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By

individual members/experts

for

discussion in the NAC and do not, in all cases,

reflect settled conclusions of the NAC



Operationalising NREGA

Ministry of Rural Development
Krishi Bhawan
New Delhi



Wage Employment Programmes [WEP]

- National Rural Employment Programme [NREP]: 1980-89
- Rural Landless Employment Guarantee Programme [RLEGP] : 1983-89
- Jawahar Rozgar Yojna [JRY]: 1989-99
- Employment Assurance Scheme [EAS]: 1993-99
- Jawahar Gram Samridhi Yojna [JGSY]: 1999-2002
- Sampoorna Grameen Rozgar Yojna [SGRY]: since September 2001
- National Food For Work Programme [NFFWP]: launched on November 14, 2004
- National Rural Employment Guarantee Act: 2005
- ***From Programme to Act***



Problems of existing WEP

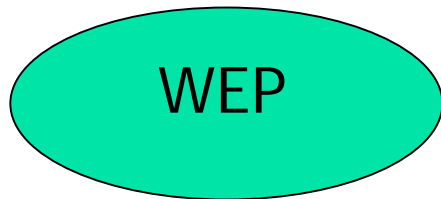
1. Lack of awareness
2. Lack of community participation
3. Lack of Planning
4. Quality of assets created not always of requisite standard
5. Reports of false muster rolls
6. Problems in Payment: often less than prescribed wages and
Disparity between wages paid to women and men.
7. Contractors persisted
8. Diversion of Funds
9. Weak monitoring and verification systems
10. No comprehensive data-base
11. Inadequate Capacity of implementing agencies.
12. Multiple wage employment programmes running in parallel
13. No Public Accountability



NREGA : Paradigm Shift

- Need to redesign the strategy of Wage employment programmes to address the shortcomings.
- Need to derive Programme from the Premise of Law.

