No. G- 30111/10/2016 – MGNREGA -V  
Government of India  
Ministry of Rural Development  
Department of Rural Development  

Krishi Bhavan, New Delhi  
Dated 17th August, 2016

To,

The Additional Chief Secretary/ Principal Secretary/ Secretary/ Commissioner  
Rural Development Department/ Panchayati Raj Department (In charge MGNREGA)  
All States/ UTs


Madam/ Sir,

Sub section 6 of section 14 of the MGNREG Act 2005, directs that the District Programme Coordinator (DPC) under MGNREGA shall prepare, in the month of December every year, a Labour Budget (LB) for the next financial year containing the details of the anticipated demand for unskilled manual work in the district and the plan for identification for need based works and engagement of workers in the works covered under the program.

2. Section 16(1) mandates that the Gram Panchayat shall be responsible for identification of the projects in the Gram Panchayat area to be taken up under a Scheme as per the recommendations of the Gram Sabha and the Ward Sabha, and for executing and supervising such works. The para 7 of Schedule I of the Act further stipulates that there shall be a systematic, participatory planning exercise at each tier of Panchayat, as per detailed methodology laid down. All works, to be executed by Gram Panchayats shall be identified and placed before the Gram Sabha, and such works which are to be executed by the intermediate Panchayats or other implementing agencies shall be placed before the intermediate or District Panchayats, along with the expected outcomes. Chapter 6 of the Annual Master Circular 2017-18 reiterates and details the procedure to be followed for the planning of works and preparation of LB.

3. The States/ UTs are required to take up a time bound participatory planning exercise followed with other relevant activities to ensure timely preparation of a realistic Labour Budget that may be pragmatically considered by the Empowered Committee of the Ministry as per the following suggested timeline viz.

<table>
<thead>
<tr>
<th>Action to be Taken</th>
<th>Time</th>
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<tbody>
<tr>
<td>Launch of Gram Panchayat level planning process and discussion of the planning process by Gram Sabha/Ward Sabha.</td>
<td>2nd October</td>
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<tr>
<td>Special Gram Sabha for approval of the Gram Panchayat level annual action plan.</td>
<td>3rd October to 30th November</td>
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<tr>
<td>Submission of Gram Panchayat Level Plan to the Block Panchayat</td>
<td>By 5th December</td>
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<tr>
<td>Approval of Block Level Consolidated Annual Plan by Block Panchayat and submission of the same to District Programme Coordinator/ Collector (The consolidated Labour Budget including all interventions proposed for the Block level should be approved by the Block Panchayat/Intermediate Panchayat)</td>
<td>By 20th December</td>
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<tr>
<td>Presentation of Block Plans by Programme Officer before DPC in the suggestive format circulated by the Ministry and appraisal of same by the DPC.</td>
<td>By 19th January</td>
</tr>
<tr>
<td>Presentation of District Annual Plan and LB to District Panchayat by the District Programme Coordinator/ Collector (all interventions proposed for the District should be approved at the District level)</td>
<td>By 20th January</td>
</tr>
<tr>
<td>Approval of District Annual Plan by the District Panchayat and submission of the same to State Government. The DPC/ ADPC will present the plan before the State/ UT Government in the suggestive format circulated by the Ministry and the same will be appraised before collation into State Plan.</td>
<td>By 31st of January</td>
</tr>
<tr>
<td>Submission of Labour Budget to the Central Government in the suggestive format circulated by the Ministry and the same will be appraised before collation into State Plan.</td>
<td>By 15th February</td>
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<tr>
<td>Meetings of the Empowered Committee and finalisation of the LB</td>
<td>20th February onwards</td>
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<tr>
<td>Communication of the LB to the States by Ministry and further by the states to Districts, Blocks, and Gram Panchayats</td>
<td>By 31st March</td>
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4. As mentioned above the planning process will start from 2nd October, 2017. The Ministry is carrying out a Swachhata Pakhwada from 1st of October to 15th of October, 2017 with the objective to ensure active participation of people in Gram Sabha meetings, development of plans for FY 2018-19 with more focus on livelihood related assets, participatory role of various stakeholders in overall development of the villages.

