

# National Rural Employment Guarantee Scheme (NREGA)

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims to guarantee the right to work and livelihood security in rural areas by providing 100 days of paid work to every household whose adult members demand unskilled work. The objective of the scheme is to provide casual employment and create durable assets in rural areas. Convergence of NREGA with other schemes provides opportunities for wider impact in multiple ways include a) Creation of sustainable livelihood opportunities and skill development of people and, b) Development of capital intensive long life infrastructure.

## Extent of the issue

- Only 53.2% of rural labour force has work available for all 12 months. Most of the work in the rural areas is related to agriculture and is available only during the agricultural season. In addition, the quantum of work is dependent on monsoon and does not provide consistent employment and income every year.
- Over 36 crore, or 29.5% Indians live below poverty line (BPL). Out of this, 26 crore BPL people live in rural areas.

## Objective

Launched in 2005, NREGA is a flagship program implemented by the Ministry of Rural Development (MoRD). The primary aim is to provide a social safety net through employment source when other opportunities are not available. The secondary aim is to strengthen the natural resource base and create durable assets in rural India. The scheme covers the entire country with the exception of districts that have a 100% urban population. For FY 2015-16, a budget of INR 34,699 crore has been allotted by center. There is a provision for additional INR 5,000 crore depending on tax buoyancy.

## Features

The main feature of NREGA is to provide **100 days of employment** to every rural household that is willing to do unskilled or manual work. Majority of the cost – 100% of unskilled wages and 75% of the semi-skilled wages, skilled wages and material cost are borne by the centre, while the state government pays the balance. Wages are based on the minimum agriculture wage limit of the particular state. In some cases, centre might choose to notify a particular minimum wage level.

In addition to guaranteed 100 days work, NREGA requires a work site to provide appropriate facilities like drinking water, first aid kits, rest area, crèche etc. If block administration fails to provide work within 15 days of request, state government has to pay unemployment allowance to the applicant. If the work site is more than 5 km from the residence, additional 10% of the wages have to be paid to cover transportation costs. Men and women have right to equal pay. Applications and job cards are provided free of cost and wages are to be disbursed within a fortnight.

NREGA guidelines list out the nature of works that can be undertaken under the scheme. Majority of tasks are related to water harvesting, irrigation works, de-silting, tree plantation etc. Rural connectivity with special focus to SC/ST households is also permitted. States can undertake any other works with consultation with centre. The list of permitted works updated

time to time to allow for projects relevant for the community. The centre has also mandated that **at least 50%** of the works undertaken under the scheme by the line departments must be related to **water conservation**.

One of the most important features of NREGA is convergence with other schemes. Relevant and long life asset creation or livelihood opportunity creation takes place when other schemes, as per guidelines, are leveraged. A few examples of convergence schemes are:

- Integrated Watershed Development Programme (IWMP): Soil and water conservation of areas with poor quality. IWMP funds have to provide training costs.
- Swachh Bharat Abhiyan (Rural): Development of sanitation facilities and drainage systems
- Central silk board: Development and maintenance of labour intensive plantations till they become productive.
- Various schemes under Ministry of Agriculture like PMKSY
- State specific schemes that have potential to leverage manual labour and impart skills

## Framework for Implementation

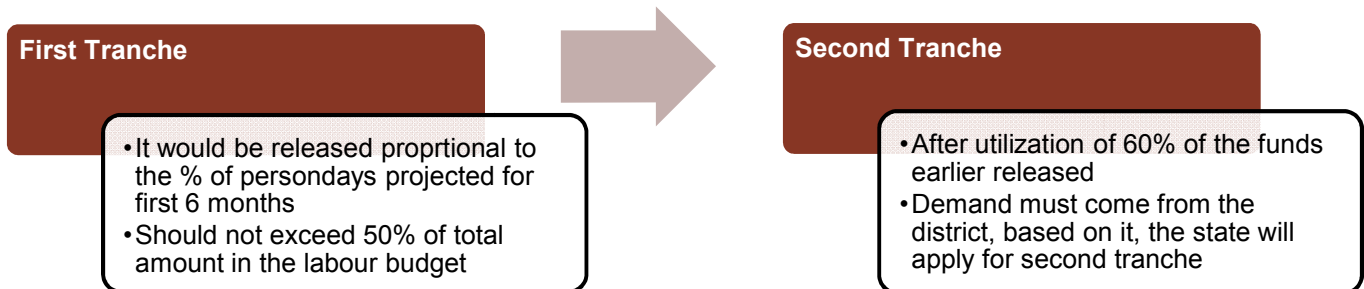
National Level	<ul style="list-style-type: none"> <li>• <b>Ministry of Rural Development:</b> It will ensure timely and adequate resource support to the states. It will maintain and operate management information system (MIS) to capture and track implementation data.</li> <li>• <b>Central employment guarantee council:</b> It is constituted under the chairmanship of Minister of Rural Development. It will monitor and evaluate the implementation of the scheme, prepare annual reports for submission to the parliament.</li> </ul>
State Level	<ul style="list-style-type: none"> <li>• <b>State employment guarantee council:</b> They should be set up by every state government under section 12 of NREGA. It will advise state government on the implementation of the scheme, and monitor it. It will also decide the preferred works to be implemented under the scheme.</li> </ul>
District Level	<ul style="list-style-type: none"> <li>• <b>District programme coordinator:</b> CEO of the district Panchayat/District collector/any other district level officer will be designated by the state government for this post. He is responsible for information dissemination, training, consolidation of block plans into district plans, release and utilization of funds, submission of monthly progress reports.</li> <li>• <b>District Panchayat:</b> It will be responsible for finalizing the district plans and labor budget and for monitoring and supervising the scheme in the district.</li> </ul>
Block Level	<ul style="list-style-type: none"> <li>• <b>Programme officer:</b> Chief responsibility of the programme officer is to ensure that anyone who applies for work gets employment within 15 days.</li> <li>• <b>Intermediate Panchayat:</b> It will be responsible for consolidation of gram panchayat plans into a block plan and for monitoring and supervision.</li> </ul>
Village Level	<ul style="list-style-type: none"> <li>• <b>Gram Sabha:</b> It will be responsible for recommending works under the scheme and conducting social audits.</li> <li>• <b>Gram Panchayat:</b> It will be responsible for the planning of works, receiving and verifying registration applications, issuing job cards and maintaining records.</li> </ul>

