Office. The proforma of the JC should contain amount of unemployment allowance, if any, paid. The Employment Register (to be maintained at the GP) will contain information on details unemployment allowance paid to the worker.

Complaint regarding Non-payment of Unemployment Allowance may be filed with Ombudsperson also.

Payment of Wages

1. Provision: Section 3 (2) of MGNREGA provides that the disbursement of daily wages shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work is done. All delay in payment of wages beyond 15 days after closure of muster roll shall attract a penalty as per para 29 of Schedule II of the Act.
2. Wage Rate: Central Government will follow Section 6 (1) of the Act and notify wage rates for each financial year. Anything higher than the wage rate notified by the Central Government is will be paid by the State Governments from their own budgets.
3. Wage Revision: At the end of every financial year, Central Government shall revise the current wage rate by linking it to the consumer price index for agricultural labour of the respective states/UT. Such accounts can also be used for receiving other state benefits and for making deposits.
4. Mode of wage payment: Accounts of MGNREGA wage earners may be opened in post office/bank as per convenience of workers and wages shall be credited into the post office/bank account as the case may be.
5. Cash payments: No cash payment of wages shall be made unless specifically allowed by the Govt of India.
6. Banking Correspondent: Wherever functioning Banking Correspondents are deployed by the Banks, wage disbursement should be made by the banking network operated by the BCs.
7. Schedule of Rates:
8. The State Government shall link the wages, without any gender bias, with the quantity of work done and it shall be paid according to the rural schedule of rates fixed after time and motion studies for different types of work and different seasons and revised periodically.
9. A separate Schedule of rates shall be finalised for women, the elderly, people with disabilities and people with debilitating ailments so to improve their participation through productive work.

10. The schedule of rates of wages for various unskilled labourers shall be fixed up so that an adult person worked for eight hours which include an hour of rest will earn a wage which is equal to the stipulated wage rate; The working hours of an adult worker shall be flexible but shall not spread over more than twelve hours on any day.
11. Capacity Building: At appropriate level there should be dispute resolution mechanism where issues related to wage payment can be addressed.

Compensation For Delayed Payment Of Wages

According to Section 3(3) of MGNREGA, workers are entitled to being paid on a weekly basis, and in any case within a fortnight of the date on which work was done. In case the payment of wages is not made within fifteen days from the date of closure of muster roll, the wage seeker, as per Para 29 of Schedule II of the Mahatma Gandhi National Rural Employment Guarantee Act, is entitled for payment of compensation at the rate of 0.05% of the unpaid wages per day of delay beyond the sixteenth day of closure of muster roll.

The Schedule requires the States to divide the processes leading to determination and payment of wages into various stages viz.

- i. Measurement of work;
- ii. Computerizing the muster rolls;
- iii. Computerizing of measurements;
- iv. Generation of wage lists; and
- v. Uploading Fund Transfer Orders.

The State is further required to specify stage wise maximum time limits along with the functionary or agency which is responsible for discharging the specific function.

The States may divide these processes into sub-processes and identify functionary/ agency along with time lines. These are to be notified to ensure accountability in payment of wages and to calculate culpability of various functionaries or agencies.

Calculation of compensation

The Programme Management Information System (NREGASoft) has a provision to automatically calculate the compensation payable based on the date of closure of MR and the date of generation of the pay order (FTO) for paying wages taking into account:

- a. Date of payment of wages in account of wage seeker
- b. Date of closure of muster roll
- c. The duration of such delay
- d. Total wage payable
- e. Rate of compensation (0.05% per day).

The compensation payable in each case are displayed on www.nrega.nic.in automatically and updated daily.

Payment of Compensation

The compensation shall be met from the State Employment Guarantee Fund (SEGF), upfront. This will be recovered from the functionaries/ agencies concerned.

The compensation is to be paid after due verification. Every Programme Officer (PO) shall, within 15 days from the date that the delay compensation becomes due, decide whether the compensation that has been automatically calculated by the NREGASoft is payable or not. The exceptions in which compensation are not payable are:-

- a. Funds are not available at the paying authority level.

- b. Compensation not due.
- c. Natural calamities.

The PO will ensure that compensation claims are settled during the prescribed time within 15 days of compensation being due and such claims will not be allowed to be accumulated without decision of accepting or rejecting the claim. In all cases of rejection, the PO shall give detailed reason(s) for rejection in the NREGASoft *and maintain record of the same, in her/ his office for future verification*. All cases approved for payment of compensation shall be through eFMS in the same manner as wages are paid. DPC will monitor this regularly. Any delay in payment of Compensation beyond a period of fifteen days from the date it becomes payable, shall be considered in the same manner as delay in payment of wages.

The State Government (DPC and PO in particular) shall be responsible for operationalising the system for payment of compensation for delayed wage payments. The details are to be uploaded on NREGASoft so that the IT system calculates the liability of each functionary/ agency in case of a delayed payment.

For accounting for the compensation paid, a separate account within SEGF shall be maintained and reflected in the MIS under eFMS. The DPC and PO shall follow the extant recovery procedure to recover the compensation amount so paid under the system from the functionaries/ agencies responsible for such delay in payment of wages. The amount so recovered shall be *reimbursed* into this account.

Timely payment of wages has emerged as one of the main challenges of Mahatma Gandhi NREGA over the last few years. Therefore, systemic solutions are required to ensure that wages are paid on time. The States should ensure:-

- i. Timely submission of LB which in turn will affect fund release and flow of funds to the States/ districts
- ii. Universalisation of eFMS.
- iii. Identification of connectivity and other infrastructural bottlenecks so that these can be removed through VSAT, etc.
- iv. Operationalisation of Mobile based Monitoring System (MMS).
- v. Adequate technical personnel/ Bare Foot Technicians are deployed so that measurements are taken at the worksite by the authorized personnel within three days of closure of muster roll.

Planning and the Preparation of Labour Budget

Preparation of Labour Budget is an essential annual work plan document that entails planning, approval, funding and project execution modalities. Since the LBs are prepared in accordance with the provisions made in sections 13 to 16 of MGNREGAⁱ, the DPC has to ensure a strict adherence to the principle of bottom-up approach from planning to approval of the selected shelf of projects by each of the Gram Sabha in village panchayats of the district. Further, proceedings of each Gram Sabha in which respective LB and the shelf of projects have been approved have to be uploaded as an attachment to the respective LB in the MIS. The State Government is also required to furnish a certificate to the effect that the provisions made in the MGNREGA for preparation of LB have been taken into account and a bottom-up approach has been adhered to in the preparation of LB.

The labour Budget should comprise of:

1. A Month Wise Anticipated Quantum of Demand for work
2. Plan of Work to meet the Anticipated Demand

The following points need to be borne in mind while preparing the labour budget:

1. There should be special focus on vulnerable households while preparing estimates for anticipated demand, list of works on individual land, and list of other works that provide direct individual benefits.
2. GP Level shelf of projects should be at least two times of the anticipated demand for employment.

3. Convergence at the both the intra-departmental and inter-departmental level should be encouraged as per the State Convergence Plan.
4. The expected outcomes from executing each work should be a part of the estimate.
5. Works will be entered on the MIS as per the order of priority decided in the (Gram sabha)GP/Intermediate Panchayat/District Panchayat.
6. The works will be implemented in accordance to the priority decided by the GP/Intermediate Panchayat/District Panchayat.

Since 2014 special efforts are being undertaken for participatory planning in identified backward blocks of the country. Under this 2519 blocks were covered in 2014-15 for preparing the labour budget (estimation of demand and preparation of shelf of work) for 2015-16. In 2015-16, 2569 blocks are being covered under a more comprehensive planning process that is helping villagers in these blocks to plan for activities and beneficiaries under the Mahatma Gandhi NREGA, NRLM, Indira Awaas Yojana, National Social Assistance Programme, and the Deen Dayal Upadhyaya Grameen Kaushalya Yojana. Apart from participatory planning through village/hamlet level meetings, this planning process also includes door to door survey of the poorest and most vulnerable households to assess their demand for employment, asset creation and skill building. The process is undertaken at the grassroots level by trained volunteers who facilitate the planning process.

All States/UTs will present their state rural development plans before the Empowered committee headed by Secretary RD by 20th February, 2016. The SRDP will contain annual plans for five schemes

Time Lines

1. Annual Labour Budget for the State needs to be submitted to the MoRD by the 15th of February.
2. District Level Labour Budget shall be prepared in the month of December and submitted to the State Government by the 31st of January. This should include both anticipated demand for labour as well as an adequate approved shelf of projects.
3. Block Level Labour Budget should be submitted to the District Panchayat by the 20th of December.
4. Gram Panchayat Level Plan must be submitted to the Block Panchayat by the 5th of December.
5. Gram Sabha for approving the Gram Panchayat Level Plan must be completed before the 30th of November.
6. Gram Panchayat Level Planning process must be launched on or before the Gram Sabha on the 2nd of October and the 2nd October Gram Sabha must discuss the Planning Process.
7. Approved Labour Budget for the Gram Panchayat must be shared with the Gram Panchayat by 31st of March.

WORKS

The core objective of the Scheme is to provide not less than one hundred 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 to strengthen the livelihood resource base of the poor.

2. To strengthen the livelihood resource base of the poor, the focus of the scheme shall be on different kind of works as elaborated at Para 4 of schedule-I, MGNREGA. The different kinds of works taken up under MGNREGA are broadly grouped as follows:

- i. **WATERSHED DEVELOPMENT**
- ii. **COMMAND AREA DEVELOPMENT**
- iii. **AFFORESTATION, TREE PLANTATION & HORTICULTURE**
- iv. **AGRICULTURE INFRASTRUCTURE**

v. RURAL INFRASTRUCTURE

3. As per Para 7 of schedule-I, MGNREGA, “There shall be a systematic, participatory planning exercise at each tier of Panchayat, conducted between August to December month of every year, as per a detailed methodology laid down by the State Government. All works to be executed by the Gram Panchayats shall be identified and placed before the Gram Sabha and such works which are to be executed by the intermediate Panchayats or other implementing agencies shall be placed before the intermediate or District Panchayats, along with the expected outcomes”.

4. Implementing Agencies: As per the MGNREGA, “implementing agency” includes any department of the Central Government or a State Government, a Zila Parishad, Panchayat at intermediate level, gram Panchayat or any local authority or Government undertaking or non-governmental organization authorized by the Central Government or the State Government to undertake the implementation of any work taken up under the scheme.

The State can decide the implementing agencies, but for execution of plantation activities in the Forest Land, the State can decide for Forest Department as the implementing agency. The Line Department identified as the implementing agency-can issue the muster for the start of the work.