During the fortnight, the activity planned for October 2nd and 3rd which relates to Planning for Works under MGNREGS are as follows:

4.1 2nd October

Gram Sabha for discussion on MGNREGS (Performance against Plan and Orientation)

- A comprehensive report to be read out by GRS/ GP Secretary on the last year’s progress of MGNREGS implementation.
- Discussion on the Report with special focus on
  a) Incomplete works
  b) Shelf of Projects
  c) Job card Updation
  d) Citizen Information Board
- Selection of two/three Women Self Help Groups (SHGs) whose members can act as Village Resource Persons (VRP) for Social Audit.
- Awareness regarding Sanitation linked works for Clean and Green villages
  a) Sessions on Mission Water Conservation and Natural Resource Management
b) Sanitation initiatives like construction of assets like Household Soak Pits

c) Waste Management Initiatives like Vermi/ NADEP composting

4.2 3rd October
Gram Sabha for finalization of Labour Budget for Gram Panchayat

- Reading out the draft plan prepared by the Gram Panchayat for the FY 2018-19
- Detailed discussion and approval.
- Taking a pledge to participate in MGNREGA Rozgar Divas organized by the Gram Panchayat at least once in a month.
- Documentation
  - Officials/ functionary will be recording/ noting down the outcome/ feedback/ objections/ difference of opinion raised during the discussion.
- Gram Sabha for finalization of Labour Budget
  - Reading out the draft plan prepared by the Gram Panchayat for the FY 2018-19
  - Detailed discussion and approval.
  - Discussion on usage and benefits of Janmanrega, the citizen centric mobile application
  - Taking a pledge to participate in MGNREGA Rozgar Divas organized by the Gram Panchayat at least once in a month.
  - Documentation
    - Officials/ functionary will be recording/ noting down the outcome/ feedback/ objections/ difference of opinion raised during the discussion.

4.3 It is clarified that the states/ UTs have a time till 30th November (as mentioned in above table) for finalization of Labour Budget of Gram Panchayats. States that have already completed the pre planning exercise may finalize the Labour Budget on this day, else the Gram Sabha of 3rd October may be discussion on drafts, existing LB that is spilling over, ongoing IWMP and PMKSY works that need to be integrated/ converged with MGNREGS etc. In fact, to facilitate evidence based scientific NRM planning process the recommended work plan on Watersheds/ Command Area approach as approved in the District Irrigation Plan can be discussed on 3rd October Gram Sabhas for community validation and vetting.

5. Important activities for aspects of planning

5.1 Gram Sabha/ Ward Sabha: The District Programme Coordinator should ensure strict adherence to the principle of bottom-up approach from the stage of planning to approval of the selected shelf of projects by each Gram Sabha/Ward Sabha in the district. The State Government is also required to furnish a certificate to the effect that the provisions made in the Mahatma Gandhi NREGA for preparation of Labour Budget have been considered and a bottom-up approach has been adhered to in the preparation of LB. The annual planning exercise for Mahatma Gandhi NREGA will be part of the Convergent Planning Exercise for the Ministry. Technical inputs for planning shall be drawn from the technical resources available in the district under MGNREGS, CSO partners and other line department agencies.

5.2 Thrust on planning for works related to Natural Resource Management (NRM), agriculture and allied activities and livelihood related works on individual's land leading to sustainable livelihoods: The DPC will facilitate and ensure that NRM related works under Mahatma Gandhi
NREGA are taken up in convergence with Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Integrated Watershed Management Programme (IWMP) and Command Area and Water Management (CAD&WM) schemes for better outcomes of the water conservation and water harvesting measures. For planning for NRM works, the technical inputs will be drawn from the joint pool of technical personnel of IWMP in Watershed Cell cum Data Centre (WCDC), Mahatma Gandhi NREGA unit, Water Resource Department and the Agriculture Department. The technical inputs relating to Excavation, Renovation & Modernisation (ERM)/ water bodies may also be sought from Regional Office of Central Ground Water Commission (CWC).

