

**MOST IMMEDIATE**

No.J-11011/5/2010-MGNREGA  
Government of India  
Ministry of Rural Development  
Department of Rural Development  
(Mahatma Gandhi NREGA Division)

Krishi Bhavan, New Delhi 110114  
13<sup>th</sup> September 2010

**Subject: 12<sup>th</sup> Meeting of the Central Employment Guarantee Council**

Please find enclosed a copy of the minutes of the 12<sup>th</sup> meeting of the Central Employment Guarantee Council held on 27<sup>th</sup> August 2010 in Unnati Committee Room, Krishi Bhavan, New Delhi for information and perusal.

  
(J S AUDHKHASI)

Under Secretary to the Government of India  
Tele: 2338 1709

**All Members of the Central Council**

**Copy to:**

1. PS to MRD
2. PPS to Secretary(RD)
3. PS to AS&FA
4. PS to JS(S)
5. Shri Ritesh, Consultant(MIS) with the request to post the minutes on the MGNREGA website.

**MINUTES OF THE 12<sup>TH</sup> MEETING OF THE CENTRAL EMPLOYMENT GUARANTEE  
COUNCIL HELD ON 27<sup>TH</sup> AUGUST 2010 AT UNNATI COMMITTEE ROOM KRISHI  
BHAVAN NEW DELHI**

12<sup>th</sup> meeting of the Central Employment Guarantee Council was held on 27<sup>th</sup> August 2010 under the Chairmanship of Dr. C. P. Joshi, Hon. Minister (Rural Development) at 11 AM in the 'Unnati' Committee Room, Krishi Bhavan, New Delhi. List of participants enclosed.

2. At the outset Hon Minister (Rural Development thanked members for giving useful suggestions in their reports to strengthen the implementation of the Mahatma Gandhi NREGA.

3. **Secretary** (Rural Development) welcomed all participants. He informed that all six sub-groups had submitted their reports which were very detailed and comprehensive. National Institute of Rural Development, Hyderabad had done commendable work in supporting the working groups and in synthesizing the recommendations.

4. **Hon'ble Minister** took the agenda for discussion and requested comments from the members.

4.1 **Confirmation of the minutes of the 11<sup>th</sup> meeting of the Central Council.**

Minutes of the 11<sup>th</sup> meeting of the Central Employment Guarantee Council were circulated to all members and also posted on the Mahatma Gandhi NREGA website. No comments from the members were received and accordingly the minutes of the 11<sup>th</sup> meeting were confirmed.

4.2 **Action Taken Note on the issues raised in the 11<sup>th</sup> meeting of the Central Council:** Hon. Minister (Rural Development) invited suggestions on the action taken note on the issues raised in the 11<sup>th</sup> meeting of the Central Council. Suggestions were received from the following members on the action taken note.

**Shri Madhusudan Mistry** referred to the issue of Forest Department executing their works with wage rate applicable under Mahatma Gandhi NREGA and apprised the Council that Mahatma Gandhi NREGA fund transfer to the line departments (Forest Department) is still going on and emphasized the need to understand that Rs.100 is to be charged from the MGNREGA and the balance difference between the NREGA wage rate and that of the line department will have to be paid by the line department. He also desired to know the outcome of the inquiry conducted and the action taken by State Government of Gujarat. Joint Secretary (MGNREGA) brought out the outcome of the inquiry as well as action taken by the State Government. He also referred to the timely payment of wages through post offices in small villages and mentioned that these post

offices were incapable of managing huge funds. Referring to the role of Member of Parliament as Chairman of the Vigilance and Monitoring Committee Shri Mistry suggested that members of the Central Employment Guarantee Council be made member of the Vigilance and Monitoring Committee also so that they could exercise their role in the implementation of the Mahatma Gandhi NREGA more effectively and efficiently. On the issue of meeting of the State Employment Guarantee Council Shri Mistry emphasized the need to activate them and also called for monitoring their functioning including holding of regular meetings. He suggested that Principal Secretaries (RD) in States be asked to take necessary action in this regard and serious view should be taken if States Employment Guarantee Councils do not discharge their statutory functions and responsibilities.