5. Wage Material Ratio: As per Para 20 of schedule-1, MGNREGA, “For all works taken up by the Gram Panchayats, the cost of the material component including the wages of the skilled and semi-skilled workers shall not exceed forty per cent at the Gram Panchayat level. For works taken up by the implementing agencies other than Gram Panchayats, the overall material component including the wages of the skilled and semi-skilled workers shall not exceed forty percent at the District level”.

6. As per Para 22 of Schedule-1, MGNREGA, “As far as practicable, works executed by the programme implementing 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 the quality and durability of the works.

Therefore, a clarification with suggestive list of machines which can be used under MGNREGA was issued, with the condition that in all such cases, the estimate of MGNREGA work should contain machine rate, as per the prevailing SOR of the line departments in the area & such items should be specifically social audited.

7. The Sub Para (1) of Paragraph 4 of Schedule 1, MGNREGA modified as on 21st July, 2014, lays down that “Provided that the District Programme Coordinator shall ensure that at least 60% of the works to be taken up in a district in terms of cost shall be for creation of productive asset directly linked to agriculture and allied activities through development of land, water and trees”.

To clarify on MGNREGA works, directly linked to agriculture and allied activities through development of land, water and trees, the clarification has been issued that all works of category A, all works of category B & C, except one type of work in category B & C and work at Para (vi) of category D are directly linked to agriculture and allied activities through development of land, water and trees.

8. Construction of Anganwadi Centres under MGNREGA in convergence with ICDS scheme of Ministry of Women and Child Development and other suitable: The prime objective of the guidelines is to ensure that the Anganwadi Centre in all the 2,534 most backward blocks of the country are provided a pucca building under MGNREGA. Under this convergence, up to rupees five lakh under MGNREGS & rupees two lakh under ICDS scheme will be provided for the construction of Anganwadi Centre buildings, as per the physical norms of ICDS & convergence guidelines issued.

9. Construction of IHHLs under MGNREGA: In order to give impetus to the Swachh Bharat Mission (Gramin) to achieve a clean India by 2019, the scheme of IHHL under MGNREGS shall be implemented. The unit cost of IHHL under MGNREGS will be 12,000/-.

There is proposal to take up defunct Individual House Hold Latrines, constructed earlier under different schemes. Ministry is examining the proposal to take up such defunct Individual House Hold Latrines under MGNREGA.

10. Pradhan Mantri Krishi Sinchai Yojana (PMKSY):

In an attempt to improve the agricultural productivity by providing water to every field, "HAR Khet Ko Paani", the Government of India has come up with Pradhan Mantri Krishi Sinchai Yojana (PMKSY). The Ministry of Agriculture & Farmer Welfare has issued the Operational Guidelines of Pradhan Mantri Krishi Sinchai Yojana (PMKSY)

The broad objectives of PMKSY are:

- a) Achieve convergence of investments in irrigation at the field level (preparation of district level and, if required, sub district level water use plans).
- b) Enhance the physical access of water on the farm and expand cultivable area under assured irrigation (Har Khet ko pani),
- c) Integration of water source, distribution and its efficient use, to make best use of water through appropriate technologies and practices.
- d) Improve on-farm water use efficiency to reduce wastage and increase availability both in duration and extent,
- e) Enhance the adoption of precision-irrigation and other water saving technologies (More crops per drop).
- f) Enhance recharge of aquifers and introduce sustainable water conservation practices
- g) Ensure the integrated development of rain fed areas using the watershed approach towards soil and water conservation, regeneration of ground water, arresting runoff, providing livelihood options and other NRM activities.
- h) Promote extension activities relating to water harvesting, water management and crop alignment for farmers and grass root level field functionaries.
- i) Explore the feasibility of reusing treated municipal waste water for peri-urban agriculture, and
- j) Attract greater private investments in irrigation.

Under this scheme, District Irrigation Plans (DIPs) shall be the cornerstone for planning and implementation of PMKSY. DIPs will identify the gaps in irrigation infrastructure after taking into consideration the District Agriculture Plans already prepared for Rashtriya Krishi Vikas Yojana (RKVY) vis-à-vis irrigation infrastructure currently available and resources that would be added during XII Plan from other ongoing schemes (both state and Central), like MGNREGS.

For implementation of PMKSY by convergence of MGNREGS & IWMP in 28 States, 1023 backward Blocks implementing IWMP projects, which have reached the work stage & which have been taken up for IPPE would be taken for convergence. In these Blocks, there will be co-ordinated action by MGNREGA & IWMP for the purpose of increasing irrigation potential.

10. Pradhan Mantri Adarsh Gram Yojana (PMAGY) was launched in year 2009-10 for the development of villages having a higher ratio (over 50%) of people belonging to Schedule Caste, through convergence of Central

& State schemes & allocating financial funding on a village basis. PMAGY was approved for implementation in 1000 villages having more than 50% SC concentration in five States namely, Rajasthan, Tamil Nadu, Assam, Himachal Pradesh and Bihar. Concerned States were advised by the Ministry to take up individual land development in the land holding of SC families in the selected villages under MGNREGS on a priority basis & to take proactive steps in preparation of shelf of works, giving maximum days of employment to needy SC households. **Ministry has issued guidelines on procurement of material/ items under MGNREGA, that,** Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of completion in public procurement.

• **The procedure to be followed in making public procurement must conform to the following yardsticks:**

- (i) The specifications in terms of quality, type etc. as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs, to meet the basic needs of the implementing agencies, without including superfluous and non-essential features & avoid purchasing quantities in excess of requirement.
 - (ii) Offers should be invited following a fair, transparent and reasonable procedure;
 - (iii) The PIA should be satisfied that the selected offer adequately meets the requirements in all respects;
 - (iv) The PIA should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
 - (v) At each stage of procurement the concerned PIA must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.
- The items/material proposed to be procured should strictly be for the permissible works under MGNREGA.
 - All procurement made should be posted in the MIS for the monitoring. Quantity procured, total amount spent, the scheme for which the material procured, date of delivery of material etc. should invariably be indicated.
 - While procuring material/items, principles indicated in the General Financial Rules may scrupulously be followed and all related records kept meticulously for scrutiny by any authority including public.

Emphasizing on continuous availability of works: As per the provisions of Section 9, Schedule 1 of the MGNREGA , State Governments must ensure that at least one labour intensive public work is open in every Gram Panchayat of the state at all times. Emphasis must be laid also on completing ongoing and incomplete works.

13. Guidelines/ circulars/ advisories issued on works and are relevant have been tabulated with brief of the guidelines (Table-I)

14. Convergence of MGNREGS with other ongoing schemes of different Ministries:

As per Para 6 of schedule-1, MGNREGA, effective inter-departmental convergence till the last milestone implementation level of the works under the Scheme with other Government Schemes/ programmes has to be made, so as to improve the quality and productivity of assets, and bring in synergy to holistically address the multiple dimensions of poverty in a sustainable manner.

15. Convergence guidelines issued so far from the ministry and are relevant to convergence have been tabulated (Table-II) :

TABLE-I

Sr. No	Subject	File No	Date of Issue	Brief Description
	WATERSHED DEVELOPMENT			
1	Construction of water harvesting structures under MGNREGA Regarding	J-11017/1/10-MGNREGA	22/5/2015	Construction of Earthen Plug & Gabion in upper & middle reaches of drainage line and construction of Drop Spillway & Earthen Dams in middle & lower reaches of drainage line, with design criteria were advised.
2	Advisory on preparedness for anticipated drought- regarding	1017/40/2011-MGNREGA(UN)Part-III	8/5/2015	The States/ UTs were advised to construct maximum number of different kind of water harvesting works to mitigate drought.
3	Advisory to give special focus on recharging ground water including drinking water resources	J-11017/40/2011-MGNREGA (UN)	7/8/2014	Roof Top water harvesting and where drinking water schemes are dependent on bore-wells, to take up aquifer recharge structures & may use the borewell recharge structure taken up by the Andhra Pradesh/ Telangana as a National model.
4	Repair and Renovation of water bodies	J-11016/48/2011-MGNREGA	17/04/2013	States should consider for taking up renovation and repair of traditional water bodies in every Panchayat area. For this, after collecting list of existing water bodies at Block & GP from the nodal officer of Water Resources Department, to be included in the development plan & annual shelf of works.
5	Advisory on Development of pasture lands under MGNREGA for drought proofing	J-11017/40/2011-MGNREGA (UN)	14/08/2012	Plantation of fodder trees of the indigenous species, suitable for the local soil and climate with participation of Gram Sabha, SHG was advised. For better germination of seeds, sowing in pellet (mixed with dung & black soil) after soil & moisture conservation works was also advised.

Sr. No	Subject	File No	Date of Issue	Brief Description
6	Advisory on construction of inlet and outlet in Farm Pond/ Talab	J-11017/40/2011-MGNREGA (UN)	23/11/2011	Construction of inlet with silt trap and outlet based on design should be constructed for the overall durability of the ponds/ talab was advised.
COMMAND AREA DEVELOPMENT				
7	Maintenance and Rehabilitation of canals / drains	J-12036/1/2013-MGNREGA (Pt.III)29080	16/09/2014	Proposal of the GP (collated at the Block level) for desilting/ rehabilitation/ maintenance of canals and drains shall be considered in consultation & convergence with the irrigation department. Only cases where maintenance requirement is established, but could not be addressed as a part of the regular maintenance work, can be considered under MGNREGA which may include desilting, maintenance of canal bunds and repair of lining etc., for which detailed survey, with existing L-section & designed L-section has to be carried out.
8	Guidelines on construction of water courses under MGNREGA	J-11017/41/2011-MGNREGA (UN)	18/09/2012	Construction of water courses in convergence with ongoing schemes in the area (CAD&WM of MoWR & RKVY of MoA etc.) and in areas where other schemes for construction of water courses are not available, have been detailed.
AFFORESTATION, TREE PLANTATION & HORTICULTURE				
9	Plantation and Maintenance of trees producing oilseeds-reg	J-11017/17/2008-NREGA (UN)(Part-II)	29/12/2014	To promote livelihood activities of the vulnerable section by taking up the plantation of 11 major tree borne oilseeds (TBOs) recommended by the Ministry of Agriculture.
10	Plan of action for road side plantation under MGNREGA	J-11017/17/2008-NREGA (UN)	31/7/2014	It envisages the States/UTs to conduct roadside tree plantation in convergence with PMGSY and National Highway Authority of India (NHAI).