5.3 District Irrigation Plan: The recommended work plan on Watersheds/ Command Area approach as approved in the District Irrigation Plan should be sent to all the concerned Gram Panchayats for community validation and vetting. The final DPR, reflecting all community suggestions will then be recommended by all Gram Sabhas of all Gram Panchayats involved in the Watershed/ Command Area. The DPC/Collector will further ensure that the NRM component of Labour Budget of MGNREGS is integrated into the District Irrigation Plan (DIP). The DPC/ Collector will also ensure that the planning for works is such that at least 65% of expenditure under MGNREGS is on NRM works in FY 2017-18, in the identified 2264 Blocks under Mission Water Conservation (MWC) rural Blocks of the country.

5.4 Wage – Material ratio: For all the works planned to be implemented by the Gram Panchayats and other Implementing Agencies, the 60:40 ratio in wage and labour must be maintained at the district level. District Programme Coordinator/ Collector should ensure that at least 60% of the works taken up at the district level, in terms of cost, shall be for creation of productive assets directly linked to agriculture and allied activities through development of land, water and trees.

5.5 Role of SHGs, CFTs and CBOs: The Self Help Groups (SHGs) under DAY- NRLM will be closely involved in the planning especially in case of implementation of watershed projects under Mahatma Gandhi NREGS. Cluster Facilitation Teams of the MGNREGS and Intensive Block clusters of DAY-NRLM should be actively involved in planning process, including in 2264 Blocks (93351 Gram Panchayats) identified under Mission Water Conservation. The process of creating a community organization at the watershed level will also commence simultaneously so that a community led planning and implementation structure is in place well before financial resources are committed for the project.

5.6 Pro-actively reaching out to landless and manual casual labour household for covering them under MGNREGA: The ongoing effort to ensure that households that are listed as automatically included or deprived as per the SECC (especially households under the deprived category of landless dependent on manual casual labour for livelihood) are issued Job Cards on priority needs to be emphasized during planning and household visits period.

5.7 Proceedings of each Gram Sabha/Ward Sabha in which the respective LB and shelf of projects for the GP has been approved, must be uploaded as an attachment to the respective LB in the MIS. The labour Budget should comprise a month wise anticipated quantum of demand for work and a plan that outlines the quantum and schedule of works to be provided to those who demand work. While preparing LB, it should be ensured that all columns and rows are duly filled in, especially, Month
wise projection of Labour Demand during FY 2018-19. It also needs to be ensured that units [volume/length/area etc. in respect of works & numbers in cases of persondays, costs, etc. are filled in correctly. To assess adequate and advance budget requirements for the MGNREGA and smooth and timely release of Central share of funds to your State/UT, GP-wise online entries should be completed for all the districts of your state. The data should be uploaded in the MIS latest by 10th February, 2018.

5.8 The proforma for preparation of LB in which it is to be submitted to the Ministry of Rural Development is annexed as Annexure-1. The proforma may be used by Gram Panchayats, Blocks and Districts also to present their Labour Budget before reviewing authority.

It is pertinent to mention that LB is an important tool for financial management. The Hon’ble Supreme Court has directed, in a matter, that “the State Governments ought to present a realistic budget which should then be pragmatically considered by the Empowered Committee...”. It is therefore requested that the Labour Budget for FY 2018-19 should be prepared in consonance with the requirement of the Act and it should be reviewed at all levels of scrutiny viz. Block, District and State level to arrive at a realistic assessment and should be submitted, both online as well as in suggested booklet format by 15th February, 2018. The meeting of the Empowered Committee is likely to be scheduled in 3rd week of February, 2018.

This may be treated as Most Urgent.

Yours faithfully,

(Aparajita Barangi)
Joint Secretary, MGNREGA

Copy to:
1. Sr. Technical Director, NIC for uploading in NREGASoft (What’s New and Circular Section) and for taking proper action for facilitating uploading of LB on MIS w.r.t. para 7 above.
2. PPS to SRD for information
3. PS to AS & FA (RD) for information.
4. PS to ASRD for information.
5. ASC (C)
PART-I (Performance)

