

MINUTES OF THE MEETING OF THE CENTRAL EMPLOYMENT GUARANTEE COUNCIL HELD ON 27TH MARCH 2009

8th meeting of the Central Employment Guarantee Council was held on 27th March 2009 under the chairpersonship of Secretary (Rural Development). The Election Commission of India advised that notification regarding the nomination of the non-official members on the Central Employment Guarantee Council may be deferred till the process of election is over. Accordingly, the meeting was attended by the official members of the Central Council. List of participants may be seen at Annexure- A.

Opening remarks of Secretary (RD)

Secretary (RD) apprised the members about the status of implementation of NREGA and the important action/decisions taken since the last meeting of the Central Council.

Status of NREGS implementation

- i) 4.08 crore number of households provided with employment. 175.87 crore number of person days generated. Out of this, the share of SC was 30% and the share of ST and women was 25% and 28% respectively.
- ii) 23.72 lakh works have been taken up during 2008-09 so far. Out of this 9.11 lakhs works have been completed. Water conservation works accounted for 45% of the works.
- iii) Out of total budget of Rs.30,000 crore, an amount of Rs.28,540 crores was released till date and expenditure of Rs.21,000 crores was reported.
- iv) 6.5 crores accounts of NREGA workers opened in post office and banks. (2.85 crores in post offices and 3.85 crores in banks) Rs.8,064.92 crores disbursed through post offices and banks which 55% of the total unskilled wages.
- v) MIS operations speeded up. 6 crore job cards and 1.2 crore Muster rolls put on the web site.
- vi) Labour budgets for all districts for 2009-10 approved. About Rs.55,000 crores fund requirement was estimated.

Important action/decisions since the last meeting of the Central Council

- i) **Notification of Central Wage Rate fixed** at States' minimum wages for agricultural labour prevailing as on December 1, 2008 was issued on 1st January 2009
- ii) Following **amendments to Schedules of NREG Act** were notified
 - a) Disposal of complaints
 - b) Planning of works
 - c) Proactive disclosure and social audit
 - d) Payment of wages to NREGA workers through banks/post offices made mandatory
- iii) Following **Rules/Amendments to Rules were formulated**
 - a) Financial Rules formulated and referred to Ministry of Law and Justice for vetting
 - b) Draft amendments to Central Council Rules expanding the representation of professionals from diverse sectors published
- iv) **Financial Inclusion**
 - a) A proposal is under consideration to support business correspondent model by waiving 2% service charge from being charged to NREGA.
 - b) Ministry has made a reference to Reserve Bank of India and Department of Financial Services to consider job cards under NREGA as legally valid document for opening of accounts under Know Your Customer(KYC) norms.
 - c) Sensitization programme for Postal Officers was organized through National Institute of Rural Development and 209 postal functionaries were sensitized.
 - d) Ministry has constituted a Joint Task Force constituted to oversee the NREGA wage payments through post offices and banks.
- v) **Enhancement of administrative expenses under NREGA**

Administrative Expense ceiling under NREGA have been increased from 4% to 6%. Guidelines in this regard have been issued to States/UTs Governments and they have been asked to provide information on the utilization of enhanced administrative expense.
- vi) **Convergence**

Ministry of Rural Development had constituted a Task Force on Convergence of NREGA with schemes/programmes of Central Ministries/Departments. Guidelines formulated by the Task Force were shared with State Governments. Presently, convergence is proposed at

planning, design/execution stage and augmenting the capacity of implementing agencies. All such convergence initiatives will be within the framework of NREG Act and Operational Guidelines. Convergence already initiated with Ministry of Agriculture, Ministry of Water Resources, Ministry of Environment and Forests, Department of Land Resources and PMGSY scheme of Department of Rural Development. Pilot districts for implementation of these guidelines have also been identified

vii) **Sample survey of NREGA**

National Sample Survey Organization had commenced sample survey of NREGA in Madhya Pradesh, Andhra Pradesh and Rajasthan.

viii) **Innovative application of ICT**

Pilot projects have been initiated in Andhra Pradesh for capturing all NREGA transactions using bio metric/smart cards/mobile telephony. Similar projects would also be commenced in UP, Kerala, Gujarat and Bihar.

