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Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

GoI, 2023-24

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is Government of India's (GoI's) flagship scheme to provide at least 100 days of guaranteed wage employment in a financial year to every rural household that demands work.

Using government reported data, this brief reports on the trends for:

- Allocations, releases, and expenditures;
- Paid wages and delayed compensations; and
- Employment demanded and provided.

Cost share and implementation:
The complete cost of unskilled labour and 75 per cent of the material cost is borne by GoI. Funds are released by GoI to the State Employment Guarantee Fund (SEGF). Complete expenditure data are available for FY 2021-22.

HIGHLIGHTS

₹ 1,59,964 cr
GoI allocations for Ministry of Rural Development (MoRD) in FY 2023-24

₹ 60,000 cr
GoI allocations for MGNREGS in FY 2023-24

SUMMARY & ANALYSIS

- For Financial Year (FY) 2023-24, GoI allocated ₹60,000 crore to MGNREGS Budget Estimates (BEs). This is 33 per cent lower than FY 2022-23 Revised Estimates (REs) which were ₹89,400 crore and 18 per cent lower than FY 2022-23 BEs, which were ₹73,000 crore.
- Expenditure continued to be higher than the funds available and by the third quarter of FY 2022-23, 117 per cent of available funds had already been spent by states. Accumulated payments due, also known as pending liabilities, were ₹8,449 crore in FY 2022-23 till 31 December 2022.
- Notified wage rates increased by 4 per cent between FY 2021-22 and FY 2022-23, but actual wages remained lower than the notified wages for most states till 31 December 2022. Further, on an average, actual wages under MGNREGS were lower than wages for rural non-agricultural labourers.
- There are also delays in wage payments to workers' accounts. A study of 11 states found that 70 per cent of the wage payments were credited after the mandated 15 days. Yet till 21 December 2022, of the 20 large states, 14 had not received more than 70 per cent of the delayed compensation that was approved for these states.

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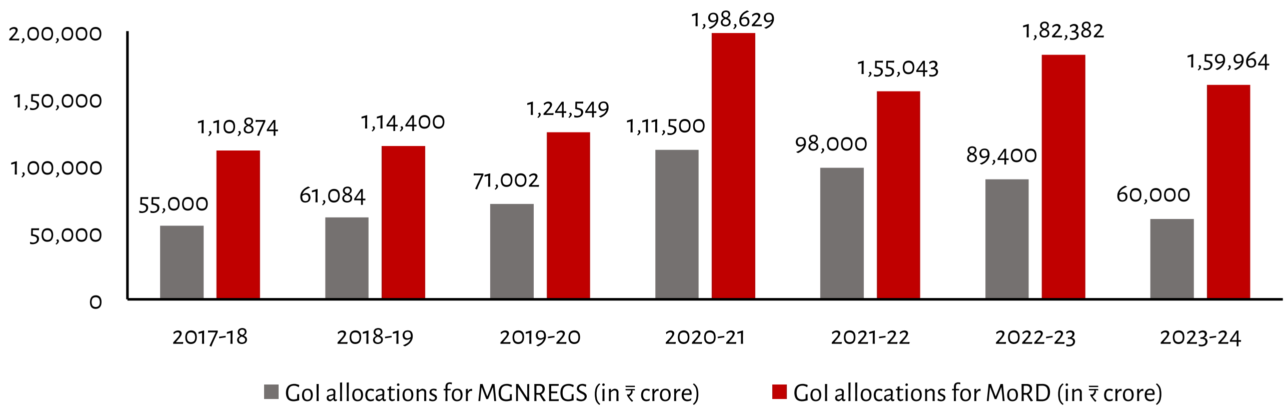
- The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is the Government of India's (GoI's) flagship rural employment programme, which aims to provide at least 100 days of guaranteed wage employment based on demand, as per the mandate of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA). The scheme is funded by GoI through the National Employment Guarantee Fund (NEGF), maintained by the Union government as a public account.
- The scheme was launched in 2006 and is the largest scheme of the Department of Rural Development (DoRD) under the Ministry of Rural Development (MoRD). It has three key provisions:
  - **At least 100 days of guaranteed employment:** The scheme mandates at least 100 days of guaranteed wage employment in a Financial year (FY) to every rural household whose adult members volunteer to do unskilled manual work.
  - **Unemployment allowance:** The scheme mandates provision of a daily unemployment allowance if an applicant is not provided employment within 15 days of having demanded work.
  - **Delayed compensation:** In case of failure of wage payment within 15 days from work completion, workers are entitled to a per day compensation of 0.05 per cent of the wages earned, till the payment of wages.

TRENDS IN GOI ALLOCATIONS AND RELEASES

- MGNREGS is the largest Centrally Sponsored Scheme (CSS) of GoI. It accounts for 13 per cent of GoI's total CSS budget and 38 per cent of the total MoRD budget in Financial Year (FY) 2023-24.
- Revised Estimates (REs) for the scheme have remained higher than the Budget Estimates (BEs) allocated at the start of a financial year. During FY 2020-21 and FY 2021-22, the two peak years of the COVID-19 pandemic, REs were 81 per cent and 31 per cent higher than BEs for the corresponding years.
- At the start of FY 2022-23, GoI had allocated ₹73,000 crore (BEs) for MGNREGS. During the year, to accommodate the increased demand for work, additional budget of ₹16,400 crore was allocated. Revised allocations for the scheme thus stood at ₹89,400 crore.
- Despite an increase in demand for work, for FY 2023-24, GoI allocated ₹60,000 crore for MGNREGS. This is 18 per cent lower than the BEs, and 33 per cent lower than the previous year's REs. In fact, current allocations for the scheme are even lower than FY 2019-20 REs(pre-pandemic) by 15 per cent.

FOR 2023-24, MGNREGS ALLOCATIONS WERE 33% LESS THAN 2022-23 REs



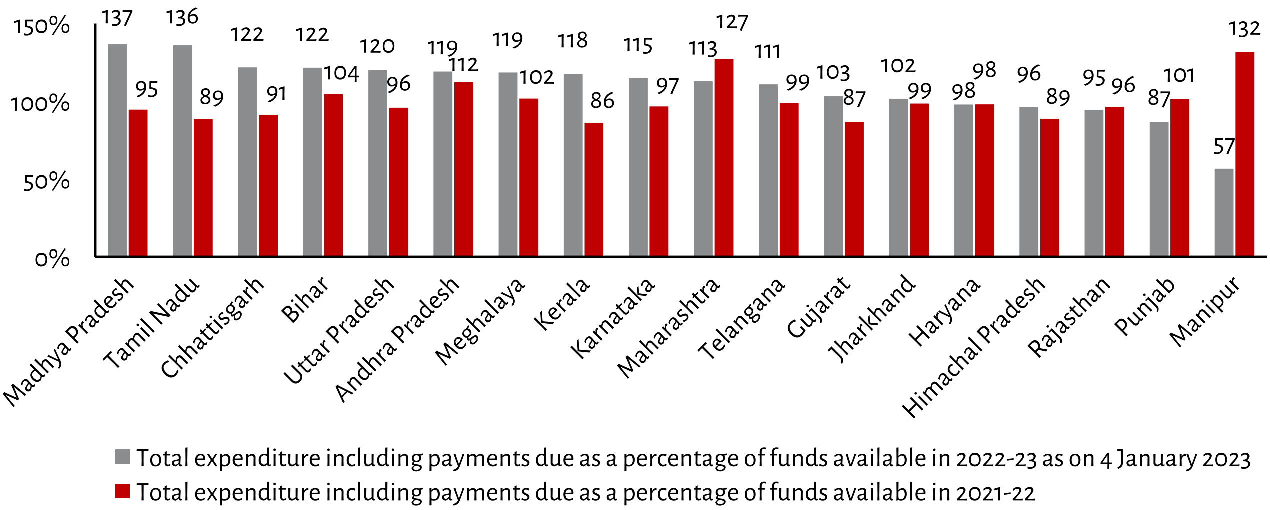
Source: (1) Union Expenditure Budget, MoRD for FY 2018-19 to FY 2023-24. Available online at: https://www.indiabudget.gov.in/. Last accessed on 1 February 2023.
Note: Figures are in crores of Rupees and are Revised Estimates (REs) except for FY 2023-24, which are Budget Estimates (BEs).