Sr. No	Subject	File No	Date of Issue	Brief Description
11	Muzaffarpur Model on roadside plantation under MGNREGS	J-11017/40/2011-MGNREGA (UN	10/09/2012	Job card holders were employed from 3 house hold to raise 200 trees with 3-4 year maintenance under MGNREGS. The payment for maintenance is based on survival of plants.
12	Advisory on Tree Guard	J-11017/40/2011-MGNREGA (UN	11/1/2012	For the protection of Block Plantations, Live fencing should be preferred, supported with ditch cum bund and for protection of Individual plants, tree guards prepared from locally available plant material like Bamboo tree guards etc. should be preferred
	AGRICULTURE INFRASTRUCTURE			
13	Construction of Goat shelter MGNREGA	J-11017/40/2011-MGNREGA (UN	3/12/2014	In this advisory, two models of goat shelter are advised.
	RURAL INFRASTRUCTURE			
14	Guidelines for field trials for production of building materials only for MGNREGA works	J-11017/26/2008-MGNREGA (UN	13/1/2014	The production of building material required in execution of MGNREGA works, as one of the activities under MGNREGA has been included in schedule-1,MGNREGA at Para 4.(1) (vii). Such production is not permitted as a 'standalone' activity i.e. material produced under MGNREGA shall be used for works under MGNREGA only and not to be sold in the open market.
15	Directive under section 27 on use of appropriate technologies in construction of buildings under MGNREGA	1011/5/2006-NREGA (Part-II)	18/03/2014	The paragraph 13 (a) of schedule I (as revised in January, 2014) of MGNREGA mandated use of labour intensive and cost effective technologies and local materials in construction. To implement the mandate in all MGNREGA buildings and other construction works, Directive has been issued.
16	Guidelines for construction of Houses (Sanctioned under IAY or such other State or Central Government scheme) under	J-11017/40/2011-MGNREGA (UN	30/6/2014	The total number of unskilled person days required for construction of a house of at least 20 sqm, 95 person days for north east and hilly region and 90 person days for other areas can be paid under MGNREGA, over and above the unit cost fixed for

Sr. No	Subject	File No	Date of Issue	Brief Description
	MGNREGA			IAY/ other housing scheme.
17	Clarification on providing unskilled wage component under MGNREGA	J-11017/40/2011-MGNREGA (UN)	14/7/2015	As an additional assistance over and above the unskilled 90/95 person days, building materials may be produced under MGNREGA for construction of houses.
18	MGNREGA-SBM –list of villages for under MGNREGA	J-11017/41/2011-MGNREGA (par)	17/3/2015	Number of GPs & toilets identified under MGNREGA, where sufficient material component is available.
19	Clarification on MGNREGA works directly linked to agriculture and allied activities through development of land, water and trees	J-11017/41/2012-MGNREGA (UN)(Pt.-II)	17/09/2014	Clarification has been issued that all works of category A, all works of category B & C, except one type of work in category B & C and work at Para (vi) of category D are directly linked to agriculture and allied activities through development of land, water and trees.
20	Outcome orientation in works under MGNREGA	J-11011/02/2010-MGNREGA (Policy) 10093 J-11011/02/2010-MGNREGA (Policy) 10093	5/8/2014	Para 13. c) of Schedule-1, MGNREGA, provides that each work proposed to be taken up under MGNREGA shall have a summary of the estimate, design and a technical note that indicate the expected outcomes from implementing the work. In this regard Ministry has further issued instructions on outcome orientation in works under MGNREGA.
21	Estimation of period required in completion of MGNREGA works	J-11017/40/2011-MGNREGA (UN)	28/2/2014	The incomplete works should be given first priority & it should be ensured that no technical sanction is issued without mention of estimated period of completion in it. A model exercise indicating the number of days/ months required for completion of different type of MGNREGA works was also enclosed with the circular for reference/ guidance.

Sr. No	Subject	File No	Date of Issue	Brief Description
22	Clarification for taking up work during Kharif season	L-12053/5/2010-MGNREGA	27/07/2011	It was clarified that works shall continue to be taken up as per the demand generated in a manner prescribed in the Act. Irrespective of season.

Table II

Sr. No.	Subject	File No.	Date of Issue	Brief Description
I	Guidelines for construction of Anganwadi Centres in convergence with ICDS scheme of M/o WCD	J-11016/11 /2012- MGNREGA IV	13-08-2015	Brief description given in above note.
II	Convergence of MGNREGA with Pradhan Mantri Adarsh Gram Yojana (PMAGY) regarding	J-12039/1/3 /2014 - MGNREGA -IV	17-03-2015	Brief description given in above note.
III	Operational Guidelines of Pradhan Mantri Krishi Sinchai Yojana			Brief description given in above note.
IV	Action plan for convergence of IWMP & MGNREGS for achieving the goal of PMKSY	J-11017/17/ 2008- NREGA	11-5-2015	Convergence of MGNREGS & IWMP in 28 States 1023 backward Blocks implementing IWMP projects, which have reached the work stage & which have been taken up for IPPE would be taken for convergence under PMKSY.
V	Guidelines for convergence of MGNREGS with GIM of Ministry of Environment, Forest and Climate Change	9-5/2015/GIM /MGNREGS	03-03-2015	As per the guidelines , where the plantation has been done in the common lands, the entire usufruct from the trees will be assigned to the vulnerable sections identified by the Gram Sabha. However where the plantation has been done in the forest lands, a system of sharing of usufruct would be extended to the households maintaining these plantations.

VI	Guidelines for taking up Coconut plantation through convergence of MGNREGS AEP Scheme of Coconut Development Board, MoA, GOI)	J-11017/48/ 2014- MGNREGA (UN)	20-02-2015	<p>Under this convergence guideline, a) All the labour intensive works will be covered under MGNREGS in the initial 2 years, b) Activities including supply of material for initial two years and technical support will be covered under the schemes of Coconut Development Board, c) Remaining activities will be carried out by the beneficiary as beneficiary contribution.</p> <p>It was also clarified that after removal of the aged coconut gardens, new plantation can be taken up under MGNREGS in accordance with the convergence guidelines issued by the Ministry, but no cost for removal of the aged coconut trees can be booked under MGNREGS.</p>
VII	Guideline on watershed management works taken up independently under MGNREGA or in convergence with IWMP	J-11017/17/ 2008- NREGA (UN)	11-08-2014	<p>In this guideline, it is mentioned that watershed management works can be taken up independently under MGNREGA, where there is no IWMP project sanctioned. Standalone works in this category without comprehensive water plan shall not be permitted. Watershed management works under MGNREGA in convergence with IWMP, can be taken up in both, areas where IWMP is already under implementation and new IWMP projects, without duplication or double counting of the works.</p>
VIII	Guidelines for taking up Rubber plantation through Convergence of MGNREGS and Schemes of Rubber Board, Ministry of Commerce and Industry, GOI	J-11017/17/ 2013- MGNREGA (UN)(Part-III)	02-08-2014	<p>Two schemes i.e. Rubber Plantation Development Scheme (RPD) and Rubber Development in North East (RDNE) provides handholding support to cultivators during the initial years of rubber plantation development and builds capacities in rubber cultivators, when the plantation is ready for harvest. Further, the scheme of Rubber Board facilitates value addition (forward linkage) and also provides a strong marketing network so that the remote rural areas are assured of appropriate market linkages.</p>

IX	Project for convergence of MGNREGS, NRLM & the CFT Strategy: 250 blocks	J-11012/01/ 2012-MGNREGA (Part-I)	6-11-2013	Project for convergence of MGNREGS, National Rural Livelihood Mission (NRLM) and the Cluster Facilitation Team (CFT) strategy is to synergies the functioning of MGNREGA and NRLM, so as to substantially enhance the quality of assets being created in the MGNREGS and thereby ensure better sustainability of better rural livelihood.
X	Guidelines for Convergence MGNREGA with Catalytic Development Programmes of Ministry of Textiles (MoT)	J-11017/17/ 2013-MGNREGA (UN)(Part-II)	08-10-2013	Activities proposed under MGNREGS are- Clearing/Land development, Pit digging and transplantation, Soil treatments, Watering, Basin formation and Weeding, Manure application, Plant protection/ Disease management inputs. The activities proposed to be covered through Central Silk Board schemes and beneficiaries contribution are - Host Plantation, Silkworm rearing, cocoon harvesting and all post cocoon activities till marketing. The beneficiaries will contribute towards part of labour and material inputs.
XI	Construction of play fields under MGNREGS	J-12055/1/2007-MGNREGA	11-02-2013	As per the guideline, there should not be more than one play field in one village. The Play field will be for the games/ sports as may be covered under Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA) Scheme of Ministry of Youth Affairs and Sports, and the size of the playfield should be constructed accordingly. State Government, as per their convenience/ feasibility, may converge with PYKKA or other State Schemes for providing value addition or up-gradation of playfields so developed.

XII	Guidelines for convergence of Rajeev Gandhi Khel Abhiyan (RGKA) & MGNREGS			Guidelines for construction of Sports Complex at Block level under the RGKA in convergence with MGNREGS & other schemes have also been issued by the Ministry of Youth Affairs & Sports, vide letter No. dated . Under these convergence guidelines fields for outdoor games are to be constructed under RGKA in convergence with MGNREGS.
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MGNREGA MIS

MIS (NREGASOFT)

A. MIS and its timely data entry by the end of financial year

Concurrent monitoring plays an important and crucial role in effectively deploying resources towards meeting the objectives of MGNREGA. A programme of the scale and architecture that MGNREGA is can be effectively and conveniently monitored using Information and Communication Technology (ICT).

Transparency and Accountability are at the core of MGNREGA. Para 13 (a) of Schedule I of the Act also stipulates that all information relating to the implementation of the Act shall be pro-actively put in public domain.

Towards these two goals, the Central Government has developed a work flow based, web enabled application (known as NREGASoft) which is hosted at the portal accessible as <http://nrega.nic.in>. NREGASoft provides for recording of all transaction details of different processes in implementation of MGNREGA and putting the same in public domain.

With this enabling architecture of NREGASoft it is essential that States/ UTs do timely reporting. So that the public domain (<http://nrega.nic.in>) represents the picture of MGNREGA implementation almost on or close to real-time. States/ UTs are also advised that the MIS entry for a particular financial year is closed by the end of that financial year (i.e. by 31st March of the financial year).

B. MIS Measurement Book

States have been advised that all measurements of work done shall be recorded in the measurement book (MB) duly authorized and issued by competent authority. Measurement recorded in MB need to be entered in NREGASoft to determine valuation of work done. The following entries are required to be made for this purpose:

Activity component

(i) Activity (ii) Length (iii) Width (iv) Height

Thereafter the quantity will be calculated by the system.

(v) Unit cost

The Total cost will thus get calculated by the system.

(vi) Labour component

Material component

(i) Material name (ii) Quantity (iii) Unit price (iv) Total (calculated automatically)

Also enter the Mate name, Engineer Name and Engineer Designation.

