

GOVERNMENT OF INDIA  
MINISTRY OF RURAL DEVELOPMENT  
DEPARTMENT OF RURAL DEVELOPMENT

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 618**  
TO BE ANSWERED ON 29/11/2024

**LOW BUDGETARY ALLOCATION FOR MGNREGS**

618 SHRI P. WILSON:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether Department-Related Parliamentary Standing Committee observed that low budgetary allocation crippling Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) often leads to non-payment and delay in payment of allowance etc., details of steps taken to address issue;
- (b) whether funds under MGNREGS are allocated to State Governments based on their expenditure and unspent funds from previous financial year due to non-availability of number of households data in each State as census is delayed, if so, the basis of fund allocation to each State; and
- (c) whether Government has considered increasing daily wages under the scheme, if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT  
(SHRI KAMLESH PASWAN)

(a): Department related Standing Committee in its meetings regularly discusses the issue of availability of sufficient fund for Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS). In this regard it is submitted that Mahatma Gandhi NREGS is a demand driven wage employment Scheme and Government is committed to making fund available as per demand for work on ground level in order to ensure timely payment of wages. This Ministry seeks additional funds for the scheme from the Ministry of Finance as and when required for meeting the demand.

For financial year 2024-25, budget allocation of Rs. 86,000 crores has been made, which is highest ever allocation under Mahatma Gandhi NREGS at Budget Estimate (BE) stage.

(b): As per the provision of the Act, States/UTs send the proposal of annual action plan after following due process, to Central Government. An Empowered Committee under the Chairpersonship of Secretary (Rural Development) decides the projected Labour Budget in consultation with State Government for the new financial year. This "Agreed to LB" is an indicative number for better planning so that work can be provided against demand on time. The agreed to labour budget is revised depending upon demand for employment by enrolled households.

The funds are released to the States/UTs based on agreed to labour budget. Fund release to the States is a continuous process and Central Government is committed to making funds available to States for the implementation of the scheme as per the demand for the work on the ground. Wage payments are directly credited by Central Govt. to the account of beneficiaries through Direct Benefit Transfer protocol and the Material and Admin fund is released to States/Union Territories(UTs) based on the provision of the Act and guidelines.

(c): As per Section 6 (1) of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, the Central Government may by notification specify the wage rate for unskilled work for its beneficiaries. Accordingly, the Ministry of Rural Development notifies Mahatma Gandhi NREGA wage rate for every financial year for States/UTs. To compensate the Mahatma Gandhi NREGA workers against inflation, the Ministry of Rural Development revises the wage rate every financial year based on change in Consumer Price Index for Agricultural Labour (CPI-AL). The wage rate is made applicable from 1st April of each financial year.

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