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भारत सरकार
कृषि भवन, नई दिल्ली-110 114
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

Am 14/11
(D.K. Jain)

Joint Secretary

18/11/11

21 Nov 2011