- Since MGNREGS is a demand-driven scheme, the release of funds is based on both labour budget estimates prepared at the start of the year and the actual demand for work during the year. The preparation of labour budget follows a bottom-up process, starting at the Gram Panchayat level. Labour budgets contain information on the anticipated demand for unskilled manual work and number of employment days required to complete planned works.
- Fund release by GoI has been high at 98 per cent in FY 2020-21 and 99 per cent in FY 2021-22. In FY 2022-23, till 21 December 2022, 71 per cent of GoI allocations (including supplementary budget) for the year had been released to the states.

Releases and Expenditures

- Release of funds by GoI has been higher for fiscally stronger states. In FY 2022-23, as on 31 December 2022, Tamil Nadu received 11 per cent and Andhra Pradesh received 9 per cent of the ₹62,929 crore released by GoI. In contrast, the share of releases was lower for Bihar (7 per cent), Jharkhand (2 per cent), and West Bengal (1 per cent).
- Since December 2021, West Bengal had not received any funds. As informed by Minister of State for Rural Development, this was due to improper utilisation of funds and non-compliance of GoI directives as per Section 27 of MGNREGA.
- Total funds available for MGNREGS include GoI and state government releases, as well as unspent balances from previous years.
- Utilisation of funds has been higher than funds available. In FY 2022-23, till 4 January 2023, ₹85,421 crore or 117 per cent of the funds available, including liabilities due, had been spent by states.
- In fact, 20 out of 28 states had spent more than their available funds, leaving them with large negative balances (the difference between funds available and expenditure).
- These included Madhya Pradesh (137 per cent) and Tamil Nadu (136 per cent). Since GoI had not released funds to West Bengal, the state accrued a large negative balance of ₹1,509 crore. Consequently, the total expenditure including payments due as a percentage of funds available for West Bengal was 1,238 per cent.

FOR 2022-23, 20 OUT OF 28 STATES HAD ALREADY SPENT MORE THAN THEIR AVAILABLE FUNDS TILL 4 JANUARY 2023

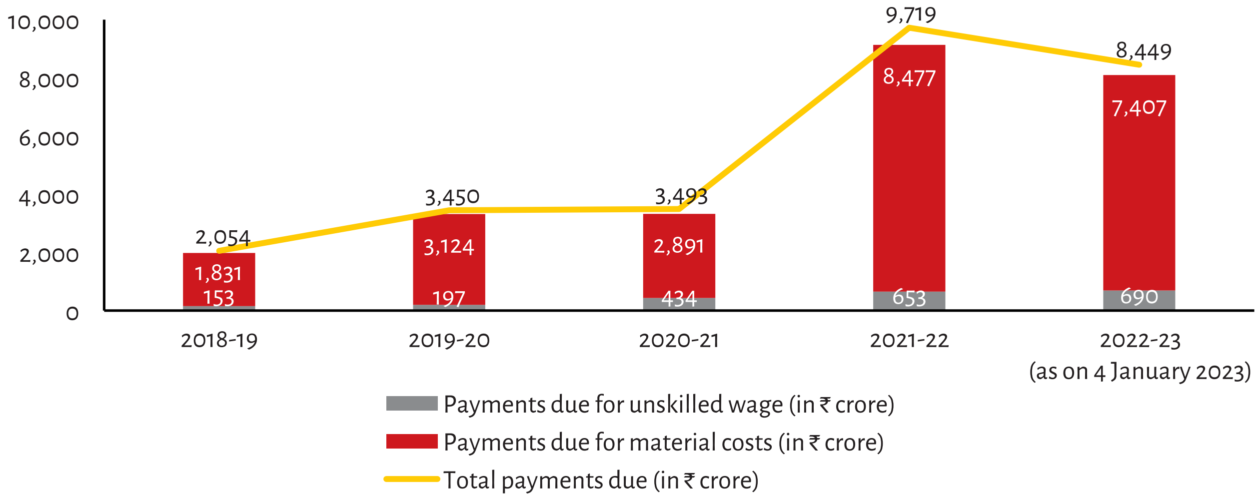


Source: (1) MGNREGS Portal, MIS Report, R 7.1, Financial Statement for FY 2021-22 and FY 2022-23. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

PENDING LIABILITIES

- Expenditure incurred by states over and above the funds available to them has resulted in large pending liabilities. These liabilities have accumulated as a result of delays in payments for both wages and material costs and are to be reimbursed by GoI.
- Pending liabilities increased from ₹2,054 crore in FY 2018-19 to ₹8,449 crore in FY 2022-23, as on 31 December 2022. The quantum of pending liabilities as on 31 December 2022, however, was 21 per cent less than the same period in the previous year.
- Most of the increase in pending liabilities has been due to a significant increase in payments due for material costs. In FY 2022-23, till 31 December, 88 per cent of the pending payments were for material costs.
- Recent years, however, have seen an increase in pending wage liabilities as well. In FY 2020-21, pending wage liability stood at ₹434 crore. This increased to ₹653 crore during the pandemic in FY 2021-22. In FY 2022-23, till 4 January 2023, ₹690 crore (or 8 per cent of total payments due) were due as wages.

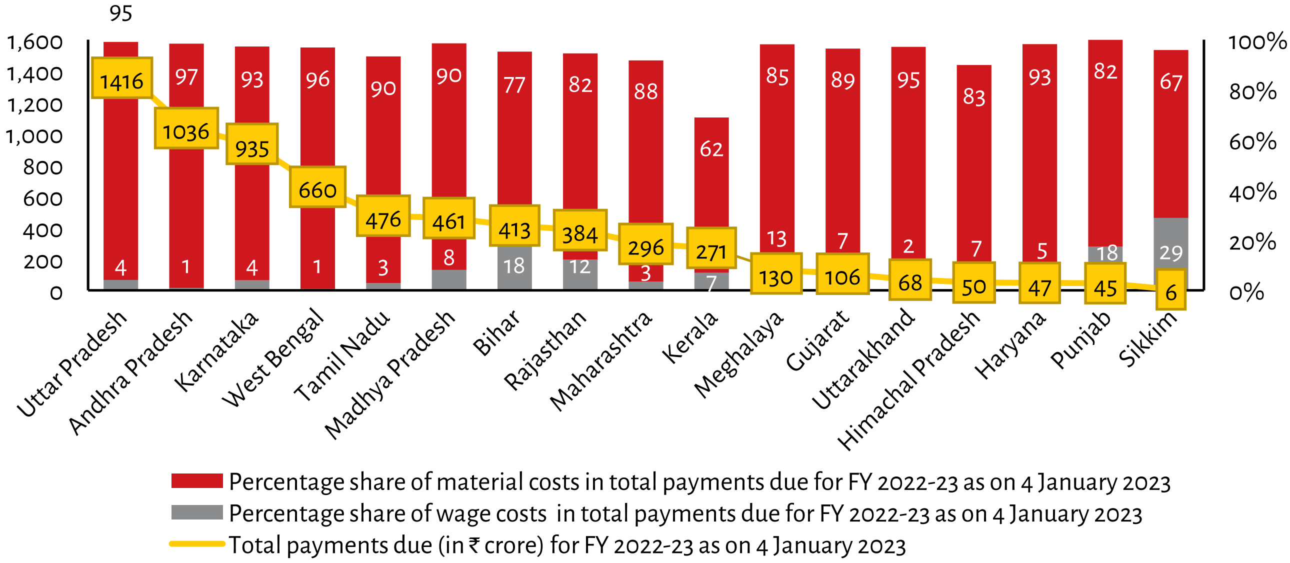
FOR 2022-23, PENDING WAGE LIABILITY ACCOUNTED FOR 8% OF THE TOTAL PAYMENTS DUE TILL 4 JANUARY 2023