1. Profile of the State
3. Work Details – comparative for FY 2016-17 and FY 2017-18 (end of Jan)
4. Financial Details – comparative for FY 2016-17 and FY 2017-18 (end of Jan)
5. Status of GeoMGNREGAand Janmanrega
6. Status of Timely Payment and payment of compensation for delay in payment of Wages
7. Status of Social Audit
8. Status of eFMS Universalization (Wage, Material and Admin)
9. Direct Benefit Transfer (DBT)- Aadhaar seeding/ ABP conversion
10. Status of Bare Foot Technicians (BFTs) training and deployment
11. Status of Project LIFE – MGNREGA
12. Functioning of SEGC
13. Deployment of Technical personnels
14. Capacity building of Technical personnels - DTRT & BTRT Trainings
15. Mapping of casual manual labour as per SECC
16. Status of Job Card verification and updation
17. Adoption of 7 Registers
18. Compliance of C&AG audit paras
19. Action taken on NLM reports

PART – II (Proposal for FY 2018-19)

1. Brief on participatory planning exercise undertaken for preparation of Labour Budget estimates
2. Estimates of Labour Budget for FY 2018-19
3. Completion of Incomplete works
4. Strategy to end delay in Payment of Wages
5. Strategy to ensure Social Audit of all GPS
6. Plan for Direct Benefit Transfer (DBT) - Aadhaar seeding/ ABP conversion
7. Plan for BFT training
8. Plan/ Target under Project LIFE – MGNREGA (component wise)
9. Plan regarding Geo tagging of assets
10. Staffing
PART-I (Performance)

1. General Profile of the State/ District/ Block
   - State/ District/ Block profile - geographical, economic, administrative
   - SECC data
     - Automatic Inclusion
     - Deprivations
     - Casual Manual Labour (CML) and their Job Card status
   - Demography
     - SC population
     - ST population
   - Drought/ flood status of the State/ District/ Block
     - Frequency of droughts and provision of additional 50 days (year wise in last 5 years) with number of districts affected

   - Registered HHs
     - Total
     - Active
     - Total Person days generation
       - Women (number and percentage)
       - SC (number and percentage)
       - ST (number and percentage)
   - HHs provided at least 100 days of Employment
   - HHs provided more than 100 days of Employment
   - FRA
   - Drought
3. Work Details for 2016-17 and FY 2017-18 (end of Jan)
   • Total Works taken up since inception and during FY 2016-17 and FY 2017-18 (end of Jan)
   • Status of completion of Works
     o Total work completed since inception - number and percentage
     o Works started and completed in FY 2016-17 and FY 2017-18 (end of Jan)
   • Expenditure on Agriculture and allied work – figures and percentage; number of districts below 60%.
   • Natural Resource Management (NRM) related work (Community + Individual both) (number and %age; number of districts below 60%)
   • Irrigation potential created through NRM works (in hectare)
   • Plantation
     o Road side plantation (length, percentage against commitment, districts below 60%)
     o Block plantation (in hectares)
   • Individual Assets
     o Vermi/ NADEP Compost
     o Farm ponds
     o Cattle/ Poultry/ Goat/ Piggery Sheds
   • Aangan Wadi Centres (AWC) (Target, Completed, Ongoing)
   • Category - A, B, C and D wise
4. Financial Details

- Central Release
  - Total available fund including state share and other receipts
  - Revolving fund/ advance if any
  - Total expenditure
    - Wage percentage
    - Material percentage
    - Admin percentage
  - Notified MGNREGA wage rate
  - Average wage rate per person day
  - Average cost per person day
  - Administrative expenses
    - Total expenditure
      - State (amount and percentage of total expenditure on Admin)
      - District (amount and percentage of total expenditure on Admin)
      - Block/ Mandal (amount and percentage of total expenditure on Admin)
      - GP/ Village (amount and percentage of total expenditure on Admin)
  - Expenditure on salary (amount and percentage of total expenditure on Admin)
    - State
    - District
    - Block/ Mandal
    - GP/ Village
  - Expenditure on other heads to be listed with amount and percentage of total expenditure on Admin
5. Status of roll out of GeoMGNREGA and Janmanrega
   - Status of Geo Tagging of assets
     - Assets generation
     - Assets geotagged
   - Status of registration of MSEs

6. Status of Delay in Payment of Wages
   - Notification of Rules
   - Sharing of Rules with the Ministry
   - Delay in wage payment (crediting into account of beneficiary) after 15 days
   - Delay compensation paid

7. Status of Social Audit
   - Establishment of independent Social Audit Unit
   - Staffing of the Social Audit Units
   - Training of Resource persons (number and percentage against target)
   - Social Audit conducted (Number of GPs covered; percentage) and Action Taken Report

8. Status of eFMS Universalization
   - Percentage of wage expenditure through eFMS/ NeFMS
   - Percentage of material expenditure through eFMS
   - Percentage of admin expenditure through eFMS

9. Status of Direct Benefit Transfer
   - Status and balance Aadhaar numbers to be seeded.
   - Status and balance ABP conversion to be done.
   - Status of SLBC meetings and reconciliation with LDMs of consent forms shared with Banks for ABP conversion with respect to the joint instructions of MoRD and Department of Financial Services dated 9th Jan, 2017.