ix) **Grievance Redressal**

- a) National Helpline has been established. The Helpline is being upgraded into fully operational ICT based Helpline. Similar Helplines have also been started in Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Orissa, Uttar Pradesh, Sikkim, Goa, Uttrakhand, West Bengal, A&N Island and Puducherry.
- b) Ombudsman Task Force which was set up by Ministry has submitted its report and the Ombudsman model is under consideration of the Ministry.
- c) National Legal Services Authorised introduced Lok Adalat for NREGA. First Lok Adalat was organized on 7th February 2009 in District Latehar of Jharkhand under the initiative of district administration and JHALSA. 20,000 cases were disposed. Similar Lok Adalat also being organized in Karnataka

x) **Establishing Professional Institutional Networks (PIN)**

- a) For the purpose of concurrent monitoring, appraisal and capacity building, Ministry has initiated establishment of Professional Institutional Networks comprising of IITs, IIMs and Agricultural Universities. So far 13 institutions have been listed for carrying out the proposed assignment. Reports from these institutions are expected by April 2009. Ministry is also constantly making efforts to involve other professional institutions like IEG, DSE, other universities and social science research institutions.

- b) Ministry also organized Round Table conferences with professional belonging to legal, media, social science research institutes areas.

xi) **Communication Events**

- a) International Seminar was organized by Ministry of Rural Development in association with UNDP on 20-21 January 2009 on Rural Poverty: Key Initiatives in achieving Millennium Development Goals and the Role of NREGA. Scholars and academicians from 13 countries participated in the Seminar. About 350 persons participated in the Seminar.
- b) Ministry also organized NREGA Sammelan on 2nd February 2009. Awards for excellence in implementation of NREGA were also given to District Programme Coordinators and personnel from Department of Posts. Rozgar Jagrukta Puraskar were also given to Civil Society Organizations.

ISSUES DISCUSSED

1. Convergence
2. Role of States in selection of works.
3. Business Correspondent Model
4. Manpower through service provider
5. Grievance Redressal through Ombudsman
6. Strengthening of implementation process

Principal Secretary (RD) Government of Uttar Pradesh

- (i) It was informed that convergence was already being done in State in scattered form and suggested that NREGA website might be utilized for sharing of the best practices in the field of convergence.
- (ii) The issue of allowing freedom to State Council to identify new works under the NREGA was brought out for discussion. While identifying new works, the wage material ratio of 60:40 should be maintained.
- (iii) The issue of service provider in implementation of NREGA was brought out. It was mentioned that Allahabad High Court has observed that no contractor to be used in NREGS so the contractual officers and staff in the implementation of NREGS is not in conformity with the Act. He asked for a clarification to be incorporated in the NREGA Operational Guidelines.
- (iv) Regarding minimum wage, it was mentioned that minimum wage of State be accepted.

- (v) Regarding Business Correspondent Model, it was mentioned that the service charge of 2% might be met from the labour budget (wage/material component).
- (vi) He also suggested integration of smart card with all other cards.
- (vii) For grievance redressal system, he said that ombudsman is a very sensible system and shall be utilized in NREGA with independent funding to it.

Principal Secretary (RD) Government of Tamil Nadu

- (i) The issue of bogus workers and fake muster rolls was raised and the need for organized strategy to check it was stressed. It was informed that State Government is taking adequate measures to identify bogus workers and irregularities. To sort out this problem he suggested formation of self help group of NREGA and involvement of NGOs to mobilize beneficiaries. It was suggested that expenditure on this account may be booked under administrative expenses. NGOs may guide workers about NREGA and their rights and entitlements under the Act.
- (ii) It was mentioned that land development notwithstanding ownership private/government may be included in the shelf of project.
- (iii) Regarding convergence, it was suggested that it should be only through State Rural Development Department.
- (iv) The issue of dwell time and transfer of funds from one level to another was raised and it was pointed out that the banks throughout the State are not on core banking system.
- (v) The example of quality coordinators for monitoring and grievance redressal adopted in relief work of tsunami was given and told that with clear cut terms of reference and an NGO impeccable reputation may be used for grievance redressal.

Joint Secretary(RD) Government of Himachal Pradesh:

- (i) Expansion in the list of permissible works under Schedule-I of NREGA was sought and it was informed that State Council has already approved the following works for inclusion under NREGA.
 - 1. Engaging Crops Protectors for protecting crops from wild animals
 - 2. Care of following types of buildings
 - a. School buildings in rural areas
 - b. Ayurvedic dispensaries
 - c. Panchayat Ghars
 - d. Veterinary dispensaries
 - e. Anwanwadi buildings

3. Forest boundary pillars(as proposed by the Forest Department)
 - (ii) It was suggested that wage material ration to be maintained at 50:50.
 - (iii) It was suggested that the capping of 100 days of work for each household to be raised to 150 days.
 - (iv) The issue of charging of 2% of transaction fees by the banks for business correspondent model was raised.