Source: (1) MGNREGS Portal, MIS Report, R 7.1, Financial Statement for FY 2022-23. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

- A further breakdown of pending liabilities by states revealed that Uttar Pradesh (₹1,416 crore) incurred the highest pending liabilities, followed by Andhra Pradesh (₹1,036 crore) and Karnataka (₹935 crore).
- States with a high share of pending wage liabilities included Bihar (₹7,368 lakh) and Uttar Pradesh (₹5,875 lakh).

THE HIGHEST SHARE OF PENDING LIABILITIES WAS INCURRED FOR PAYMENT DUE FOR MATERIALS



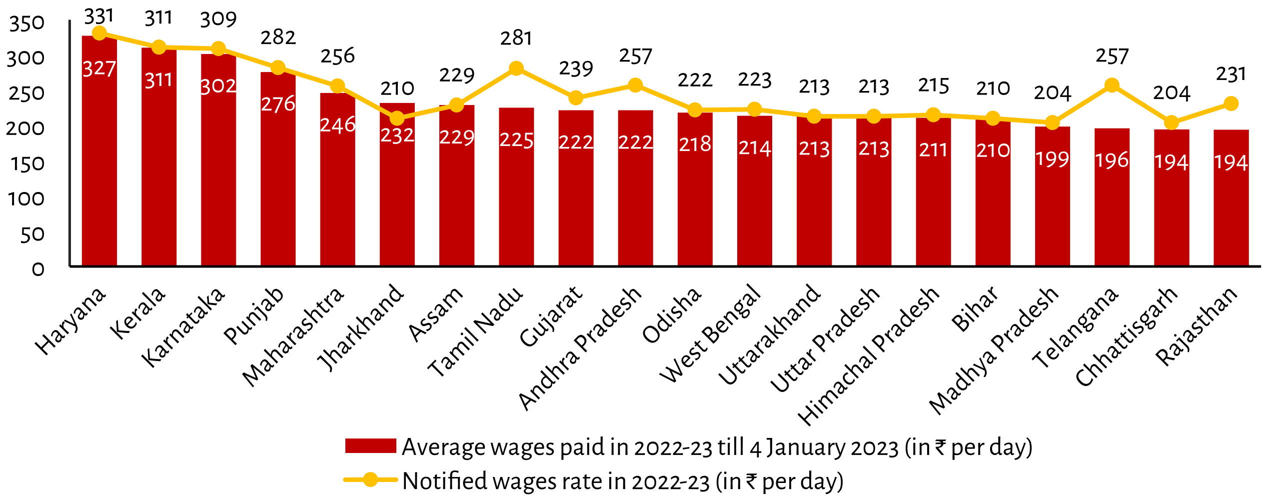
Source: (1) MGNREGS Portal, MIS Report, R7.1.1, Financial Statement. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

WAGE RATE AND PAYMENTS

Notified and average wage rates

- As per Section 6(1) of MGNREGA, 2005, GoI may notify state-wise minimum wage rates for each financial year to compensate the MGNREGS workers against inflation. These wage rates are notified based on the Consumer Price Index for Agricultural Labourers (CPI-AL), applicable from the month of April of each financial year. While these notified wage rates specify the minimum amount, states may provide a higher wage rate out of their own funds.
- The average notified wage rate increased by 4 per cent between FY 2021-22 and FY 2022-23. Among the large states considered for analysis, Haryana had the highest notified daily wage rage (₹327), followed by Kerala (₹311) and Karnataka (₹309). In contrast, Madhya Pradesh and Chhattisgarh had the lowest notified wage rates at ₹204 each.
- Nationally, average daily wage paid under the scheme increased by 5 per cent from ₹210 in FY 2021-22 to ₹221 in FY 2022-23, as on 4 January 2023. Most states, however, paid less or the same as their notified wage rates in both FY 2021-22 and FY 2022-23.
- For instance, five out of the 20 large states (Bihar, Uttar Pradesh, Uttarakhand, Kerala, and Assam) paid average wages rates that were equal to the notified rates by MoRD for FY 2022-23 till December 2022.
- In the remaining 15 large states, with the exception of Jharkhand, the average wages paid were lower than the notified rates. The gap was highest in Telangana with an average wage rate of ₹196 against the notified rate of ₹257.
- Jharkhand stood out, having paid an average daily wage rate of ₹232, which was 10 per cent higher than its notified wage rate.

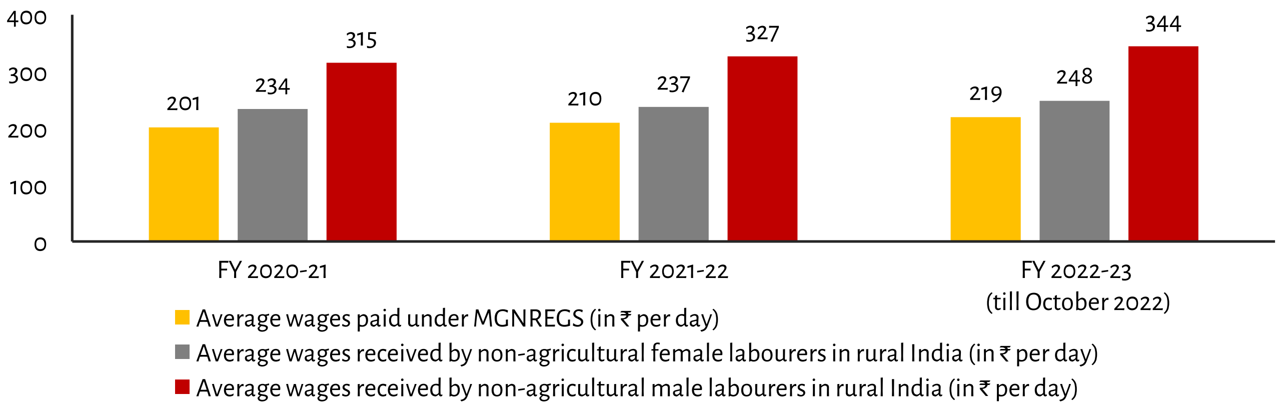
14 OUT OF 20 LARGE STATES PAID LESS THAN THEIR NOTIFIED WAGE RATES



Source: MGNREGS Portal, MIS Report, R 7.1, Financial Statement for FY 2022-23. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

- A comparison between actual MGNREGS wages and daily wage rates in rural India paid to the non-agricultural labourers revealed that, on average, wages paid under MGNREGS were less than the wages received by both female and male non-agricultural labourers. In fact, male non-agricultural labourers received much higher wages than those received by MGNREGS workers.
- For instance, during FY 2021-22, as compared to ₹210 under MGNREGS, male non-agricultural labourers received ₹327 and female labourers received ₹237 daily, on an average, in rural areas.
- Similarly, between FY 2021-22 and FY 2022-23, till October 2022 (latest available data), while average wages under MGNREGS increased by ₹9, those for male and female non-agricultural labourers increased by ₹18 and ₹11, respectively.