10. Functioning of SEGC
    - Number of meetings convened with dates for FY 2017-18
11. Status of Bare Foot Technicians (BFTs) training and deployment
   o Trained against target
   o Deployment of trained BFTs

12. Status of implementation of Project LIFE- MGNREGA
   o Skilling for Wages - achievement against revised target
   o Skilling for Self Employment - achievement against revised target
   o Livelihood Upgradation - achievement against revised target

13. Deployment of Technical personnels
   o Technical Asstitant (number; average number of GPs under one TA’s supervision)
   o Junior Engineer
   o Assistant Engineer
   o Executive Engineer

14. Capacity building of Technical personnels - DTRT & BTRT Trainings
   o District Technical Resource Team (DTRT) persons trained against target
   o Block Technical Resource Team (BTRT) persons trained against target

15. Mapping of casual manual labour as per SECC
   o Number of casual manual labour identified as per SECC
   o Number of casual manual labour category households contacted for registration for Job Card, new Job Cards issued and refusals
   o Total number of casual manual labourer households with Job Card

16. Status of Job Card verification
   o Total
   o Active

17. Deployment of 7 registers
   o GPs covered

18. Status of compliance of audit observations of C&AG
   o Para wise status
19. **Action taken on NLM report**
   - Number of visits/reports
   - Observations complied with
   - Observations pending for compliance

**PART – II (Proposal for FY 2018-19)**

**Labour Budget (LB) 2018-19**
- Brief description of participatory planning exercise undertaken for preparation of Labour Budget estimates
- Estimates of Labour Budget for FY 2018-19
  - Month-wise district-wise labour budget with seasonality graph for the FY supported by trends in last 3 FYs.
  - Category-wise & sub category-wise works plan for FY 2018-19 with expected outcomes
  - Commitments for:-
    - Vermi/NAULP compost pit
    - AWC
    - Roadside plantation
  - Implementation of the NRM component of DIP (under Mission water conservation)
    - Report of State Level Workshop on Mission Water Conservation
    - Total NRM works planned (percentage included in DIP; Number and percentage of stand alone works taken up)
    - Kind of works planned
    - Plan for Irrigation deprived districts (NRM component in number and cost as well as in percentage of total planned cost of LB).
    - Plan for Over exploited blocks (NRM component in number and cost as well as in percentage of total planned cost of LB).
- Plan for Critical blocks (NRM component in number and cost as well as in percentage of total planned cost of LB).
  - Non – PMGSY road
  - Works planned as per guidelines issued
    - Category-wise expected spill over of works
    - Convergence-works - department-wise and category-wise (Number and percentage)
- Plan for Direct Benefit Transfer (DBT) - Aadhaar seeding/ ABP conversion
  - Balance Aadhaar numbers to be seeded. Strategy for 100% seeding into NREGASoft of all active workers in NREGASoft with timelines.
  - Balance ABP conversion. Strategy for 100% ABP conversion of all active workers having accounts in Banks/ Post Office (Once they come on CBS platform and APBS payment system) with timelines
- Completion of Incomplete works – strategy and commitment regarding 100% completion of works started before 31st March, 2017.
- Strategy to ensure timely Payment of Wages
- Plan for capacity Building – Digital Payments
  - For all field functionaries at various levels Viz. State/ District/ Block/GP
  - For rural community
- Plan for BFT training
- Plan/ Target under Project LIFE – MGNREGA (component wise)
- Plan regarding Geo tagging of assets, Registration of MSEs and Janmanrega
- Plan for covering casual manual labour households with Job Card.
- Strategy for placing adequate technical staffs at all levels