Previous Wage Employment Programme's architecture

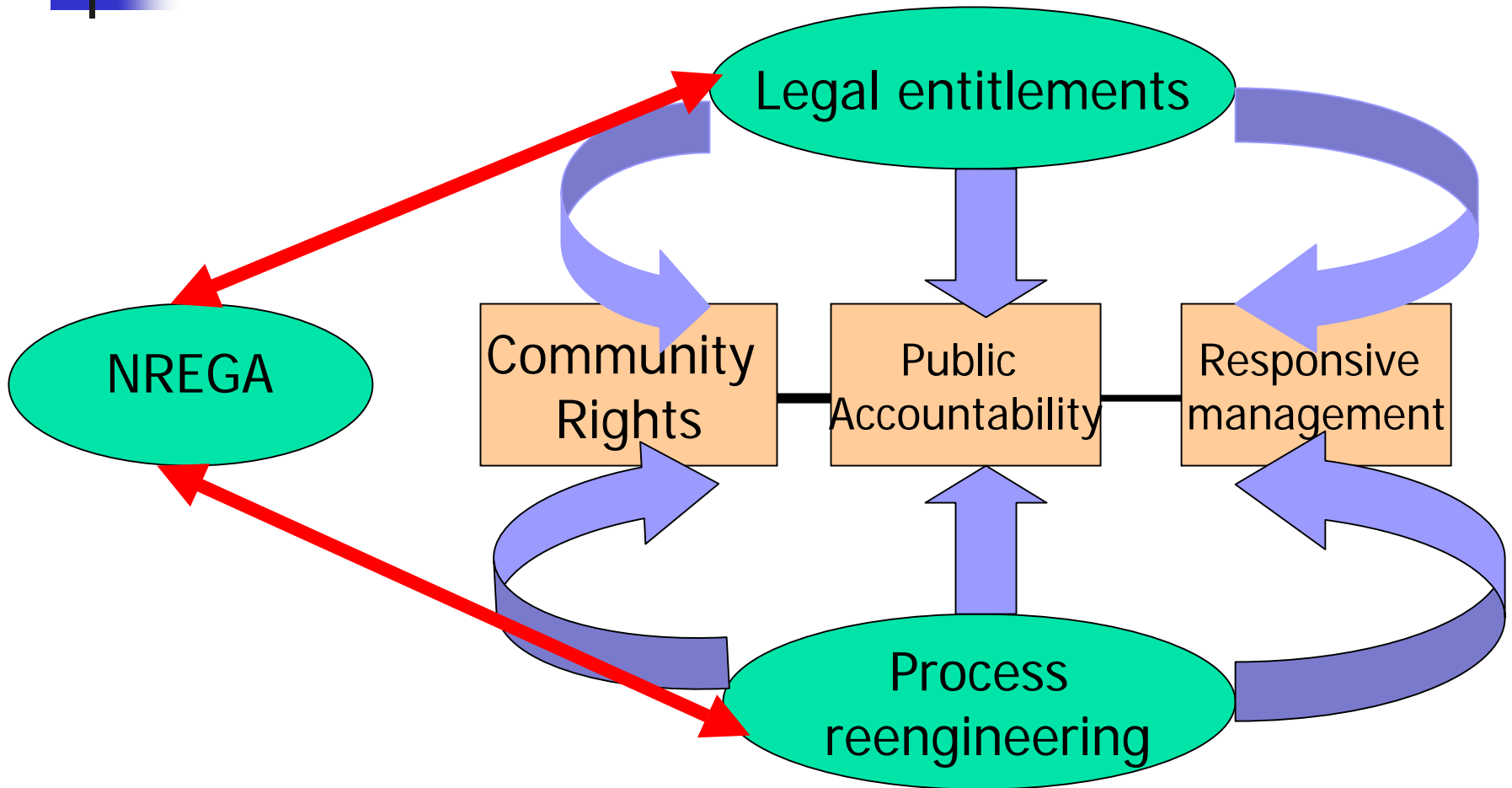


Community
Rights

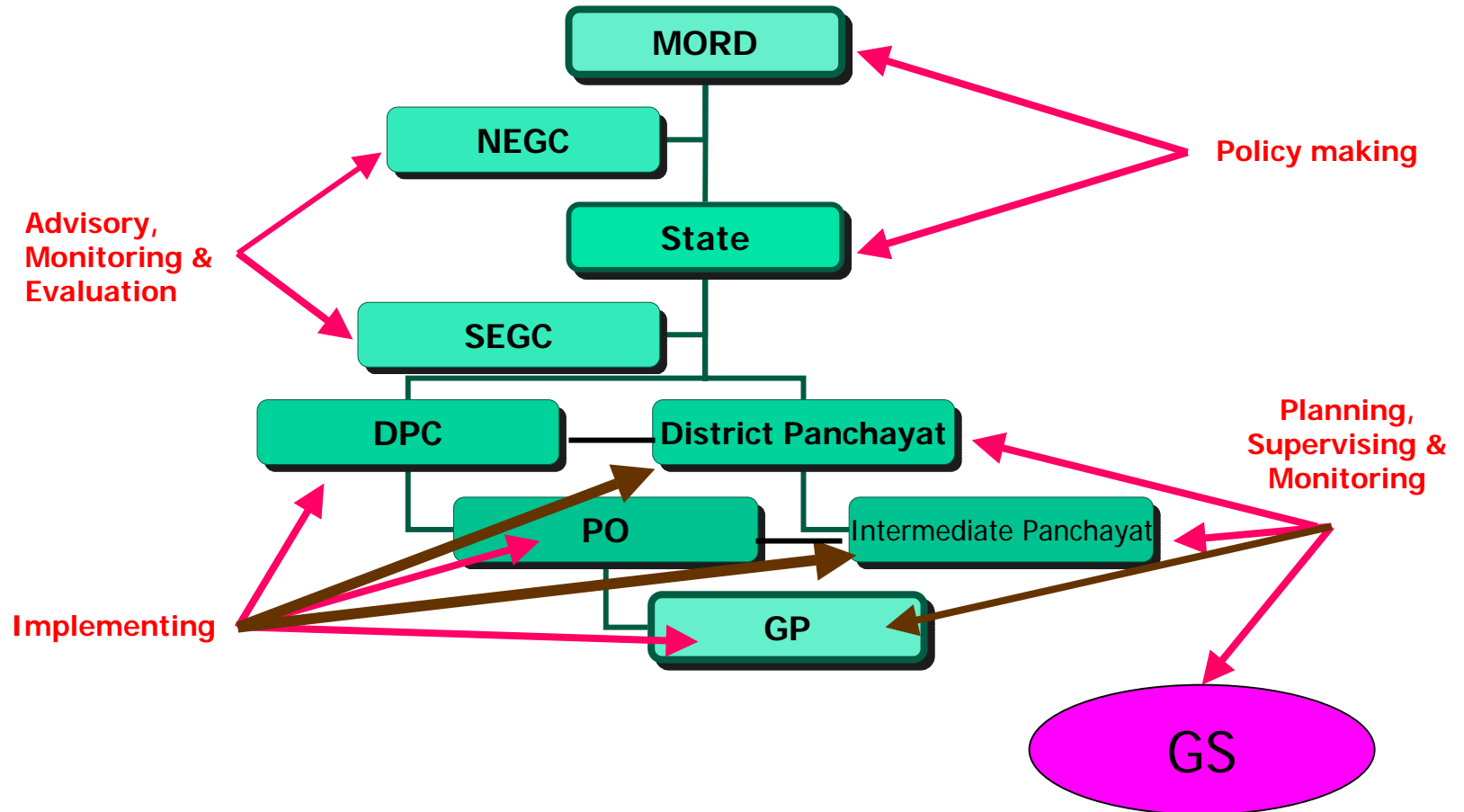
Public
Accountability

Management

NREGA; A Paradigm Shift



Implementing structure for NREGA



Critical Issue 1: Generating awareness

Strategy 1: Communication

- **Target Groups:** Likely workforce, Implementing Agencies, General Public (Tax Payer)
- **Likely workforce:** Know your Rights under NREGA in a simple Q&A form through media that has outreach: Radio, local cultural resources, interpersonal communication, Door to Door contact Campaigns.
- **Implementing agencies:** PRIs : dual role
 - Communication Target Group : Roles & responsibilities through simple brochures.
 - Communication Agency : Gram Sabhas : Community Rights and Workers' Entitlements

Critical Issue 1: Generating Awareness

Strategy 1: Communication



Other Implementing Agencies:

Need to impress upon them the Rights Based framework and their own accountability to the Public, specially those likely to seek work: Simple brochures.

- General Public (Tax Payer)

TV spots TV/Talk-Shows, Vernacular & local press: What NREGA offers, how it can be availed, the difference it can make, its legal accountability design.

Critical Issue 1: Generating Awareness

Strategy 1: Communication

- **Status:** Core IEC material developed. Standard Q &A shared with States to be adapted in vernacular.
- States developing IEC resources
- Instructions to use the 26th January Gram Sabha as occasion for communication on NREGA



Critical Issue 2: Community participation

Strategy 2: Institutionalising role for community

- **Through Participatory Structures:**
 - Gram Sabha : Gram Sabhas to specially ensure participation of poorer persons/registered persons