## Funding Mechanism

The funding would be shared between the Centre and the State. Following table gives a highlight of the cost sharing arrangement between center and state.

Heads	Central Government	State Government
<b>Wages</b>	100% for unskilled manual worker	
	75% for skilled and semi-skilled workers	25% for skilled and semi-skilled workers
<b>Unemployment Allowance</b>	-	100% in case work is not provided within 15 days
<b>Cost of Material</b>	75%	25%
<b>Administrative Expenses</b>	Central employment guarantee council	State Employment Guarantee Council.

Cost of material shall not exceed 40% of the project cost, the remaining 60% cost would be for wages. NREGA resources cannot be used for land acquisition. First release to a district will be as seed money. Subsequent releases will be on the basis of the Labor Budget. The budgets must be prepared at the district Panchayat level and submitted to the government latest by 31<sup>st</sup> January.



## Delivery Mechanism

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**October**

By 2nd Oct gram sabhas must be held for identification and recommendation of works

By 15th Oct gram panchayat must forward the development plan with its priorities to the Programme Officer.

**November**

By November 15<sup>th</sup> – submission of the plan to intermediate panchayat post analysis of plan.

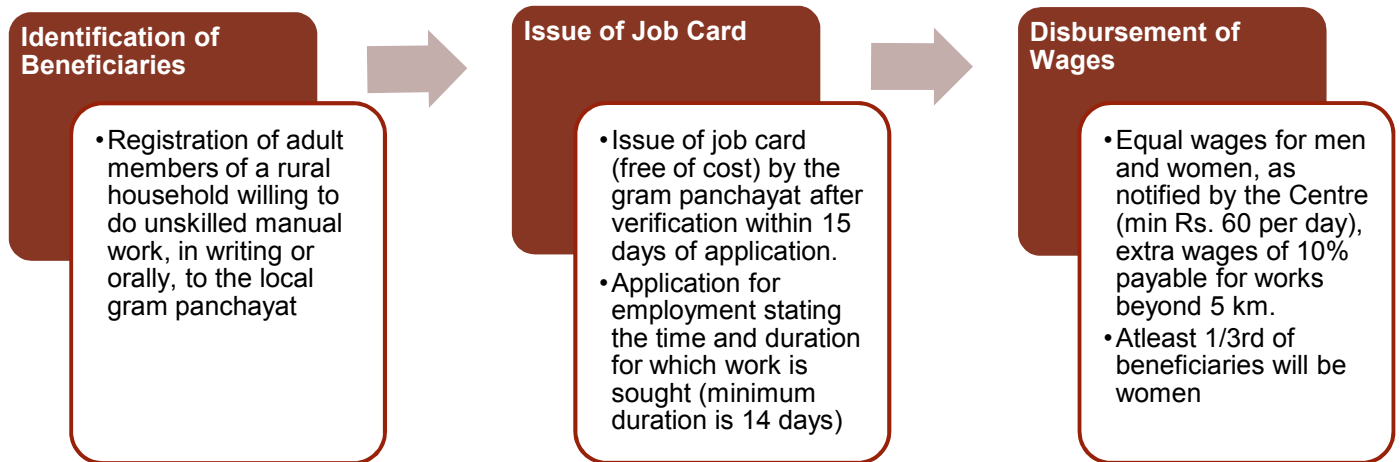
By November 30<sup>th</sup>- submission of block plan by programme officer to district programme coordinator(DPC) post approval of intermediate panchayat.

**Dec-Jan**

By December 15<sup>th</sup>- DPC will submit labour budget to district panchayat.

By December 30<sup>th</sup>- district panchayat must approve the labour budget.

By January 31<sup>st</sup>- DPC will forward the labour budget to the state government which will forward it, with its recommendation, to the ministry.