AVERAGE DAILY WAGE RATES UNDER MGNREGS WERE LOWER THAN AVERAGE DAILY WAGES RECEIVED BY NON-AGRICULTURAL LABOURERS IN RURAL AREAS



Source: (1) MGNREGS Portal, MIS Report, R 7.1, Financial Statement for FY 2020-21 to FY 2022-23. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023. (2) Daily wages for rural non-agricultural labourers: Labour Bureau, Ministry of Labour and Employment, GoI. Available online at: http://labourbureaunew.gov.in.

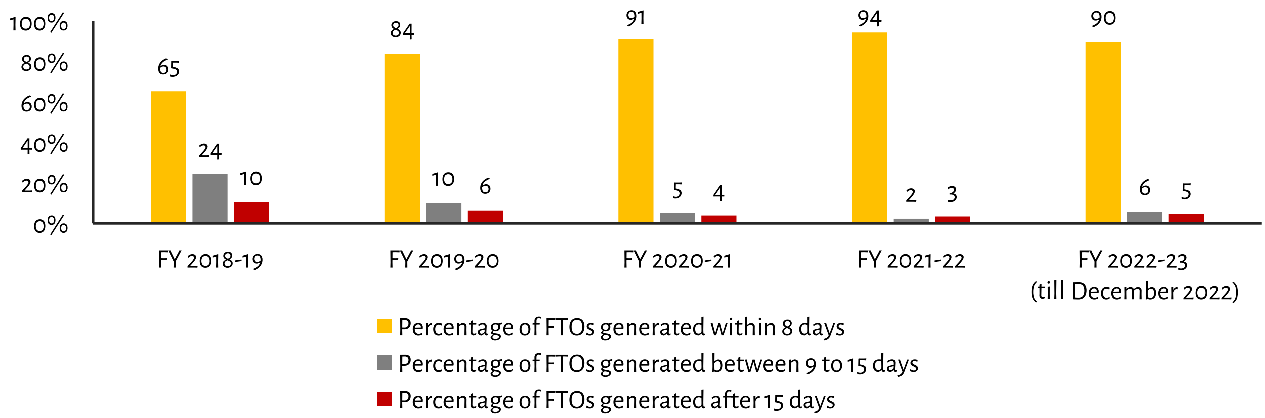
Delay in Wage Payments

- MoRD introduced the National electronic - Fund Management System (Ne-FMS) in 2016 to enable direct transfer of payments to workers from GoI to streamline fund flow and reduce delays in payments to workers under MGNREGS. Under the Ne-FMS, on completion of the work week, a pay order known as a Fund Transfer Order (FTO) is generated at the Block or Panchayat level. Once approved and signed at the state level, GoI approves the FTO digitally and wages are electronically transferred to the State Employment Guarantee Fund (SEGF). Funds are then transferred to workers' bank or postal accounts.
- Delays in wage payments might arise broadly at the following three stages:
  - **Stage I:** At the state level, while getting the muster roll details uploaded and FTO generated.
  - **Stage II:** At the GoI level, when the funds have to be released as per the FTOs and transferred directly to the workers' bank accounts.
  - **Stage III:** When there are delays in accessing wages after they have been credited in the respective accounts.
- For delays in Stage I and Stage II, workers are entitled to a delayed compensation - a penalty - payable by GoI in case they do not receive their wages within 15 days of completion of work. As per the Act, the delayed compensation should be calculated based on delays in Stage I plus delays in Stage II. However, the Management Information System (MIS) calculates delayed compensation only during Stage 1. In other words, if a state generates FTOs on time but the delay is solely due to the time taken by GoI (Stage II), then such a delay is not considered by the MIS while calculating compensation due.

Stage I Tracking of FTOs

- There have been improvements in the generation of FTOs within a week of muster roll closure – the first step in the wage payment process. In FY 2018-19, 65 per cent FTOs for all wage payments had been issued within the first eight days of completion of stipulated work. This further increased to 84 per cent in FY 2019-20, 91 per cent in FY 2020-21, and 94 per cent in FY 2021-22.
- In FY 2022-23, as on 4 January 2022, 90 per cent FTOs were issued within the first 8 days of muster roll closure and another 6 per cent of FTOs were generated between 9 to 15 days.

94% OF FTOs GENERATED ON TIME IN 2021-22, UP FROM 65% IN 2018-19

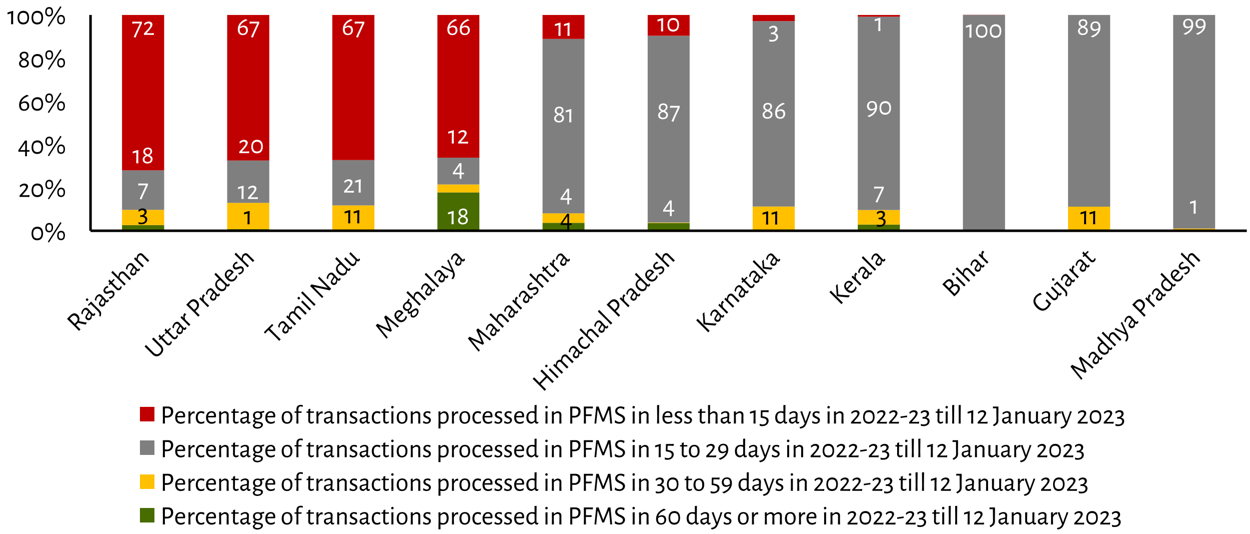


Source: MGNREGS Portal, MIS Report, R14.4, Status of Timely Payment Monitoring System for FY 2018-19 to FY 2022-23. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