**Shri Sanjay Dixit** thanked the Minister for the quick action taken by the Ministry in redressing his complaints highlighting the irregularities in the implementation of the Mahatma Gandhi NREGA and the action taken by the State Government of Uttar Pradesh. He mentioned that Ministry has written to the UP Chief Secretary for expediting initiation of disciplinary proceedings against the officers found guilty. However, no action has been taken by the State Government. Issue of State Government protecting the officers found guilty in the inquiry conducted and deliberately delaying the initiation of disciplinary proceedings against the District Programme Coordinator and other officers in the districts visited by him was also raised by him. He informed the Central Council that officers found guilty have been reinstated and given prized postings. Shri Dixit also brought out that notwithstanding the irregularities committed earlier in the implementation of the scheme; durries have recently been purchased with funds available under Mahatma Gandhi NREGA. Joint Secretary (MGNREGA) informed Shri Dixit that State Government has emailed the latest position about the action taken and the same will be shared with Shri Dixit. Secretary (RD) also assured Shri Dixit that necessary and strict action will be taken on the irregularities brought out in the implementation of the schemes and no one will be spared.

## 5. Discussion on Working Group Reports

1. **Shri M.V.Rao, DDG, NIRD, Hyderabad** made a presentation on the Synthesis of the reports of the Working Groups. Secretary(RD) invited suggestions from the members. Following suggestions were received from the members.

2. **Dr. Jean Dreze** mentioned that the Working Group on Wages had already submitted emergency recommendations and asked for expediting the settlement of issue of indexing wages under Mahatma Gandhi NREGA to the price level using the Consumer Price Index for Agricultural Labourers (CPIAL) so that workers could be given the real wage. He also mentioned that any further delay in resolving the issue would lead to discrepancies between the wage rate under the Mahatma Gandhi NREGA and the wages paid by State Governments under the Minimum Wages Act. Dr. Dreze also pointed out that the recommendations of the working groups should be implemented in a given time frame and reviewed in regular meetings of the Central Council for eliciting the feedback from the members. He also suggested reconciliation of

Minimum Wages Act with the Mahatma Gandhi NREGA to adequately safeguard the rights of the workers. He also suggested soliciting legal advice in the matter.

**3. Ms. Renuka Chowdhury** mentioned that the suggestions offered are exhaustive and in fact some of them are already in force and accordingly realignment with the existing schemes is required rather than creating new system. Dovetailing of funds and integrating various schemes as well as utilising the services of institutions like Agricultural Technology Management Agency ( ATMA) was also emphasized by her. She has also referred to the instances of reverse migration where youth are coming back to villages given the ensured wages. She further mentioned that bringing back migrants to the villages and setting condition of sending Mahatma Gandhi NREGA workers' children to school and angawadi centres also needs to be considered. The measurement of Body Mass Index for Mahatma Gandhi NREGA workers is also under consideration of the Ministry of Women and Child Development.

**4. Ms. Aruna Rao** mentioned that it was interesting to recommendations of all Working Groups. She mentioned that the only thing lacking in the recommendations is implementation time line and the agency responsible for implementing. She referred to the issues which need to be addressed on emergency basis viz. (a) keeping in view enormous amount of funds a proper management system to channelize the funds should be established. (b) workers must get Rs.100/- per day (c) qualitative change in rural life needs to be sustained (d) MIS needs to be transparent and realistic. Referring to Section 13(1) of Schedule I of the Mahatma Gandhi NREGA she clarified that there is no desire to conduct the social audit through NGOs. Social audits must be done by the people who are not part of the implementation at Gram Panchayat level. At present, the Sarpanch is the chair for conducting the Social Audit at GP level. Therefore, as a part of transparency and accountability, the Chairman of the Social Audit Committee and the implementing/executing agency should be different. Social audit process should be ratified by Gram Sabha. She also brought out that in most places Social Audit is not conducted but the credit goes to Mahatma Gandhi NREGA in permeating the awareness about the Mahatma Gandhi NREGA, its rules and regulations etc. Social audit should be seen as a governance education and rejuvenating the gram panchayats which were generally non functional. Referring to MIS, Ms. Roy mentioned that it should be transaction based MIS where detecting deviations should be possible to enable State officials to see and rectify the same. Raising the issue of construction of Bharat Nirman Rajiv Gandhi Sewa Kendra she mentioned that material and labour component should be met from BRGF and NREGA respectively. Referring to UID issue she desired to know the benefits and the frequency at which it will be used in the implementation of the Mahatma Gandhi NREGA. She suggested adequate and in depth discussion on the feasibility of utilising UID for the fingerprints as they may vanish with age or through hard manual work also. She mentioned that the reports of the Working Groups could not be gone through adequately and therefore suggested that the meeting of the Central Council should be held within one month to consider recommendations of the Working Groups. She urged the Ministry to have another meeting within a month for further discussion of the reports. She also suggested