## Permissible Works under NREGA

As per Schedule I of the Act, the focus of the scheme should be on the following works:

- Water conservation and water harvesting
- Drought proofing including afforestation and tree plantation
- Irrigation canals
- Micro and minor irrigation works/ Flood control works, including drainage in waterlogged areas
- Provision of irrigation facility, plantation, horticulture, land development to land owned by SC/ST households or BPL families, or to land of beneficiaries of land reforms, or beneficiaries under Indira Awas Yojana
- Renovation of traditional water bodies, including de-silting of tanks
- Land development: e.g. land leveling and shaping, soil cover on waste land, etc.
- Rural connectivity- however no cement concrete roads are allowed and roads under PMGSY must not be taken, priority must be given to roads giving access to SC/ST households
- The roads allowed include gravel roads and water bound macadam(WBM) roads
- Any other work that maybe notified by the central government in consultation with the state government
- The maintenance of assets created under the scheme, or under any other program related to the sectors in schedule I, will be considered as permissible work under the scheme

## Convergence with other schemes

Convergence of NREGA funds with funds from other sources for creation of durable assets is permissible. However, NREGA funds must not substitute for funds from other schemes or sources, as NREGA funds are meant to create additional employment and not displace employment created by other programmes.

- **Pradhan Mantra Gram Sadak Yojana (PMGSY):** Earth-work formation and compaction/consolidation of roads can be taken up as per PMGSY specifications. However, they have to be taken up one or two year prior to taking of such roads under PMGSY. The implementing agency for such roads will be the line department implementing PMGSY in the area, which is generally the Department of Rural Development. Maintenance of PMGSY roads can be carried out under NREGA (after the expiry of the 5 year maintenance contract by the contractor). Road side plantation under PMGSY can be taken up under NREGA. All kuchcha roads linking farm production points to existing/upcoming PMGSY roads can also be taken up.

- **National Rural Livelihoods Mission (NRLM):** NRLM aims to build sustainable livelihoods by creating institutional platforms for the rural poor, especially women, in the form of self-help groups (SHGs). NRLM can be converged with NREGA to improve its implementation through creation of awareness and demand generation, identification and planning of works that converge with the livelihoods plan, advance payment of wages to NREGA workers, provision of capacity building and training of all stakeholders involved, etc.
- **Catalytic development programme of Central silk board:** Almost all works in sericulture are labor intensive. It is estimated that around 11 man years of employment is generated by 1 hectare of silkworm plantation along the entire production chain. Development of plantations of mulberry and vanya silkworms and their maintenance till they become productive can be converged with NREGA.
- **Integrated Watershed Management Programme (IWMP):** Under NREGA, almost all activities required for watershed development are permitted. The focus of IWMP is on improving soil and water conservation in the area with the poorest soil and water. Since, agricultural operations are not adequate to meet the livelihood needs in these areas, NREGA acquires special significance. The funds for creation of durable and sustainable assets can come from both the programmes but, the cost for training for livelihood can only be undertaken from IWMP fund.

## Role of MP in MGNREGA

Following are the ways in which MPs can intervene in implementing MNREGA:

- Ensure transparent and effective implementation at district and block level through monitoring committees
- Intervene for timely release of funds
- Mobilize NGOs for conducting awareness campaigns
- Support skill development of the local population
- Enable identification of projects relevant for the local area and community
- Identify other schemes for convergence and more funds
- Use MPLAD funds and forge partnerships with CSR units of private firms for capital intensive projects

### **Case Study: Resurgence of an extinct rivulet, Fatehpur district, Uttar Pradesh**

Remote sensing report, 2012-13 identified 4 blocks of the Fatehpur district as dark zone where ground water could not be replenished. District authorities decided to plan and execute an integrated soil and water conservation project for these blocks. Sasur Khederi II was a 46 km long, defunct and dry rivulet that passed through these 4 blocks. The rivulet touches 42 villages and finally joins Yamuna river. In April-May 2013, a project was undertaken under MGNREGA with following objectives:

- Restoration of the original shape and flow of the rivulet
- De-siltation and restoration of the source lake Thithaura

The project, with total cost of INR 12 crore, resulted in following benefits:

- Creation of gainful employment for 4,000 people for over two months
- Resolution of water logging problems of villages in catchment areas
- Recharge of water aquifer in catchment area and along the course
- Renewed ability to grow water intensive crops in the area

Major enablers for the success of the project were as discussed below:

- The integrated project under MGNREGA, prepared by the lower Ganga Canal Division of the irrigation department, was discussed threadbare in an interdepartmental expert committee from Departments of Revenue, Irrigation, Social Forestry, Rural Development and Panchayati Raj.
- Systematic, scientific reviews were conducted after the first spell of the rain to gauge the locations which required more deepening and widening.
- The project was taken up on a mission mode with extensive community level meetings and discussions in all blocks by BDOs and gram sabhas.
- Panchayat pradhans supported this mission by motivating unskilled labourers to participate.
- The work on the rivulet was divided into small stretches of one km each and was allotted to a team comprising of Secretary, Rozgar Sewak and Technical Assistant.
- At every stretch of one km, worksite facilities viz. drinking water, crèche, shade etc. were ensured for the work force.