



No. J-11060/01/2011-MGNREGA-I
Government of India
Ministry of Rural Development
Department of Rural Development
(MG NREGA-I Division)

Krishi Bhavan, New Delhi
Dated 28th November, 2011

To,

Principal Secretary/Secretary of Rural Development Departments of all States and UTs.

Subject: Pilot on advance payment to MGNREGA workers.

Sir/Madam,

Reference is invited to this Department's letter of even number dated 16th november, 2011 (copy enclosed) on the subject mentioned above. Vide the aforesaid letter, all the State Governments were requested to take up pilots for advance payment to MGNREGA workers in a few Gram Panchayats from the week beginning 21st of November and to observe it for 3 consecutive weeks. State Governments were also requested to identify few Gram Panchayats for this pilot and to send the name & details of the officials involved in the pilot to this Ministry. No progress/information has been sent by the State Governments in this regard.

All the State Rural Development Departments are, therefore, requested to send the name of Districts/Panchayats identified for the pilots alongwith name & details of the officials involved in the pilot to this Ministry by 2nd December, 2011.

This may please be given **TOP PRIORITY**.

Yours faithfully,

(P.N. Shukla)

Under Secretary to the Government of India

D.K. Jain
Joint Secretary
Tel.No.2338 5027
Fax No.2338 4703



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Ministry of Rural Development
Deptt. of Rural Development
Government of India
Krishi Bhavan, New Delhi - 110 114

D.O.No. J-11060/01/2011-MGNREGA

Dated: November 16, 2011

Sub: Pilot on part payment to MGNREGA workers

Dear Shri

This is regarding undertaking a **Pilot on part payment to MGNREGA workers as an option towards timely payment of wages till the Banking Correspondent (BC) network is augmented and till the postal network spreads out to all the Panchyat areas.** As you may agree that timely payment of wages remains a serious challenge in successful implementation of MGNREGA. While efforts are being made to streamline the process by extending the outreach of banks and post offices, these efforts are likely to take time to get fully rooted.

It has been suggested that till the Banking Correspondent (BC) network is augmented and till the postal network spreads out to all the Panchayat areas, part payment to the workers may be considered as an option. The scheme could work as under:

Week 1	Estimated payment due for the week- X1e	Part payment to worker- X1e/2
Week 2	Actual payment due for week 1- X1a (To be determined on the basis of measurement) Estimated payment for week 2- X2e	Payment to worker: (X1a- (X1e/2)) + (X2e/2)
Week 3	Actual payment due for week 2- X2a Estimated payment due for week 3- X3e	Payment to worker: (X2a-(X2e/2)) +(X3e/2)
And so on		

Ministry of Rural Development would like the states governments to pilot this mechanism of payment in a few Gram Panchayats and evaluate whether this helps in mitigating the effects of delayed payments by making some advance payments to the workers. At the same time, an evaluation of the administrative difficulties may also be made. Based on the feedback of these pilots, the mechanism could be refined further for scaling up.

Ministry would like the pilot to begin from the week beginning 21st of November and would suggest that the same be observed for 3 consecutive weeks. In the last week of December 2011, a workshop of the DPCs involved in these pilots would be held in Delhi to finalise this mechanism,

I would be grateful if you could identify a few Gram Panchayats for this pilot. Names and contact details of the officials involved may please be communicated to the undersigned at the earliest.

With Regards,

Yours sincerely,

sd/-

(D.K. Jain)

Principal Secretary/Secretary
Rural Development Department
(All States)

➔ Copy to : 1. Shri K. Raju, National Advisory Council, 2, Motilal Nehru Marg, New Delhi - 110 011

2. PPS to Member, Planning Commission (Dr. Mihir Shah),
Planning Commission, YOJANA BHAVAN, New Delhi

(D.K. Jain)

Joint Secretary

1 issued on

21 Nov 2011