holding bi monthly meeting of the Central Council. She also suggested that a protocol should be laid out for members to suggest agenda and share paper.

5. **Shri Madhusudan Mistry** thanked NIRD for the presentation and stated that there is too much of strengthening of the periphery of the Act.. However, the basic and core issue of workers getting timely wages and corruption free implementation of the schemes is being lost sight of. Recommendations of the none of the Working Groups cover the point whether we will be able to ensure the 100 days of guaranteed employment and payment of wage rate of Rs.100 per diem. He suggested that the Ombudsman should work as a mobile court or there could be a flying squads as in the Railways.

6. **Shri Bhakta Charan Das** supported the recommendations of the Working Groups and mentioned that Ministry of Rural Development should have necessary instrument to effectively implement rural development schemes. He also suggested that Ministry of Rural Development in consultation with Planning Commission should have a model for villages to successfully implement different rural development schemes. Gram Sabha's functioning gets determined by different factors that affect its independent functioning. These factors need to be addressed.

7. **Dr. Mihir Shah**, Member, Planning Commission while drawing attention to the presentation made by NIRD mentioned that Ministry of Rural Development should take a view on the recommendations of the Working Groups. He suggested that there should be clear road map of priorities viz. (a) action on the recommendations of the Working Groups (b) Timely payment of wages to the workers (c) suggestions made by Working Groups (d) prescribing conditionalities for 6% administrative charge (e) conducting survey to have proper projections for the labour budget (f) strengthen capacity building of implementing agencies (g) base line figures should regularly be updated. Dr. Shah also suggested constitution of group to take necessary action to implement road map. Time line for implementing recommendations of the Working Groups was also stressed by him.

8. **Dr. Kiran Karnik** mentioned that the depth of the reports submitted by Working Groups needs another meeting to decide on the indexation of the wages, increasing number of days of guaranteed employment in select areas.

9. **Shri K.S.Gopal** suggested for equal stress as for the recommendations, to the objectives of each group too in the synthesis. He mentioned that the coherence of each recommendation should be looked at. He also stated that there is a need for changes in the management of Mahatma Gandhi NREGA and more attention should be paid for assets creation under the Scheme.

10. **Shri Rangu Rao** mentioned that the number of days of guaranteed employment should be increased along with creation of durable assets. He brought out that gram panchayats do not have enough administrative and technical support to ensure the

required number of days as given in the Act. He mentioned that new works were started without completing the previous works. This necessitates revision of estimates to complete the works. Delays in work sanction delays wage payments. He suggested setting up of a District Body or a technical committee to advise revision of estimates to complete the works and informs the gram panchayats accordingly. He also mentioned that there is a need for technological support at Panchayat level to improve the average person days from the current average of 53 days. The kind of process elucidated in the guidelines is not implemented at Panchayat level.