 - Local monitoring and vigilance committees to be set up
 - Role for other community groups like SHGs, beneficiary organisations
- **Through Participatory Processes:**
 - Gram Sabha key role in planning, selecting works, supervising and social audit
 - Emphasis on placing all critical information in public domain
 - Decentralisation: Principal role to Panchayats. Pivotal role to Gram Panchayat with lateral outreach to local community



Critical Issue 3: Planning for Employment

Strategy 3: Responsive, participatory Planning

Challenge : Time-Bound employment : 15 days of demand

- **Gram Sabhas** to initiate the Planning process and recommend works
- **Gram Panchayat** to consolidate recommendations of Gram Sabha & forward to the intermediate Panchayat level
- **Intermediate Panchayat** to consolidate Gram Panchayat Plans into Block Plans with addition of works that cut across gram panchayats: Programme Officer to scrutiny feasibility of works proposed and to ensure that they are adequate to meet likely employment demand
- **District Panchayats** to approve Plans with addition of works that cut across Intermediate panchayats:
- Plans to be ready for each successive year well in advance
- Shelf of Projects to be ready at each implementing level with necessary approvals

Status

- Planning Process under way



Critical Issue 4: Selection & Designing of Works

Main Challenge under NREGA : Create Good Quality durable assets while adhering to the Non-Negotiables of

- Using unskilled manual labour
- 60:40 ratio to be maintained for wages and material ratio
- Permissible Works: water conservation, land development, plantation and afforestation, Roads in that priority and any other work proposed by state governments that is labor intensive can be notified by the Centre
- Execution of 50% works by Gram Panchayats..