Ministry has earlier advised states to make the MB entry in MIS mandatory. As a result some states have made MB entry mandatory in the MIS. All other States/ UTs which have not made MB

entry in MIS mandatory are once again advised to make MB mandatory in the MIS. This will be reviewed on a regular basis with the states henceforth.

C. e-Muster Roll

States have been earlier advised that before starting a work, the GP shall inform the PO, so that the PO can issue the required muster rolls. If the PIA is other than GP, then the concerned GP will inform the same to the PO, who will issue work order to the concerned PIA along with the required muster rolls.

The muster rolls should be authorized by the PO and issued to GPs and other implementing agencies within three days from the date they declare their intent to start works. Only those musters that are signed/ certified by PO are considered authentic for generation of pay orders. Necessary steps should be taken to avoid fake musters. A record of muster rolls issued by the Block & muster rolls received by the GP shall necessarily be maintained and strictly monitored.

Currently, there are two distinct processes adopted for issue of muster viz. (i) e-muster & (ii) paper muster. It is clarified here that e-muster shall be the norm. Only in exceptional and unavoidable circumstance, paper musters can be issued. For generating e-muster following details are required to be filled:

i) Panchayat name, ii) Work Code, iii) Date from.....Date to....., iv) Worker category (unskilled or skilled/ semi-skilled) and v) Number of workers in one muster roll.

In the case of e-muster, Muster roll numbers are generated by the software and therefore, not required to be entered in the system. However, e-muster will also be required to be certified by the PO.

Note:- As per the current provision in the MIS, Gram Panchayat may print the certified/ issued e-MR by the PO using the respective login passwords in NREGASoft.

States that are unable to generate and use e-muster may continue to use paper muster rolls. In such cases, each muster roll should be uniquely identified and certified by PO. However, Only numbered muster rolls will be maintained on the work site. No kachha Muster Roll (a document which is not authorized or issued by the PO) can be used at the worksite for recording attendance.

Regarding the implementation of e-MR Ministry vide letter No K-11011/2/2008-NREGA-MonTS (1742) dated 5th February, 2013 has shared detailed guidelines to implement e-MR in a time bound manner along with the FAQs and its benefits. States are once again requested to implement the e-MR in all locations wherever possible by 01st April, 2016.

PAYMENT SYSTEMS UNDER MAHATMA GANDHI NREGA

e-FMS , PFMS AND NE-FMS

A. Electronic Fund Management System (e-FMS):

e-FMS provides a platform for making e-payments to workers, staff and vendors (wages, material and administrative expenses) using the payment network of financial Institution (e.g. NEFT/ RTGS/

ECS/ /APBS/ Sanchaya Post), thus addressing the issue of delay in payments to a larger extent and making the MIS real time transaction based.

e-FMS has been implemented in more than 94% of the location under MGNREGA. However, to universalize e-FMS at all locations States/ UTs were advised vide letter K-11011/2/2008-NREGA (Mon)/TS (FTS-15628) dated 23rd June, 2014 to extend e-FMS to all blocks after addressing the issues of IT connectivity; so as to achieve 100% e-FMS implementation. Accordingly, a VSAT project was planned to address the IT connectivity issues.

All States/ UTs are advised to review the reasons for not implementing e-FMS in leftover locations (Gram Panchayats) and take measures to implement the e-FMS latest by 1st April, 2016.

B. Public Fund Management System (PFMS)

States/ UTs were communicated vide letter dated 24th March, 2015 that “based on the decision of the Ministry of Finance it has been decided that from 01st April, 2015 all MGNREGA payments will be routed through PFMS”. As of now all Bank FTOs (Fund Transfer Orders) are routed through PFMS except Postal FTOs.

Ministry in co-ordination with Department of Post and PFMS is planning to soon start the routing of Postal FTOs through PFMS. This will be implemented only after intimating the State Governments.

C. National Electronic Fund Management System (Ne-FMS)

With a view to further streamline the fund flow system and to empower the State Governments/grass-root implementation agencies to deliver entitlements as per the objectives of the Act, without constraint of funds, the following has been approved under Ne-FMS:

a) Wage Component:

The wage component of MGNREGA, which is entirely (100 percent) the responsibility of the Central Government, will be operated as a central sector scheme under the Major Head-2505. Funds under this component will be released, **following the DBT protocol i.e. through the SEGF account (State Employment Guarantee Fund), direct to the worker accounts, based on a FTO to be generated by States’ implementing agencies** in accordance with the procedures to be prescribed by the Ministry of Rural Development.

b) Material and administrative components:

The material and administrative components will continue to be operated as centrally sponsored scheme, to be released to the State Consolidated Fund under the Major Head-3601.

Ministry is planning to implement Ne-FMS across the country under MGNREGA in a phased manner ONLY after the successful implementation in a pilot state. The next course of action for the pilot state will be informed soon.

ICT INFRASTRUCTURE

A. Mobile Monitoring System (MMS)

States/ UTs may refer to this Ministry's letter No. J-11011/2/2008-MGNREGA dated 15th January, 2015 regarding the implementation of the Mobile Monitoring System (MMS).

In this context, may also refer to the minutes of meeting held on 27th August, 2015 and 28th September, 2015 with the State MIS Nodal officer to review the implementation of MMS apart from other ICT/ MIS related issues.

In the above MIS Nodal Officers meeting states have shared following main issues with Ministry to analyze and suggest solutions so as to expedite MMS implementation in an effective manner:-

1. MMS software has been designed for ONE-GP ONE MOBILE/TABLET model. States have requested for One-Device to one/multiple villages in a GP may be allowed. This was requested from states where the size of the GP is huge and one device may not serve the purpose. State like Kerala has requested to use it at the village level rather than the GP level.
2. States requested for One GP multiple device registration. Role based registration and use to be allowed.
3. Some states requested for new modules like check measurement, etc.
4. Delay in procurement process by states.

Accordingly, the above issues were analyzed in the Ministry and states and NIC-RD are advised henceforth as follows:-

1. **Role based model:**
 - The MMS application will be customized to meet the requirements of Gram panchayat functionary who is responsible for demand capture, work allocation and attendance at worksite. Generally these are the responsibilities of Gram Rojgar Sahayak (GRS) which in some states may be referred with other names also.
 - In addition to this, Technical staff (Technical Assistant) will also be one of the stakeholder in the MMS scheme to carry out the measurement related data entries.
 - Mapping provision will be provided to states to map the roles with functionaries and modules made operational.
2. **MMS Modules:**
 - As per the MMS scheme there will be 8 modules for the states to make use of for the purpose of real time data capture and reporting viz. :- (1) Capture photographs of the works, (2) Demand Capture, (3) Work allocation, (4) Generation of e-Muster, (5) Daily attendance, (6) Measurement, (7) Check Measurement and (8) Aadhaar seeding module.
 - However, to start with Ministry will advise states to first implement the following **four core modules** on top priority latest by 01st April 2015 at all locations:-
 1. Demand Capture
 2. Work allocation
 3. Daily attendance

4. Photographs of the works/ assets

NOTE: The demand and photograph will continue to be registered from all options currently available.

3. Identification of the locations:

- Strategy may be to identify the Gram Panchayats (GPs) so that the mandatory modules including the additional modules selected by states are fully and effectively implemented under MMS. For all such GPs and MMS modules, online entry through NREGASoft will be closed.
- Identification of the locations may be done first be prioritized in the IPPE locations. However, in case if there are any locations blocks/ GPs where MMS is needed to cater the need of internet connectivity. The locations may be changed one time using NREGASoft by the State DBA.

4. Implementation & timelines:

- State DBA will be provided with the option to declare the dates of implementation in the selected MMS location in the NREGASoft.
- State may mark any date before 1st April, 2016. In case of not implementing the selected location before 1st April, 2016, Ministry will automatically switch such locations on MMS.
- Once the location is declared as MMS location and the date of implementation has been entered in NREGASoft. The data entry from the online version of NREGASoft will be disabled for the four core modules or the modules selected in addition to these four.
- Additional modules which state may want to implement have to be marked in the NREGASoft. After which all such modules will be enabled for those selected locations in a state.
- In the MMS locations the data entry provisions for the GP in NREGASoft at block –PO login will be disabled.

5. Training:

- MoRD will schedule a one day training workshop for the State Nodal Officer and the dates will be shared soon.

a. Internet Connectivity through VSAT

MoRD has approved the project for internet connectivity through VSAT in 468 locations. It is being operationalized by the DeITY. Ministry is regularly monitoring this with DeITY / States and have been advising on the pending actions to be taken by State Governments in order to expedite the VSAT implementation.

However, in case if there is an inevitable situation requiring a change in the VSAT location decided earlier, in such cases states have been advised earlier to make a change request only if the VSAT has not been installed at that location and internet connectivity is available at that location. In all such cases, cost of transfer to new location may be booked **one time only** from the administrative head under MGNREGA.

DIRECT BENEFIT TRANSFER (DBT) AND THE AADHAR PLATFORM

In January 2013, the Government of India rolled out Direct Benefits Transfer (DBT) in select districts and schemes across the country, under which benefit payments for social welfare schemes are to be paid directly into Aadhaar linked bank accounts of beneficiaries. Additionally, Aadhaar number issued by Unique Identity Authority of India (UIDAI) is being used as a tool for de-duplication of beneficiary records so as to eliminate fake/ 'ghost' beneficiaries from government databases.

Under MGREGA all payments to the workers has to be done into the accounts of the workers either in the Bank/ Post Offices unless exempted by MoRD in special circumstances. Under MGNREGA DBT means directly crediting the benefits/ wages into the accounts of the workers. The credit may either happen using the banks/ Post office account details or using the Aadhaar number of the beneficiary with which the account may be linked. The account details of the workers has also been updated regularly in the MIS by the states but in order to make the Aadhaar based payments there is a need for Aadhaar seeding apart from its use in deduplication.

The Ministry of Rural Development intends to use Aadhaar with the consent of the beneficiaries in all the MGNREGA districts in stages for improving the delivery of services to the wage-seekers.

STEP 1:

Seed the Aadhaar numbers of active workers in the database through an intensive house-to-house check.

STEP 2:

Make wage payments directly into an Aadhaar linked bank account using the Aadhaar Based Payment System (APBS) – ensuring greater speed, transparency and accuracy.