11. **Shri Mool Chand Sharma** stated that all recommendations needs to be examined at two levels viz. policy level and procedure level. He suggested examining all recommendations based on the financial and legal implications and drawing up 6 to 15 core recommendations first as all recommendations cannot be implemented at one time. Core recommendations may be discussed by another group on priority basis. On the issue of appointing Ombudsman Shri Sharma mentioned that States were not clear about the concept and accordingly yet to take steps in this regard. He stressed the need to call State Secretaries (RD) in a meeting to explain about the concept of Ombudsman. At the national level a committee should be formed. Dr. Sharma also mentioned that there is need for professional inputs to the gram panchayats as they are not able to optimally use Mahatma Gandhi NREGA. He called for evolving a mechanism whereby human resource development, professional as well as skill development should be brought in to enable gram panchayats to carry out their responsibilities and functions.

12. **Prof. Ashwani Kumar** suggested drawing a priority list of recommendations along with a response of the Ministry of Rural Development. Next meeting of the Central Council should be held to work out a framework for implementing the recommendations. He also suggested categorization of recommendations in two parts i.e. core and long term. Ministry of Rural Development should also explore the feasibility of involving civil service organizations in the implementation of the Mahatma Gandhi NREGA.

13. **Shri C S Rajan**, Principal Secretary(RD), Government of Rajasthan mentioned that there is need to harmonize recommendations across different Working Groups. Some of the recommendations offered require amendments in the Mahatma Gandhi NREG Act as well as Operational guidelines. This would need careful examination.

A foremost priority was to strengthen capacity building of the gram panchayats otherwise most of the recommendations would be like imposing a superstructure on a weak foundation'. To achieve this, the Ministry of Rural Development, Ministry of Panchayati Raj and State Governments should work together. He also raised the issue of enlarging the scope of work under the Mahatma Gandhi NREGA for the present permissible works may not have the potential to provide more employment in the near future. Therefore he suggested that expanding the basket of works under the Act should be on a continuous exercise. Greater discretion should be given to States in sanctioning works and deciding what type of works can be taken up under the Act.

Issue of appeal against Ombudman's orders and concurrent powers and jurisdiction of the Ombudsman and the PO, DPC need to be examined.

14. **Shri R Subramanyam, Secretary(RD) Government of Andhra Pradesh** stated that at the conceptual level 'pro-poor' approach is needed. This can be done by not only providing employment but also creating assets which sustain income in the long run. A cap of average 100 days may be fixed at State level as there are areas which need more than 100 days and this can be balanced again. He suggested that the monitoring system be collaborative and provide resource support. On the issue of social audit, he mentioned that States be encouraged to use it as a tool to create awareness about the Mahatma Gandhi NREG Act as well as to bring in transparency and empowering people.

15. **Shri Serjious Minz, Additional Chief Secretary and Development Commissioner, Government of Chhattisgarh** highlighted the need of more than 100 days of employment in the tribal areas. He also requested the Ministry to relax existing 60:40 wage material ratio to 70% for works which will create and generate variety of durable assets and enlarge the scope for the future.

16. **Smt Santhosh, Director, Ministry of tribal Affairs suggested that in order to promote** the SC/ST workers, share of employment and separate budget for SC/ST at GP level under Mahatma Gandhi NREGA may be considered. .

17. **Secretary (Rural Development)** appreciated the working groups dedication to the task and explained that the Coordination Group headed by Dr. Madhusudan Mistry in its meeting held at Hyderabad discussed the reports of Working Groups except reports of Working Group on Wages and Working Group on Transparency and Accountability which were latter discussed in a meeting held in Ministry. In these meetings it was decided broadly that the reports of the Working Groups would be circulated and examined to see which recommendations may be considered for implementation and which require amendment in act, financial and legal scrutiny. Secretary (RD) also indicated that Ministry was already in the process of examining the recommendations and will be able to arrive at a comprehensive view at an early date.

18. **Hon. Minister (Rural Development and Panchayati Raj)** made the following concluding observations:

Hon. Minister(Rural Development) thanked all members for their valuable suggestions in the Working groups reports to strengthen the implementation of the Mahatma Gandhi NREG Act. He highlighted critical issues that required urgent attention. Delayed wage payment continues to be a major problem. While Section 13 - 17 of the Act have given a prominent role to gram panchayat in the implementation of the Act and 50% of the works are required to be executed by the gram panchayats they were ill equipped to discharge the statutory responsibility because of lack of dedicated staff. Almost 76,000 gram panchayats in the country had no Gram Panchayat Bhavan. Without proper infrastructure and human resources, the gram panchayats would not be

able to function effectively. Social audits were critical in bringing transparency and accountability. The issue of developing capacities of the gram sabha has to be given due thought.