Stage II Tracking of Transactions

- To track Stage II of wage payments by GoI through the MGNREGS Public Fund Management System (PFMS), from release of payment to credit of payment into workers' accounts, transaction level data of 1,000 transactions across each district in 11 states were analysed.
- The analysis found that in 11 states for FY 2022-23 (till 12 January 2023), while 30 per cent of all payments were credited to workers' bank accounts within 15 days or less, 61 per cent payments were credited during 15 to 29 days. Another 7 per cent of transactions took between 1 month to 59 days and 2 per cent were processed after 2 months.
- The proportion of transactions credited within 15 days was highest for Rajasthan (72 per cent), followed by Uttar Pradesh (67 per cent), Tamil Nadu (66 per cent), and Meghalaya (66 per cent).
- On the other hand, majority of the transactions were processed in 15 to 29 days in states such as Bihar (100 per cent) and Madhya Pradesh (99 per cent).
- For most states, the share of transactions being processed with a delay of 60 days and more, was considerably low. In the case of Maharashtra, 4 per cent transactions were processed after 60 days, followed by Rajasthan and Kerala at 3 per cent each. In contrast, 18 per cent transactions in Meghalaya were processed after 2 months of entering the PFMS.

IN MANY STATES, LARGE PROPORTIONS OF FTO TRANSACTIONS IN 2022-23 TOOK 15 TO 29 DAYS TO PROCESS AFTER ENTERING THE MGNREGS PFMS



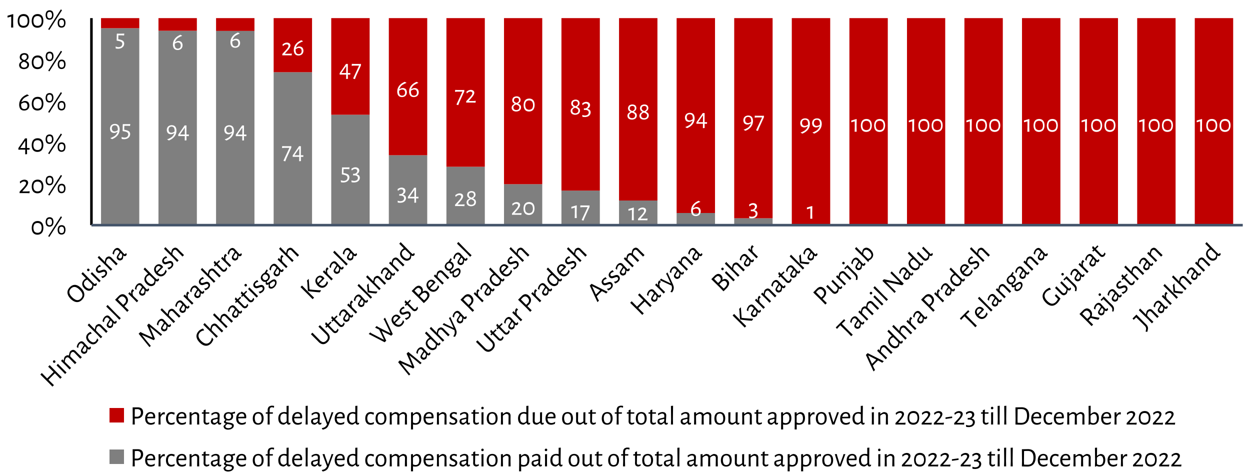
Source: MGNREGS Portal, MIS Report, R 14.6, Stage II Tracking. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.
Note: The analysis was based on 1,000 transactions randomly selected from each district for the 11 states presented.

Compensation for delay in wage payments

- In cases of delays in wage payments for work undertaken, MGNREGS workers are entitled to a delayed compensation at the rate of 0.05 per cent of the unpaid wages per day, for the duration of the delay beyond the 16th day of closure of muster rolls. As per the Act, the state government should pay the compensation upfront after due verification and recover the compensation amount from the functionaries or agencies responsible for the delay in payment. The total amount payable to a worker is the sum of the wages due and delayed compensation.

- Between FY 2016-17 and FY 2019-20, the share of the total approved compensation for delay that is actually paid to workers had declined from 90 per cent to 78 per cent. In FY 2020-21, payment of compensation increased to 82 per cent and remained at the same level in FY 2021-22 as well.
- In absolute terms, of the approved ₹1.7 crore delayed compensation for FY 2021-22, ₹1.4 crore was paid to the workers. During FY 2022-23, till 21 December 2022, total approved compensation for delayed payments was ₹69 lakh, of which 74 per cent was paid to the workers.
- There is wide variation across the states. In FY 2021-22, states such as Telangana, Jharkhand, Chhattisgarh, Punjab, and Assam had not received more than 90 per cent of the compensation for delay in MGNREGS payments. In contrast, states such as Odisha, Maharashtra, Madhya Pradesh, and Himachal Pradesh had less than 5 per cent of the approved compensation due to be paid.
- During FY 2022-23, till 21 December 2022, of the 20 large states, 14 had not received more than 70 per cent of the delayed compensation that was approved for these states. Similar to the previous year, Odisha was at the top among the large states, with 95 per cent of the compensation already received, followed by Himachal Pradesh and Maharashtra, having received 94 per cent of the approved compensation each by December 2022.

7 OUT OF 20 LARGE STATES DID NOT RECEIVE ANY DELAYED COMPENSATION DUE TILL 31 DECEMBER 2022



Source: MGNREGS Portal, MIS Report, R 14.1, Delayed Compensation from FY 2018-19 to FY 2022-23. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

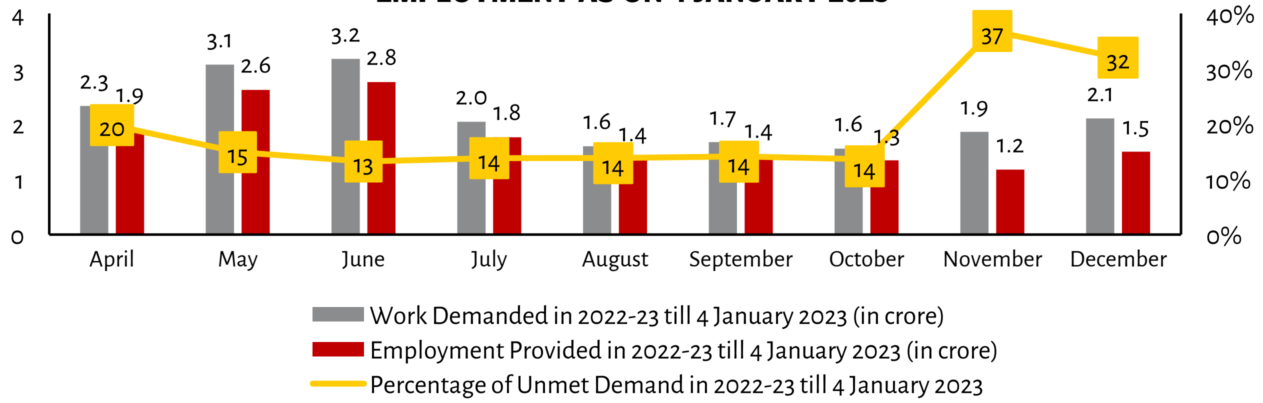
TRENDS IN EMPLOYMENT GENERATION

This brief uses different indicators to analyse employment generation under MGNREGS.

