

**MOST IMMEDIATE**

No. J-11060/2/2009-MGNREGA  
Government of India  
Ministry of Rural Development  
Department of Rural Development  
(Mahatma Gandhi NREGA Division)

Krishi Bhavan, New Delhi 110114  
22<sup>nd</sup> November 2010

To

The Principal Secretary/Secretary  
Department of Rural Development  
Government of \_\_\_\_\_

**Subject : Engagement of CSOs/NGOs in the implementation of the Mahatma  
Gandhi National Rural Employment Guarantee Act**

Sir/Madam,

The objective of the Mahatma Gandhi National Rural Employment Guarantee Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. Thus, the Act confer upon the eligible rural households a legal right to demand employment up to 100 days in a financial year.

2. It has been brought to the notice of the Ministry that State Governments have assigned NGOs/CSOs responsibility for ensuring demand for employment by households on the basis of fixed monetary incentives. Getting 100 days of work is a legal right of the workers which can be accessed by the workers directly. However, equating payments to the CSOs with increase in number of days of work received by the worker has the effect of linking legal rights of workers with monetary incentive of CSOs which is not in conformity with the spirit of the Mahatma Gandhi NREG Act as well as the instructions issued from time to time by Ministry of Rural Development. This in fact facilitates empowering NGOs/CSOs rather than the MGNREGA workers and open space for commission agents or contractors in securing employment to rural households which they can demand as a legal right..

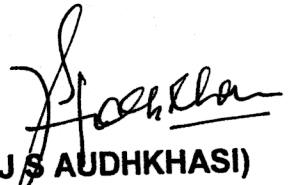
3. Instances have also been brought to the notice where State Governments provide incentives in addition to monthly remuneration to personnel like Rozgar Sevaks in case they are able to generate in a month prescribed ceiling of person days in a Gram Panchayat. Such pecuniary incentives to personnel is also not in the spirit of the Act. In fact, this squeezes permissible administrative expenses on the one hand and may motivate personnel to resort to dubious and unscrupulous means to generate required person days.

4. Such directives are also against the law that is self targeting and does not lay down any targets. Fixing monetary incentives related to person days generated has the effect of prescribing targets that the Act itself does not.

5. To ensure implementation of the Mahatma Gandhi NREG Act as per the statutory provisions and instructions issued from time to time, State Governments are advised to immediately desist from the instances referred to above and in case any orders/instructions have been issued in this regard, necessary steps may immediately be taken to rescind them and ensure due compliance with the statutory provisions of the Mahatma Gandhi NREG Act. Non compliance will be viewed seriously by Ministry of Rural Development and appropriate action taken in exercise of the powers conferred under the Mahatma Gandhi NREG Act.

6. It may also be noted that PRIs have a pivotal role in MGNREGA under Sections 13,14,15 and 16 and the Gram Sabha has powers for planning and social auditing under sections 16 and 17. The spirit of the Act is clearly to strengthen and empower PRIs and the local community through Gram Sabha. States must therefore make all efforts to build capacity of PRIs for reaching out to the local community and enabling it to avail of benefits under Mahatma Gandhi NREG Act.

7. This issues with the approval of Hon. Minister (Rural Development).



(J S AUDHKHASI)

Under Secretary to the Government of India  
Tele: 2338 1709