Referring to UID-GOI project, he mentioned an MOU has been entered with UIDAI to give a unique identity to the biometric data base of the MGNREGA workers. The biometric base will be used on a handheld device for enabling real time MGNREGA transaction for greater transparency and authenticity.

Rigorous field monitoring was needed and the Central Council members can contribute towards this through their field visits. The Ministry would examine the recommendations of the Working on priority. The next meeting of the Central Council will be held in the last week of September 2010 to discuss recommendations of the Working Groups.

The meeting ends with a vote of thanks to the chair.

## List of Participants

- |     |                                                                                 |                 |
|-----|---------------------------------------------------------------------------------|-----------------|
| 1.  | Dr. C P Joshi<br>Hon. Minister for Rural Development & Panchayati Raj           | In chair        |
| 2.  | Shri Pradeep Jain Aditya<br>Hon. Minister of State (Rural Development)          |                 |
| 3.  | Shri Nana Gwande                                                                | Member          |
| 4.  | Shri M I Shanavas                                                               | Member          |
| 5.  | Shri Narayan Singh Amlabe                                                       | Member          |
| 6.  | Prof. Mool Chand Sharma                                                         | Member          |
| 7.  | Smt. Renuka Chowdhury                                                           | Member          |
| 8.  | Smt. Aruna Roy                                                                  | Member          |
| 9.  | Dr. Jean Dreze                                                                  | Member          |
| 10. | Prof. Ashwani Kumar                                                             | Member          |
| 11. | Shri Madhusudan Mistry                                                          | Member          |
| 12. | Shri Rangu Rao                                                                  | Member          |
| 13. | Shri Sanjay Dixit                                                               | Member          |
| 14. | Shri K S Gopal                                                                  | Member          |
| 15. | Dr. Kiran Karnik                                                                | Member          |
| 16. | Shri Bhakta Charan Das                                                          | Member          |
| 17. | Dr. Mihir Shah<br>Member, Planning Commission                                   | Special Invitee |
| 18. | Shri B K Sinha<br>Secretary( Rural Development)                                 |                 |
| 19. | Shri A N P Sinha<br>Secretary(Panchayati Raj)                                   |                 |
| 20. | Shri Arvind Mayaram<br>AS&FA, Department of Rural Development                   |                 |
| 21. | Shri R Subramanyam<br>Principal Secretary (RD), Andhra Pradesh                  | Member          |
| 22. | Shri V Giriraj<br>Principal Secretary(RD), Maharashtra                          | Member          |
| 23. | Shri RD Dhiman<br>Principal Secretary(RD), Himachal Pradesh                     |                 |
| 24. | Shri Prasanna Kumar<br>Joint Secretary(RD& PR), Government of Karnataka         |                 |
| 25. | Shri M S Tariq<br>Department of Legal Affairs<br>Ministry of Law and Justice    |                 |
| 26. | Shri M R Sindhwani<br>Deputy Director<br>DGE&T, Ministry of Labour & Employment |                 |

27. Shri Serjious Minj  
Additional Chief Secretary and Development Commissioner  
Government of Chhatisgarh
28. Shri Yedullah  
Secretary(RD) Government of J&K
29. Shri Kelei Zeliang  
Joint Secretary(RD) Government of Nagaland
30. Shri C S Rajan  
Principal Secretary (RD), Government of Rajasthan
31. Smt. Vinita Aggarwal  
Director, Ministry of Women and Child Development
32. Ms. Santosh  
Director, Ministry of Tribal Affairs
33. Dr. Uday Shanker  
Director, Planning Commission
34. Smt. Amita Sharma  
Joint Secretary(MGNREGA)
35. Shri S K Singh  
Director(MGNREGA)
36. Shri J S Audhkhasi  
Under Secretary(MGNREGA)