Critical Issue 4: Selection & Designing of Works

Strategy 4: Participatory selection with technical support

- **Participatory Selection:** Gram Sabha and PRIs: Respond to local needs.
- **Technical Support:** Additional technical resources to GP/Block. Technical Pool for Panchayats to draw upon
 - Technical Advisory Group (TAG) at National/State/District levels to facilitate quality interventions. TAG functional at the National level
- **Quality Norms**
 - Need Based Projects prepared under NFFWP Perspective Plans
 - Prototype Projects as Models with customised software being developed to facilitate use



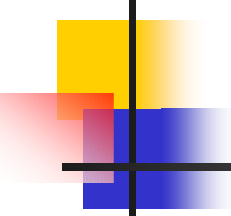
Critical Issue 4: Selection & Designing of Works Strategy 4: Participatory selection with technical support

Transparency:

- * Technical estimates to be displayed at all work-sites in simple local language
- * Progress report by IA to local vigilance committee
- * All works sanctioned with physical/technical/financial details in public domain(notice boards/web)
- * Asset register with unique number to each work to prevent duplication.

Perspective Plan maps existing resources to prevent duplication.

Physical Audit (Concurrent): National/State /District Quality Monitors



Critical Issue 5: Wage Payment Strategy 5: Multi Pronged Checks

1. **Problem** : leakages and delayed payments to some extent linked with food grain as component of wages

Strategy:

Policy decision at Centre: Entire wage payment be made in cash and not coupled with food grains. This will take care of major problems in delay/inadequate remuneration

Problem: Deficient measurements that undervalue/do not value labour spent on work & lead to under/non payment of work

Strategy:

- States to undertake Work Time and Motion Studies to unbundle tasks and reassess rates of work.
- Preparation or revision of district schedule of rural rates
- Wide publicity of rates of work and payments in simple local language, specially on work sites.

Critical Issue 5: Wage Payment

Strategy 5: Multi Pronged Checks

3. **Problem** : Inflated Muster Rolls

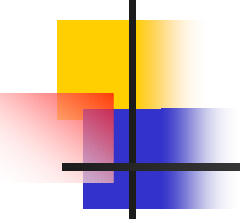
Strategy: Designing check-systems

a) **Instruments intrinsic to Design:**

- **Unique Registration number** for eligible household based on BPL survey(so cannot be tampered)
- Only registered persons can be taken on muster rolls. Muster rolls have to mention registration number (Checks false names)
- Numbered Muster Rolls to be issued by PO
- **Job Cards** record days of employment(Checks attendance record on muster rolls)

b) **Social Audit:** Notice on Gram Panchayat of works opened and names of persons employed on those works, and sample checks (Open to verification)

c) **Incentive/Disincentive Structure of financing:** Person legally entitled to 100 days of payment at minimum wages and refusal would invoke unemployment allowance @ State's costs

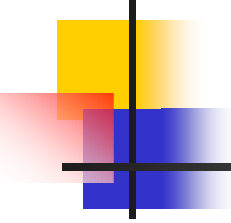


Critical Issue 5: Wage Payment Strategy 5: Multi Pronged Checks

- Problem : Withholding part of wages

Strategy -

- Payments to be made before community and basis of payment read out
- Job Cards to record total employment & payment
- Payments through cheques/beneficiary accounts and payment list read before community
- Sample Cross checks by local vigilance committees/district monitors



Critical Issue 5: Wage Payment Strategy 5: Multi Pronged Checks

6. Problem: Intermediation of contractors

■ Strategy:

- Legal Design:

- Local labour through registration.
- Work allotted on Demand by worker: (cannot be allotted to contractor who will then recruit labour)
- Deployment of local persons (skilled/semiskilled labour) to over see
- Cost of this borne @of 25% by State Governments:
 - incentive to keep costs moderate
 - Local vigilance committees, social audit
- **Transparent Financial systems:** Direct payment to Beneficiary through cheque or before community



Critical Issue 6: Monitoring & Evaluation

Strategy 6: Strengthening data base, verification, Studies & Reporting

- **Strategy Date Base**
- a) **Computerised MIS**
- Database on preferred works & resource requirement, registered household, Job Cards, payment of wages, mandays of employment provided to the registered employment seekers, funds received and expended at different levels
- **Status** : Customised web-enabled MIS developed



Critical Issue 6: Monitoring & Evaluation

Strategy 6: Strengthening data base, verification, Studies & Reporting on Outcomes

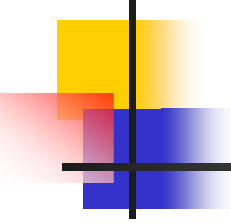
- Internal Monitoring feedback juxtaposed with verification by external agencies
- Designing Studies for Concurrent evaluation followed with remedial action
- Reporting on Outcomes



