

No.J-11011/15/2007-NREGA
Government of India
Ministry of Rural Development
Department of Rural Development

Krishi Bhavan, New Delhi-110001
Dated : 11th March, 2008

OFFICE MEMORANDUM

Subject:- Constitution of Working Group on technical and administrative strengthening for effective implementation of the National Rural Employment Programme.

In pursuance to the recommendation of the Central Employment Guarantee Council made in its meeting held on 6th February 2008, the findings in the Draft Performance Audit Report conducted by C&AG and the recommendations of the Planning Commission, it is decided to constitute a Working Group to review the extant arrangement for management of the National Rural Employment Guarantee Programme at the State, District and Gram Panchayat levels and to recommend appropriate measures for the technical and administrative strengthening of the States and their implementing agencies.

2. Working Group shall comprise the following Members :

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|-------|--|---|-------------|
| (i) | Secretary,
Ministry of Rural Department
Department of Rural Development | - | Chairperson |
| (ii) | Special Secretary & Financial Advisor
Ministry of Rural Development | - | Member |
| (iii) | Shri Anup Mukerjee
Principal Secretary
Department of Rural Development
Government of Bihar | - | Member |
| (iv) | Shri Ram Lubhaya
Principal Secretary
Department of Rural Development
Government of Rajasthan | - | Member |
| (v) | Shri Rohit Nandan
Principal Secretary
Department of Rural Development
Government of Uttar Pradesh | - | Member |
| (vi) | Shri Santosh Mehrotra
Senior Advisor
Planning Commission | - | Member |

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| (vii) | Shri Jean Dreze, Member
Central Employment Guarantee Council | - | Member |
| (viii) | Ms. Aruna Roy, Member
Central Employment Guarantee Council | - | Member |
| (ix) | Joint Secretary (NREGA)
Ministry of Rural Development
Department of Rural Development | - | Member-Convenor |

3. A copy of the Terms of Reference for the aforesaid Working Group is at Annexure.
4. The Working Group may also co-opt such members as it may consider necessary.
5. The Working Group will hold meetings with such frequency as it may require.
6. The Working Group may interact with State Governments and other stakeholders to examine all the issues.
7. Requisite support to the Working Group will be provided by Ministry of Rural Development.
8. The expenditure on TA/DA of the Members in connection with meeting of the Working Group will be borne by the parent Ministry/ Department/Organisation. However, TA/DA expenditure in respect of non-official Members will be borne by the Ministry of Rural Development as per the rules and regulations of TA/DA applicable to Grade I officer of Government of India.
9. The Working Group will submit its report containing recommendations and plan of action for appropriate modifications in the Act by end of April 2008.
10. This has the approval of Secretary (RD).

(Amita Sharma)
Joint Secretary to the Government of India
Tele: 23385027

To,

1. Secretary, Planning Commission.
2. Shri Jean Dreze, Member, Central Government Employment Council.
3. Ms. Aruna Roy, Member, Central Government Employment Council.

Copy to:

1. Chief Secretaries to Government of Bihar, Rajasthan and Uttar Pradesh.
2. Shri Santosh Mehrotra, Senior Advisor, Planning Commission, Yojana Bhavan, New Delhi.
3. Shri Anup Mukerjee, Principal Secretary, Government of Bihar, Patna.
4. Shri Ram Lubhaya, Principal Secretary, Department of Rural Development, Government of Rajasthan, Jaipur.
5. Shri Rohit Nandan, Principal Secretary, Department of Rural Development, Government of Uttar Pradesh, Lucknow.
6. PS to MRD
7. PPS to Secretary (RD)
8. PPS to Special Secretary & FA(RD)
9. PS to JS(S)

Terms of Reference for Working Group on technical and administrative strengthening for effective implementation of the National Rural Employment Guarantee Programme