Employment Demanded and Provided

- There are significant and consistent differences in the employment demanded and the actual provision of work, ranging between 80 and 90 per cent. Even in FY 2020-21, when both employment demanded (8.6 crore households or HHs) and employment provided (7.6 crore HHs) were at an all-time high, only 88 per cent of HHs which had demanded work were provided employment.
- In FY 2021-22, 8.1 crore HHs sought work under the scheme while 7.3 crore HHs were provided with employment. In FY 2022-23, till 4 January 2023, while 6.3 crore HHs sought work, only 5.6 crore HHs were provided with employment.

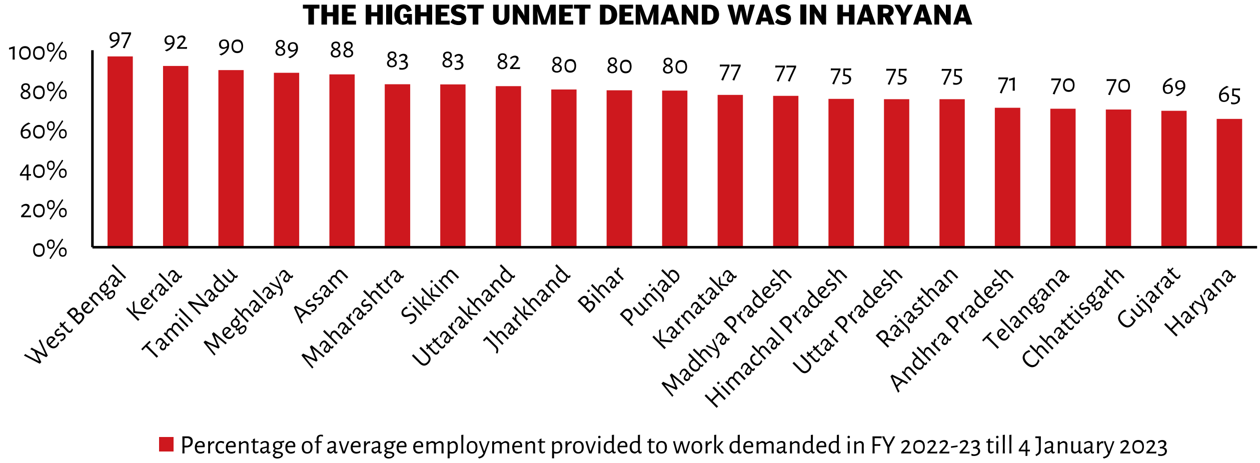
80 LAKH HHs THAT HAD DEMANDED WORK HAD NOT RECEIVED EMPLOYMENT AS ON 4 JANUARY 2023



Source: (1) MGNREGS Portal, MIS Report, R5.1.1, Employment Generated. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

- Month-wise analysis of work demanded and employment provided showed that unmet demand (the difference between employment demanded and provided) was the highest in November 2022 at 37 per cent.
- States with the highest number of households demanding work included Tamil Nadu (319 lakh), Uttar Pradesh (216 lakh), and Rajasthan (190 lakh).
- Employment provided as a proportion of demand was highest in West Bengal (97 per cent), Kerala (92 per cent), and Tamil Nadu (90 per cent).
- In contrast, states with the highest unmet demand included Haryana (65 per cent), Gujarat (69 per cent), and Chhattisgarh (70 per cent).

WEST BENGAL PROVIDED EMPLOYMENT TO MOST HHs WHO DEMANDED WORK; THE HIGHEST UNMET DEMAND WAS IN HARYANA

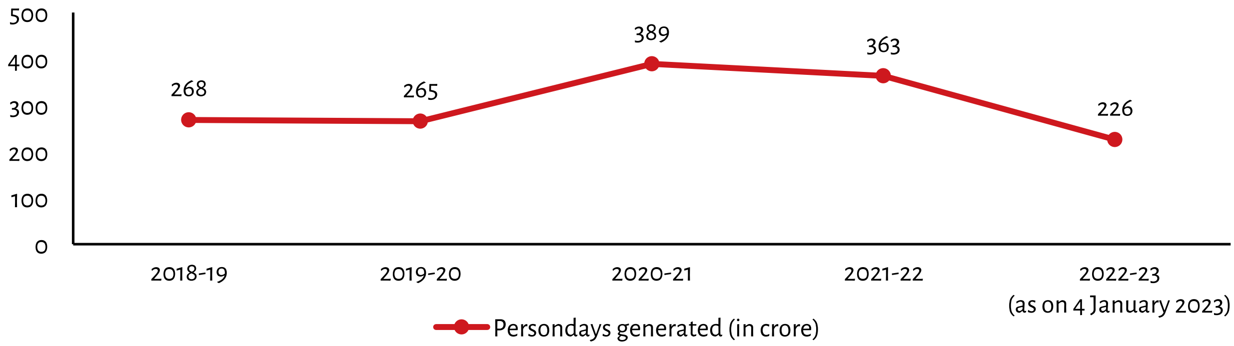


Source: (1) MGNREGS Portal, MIS Report, R5.1.1, Employment Generated. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

Persondays

- Persondays under MGNREGS is defined as the total number of workdays by a person registered under the scheme in a financial year.
- In FY 2020-21, during the first wave of the COVID-19 pandemic, the highest number of persondays were generated since the scheme's launch, at 389 crore. In FY 2021-22, the number of persondays of work generated decreased to 363 crore, but remained higher than other years.

226 CRORE PERSONDAYS OF WORK GENERATED AS ON 4 JANUARY 2023



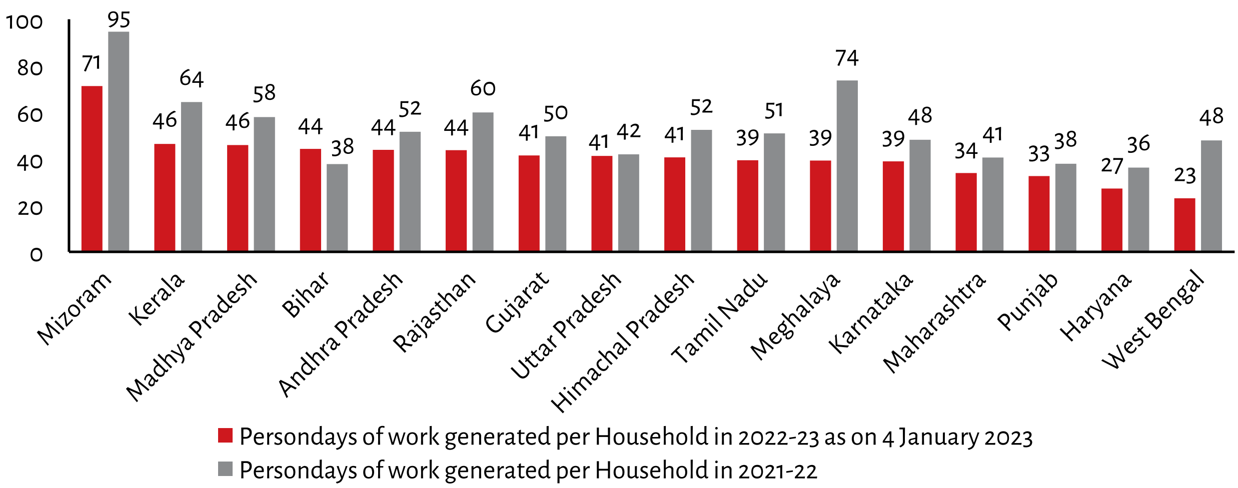
Source: (1) MGNREGS Portal, MIS Report, R5.1.1, Employment Generated. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

- In FY 2022-23, 226 crore persondays had been generated till 31 December 2022, which was 23 per cent less than the persondays generated (295 crore) during the same period in the previous year.
- There were differences across states in the number of persondays generated. Between FY 2021-22 and FY 2022-23, the states with the highest increase in persondays generated were Uttarakhand (90 per cent) and Manipur (89 per cent each), whereas the state with the lowest increase in persondays generated was Nagaland (6 per cent).
- The only state to witness a decrease in persondays generated was Bihar (-7 per cent).