Critical Issue 6: Monitoring & Evaluation

Strategy 6: Strengthening data base, verification, Studies & Reporting on Outcomes

- Outlays need to be transformed into Outcomes
- NREGA investments expected to yield following Outcomes:
 - Increase in Employment
 - Creation of durable assets that strengthen rural infrastructure & livelihood resource base
 - Increased agricultural production and demand for agricultural produce
 - Establishing floor wage for employers to uphold,
 - Capacity of workers to negotiate better wages,
 - Reduction in distress migration
 - Extent of poverty reduction on account of assets created.
 - Integration of isolated communities with mainstream economy
- A composite HDI to assess Impact .



Critical Issue 7: Strengthening Financial Systems

Key Concerns

- Ensure timely and adequate fund support
- Ensure proper utilisation of funds
- Transparency



Critical Issue 7: Strengthening Financial Systems

Strategy 7: Simplify Procedure & ICT based FMS

Strategy : Simplified procedure for fund flow to implement NREGA

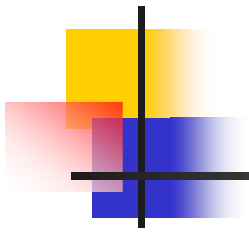
- Proposal to release funds from National NREG Fund to the Receptacle Account(State EGS Fund/District EGS Fund to be operated as separate PSU accounts)
- EGS Revolving Funds as separate PSU Accounts at the Block and GP levels also.
- First Seed Money in one installment to the Receptacle Fund and from there to PO/GP/IA
- GPs /Implementing Agencies on Spending 60% of the allotted amount eligible for next installment to be released from the PO level with only UC

Critical Issue 7: Strengthening Financial Systems

Strategy 7: Simplify Procedure & ICT based FMS

- **Strategy : Develop ICT based Financial Management System [FMS] as part of MIS**
 - To monitor payment of wages and unemployment allowance
 - To track transfer of funds to the districts and to the implementing agencies.
 - To monitor and reconcile expenditures incurred by the districts.

Status : Model shared with State Governments.
Suggestions used to finalise within a fortnight.

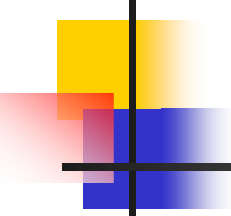


Critical Issue 8: Management

Strategy 8: Strengthen Management Capacity

Strategy: Additional Manpower

- Strengthen Gram Panchayat
 - An administrative assistant for each GP
 - A technical assistant for a group of GP
- Full time Programme Officer dedicated at Block Level with additional resource support Works, Accounts, IT
 - Technical/professional resources may be pooled at the Block level as a Block Resource Centre for being deployed by the PO according to need & to be used by GP
 - District Programme Coordinator at District level, resource support for communication, capacity building, MIS, Works and IT
 - All additional human resources to be taken on contract/consultancy. No permanent posts
 - EGS Coordinator to be designated at State level



Critical Issue 8: Management

Strategy 8: Strengthen Management Capacity

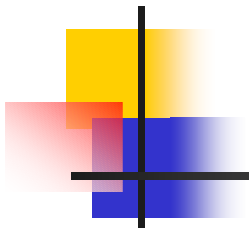
Strategy: Training

- Strengthening of planning and execution skills of Gram Panchayats,
- Monitoring & evaluation skills of District and Intermediate Panchayats
- Strengthening of Gram Sabhas for supervision and social audit
- Strengthening technical skills of implementing agencies
- Training of functionaries as a continuous process, on both generic and specific skills

Status: NIRD and Ministry of Panchayat Raj have developed capacity building plans

- States have also initiated orientations

Strategy: Infrastructure : Office Equipment including Computer facilities



Critical Issue 8: Management **Strategy 8: Strengthen Management Capacity**

Strategy: Use of IT for enhancing efficiency

- Database on preferred works & resource requirement, registered household, payment of wages, mandays of employment provided to the registered employment seekers, funds received and expended at different levels
 - In preparing projects of works and in their execution
 - Digitisation of muster rolls, Job Cards and other important documents.
 - Financial Management System
 - Communication and enhancing access to information
 - Grievance redressal system
 - Monitoring