1. Background

- 1.1 Ministry of Rural Development in the Government of India is engaged in the implementation of National Rural Employment Guarantee Act, 2005 which guarantees at least 100 days of employment to the adult members of all rural households who volunteer to do unskilled manual work in the rural areas. The Act commenced on 2 February 2006 in 200 Districts. From 1 April 2007 it was extended to 130 more Districts. The Act has been extended to all the remaining 266 Districts (barring urban Districts) with effect from 1 April 2008.
- 1.2 The Act provides 8 categories of works which can be undertaken – water conservation and water harvesting, drought proofing (including afforestation and plantation), canal and other minor and micro irrigation work, provision of irrigation facility, horticulture plantation and land development on the private lands of SC/ST, IAY and land reform beneficiaries and BPL families, land development, flood protection and drainage works, providing all-weather connectivity in rural areas.
- 1.3 Any rural household can apply in the Gram Panchayat for registration and issue of job cards. Once the job cards are issued, the members of the household may apply for employment to the Gram Panchayat or the Programme Officer. On submission of application, the applicant must be issued dated acknowledgement receipt. He should be provided employment within 15 days of the application, failing which he should be provided unemployment allowance whose cost is borne by the State Government. Panchayati Raj Institutions are principal planning, implementing and monitoring authorities. The Gram Sabha must monitor the execution of projects and conduct social audit of all projects executed within its territorial jurisdiction. Complaints should be submitted to the Programme Officer and disposed of within seven days (statutory period) of its receipt.
- 1.4 During the year 2006-07, Rs.8823.25 crores was spent against the budget outlay of Rs.11300 crores and 90.5 crore persondays were generated. Employment was provided to 2.1 crores households. A total of 8.35 lakhs works were taken up. During the current year, a budget provision of Rs.12,000 crores has been made. Employment has been provided to 2.81 crores households and 100.87 crores persondays of employment has been generated up to January, 2008. A total of Rs.10,751.28 crores have been spent and 13.71 lakhs works have been taken up.
- 1.5 Under NREG Act permission has been granted to the State Governments to incur expenditure on programme management and administration upto a limit of 4% of the cost of the scheme. Earlier this limit was fixed at 2%.

The circular issued by the Ministry dated 30.3.2007 provides for following staffing pattern at the District, Block and Gram Panchayat level

Level	Key Functional Areas	Personnel to be deployed
GP	Registration, job card issue, employment demand and provision, work implementation, payment, social audit, records	1 Gram Rozgar Sewak for each GP
Block	Overall Programme management	1 Programme Officer for each Block
	Works	Technical assistants for every 5 GPs.
	IT, MIS	Computer Assistants
	Finance	Accountant
District	Works and durable assets	Works Manager with Technical assistants
	IT, MIS	IT Manager with Computer Assistants
	Finance	Accounts Manager with Accounts assistants
	Training	Training Coordinators
	Social Audit, Grievance redressal	Coordinator

No provision has been made for providing administrative support to the State Governments for the implementation of the Act, although, they are entrusted with a number of responsibilities like monitoring and inspection of projects, drafting of schemes, rules, investigation of complaints, grievances, conducting litigation on NREGA, dealing with audit objections, etc. Many States have been requesting for providing administrative support at the State level also.

- 1.6 Operationalization of computer based Management Information System is a major activity required for the proper implementation of the Act as it serves as an important tool for monitoring and ensuring transparency by making information available on public domain. Operationalization of MIS in all the Gram Panchayats, Blocks, Districts and States require making available hardware, software, connectivity and trained IT professionals. Besides, State and District Data Centres need to be established. Ministry has allowed expenditure on these ICT items in excess of the 4% ceiling on administrative cost.
- 1.7 Planning Commission had conducted a review of the performance of NREGA since its inception. The review report was submitted to the Ministry for taking up expeditious steps for strengthening the machinery for the implementation of the Act. It had specifically observed that the present limit of 4% on administrative cost needs to be reviewed as it is found to be inadequate.

- 1.8 Comptroller and Auditor General of India has prepared a draft performance audit report on NREGA covering the period February, 2006 to March, 2007. This report was submitted to the Ministry for comments. In its report it has made recommendations for strengthening of the technical and administrative machinery for the implementation of the Act. It found several deficiencies in the implementation of the Act such as poor maintenance of records, lack of computerization and networking, lack of manpower and training, lack of awareness among the beneficiaries regarding the provisions of the Act and so on. It recommended that these deficiencies can be removed by strengthening of the technical and administrative machinery involved in the implementation of the Act.
- 1.9 The Central Employment Guarantee Council in its last meeting held on 6.2.2008 had also recommended or enhancement of the limit of 4% on the administrative expenses incurred in the implementation of the Act.
- 1.10 Upon due consideration of the aforesaid facts, the Ministry of Rural Development, Government of India, considers it necessary to constitute a Working Group to study the problem of technical and administrative strengthening of the machinery involved in the implementation of the Act.

2. Purpose

- 2.1 To examine the efficacy of the existing norms of administrative expenses, staffing pattern, training, computerization, and other technical and administrative support required for the implementation of the Act.
- 2.2 To recommend appropriate measures for the technical and administrative strengthening of the State, Districts, Blocks and Gram Panchayats for the effective implementation of the Act.
- 2.3 To recommend suitable enhancement, if necessary in the limit of administrative expenditure from the present level of 4% of the cost of the scheme.