Persondays of Work Generated per Household

- The guidelines mandate at least 100 days of work to be provided to a HH. While the total number of persondays increased during the pandemic, the number of persondays of work generated per HH remained less than 100.
- Even prior to the pandemic, most states had not been providing 100 days of employment. For instance, in FY 2019-20, on average, 48 persondays of work were generated per rural HH. In FY 2021-22, 50 persondays of work had been provided per rural HH.
- In FY 2022-23, till 4 January 2023, the figure stood at 41 persondays of work as compared to 48 persondays of work during the same period in FY 2021-22.

FOR FY 2022-23, 41 PERSONDAYS OF WORK GENERATED PER HH TILL 4 JANUARY 2023 AS COMPARED TO 48 PERSONDAYS OF WORK DURING THE SAME PERIOD LAST YEAR



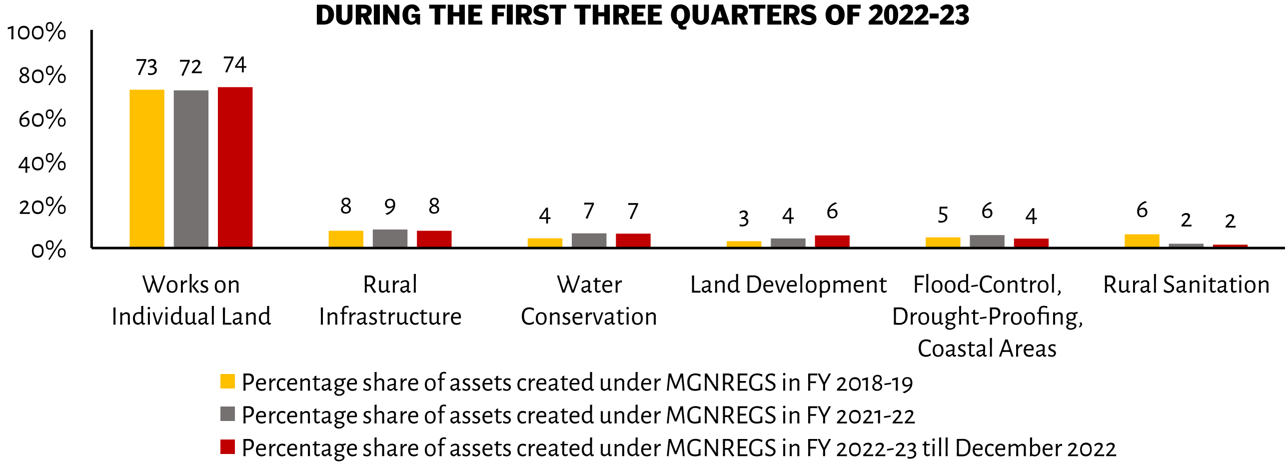
Source: (1) MGNREGS Portal, MIS Report, R5.1.1, Physical Progress, Employment Generation, Progress Report. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

- States that had provided the highest number of persondays per HH in FY 2021-22 included Mizoram (95), Meghalaya (74), and Kerala (64).
- In FY 2022-23, till 4 January 2023, the highest number of persondays continued to be generated by Mizoram (71), followed by Kerala and Madhya Pradesh (46 each). In contrast, states providing the lowest persondays per HH included Punjab (33), Haryana (27), and West Bengal (23).
- In FY 2021-22, only 8.2 per cent of HHs had completed 100 days of employment on average. In FY 2022-23, till 4 January 2023, 14 lakh (or 2.5 per cent) of total HHs that were provided employment had completed 100 days of work.
- In FY 2022-23, till December 2022, states with a relatively higher proportion of HHs completing 100 days of employment included Odisha (9 per cent), Uttar Pradesh (6 per cent), Tripura (5 per cent), and Maharashtra (5 per cent).

PHYSICAL ASSETS CREATED UNDER MGNREGS

- Physical assets created under MGNREGS can be categorised into six broad components: (a) Works on Individual Land; (b) Rural Infrastructure; (c) Water Conservation; (d) Land Development, (e) Flood-Control, Drought-Proofing, and Coastal Areas; and (f) Rural Sanitation.
- Assets created under MGNREGS have focused on private works rather than public works. During the last five years, starting from FY 2018-19, most of MGNREGS works have been in the category 'Works on Individual Land'. For instance, in FY 2021-22, 72 per cent of the total MGNREGS works was under this category. This increased to 74 per cent in FY 2022-23 till December 2022.
- The next two categories are 'Rural Infrastructure' and 'Water Conservation', which constituted another 8 per cent and 7 per cent, respectively, of the total assets created in FY 2022-23 till December. 'Rural Infrastructure' includes fisheries, micro-irrigation work, drinking water, rural connectivity, and the creation of playgrounds. Proportion of assets under the 'Land Development' category has gradually grown in the last five years from 3 per cent in FY 2018-19 to 6 per cent in FY 2022-23.

THE CATEGORY 'WORKS ON INDIVIDUAL LAND' CONSTITUTED AROUND THREE-FOURTHS (74%) OF THE TOTAL ASSETS CREATED UNDER MGNREGS DURING THE FIRST THREE QUARTERS OF 2022-23



Source: MGNREGS Portal, MIS Report, R 6.7, Assets created from FY 2018-19 to FY 2022-23. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

- As per Section 29 of MGNREGA, the Union government may add new works in the permissible list of works under Schedule 1 of the Act, in alignment with focus and objectives of the Act. As per Schedule 1 of the Act, there are 265 permissible works under MGNREGA. The demand from states to add new work in the list is examined in consultation with stakeholders and is reviewed annually by a committee of the Union Government having different states as members.
- Recently, permitted works under the scheme have been revised. This has been done keeping in mind local requirements, as per a Press Information Bureau (PIB) release by MoRD in August 2022. Some of the recently added works in the permissible list under the Act include plantation of dragon fruit under horticulture plantation, construction of bio-gas plants for individuals, unskilled wage component towards the construction of bio-gas plants for community, maintenance of tunnels constructed by Border Road Organisation (BRO), and maintenance of bridges constructed by BRO.

EFFORTS AT TRANSPARENCY AND ACCOUNTABILITY

Establishment of independent Social Audit Units

- The Social Auditing system under MGNREGS was established to strengthen the scheme. The total number of cases resolved by Social Audit Units (SAU) in FY 2022-23, till 4 January 2023, were 58,600 with corresponding financial misappropriation amounting to ₹72.1 crore. Only 29 per cent of the amount was recovered out of the decided cases.
- The highest amount of financial misappropriation was reported by Andhra Pradesh (₹25 crore or 35 per cent of the total reported misappropriation), Karnataka (₹15.6 crore or 22 per cent of the total misappropriation), and Bihar (₹7.7 crore or 11 per cent of the total misappropriation).
- Notably, in Bihar, 1,673 cases accounted for 11 per cent of the total reported misappropriation.