DBT STRATEGY/ ACTION PLAN:

In order to implement the DBT in all the MGNREGA districts the following DBT strategy/ action plan is advised to all states/ UTs to be implemented:

- I. Seeding of Aadhaar numbers for all active workers in all MGNREGA districts.*
- II. Manual verification of all Aadhaar numbers that failed demographic authentication with the UID data by Programme Officer.*
- III. Verification and confirmation of the accounts of all the active workers by referring them to the Bank/Post Office concerned.*

- IV. Seeding of the verified Aadhaar number in the Bank/Post Office accounts and placing them on NPCI Mapper.*
- V. Confirmation of conversion of NEFT/CBS/RTGS mode of payments to Aadhaar enabled payments (APBS) for the beneficiaries which are willing henceforth.*

I. STRATEGY FOR SEEDING OF AADHAARS

In order to seed the Aadhaar numbers of all active beneficiaries following strategy may be implemented:

A. CAMPAIGN APPROACH:

A drive should be undertaken by the States to get all the active workers enrolled under Aadhaar (if not yet done) and seed the Aadhaar numbers of all active workers before **20th February, 2015**.

- ❖ At the District level the campaign shall be led by the DPCs at the district level. The State Govt. shall hold an orientation session with all the DPCs before **30th November, 2015** to explain to them the task.
- ❖ At the Block level, the BDOs will be the Charge Officers for this campaign. The DPC will be responsible for training the BDOs in conducting the operation.
 - a. BDOs and POs shall entrust the work of collection of Aadhaar numbers to the GRS concerned.
 - b. A report is available on NREGASoft listing the names of active workers whose Aadhaar number has not been captured in the database – village wise. BDOs will ensure that this is printed and available with the GRS.
- ❖ At the GP level, the GRS shall be the person to collect the Aadhaar numbers.
 - c. There shall be an orientation and training workshop for the GRSs at the Block level to take up this work on a campaign mode. During the workshop, GRSs shall be explained the task and shall also be provided with the list of the active workers whose Aadhaar numbers are not available in the database.
 - i. GRS shall collect the Aadhaar number along with a Xerox copy of the Aadhaar letter or Aadhaar card for comparing at the Block level before data entry.
 - ii. The Gram Rozgar Sahayaks (GRS) shall be mandated to do this task complete the task given satisfactorily.
 - iii. Every weekend, the GRSs shall report back to the Block office along with the list of Aadhaar numbers collected during the week. These meetings shall be held weekly till the saturation is done. It is expected that all the households are covered before **31st January, 2016** by the GRS.

Computerization

The Computer Operators in the Block/ GP Office shall be mandated to do the data entry after due verification of the accompanying details. The progress of data entry will be displayed on daily basis in the website and also communicated to the DPCs.

A. MANUAL VERIFICATION IN CASE OF AUTHENTICATION FAILURE BY THE POs

MoRD does demographic authentication of the Aadhaar data which is seeded in NREGASoft using the Authentication User Agency-Authentication Service Agency appointed by UIDAI and ensures that Aadhaar numbers entered are correct.

Wherever the records seeded with Aadhaar numbers fail the demographic authentication, they need to be manually checked for inaccuracies by the PO or some other senior functionary. This can also be done by physically checking the workers' Aadhaar letters. There is a report in the cases waiting/ pending for verification. A list of such numbers is provided in each PO's login. POs shall be mandated to complete this verification for active workers before **31st January, 2016**. This task may be done on a regular basis for the residual beneficiaries.

ACCOUNT FREEZING DRIVE

All bank accounts where the payments are being made shall be verified with the Banks/Post Offices and confirmed in the online database.

Since no payment can be made to a bank account which has not been verified and confirmed, it is essential that such accounts be checked and confirmed (frozen) in the database by the POs.

The list of all such accounts that need to be confirmed (frozen) is placed in the PO's log-in. Each PO can take a print of this list Bank/Post office wise.

BANK ACCOUNT SEEDING AT BLOCK LEVEL

Each PO will be mandated to approach the Bank/Post Office concerned along with the list of verified Aadhaar numbers with a request to seed in the Bank/Post office records. The list of these records is placed in the PO's log-in Bank/Post Office-wise. The PO needs to sign and submit the same with the Bank/Post Office and ensure that they complete seeding of such records both in the banks' Core Banking System and in the NPCI mapper.

B. AADHAAR PAYMENT BRIDGE SYSTEM (APBS)

The APBS works only with the bank accounts which are on CBS platform. Under this system, all transfers into accounts are electronic and near real time. As and when a pay order is released, the NPCI electronically processes these payments, debits the sender's account and credits the beneficiary account and sends a response file within 24 hours. It has capacities to eliminate delays and bring transparency into the payment process.

Ministry has established a fully automated system through the central server to bring in APBS that completes the following tasks.

- i. Once the Aadhaar number is seeded the database, the server automatically checks it with UID database within a period of 7 days, and segregates the confirmed records and the rejected records.

- ii. Rejected records are sent to the PO automatically with a request to re-check the details on the field.
- iii. All confirmed records are sent to Banks after digital authentication to banks for seeding in the bank records.
- iv. Banks seed and place the data on NPCI mapper.
- v. **Earlier, after a Mapper check, the accounts which are mapped with Aadhaar in Bank database are converted automatically to APB system.**

IMPORTANT CHANGE HENCEFORTH:

The above process is changed and the conversion to APB System will only be done after the PO takes the consent of the worker to make his/ her Aadhaar linked payments through APB system. PO will have to update the flag in the MIS for all such workers.

C. Pradhan Mantri Jan Dhan Accounts (PMJDY)

Under MGNREGA since all payments is done using the beneficiary's Bank/ Post Office accounts unless exempted. As of now, there are total 10.92 Crore accounts of the MGNREGA worker in Bank/ Post Offices. Out of this there are 4.72 Crore accounts are in Commercial Banks and 1.79 Crore in RRBs.

States are advised to coordinate with the banks for opening accounts of the MGNREGA workers on priority. However, very few new PMJDY accounts have been reported in MGNREGA MIS therefore Ministry is requesting DFS to clarify and confirm MoRD if the existing MGNREGA worker's accounts in Banks may be converted into PMJDY accounts along with the eligibility for RuPay debit card and life cover as per the PMJDY scheme guidelines.

D. MONITORING DBT IMPLEMENTATION

- i. The Ministry of Rural Development will monitor the progress in this through a monthly **video conference** with all concerned States, and with the DPCs of districts having bulk of the seeding work left. These VCs will be held to monitor progress in seeding.
- ii. This will also be monitored in the regular **MIS Nodal Officers meeting** with the State governments.
- iii. The progress / pending task will also be shared with the state Governments through the **monthly DO letters** sent to State Govts.
- iv. Regular **SMS alerts** will be sent to all the DPCs/ Collectors in-charge of MGNREGA along with the State Head Quarter Officers.
- v. Wherever required, **handholding support** will be provided to States by deputing resource persons from the Ministry/Other States. These resource persons would be interacting with the respective States on a periodic basis to track progress, address roadblocks, and resolve issues.
- vi. **MIS reports and enabling provision** will be made available from time to time as per state government's needs.

FINANCING MGNREGA

Section 22 of the MGNREG Act provides for the funding pattern under MGNREGA. Operational Guidelines, 2013, provides for detailed instructions with conditions for release of funds to the States. Funds are released to the States/UTs normally in two tranches on the basis of agreed to Labour Budget (LB) and performance of the States/UTs during the year.

1st Tranche is released to States/Districts in the month of April. The quantum of 1st Tranche is based on the number of person days projected by the State/UT for the first six months of the year (upto September) in the Labour Budget. However, it would not exceed 50 percent of the total Person days agreed to in the Labour Budget.

The first tranche is released after adjusting unspent balance available with the districts/States. Audit Report for the year before last is required before release of 1st 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 district/ state has utilized 60 percent of the total available funds. If the proposal for 2nd Tranche is submitted after 1st October, then the Audit Report for the last year is also required. **Quantum of Funds to be released as part of second tranche depends upon the performance of the State/UT.**

1st Tranche

- Once LB 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 labour demand. NREGA Soft will estimate the requirement of funds under MGNREGA based on this information.
- The 1st tranche is estimated on the basis of funds required for initial six months of a FY or 50 per cent of agreed to LB for the State/UT, whichever is lower, less the opening balance as per MIS.
- As MIS reports form the basis of fund release, it is necessary that all expenditure is entered in NREGA Soft. Expenditure not entered in NREGA Soft will result in larger opening balance than what is available and the 1st tranche would be lower by an equivalent amount.
- Details of works proposed in the agreed to LB need to be entered into the software and should be from the approved shelf of projects.
- 1st tranche is released to the State Fund subject to submission of the following certificate/documents:
 - "A certificate to the effect that accounts for all the districts of the State for the FY before last have been examined and settled.
 - "A certificate on settlement of all audit paras under MGNREGA.
 - "Detailed Action Taken Report on the complaints forwarded to the State.
 - "A certificate indicating satisfactory compliance of Ministry's clarifications/suggestions/ advice/ observations issued from time to time on the implementation of MGNREGA in the State/Districts.
 - "No misutilisation /unrelated expenditure and misappropriation of funds are noticed during the year.

- "A detailed checklist on pre-requisites/ documents for release of 1st tranche of Central share to SEGF (**Annexure -23 of the Operational Guidelines, 2013**).
- After receipt of Central share and the matching State share in the State fund based on an assessment of requirement and availability of funds with districts, funds would be transferred to districts/ Panchayats by the State from the State Fund. However, if the State is using one centralized e-FMS fund for payments, this would not be required as all implementing agencies would draw from the centralized fund.
- If the State Govt. is required to transfer funds to Districts/ Panchayats, due care has to be taken while doing so. If funds in excess of the requirements are released to these entities, the unspent balances with the State Govt. would remain high which impact adversely, release of 2nd tranche as 60% of the available funds within a State are required to be spent before the proposal for 2nd tranche is processed.

2nd Tranche

- The State will submit a consolidated proposal for 2nd tranche, to the Ministry, only after utilizing 60 per cent of total available fund with the State as a whole and compliance of the prerequisites as laid down under MGNREGA.
- 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 MGNREGA and in cases where this has happened adequate steps have been taken to punish the guilty and recover the embezzled or misappropriated amount.
- In case, State becomes eligible for release of 2nd tranche after 30th September in a FY, the State will submit a certificate stating that ARs and 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.
- If there are pending liabilities at the close 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.
- Advance State share or loans taken by the State may also be reflected as pending liability in the UC attached to the proposal.
- A certificate stating that all pending audit observations by the auditor have been complied with should be provided along with the fund release proposal.
- The Check list on prerequisites/documents for release of 2nd Tranche of Central share (**Annexure -27 of the Operational Guidelines, 2013**).

SOP ON COMPLAINTS

The Ministry vide its dated 7.09.2012 has laid down the standard operating protocol for stoppage of funds under Section 27(2) of the Act on receipt of any complaint regarding lack of effective implementation of the provisions of the Act or regarding the improper utilization of funds granted under the Act.