Critical Issue 9: Transparency & Accountability

Strategy 9: RTI, Audit, Public Reports & Redressal

- **Enforcement of Right to Information**
 - Compulsory display through public notice of all essential information
 - Public access to records and information
 - **Information Technology enabled information system** for easy access to critical information
- **Regular Audit**
 - Internal Audit
 - By CAG
 - Concurrent, comprehensive
 - Social Audit by Gram Sabha
 - Physical Audit of all works done
- **Follow up and Public Report** on Action taken on all Audit Reports
- **Annual Reports on outcomes to the Parliament** and the State legislature mandated in the Act

Critical Issue 9: Transparency & Accountability

Strategy 9: RTI, Audit, Public Reports & Redressal

- **Grievance Redressal:**

District Programme Coordinator and Block Programme Officer responsible for grievance redressal within 7 days of complaint.

- **System of appeals** to each higher level

- Districts to design **Help-Lines**

- Suggestion to set up **Ombudsman** at the district level using services of people of proven integrity. Ex-defence personnel to be considered for this purpose.



Critical Issue 10: Equity Strategy 10: Special Focus

- Priority to women in allotment of work; at least 1/3 women who have requested to be given work
- Ensure parity in wage payment, by proper valuation of each task done
- Work site facilities, to include crèche for children
- Designing works that are sensitive to the capacities of women and disabled persons

- **These concerns are pervasive at all levels. They are incorporated in guidelines and concurrent evaluation to be undertaken to ensure compliance**



Critical Issue 11: Empowering Workers

Strategy 11: Convergence of Services

- **Objective:** Empower workers so that they graduate from wage employment to more self sustaining modes of income generation, alongwith greater self-confidence
- **Strategy : Convergence of services and resources**
- Convergence with economic development programmes: Example: SHGs, watershed development, Horticulture, Forest Produce.
- Convergence with social development programmes : Literacy, Health, ICDS, other programmes of women's empowerment



Problem 12: Multiple WEPs

Strategy 12: Merge WEPs into EGS

■ **Strategy**

- Ongoing programmes of SGRY and NFFWP will be merged with the Rural Employment Guarantee Scheme from FY 2006-2007
- This year Plans of NFFWP/SGRY to be instruments of allotting work upon employment demand under NREGA (Section 4)



Pre-Notification Activities taken up

- Guidelines to States after wide consultation: All major Policy making bodies of Centre and States : PMO, NAC, Planning Commission, Ministry of Panchayat Raj and State Governments.
- Intensive process of political consultation with all state RD Ministers, MPs by MoRD and with Social activists and experts
- Newspaper advertisements soliciting ideas
- Consultation with State RD secretaries by SRD. Advisory group of 10 State Secretaries formed under the chairmanship of Secretary, Rural Development to give suggestions on Guidelines and Rules
- Draft Guidelines on website for over 2 months
- Rules sent to Law Ministry
- Instruction on preparatory processes by SRD (Nov.'05)
- Funds released to 50 non-NFFWP districts



Pre-Notification Activities under process

- Minister Rural Development's review of Preparatory activities by States (5th, 6th Jan,'06)
- Preparation of Employment Guarantee Schemes and concomitant Rules by State Govts: In process. To be ready by mid-January.
- **Communication:** Gram Sabha on 26th starting village level communication & mobilisation
- **Works:** States instructed to ensure Works start under NFFWP/SGRY in each village/habitation, specially, in deprived areas
 - Also finalise a shelf of Projects (with AS/TS) adequate for at least three months of work available with GP and other implementing Agencies
- **Designation/Deployment of Key Personnel**
- **Orientations** to key functionaries
- **Essential Documents:** Registration Register, Job Card printed with GP/PO
- **Basic MIS** final within a week.



Activities on Notification Day: 2nd February, 2006

- What happens on 2nd February ?
 - Notification of Act in 200 identified districts comes into effect.
 - Gram Sabha in every village on 2nd February
 - Registration starts
- Works do not start.



Post Notification activities

- What happens after 2nd February?
- Registration scrutiny: name, age, local residence (not more than 15 days)
- Issuing Job Cards
- Responding to demands for employment
- Data compilation and Reporting
- Monitoring and Inspection



Activities within six months

- Trainings to continue: mix of generic and specific skills
- Good Quality Projects to be formulated and infused into the Shelf of Works
- Concurrent Evaluation Studies to be designed and initiated
- Strengthening of Social audit processes
- Increase Range of IT applications to improve efficiency and transparency