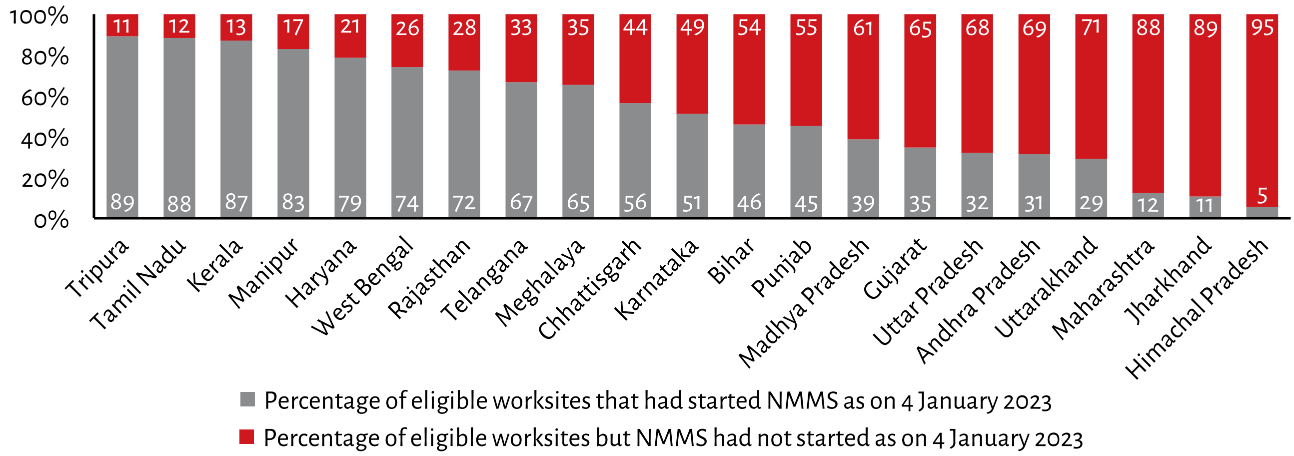
Appointment of Ombudspersons

- As per the scheme, states are mandated to appoint an Ombudsperson for each district for receiving grievances, inquiring, and granting awards. Out of 742 districts where MGNREGS is operational, 68 per cent or 505 districts have appointed an Ombudsperson.

National Mobile Monitoring System (NMMS) App

- To ensure transparency and address concerns that the physical register system could be manipulated, a provision for capturing attendance at the worksite through the NMMS App with geo-tagged, time-stamped photographs of the worker on a workday was started in May 2021. A year was provided as a transition period.
- In FY 2022-23, till 4 January 2023, of the total eligible worksites, 52 per cent had started using NMMS app. The states where the penetration of the app was the highest was Tripura (89 per cent), Tamil Nadu (88 per cent), and Kerala (87 per cent).
- The states with the most eligible worksites that had not started using NMMS app were Himachal Pradesh (5 per cent), Jharkhand (11 per cent), and Maharashtra (12 per cent).
- Of the eligible worksites that started using NMMS, 25 per cent stopped using the app subsequently due to issues. The highest number of such cases were reported from Himachal Pradesh (60 per cent), Jharkhand (57 per cent), and Uttarakhand (55 per cent). The lowest number of such cases were reported from West Bengal (8 per cent), Haryana (10 per cent), and Tamil Nadu (12 per cent).

ONLY 52% OF THE ELIGIBLE WORKSITES HAD STARTED USING NMMS APP IN 2022-23, TILL 4 JANUARY 2023

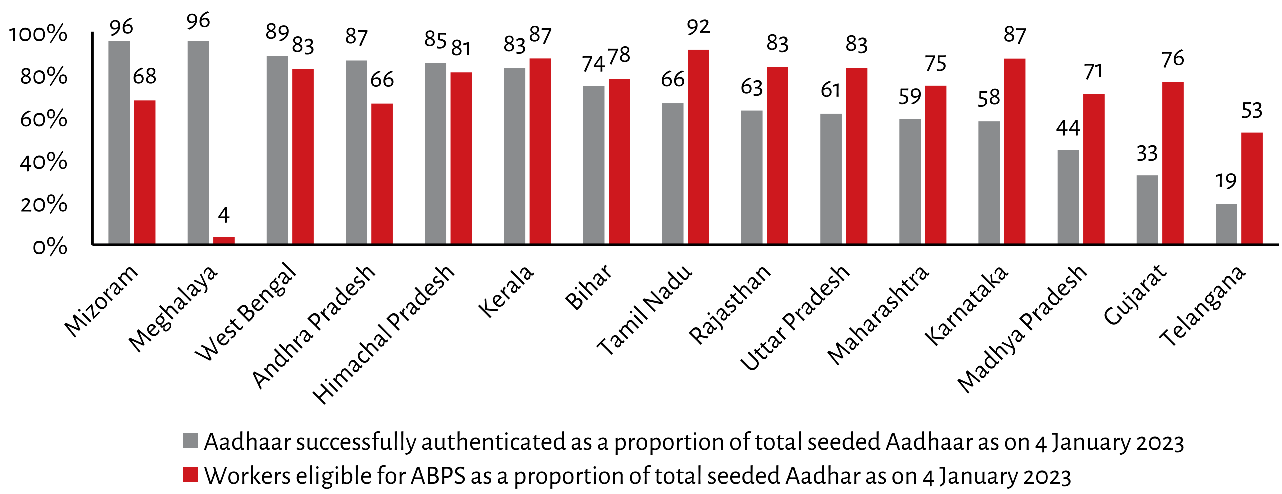


Source: (1) MGNREGS Portal, MIS Report, R21.6, NMMS Implementation Status Report for FY 2022-23. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

Aadhaar Based Payments System

- Wage payments are done through the Aadhaar Based Payments System (ABPS) using the Direct Benefit Transfer (DBT) system.
- In March 2017, it became mandatory for workers to get their Aadhaar linked with their bank account and job card to access the ABPS. Once the Aadhaar card is linked, it is authenticated, and only those who are successfully authenticated become eligible for ABPS.
- From when ABPS began till 4 January 2023, out of the total active workers under the scheme (32 crore), 63 per cent or 20 crore workers had linked their job cards to their Aadhaar. Of these, only 68 per cent or 14 crore were successfully authenticated and 11 crore workers or 52 per cent Aadhaar-seeded workers were eligible for ABPS.

TILL 4 JANUARY 2023, ONLY 68% AADHAAR CARDS WERE SUCCESSFULLY AUTHENTICATED AND 52% AADHAAR-SEEDED WORKERS WERE ELIGIBLE FOR ABPS



Source: MGNREGS Portal, MIS Report, 1.1.9, Aadhaar Authentication Status Report for FY 2022-23. Available online at: https://mnregaweb4.nic.in/netnrega/MISreport4.aspx. Last accessed on 4 January 2023.

- There are state-wise variations. Meghalaya (96 per cent) with a high number of successfully authenticated Aadhaar had only 4 per cent of workers becoming eligible for ABPS.
- In contrast, Telangana (19 per cent) and Gujarat (33 per cent), which had the lowest number of successfully authenticated Aadhaar, had a relatively higher proportion of workers who became eligible for ABPS (53 and 76 per cent, respectively).
- Tamil Nadu (92 per cent) had the highest proportion of workers with successfully authenticated Aadhaar who became eligible for ABPS.