Para 10 of the Standard Operating Procedure for operationalizing provisions of Section 27(2) of the MGNREGA has been amended with an objective to provide security cover to enquiry

officials/complainants/whistleblowers in the implementation of the MGNREGA. Para 10 of the Standard Operating Procedure for operationalizing provisions of Section 27(2) of the MGNREGA shall be read as per the instructions issued by the Ministry vide its Letter No J-16020/55/2012-MGNREGA dated 14.05.2013.

IEC ACTIVITIES UNDER MAHATMA GANDHI NREGA

Expenditure for IEC activities taken up by the States/Districts can be met from the 6% administrative expenses. As per the National IEC Strategy for MGNREGA, the suggested key messages of MGNREGA, which need to be disseminated to various target groups are follows:

- I. MGNREGA guarantees hundred days of wage employment in a financial year, to a rural household whose adult members volunteer to do unskilled manual work.
 - II. Individual beneficiary oriented works can be taken up on the lands of Scheduled Castes and Scheduled Tribes, small or marginal farmers or beneficiaries of land reforms or beneficiaries under the Indira Awaas Yojana of the Government of India.
 - III. Within 15 days of submitting the application or from the day work is demanded, wage employment will be provided to the applicant.
 - IV. Right to get unemployment allowance in case employment is not provided within fifteen days of submitting the application or from the date when work is sought.
 - V. Receipt of wages within fifteen days of work done
 - VI. Permissible works which can be taken up by the Gram Panchayats
 - VII. MGNREGA focuses on the economic and social empowerment of women
 - VIII. MGNREGA provides "Green" and "Decent" work.
 - IX. Social Audit of MGNREGA works is mandatory, which ensures accountability and transparency
 - X. MGNREGA works address the climate change *vulnerability* and protect the farmers from such risks and conserve natural resources.
 - XI. The Gram Sabha is the principal forum for wage seekers to raise their voices and make demands. It is the Gram Sabha and the Gram Panchayat which approves the shelf of works under MGNREGA and fix their priority.
1. The effective media to reach out to the rural areas are as follows(in the order of effectiveness), Interpersonal Communication (IPC) methods , Mid media methods, Mass media methods
 2. Considering this, the IEC strategy suggests that 50% of the IEC budget shall be focusing on IPC methods. While mid media tools can be realized using 30% of the budget, mass media activities can be limited to 20% of the budget.
 3. The States are required to prepare their State IEC plans every year since FY 13-14, and send quarterly reports to the Ministry. The National IEC plan of MGNREGA suggests various IEC activities which could be taken up at the State level.
 4. Uniformity in messaging based on the key messages, needs to be ensured, for better results. Nationally, State wide, and even at the grass root level, it should be the standardised message to be disseminated. This will help in increased awareness level, more visibility for

- the Scheme and better identification of the Scheme by name, among literates and illiterates.
5. State IEC Nodal officers are nominated by the States to look after IEC activities of MGNREGA in the State. The name and details of State IEC Nodal officers need to be informed to the Ministry (In order to enable professional implementation of IEC activities, States are free to appoint Communication Officers with experience in development communication.)
 6. The MGNREGA Division of the Ministry of Rural Development has created a Facebook page aiming to disseminate updates on various activities and interact with the stakeholders on various topics related to MGNREGA. The page can be viewed at the link: www.facebook.com/IndiaMGNREGA . In order to streamline and strengthen the FB-based interactions, State are requested to consider creating similar FB pages/update these pages with details and photographs of field level activities related to MGNREGA, and;
 - a. Link the State MGNREGA website with the facebook page of your State and that of the Ministry (www.facebook.com/IndiaMGNREGA)
 - b. Widely use the website and facebook address on all publicity materials, reports, press releases etc.
 7. Rozgar Divas and Social Audit are considered as major tools for IEC activities, through which rural community is empowered about their right based approaches, involved in a transparent monitoring mechanism and getting venues for grievance redressals. Key messages on the Scheme are also disseminated through these platforms on a one-to-one States are requested to declare Rozgar Divas, and conduct Rozgar Divas as per the yearly schedule prepared, as per the guidelines issued by the Ministry.
 8. Using news media for disseminating good practices and information about the Scheme has been a focus of the Ministry. In the National IEC Strategy for MGNREGA, a media advocacy strategy has been incorporated. States are requested to conduct State level and District level orientation of journalists.

While the States photo-document various activities and share those photographs to the Ministry has issued detailed guidelines, which may be referred to as :

TRANSPARANCY AND ACCOUNTABILITY- SOCIAL AUDIT, GRIEVANCE REDRESS AND OMBUDSMAN UNDER MAHATMA GANDHI NREGA

I. Section 17(1) of the MGNREGA, 2005 mandates the following:

"The Gram Sabha shall monitor the execution of works within the Gram Panchayat.

(2) The Gram Sabha shall conduct regular social audits of all the projects under the Scheme taken up within the Gram Panchayat.

(3) The Gram Panchayat shall make available all relevant documents including the muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected books of account and papers to the Gram Sabha for the purpose of conducting the social audit."

1. Setting up of the Social Audit Unit

The State Government is mandated to identify or establish an independent organization to facilitate conduct of social audit by Gram Sabha (referred to as a Social Audit Unit). It must be ensured that Social Audits shall be a process independent of any process undertaken by the implementing agency, and the implementing agency shall at no time interfere with the conduct of social audit.

The SAU will be considered independent only if the following conditions are fulfilled:

- a. The SAU is registered either as an independent society or a Unit that is independent from the implementation authority. SAUs cannot be notified as Units/Cells within the Department of Rural Development.
- b. In the case that SAUs are notified within the SIRD, State Governments must ensure that the SAU operates in an independent Cell within the SIRD with a full time Director and dedicated resource persons
- c. In the case that NGOs are identified as SAUs, the financial and administrative independence of the SAU must be ensured by the State

2. As per the instruction issued by the Ministry vide its Letter No K-11033/50/2010-MGNREGA (Pt II) dated 11.03.2015, State Governments are instructed to set up a **Governing Body** of the SAU to oversee the performance of the Unit on a periodic basis and provide advice and direction to the Unit as and when needed. The composition of the Governing Body is stated in the aforementioned directive.

3. As per the instruction issued by the Ministry vide its Letter No J-11033/28/2012/MGNREGA VII dated 12.04.2013, State Governments are directed to allocate at least **1% of the administrative fund** under MGNREGA to meet costs of establishing social audit unit and conducting social audits of MGNREGS works. The State Government must transfer the 1% allocation of the MGNREGA administrative costs directly into the **independent bank account of the SAU** at the beginning of the year.

5. The Ministry vide its Letter No M-13015/2/2012-MGNREGA-VII dated 11.06.2014 has communicated the details of the Financial Assistance which shall be provided to State Governments for **reimbursing the costs of recruiting minimum core staff of the SAU at the State and District Level** subject to certain conditions. This financial assistance is in addition to the allocation of 1% of the administrative fund.

6. The aforementioned letter details the following norms to be complied with by the SAU in order to avail the special financial assistance:

- a. Process of recruitment to be followed
- b. Constitution of selection committees at the State and District Level to shortlist candidates
- c. Conditions to be satisfied for release of funds to States
- d. Cost structure
- e. Minimum entitlement of State and District Resource Persons per State

The Ministry vide its Letter No M-13015/2/2012/MGNREGA-VII dated 14.07.2014 clarified that the Special Financial Assistance only lays down the minimum number of personnel to be employed by SAU at the State and District Level and the minimum salary to be payable. State Government is free to hire additional resource persons and pay higher salaries by sourcing the same from its administrative funds.

7. As per Section 6(1) of the Audit of Scheme Rules, the SAU is mandated to frame an **annual calendar** at the beginning of the year to indicate the roll out of social audits in all Gram Panchayats atleast twice in a year, in a phased manner. The Social Audit Calendar once formed is to be complied with strictly, and communicated to all District Programme Coordinators in advance.

8. Section 5(4) of the Audit of Scheme Rules mandate that **resource persons deployed for facilitating social audit in a Panchayat shall not be residents of the same Panchayat**. The criteria for identification of Village Social Audit Resource Persons and their key functions are mandated in Section IV (2) of the National Manual on Social Audit.

9. The Ministry vide its Letter No K-11033/50/2010-MGNREGA dated 29.09.2015 advised State Governments to appoint **representatives of Self Help Groups as Village Social Audit Resource Persons** wherever possible.

10. Section 7(1) and 7(2) of the Audit of Scheme Rules, 2011 and Section II of the National Manual on Social Audit mandates the **nature of records to be provided to the social audit unit and its resource persons fifteen days prior to the Social Audit Gram Sabha**. Non provision of records/incomplete provision of records/delay in provision of records to the social audit unit is to be considered as a violation of the provisions of the MGNREGA and the DPC is to impose disciplinary action against the Programme Officer/any other officer made responsible by the State Government for the provision of records, in compliance with Section 25 of the MGNREGA. State Governments are requested to formulate rules to ensure the same.

11. As per the MGNREGA Operational Guidelines, 2013 any request for copies of MGNREGA related documents has to be **provided within 3 days** and no information shall be withheld by invoking Clause 8 of the RTI Act dealing with exemptions

12. The resource persons deployed by the Social Audit Unit to facilitate the Gram Sabha in conducting social audits are required to conduct a **100% verification** of entries made against all job card holders of the Gram Panchayat and MGNREGA worksites. The details of the process of verification to be carried out by resource persons of the SAU are indicated in Section IV of the National Manual on Social Audit.

13. Section 6(4) of the Audit of Scheme Rules, 2011 mandates the **conduct of a Gram Sabha** to discuss the findings of the social audit verification exercise and also to review the compliance on transparency and accountability, fulfilment of the rights and entitlements of labourers and proper utilization of funds. Section V of the National Manual on Social Audit details the complete protocol for conducting the Social Audit Gram Sabha

14. Section 25(c)(viii) of Schedule I of the MGNREGA mandates the **conduct of Public Hearings** by the social auditors at the Ward/Gram Panchayat and Block level to read out the findings of the social

audit exercise. Section VI of the National Manual on Social Audit details the complete protocol for conducting the Social Audit Public Hearing.

15. Section 6(8) and Section 4(2) of the Audit of Scheme Rules mandate **Social Audit Reports** to be prepared in the local language and displayed on the notice board of the GP and that Social Audit Reports must be hosted in the public domain by the SAU within 48 hours of the Social Audit being completed.

16. State Social Audit Units are instructed to use the **National MIS on Social Audit** developed by NIC to download reports required for verification during social audits and enter findings of the same.