Director (EGS) Government of Karnataka

- (i) It was pointed out that in built checks on the issue bogus muster rolls is inbuilt in NREGA due to conducting of social audit, IEC, inspection/quality monitoring by independent agencies.
- (ii) Selection of mate preferably woman from Gram Panchayat Workers may be selected in each work to maintain muster roll.
- (iii) The Lok Adalat experience in Raichur and Kollar was mentioned. It was emphasized that it led to greater awareness generation in NREGA workers.
- (iv) States should be given leeway in monitoring of State Employment Guarantee Fund so that money can flow from districts having excess funds to fund deficient districts.
- (v) It was mentioned that from 1st of April all data will be submitted through MIS and MPRs shall be discontinued.
- (vi) It was mentioned that the Forest Department can work in tandem with Gram Pachayat as work shall be approved by the Gram Panchayat, muster roll from Gram Panchayat should be given to RFO and payment for material should be made through cheques.

Director(Planning Commission)

- (i) It was mentioned about convergence of NREGA with other programmes/schemes of Ministries/Departments. She mentioned that pre planning is necessary for this purpose.
- (ii) Regarding monitoring, it was mentioned that Report of the studies undertaken by Ministry of Rural Development through different agencies take long time to reach Planning Commission. She suggested forwarding of Interim Report of studies.

Joint Secretary, Prime Minister's Office

- (i) It was mentioned that new areas of works under NREGA should be put on NREGA website by State Governments to facilitate decision making by Central Government.
- (ii) It was also suggested that persons of proven integrity should be engaged at different levels in the implementation of NREGA.
- (iii) The issue of quality monitoring of the implementation of the programme was also emphasized by him.
- (iv) It was clarified that National ID card is being introduced and that will care of issue of multiple cards.
- (v) It was suggested that rozgar sevaks should be educated persons. And the concept of mate from the NREGA workers itself will take care of issue of fake muster rolls.
- (vi) It was suggested that cluster of land may be taken up for improvement/development under Para 1(IV) of Schedule I of the Act.

IG (Forests) Ministry of Environment and Forests

- (i) The idea of engaging NGOs in monitoring of NREGA is not favoured.

Secretary (Rural Development)

Based on the discussions, Secretary (RD) concluded:

1. As per Schedule-I, para 11 & 12 of NREGA, the Scheme does not permit engaging any contractor and machines for implementation of the projects under it. In this context, the reported Order of High Court of Allahabad that the Officer and Staff engaged through service provider to carry out the processes of NREGA is not in conformity with the Act needs to be examined. A copy of the Order shall be obtained and examined and suitable clarification shall be incorporated in the Guidelines.
2. A Task Force to be constituted to examine incorporation of new area specific and need based works in the Schedule –I (1). Representation of States to be kept in the Task Force.
3. The innovative models like bank correspondent to reach out to NREGA workers is in active consideration. The issue of payment of 2% of transaction fees is being taken up with the Ministry of Finance and Prime Minister's Office.
4. To strengthen the implementation process, the limit of administrative expenditure has been raised to 6% and flexibility has been given to States to work out their expenditure keeping in view their requirements.

5. Though the experience of Lok Adalat in association with NALSA and SALSA has been enriching, the Ministry is examining the feasibility of ombudsman model of grievance redressal.

ANNEXURE A

1. Dr. Rita Sharma
Secretary(Rural Development) In chair
2. Shri R Gopalakrishnan
Joint Secretary (PMO)
3. Smt. Amita Sharma
Joint Secretary(NREGA)
Department of Rural Development
4. Shri Avtar Singh Sahota
Joint Secretary, Ministry of Panchayati Raj
5. Shri K B Thampi
IG(Forests)
Ministry Of Environment and Forests
6. Shri Rohit Nandan
Principal Secretary(RD)
Government of Uttar Pradesh
7. Shri K Ashok Vardhan Shetty
Principal Secretary(RD)
Government of Tamil Nadu
8. Shri O P Kant
Joint Secretary(RD)
Government of Himachal Pradesh
9. Shri P C Jaffer
Director(EGS)
Goverment of Karnataka
10. Smt. Suman Kaushik
Director(Planning Commission)
11. Smt. Santosh
Deputy Secretary
Ministry of Tribal Affairs
12. Shri S K Singh
Director(NREGA)
Department of Rural Development
13. Shri J S Audhkhasi
Under Secretary(NREGA)
Department of Rural Developments