17. Section VII of the National Manual on Social Audit details the steps to be undertaken by the Department implementing MGNREGA for **taking action on the grievances** identified during the social audit, subsequent to the Gram Sabha.

18. The Ministry vide Letter No K-11033/50/2010/MGNREGA Pt II dated 17.04.2015 has detailed the format in which the SAU is instructed to **submit quarterly progress report to the Principal Accountant General, C&AG** by 30th June, 30th September, 30th Dec and 30th March of every year.

19. The Ministry vide Letter No K-11033/50/2010-MGNREGA-Pt II dated 11.03.2015 mandates Principal Secretary, Department of Rural Development to hold **monthly review of Social Audit Reports** and the status of follow up action thereon, and submit the same to the Principal Accountant General, C&AG before the 15th of every month.

20. The Ministry and the C&AG has set up a **Joint Task Force on Social Audit** to ensure effective conduct of social audits and guiding of synergies between the MoRD and the C&AG. The Terms of Reference and Composition of the Joint Task Force has been detailed in the Ministry's communication to all States vide Letter No K-11033/50/2010/MGNREGA dated 22.06.2015

21. The Ministry vide its Letter No L-11033/8/2012-MGNREGA VII dated 2.01.2015 has informed all States of the setting up of a Social Audit Cell within the Center for Wage Employment and Poverty Alleviation (CWEPA), National Institute of Rural Development. The Cell has been set up to assist and facilitate State Governments in implementing the Audit of Scheme Rules, 2011 and the composition and terms of reference of the same have been communicated in the above mentioned letter.

II. Section 30, Schedule I of the MGNREGA mandates that there shall be an Ombudsmana for each District for receiving grievances, enquiring into and passing awards as per Guidelines. Central Government norms for process of appointment; application, tenure and termination; autonomy; remuneration; powers and responsibilities; procedure for redress of grievances and action to be taken on the Report of the Ombudsman have been detailed in Ministry's Directive vide Letter No L-11011/21/2012/RE VII dated 16.01.2014

III. Section 29, Schedule I of the MGNREGA mandates the setting up of an effective grievance redress mechanism in the implementation of the Act. The protocol for the same has been detailed out in Section 13.13 of the MGNREGA Operational Guidelines 2013.

IV. All States are mandated to make an arrangement for a three-tier vigilance mechanism to proactively detect irregularities in the implementation of the Act and to follow up detected irregularities and malfeasance, including those identified during social audit, and ensure that the

guilty are punished and recoveries of misspent funds duly made. The minimum components of the arrangement are as laid out in Section 13.6 of the MGNREGA Operational Guidelines 2013.

V. The Ministry has notified the minimum principles of transparency and accountability to be adhered to in all stages of implementation of the Act. They are as follows:

- a. In order to enable and empower citizens- individually and collectively- to effectively perform the function of monitoring the implementation of interventions rolled out in their name, various conditions need to be fulfilled. These include a widespread understanding of the entitlements, of the prescribed time frames, of who's responsible for what, of the prescribed standards and rates, of the decision making processes, of the possibility for appeal, complaint or grievance redressal, and of the reasonably expected outputs and outcomes
- b. Concepts like transparency and accountability must be framed in a manner in which they are governed by universal and inclusive processes. This is essential to empower every individual or group with the right to monitor a programme and help facilitate beneficiaries' claim their rights
- c. There must be equal and open access of information to all citizens and should preclude any attempt that may restrict/exclude a citizen from using information or from having to prove their locus standii
- d. There may be a need to specially empower and facilitate certain marginalized groups to access information
- e. In all cases of pro-active disclosure or collective monitoring, there is an inherent need for facilitation by external agencies/individuals/groups
- f. All relevant information regarding programmes and public institutions must be proactively displayed (Mandatory) and made accessible through different modes and medium, ensuring local language compatibility and keeping in mind the needs of the semi-literate, the illiterate and the differently abled .
- g. Information must be authenticated, updated with reasonable periodicity, and put across in a manner and format that is easy to understand. Towards that end, special proformas and formats need to be developed.
- h. Relevant information must be appropriately displayed at the level of a village, Sub-State, State and National level.
- i. It must also be kept in mind that, as far as possible, all decision making should be done in public in the full view of all interested stake holders. This is the best way of ensuring that decisions are not only fair but also appear to be fair.
- j. Recognising that, despite best efforts, both the modes of providing information and of getting feedback can be corrupted or blocked, multiple modes and routes must be used in order to make it progressively difficult to inhibit the free flow of information to and from the people.
- k. Whereas focus must be on using as far as possible culturally appropriate modes of communication, especially traditional modes with which the local people are familiar, the advantages promised by new and emerging technologies must also not be ignored. Of especial

relevance are mobile phones and social media which have effectively permeated rural households and promise an innovative, reliable and quick method of simultaneously communicating with a large number of people

VI. Section 25(a), Schedule I of MGNREGA mandates the proactive disclosure of basic information related to the implementation of MGNREGA at the worksite, wall paintings, Gram Panchayat Office, NREGA website, to all stakeholders. The same has been further detailed in Section 13.7 of the MGNREGA Operational Guidelines 2013

VII. The Ministry vide its Directive dated 7.09.2012 has laid down the standard operating protocol for stoppage of funds under Section 27(2) of the Act on receipt of any complaint regarding lack of effective implementation of the provisions of the Act or regarding the improper utilization of funds granted under the Act.

VIII. Para 10 of the Standard Operating Procedure for operationalizing provisions of Section 27(2) of the MGNREGA has been amended with an objective to provide security cover to enquiry officials/complainants/whistleblowers in the implementation of the MGNREGA. Para 10 of the Standard Operating Procedure for operationalizing provisions of Section 27(2) of the MGNREGA shall be read as per the instructions issued by the Ministry vide its Letter No J-16020/55/2012-MGNREGA dated 14.05.2013.

Skilling and Capacity Building Under MGNREGA

Project for Livelihoods in Full Employment under Mahatma Gandhi NREGA (Project LIFE-MGNREGA)

The objective of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 is building sustainable livelihoods for rural households (HHs). In pursuance of this objective **Project for Livelihoods in Full Employment under MGNREGA (Project LIFE- MGNREGA)** has been formulated, keeping in view the successes of interventions in skills programmes by Deen Dayal Upadhaya Grameen Kaushalya Yojana (DDU-GKY), livelihood interventions of National Rural Livelihood Mission (NRLM) and Entrepreneur Development Programmes of Rural Self Employment Training Institutes (RSETI).

The project aims at promoting self-reliance and improving the skill-base of the MGNREGA workers and transforming them into confident, fully employed/ self sufficient entities.

This project will be implemented as per the following **strategy**:-

- i. The Project shall identify the youths in families dependent mostly on MGNREGA for their livelihood, Skill them/ improve their livelihood asset base in convergence with NRLM, and DDU-GKY.
- ii. Youth, in age group of 18 to 35 years (45 years in case of Women, Particularly Vulnerable Tribal Groups, Persons with disabilities, Transgender, Scheduled Castes/ Scheduled Tribes and other Special Groups), from the rural HHs whose members have completed at least 15 days of work under MGNREGA in the previous Financial Year (FY) shall be eligible for livelihood interventions. Priority shall be given to HHs that have completed 100 days of work under MGNREGA in previous FY.
- iii. The information on NREGASoft shall be the basis of identification of candidates. Information regarding willingness to be skilled, skilling requirement / preference for Skilling, existing skill set of the target youth shall be collected through regular surveys etc.
- iv. Survey shall be carried for 3 broad categories viz.
 - a. Skilling for Wages
 - b. Skilling for Self Employment and
 - c. Livelihood Upgradation
- v. Survey shall be the responsibility of MGNREGA Commissioners of the States.
- vi. The MGNREGS Commissioners shall officially share the result of the Survey with the State Rural Livelihood Mission (SRLM) of the State in form of the three lists viz.
 - a. List of Youths interested in Skilling for wages,
 - b. List of Youths interested in Skilling for Self Employment and
 - c. List of HHs interested in Livelihood up gradation.In States where Skill is not under the SRLM, the list of Skilling for wages should be shared with the State Nodal Skills Mission (SNSM)/ any other Agency that the State has entrusted with the task of skilling rural youths.

- vii. One survey has already been conducted and information collected through this survey shall be the basis of State Skilling Plans.
- viii. The State Rural Livelihoods Missions (SRLMs) shall be overall implementing agency for this project. SRLM shall prepare State Skilling Plans that shall have three separate plans, one for each broad category mentioned above.
- ix. Where SRLM is not the vertical for Skills, the State Nodal Skills Mission shall prepare the plan for Skilling for Wages category and plan for other 2 categories viz. Skilling for Self Employment and Livelihood up gradation shall be prepared by the SRLM.
- x. The SRLMs/ State Skill Nodal Missions shall assess the PIAs already grounded. The Project Implementing Agencies (PIAs) for Skilling for Wage Employment projects shall obtain Permanent Registration Number (PRN) from DDU-GKY website (<http://ddugky.gov.in>). SRLM/ SNSM shall allocate GPs to these PIAs for training, along with the lists of persons who have opted for **Skilling for wages**. GP saturation model may be adopted.
- xi. RSETI shall be used extensively for Skilling for Self Employment, though States can use other agencies also. The financial cost shall be Rs.200 per beneficiary/ day. Course curriculum (and duration) as developed by National Institute of Development (NIRD), Hyderabad/ NAR, Bengaluru shall be the standard to be followed.
- xii. SRLM shall further, make Individual Household Livelihood Plans for youths or household desiring for Livelihood Upgradation, by upgrading the land assets and training them in strategies for maximising incomes from the land through the integrated farming strategy of Mahila Kisan Sashaktikaran Pariyojana (MKSP) and Community Based Sustainable Agriculture (CMSA) initiatives of NRLM etc.
- xiii. The State Skilling Plans shall be rolling plans based on
 - infrastructures available for such Skilling activities
 - technical resources and
 - financial allocations under separate heads that can be converged.

Protocols for Implementation

The State are required to adhere to the Protocols for implementation of Project LIFE – Mahatma Gandhi NREGA issued vide Ministry letter no.dated 18th September, 2015.

2. Convergence of MGNREGS, NRLM and the CFT strategy: 250 Block pilot

The objective of the CFT project is to synergize the functioning of MGNREGA and NRLM to substantially enhance the quality of assets being created in the MGNREGS and thereby address the issue of rural livelihoods better as per Section 1 of J-11012/01/2012-MGNREGA (Pt-1) dated 6.1.2013.

Selection of blocks: Cluster Facilitation Teams (CFT) are operational in 207 blocks. These blocks were selected by State Governments as per the norms in Section 3 of J-11012/01/2012-MGNREGA (Pt-1) dated 6.1.2013.

Selection of CSO: For each Block, there will be a Civil Society Organisation (CSO) or Community Based Organisation (CBO) selected by the State Government. The norms of selection of CSO/CBO as per norms in Section 3 of J-11012/01/2012-MGNREGA (Pt-1) dated 6.1.2013.

Composition and coverage of CFT:

The CFT will consist of 3 members with expertise in soil and moisture conservation, agriculture and allied/livelihood activities, community mobilisation and expertise in preparing estimates, doing measurements and assessing quality of assets.

There will be 3 members per CFT and cover roughly one third of population of the block measured in terms of number of GPs.

CSOs may start with 1 CFT but will have to put in place at least 3 CFTs to cover the entire block by the third year, i.e. 1st April 2016.

This is referenced in Section 2 of J-11012/01/2012-MGNREGA (Pt-1) dated 6.1.2013, Section 1 and 2 of J-11012/01/2012-MGNREGA (P.III) dated 12.6.2014 and J-11012/01/2012-MGNREGA dated 13.3.2015.

Activities of CFTs: The CFT will function like a technical secretariat to the gram panchayat and interface with community institutions. The CFT will mobilize the community, prepare plans and estimates for the GP and provide technical support for worksite management but the actual execution of work will remain with MGNREGA personnel. Detailed role responsibility is in Section 6 of J-11012/01/2012-MGNREGA (Pt-1) dated 6.1.2013 and in the Standard Operating Procedure as per J-11014/1/2015-MGNREGA dated 6.10.2015.

Deliverables of CFTs: The CFT has four deliverables over a three year period;

Preparation of an integrated watershed plan for the whole GP through community participation. The State Government should incorporate the same in the shelf of projects of MGNREGA following the due process laid in the Act.

Capacity Building of all MGNREGA and NRLM functionaries and PRIS through appropriate training programmes.

(c) All SC/ST households will get at least 75 days work in the financial year by the third year.

(d) State Government to ensure that 100% of the wages are paid within 15 days from the date of closure of the muster roll.

This is referenced in Section 4 of J-11012/01/2012-MGNREGA (Pt-1) dated 6.1.2013, Section 1 of J-11012/01/2012 MGNREGA (Pt III) dated 05-03-2014 and Section 3 of J-11012/01/2012-MGNREGA (P.III) dated 12.6.2014.

Role of NRLM: As per Section 5 of J-11012/01/2012-MGNREGA (Pt-1) dated 6.1.2013 and J-12039/1/4/2014-MGNREGA IV dated 3.2.2015 outline the role of CFTs in the convergence with NRLM.

Project period and funding:

(a) The project period is considered 1st January 2014 to 31st March 2017.

The financial support provided by MoRD will be Rs. 28 lakh per year per block for a three year period. The internal allocation of this budget across heads will be left to the CSO, subject to the proviso that 9 people are employed by the CSO in the block.

CFTs may be formed and placed during the year. If the CSO covers only 1 CFT in the first year, it will be entitled to only one third of the financial support available for the block for the first year. The accounting and adjustment of funds in such cases, will be maintained at and done at the state level.

Funds will be released on the basis of the number of CFTs in place, bi-annually by the MoRD of 50% each in April and October. For fund release for 2015, State Governments are required to provide a Utilization and Operationalization certificate twice a year as per formats provided in J-11014/01/2015-MGNREGA dated 21.10.2015.

All sanction orders of funds received and transferred to CSO's are to be publicly disclosed on a separate CFT tab on the state MGNREGS website.

These are referenced as per Section 8 of J-11012/01/2012-MGNREGA (Pt-1) dated 6.1.2013, Section 6 of J-11012/01/2012-MGNREGA (P.III) dated 12.6.2014 and J-11012/01/2012-MGNREGA dated 13.3.2015.

Monitoring Structure: An Annual Action Plan has to be prepared for each block and submitted to the Ministry at the beginning of each financial year. Block Co-ordination Committees with representatives from CSO's are to be formed at the block level. As per Section 9 of J-11012/01/2012-MGNREGA (Pt-1) dated 6.1.2013 and format as per J-11012/01/2012-MGNREGA (pt-1) dated 26.5.2015,

Expansion: The CFT project is to be expanded to the most backward blocks as per K-11033/01/2012-MGNREGA dated 20.7.2015 and J-11012/01/2012-MGNREGA dated 2.7.2015.

3. CAPACITY BUILDING UNDER MAHATMA GANDHI NREGA

As per the Act and the Schedule, State is required to provide adequate staff and technical support for proper implementation i.e. estimation, supervision and measurement of works etc. At least one GRS in every GP except in GPs where demand for work under MGNREGA is almost non-existent and one Technical Assistant/Barefoot Engineer for every 2500 active job cards is envisaged under the directives to the States/UTs.

The State Government or the District Programme Coordinator or the Programme Officer may engage necessary staff and technical support, as may be necessary, from a service provider or in any other manner, on contractual basis for the effective implementation of the scheme. The State Government may also designate an officer of the concerned Line Department, who is authorized to implement the work/project, as PO(LD) subject to stipulated conditions.

A. Creation of State Technical Resource Team (STRT), District Technical Resource Team (DTRT) and Block Technical Resource Team (BTRT) under MGNREGA:

- i) The prime objective of this training programme and project is to develop a cadre of identified technical experts in the subject matter of MGNREGA implementation in respective States. These have been referred to in the Letter No. J-12039/1/3/2014-MGNREGA-IV dated 18th October, 2015 on the subject 'Creation of State Technical Resource Team (STRT), District Technical Resource Team (DTRT) and Block Technical Resource Team (BTRT) under MGNREGA'

B. Barefoot Engineers under MGNREGA:

1) Positioning of technical manpower needed to maintain quality and taking measurements- Directions issued under Section 27 of MGNREG Act 2005:

- ii) As per the Operation Guidelines of MGNREGA 2013, positioning of adequate technical manpower required to measure the works once every week and make payments as per the timelines laid down in the Act, is an important priority, It has been noted that in many States the required technical manpower has not been positioned on several grounds such as inadequate administrative charges etc. After due consideration of the matter, the following directive under section 27 of the MGNREG Act 2005 is issued to all the State Governments and may be followed as in Letter No. J-11011/18/2007-NREGA dated 25th October, 2013 on the

subject 'MGNREGS – Operational Guidelines 2013 – positioning of technical manpower needed to maintain quality and taking measurements – Directions issued under Section 27 of MGNREG Act 2005.

2) Guidelines for identification, training, deployment and payment of Barefoot Engineers:

Subsequent amendment to para 16 of Schedule 1 of the Act dated 3rd Jan 2014 which reiterated the provision of Barefoot Engineers, the provision has been made to improve the technical input and supervision of MGNREGA works. These may be referred from the detailed guidelines vide Letter No. J-11011/2/2014-RE-I dated 2nd January, 2015 on the subject head 'Guidelines for Identification, Training, Deployment and Payment of Bare Foot Engineers'. As well as Letter No. J-11011/2/2014-RE-I dated 28th May, 2015 on the subject head 'Modalities of Barefoot Engineer Training Programme' and Letter No. J-11011/2/2014-RE-I dated 28th October, 2015 on the subject head 'Operationalisation of Barefoot Engineers'.

PARTNERSHIPS WITH CIVIL SOCIETY ORGANISATIONS

Engagement of Civil Society Organisations (CSO's) is detailed in the Operational Guidelines 2013. Prior to that the ministry has issued a circular stating that the engagement of CSOs/NGOs in implementation of the Act and making them directly responsible to generate persondays as undesirable. Instead they should remain in a facilitating role.

A CSO login is provided on NREGASoft for CSO's to directly register demand on behalf of labour groups. The CSO's need to first register on the portal and will be provided a username and password. Once approved by the ministry, they may form labour groups and apply for demand on behalf of workers. They may track the provision of work for the labour groups through reports in the MIS.

The role of the CSO is emphasised in the capacity building projects of MGNREGA such as the CFT Project and the BFT project. Further, an enabling guideline has allowed NGO's to take up implementation of IHHL works as Project Implementing Agencies (suggestion – this can be cross referenced with PIA's/PRI's/Works).

CSO engagement is also be as: Trainers and facilitators in Social Audits, Trainers/Partners/Developers of framework in IPPE 1 and 2, trainers in BFT, partners in Kaam Maango Abhiyan for demand registration and institutionalisation of Rozgar Diwas and finally, as nomination of CSO representatives for onto various recruiting committees for Social Audit Director/Ombudsperson etc.

AWARDS

Mahatma Gandhi NREGA Annual Awards are presented at "Mahatma Gandhi NREGA Sammelan" on 2nd February, every year, (Mahatma Gandhi NREGA Diwas) for making effective initiatives under

MGNREGA. In addition, the interaction during the Sammelan serves to facilitate exchange of information among State Governments, media persons, CSOs etc. It provides an opportunity for learning and dissemination of best practices across the country.

State Awards

Since, the year FY 2014-15, the ministry has stated the practice of giving away state awards also for effective initiatives in the following three spheres:

- (i) Sustainable livelihood through convergence;
- (ii) Transparency and accountability;
- (iii) Social inclusion

District Awards

The Government of India introduced annual award known as “Excellence in NREGA administration” to recognize the contribution by District NREGA Teams for promoting effective implementation of MGNREG Act in the country.

All District MGNREGA Teams are eligible for consideration of Award. The District Programme Coordinator is the head of the District team and other implementing agencies such as Blocks (Programme officer and his staff), Gram Panchayats, Line departments which are participating in the implementation of MGNREGA constitute the District MGNREGA Team.

The State Governments initiate the process of inviting nominations for State and District award through the State Screening Committee and forward the duly recommended nominations for the consideration of the Award Committee constituted by the Ministry.

Award for Excellence in NREGA Administration for Officials of the Department of Posts

The Government of India introduced annual award known as Excellence in NREGA Administration (Financial Inclusion) for contribution by officer for promoting effective implementation of MGNREG Act in the country. This award is envisaged to encourage and acknowledge the outstanding contribution made by Postal Department officials in the implementation of MGNREG Act. The Department of Posts forward nomination of their staff along with citations duly recommended for consideration of giving away the award by the Ministry.

Award for best performing Gram Panchayat

The award of the best performing Gram Panchayats is given to the concerned Sarpanch on the recommendation of the Ministry of Panchayati Raj. The screening and recommending names of the best performing Gram Panchayats are based on the field verification done by the Ministry of Panchayati Raj.

A Scheme for the MGNREGA awards is available on mgnrega.nic.in.