

GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

RAJYA SABHA
UNSTARRED QUESTION NO. 2535
TO BE ANSWERED ON 21/03/2025

CHALLENGES IN MGNREGS SCHEME

2535 SHRI SANJAY YADAV:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether it is a fact that allocation for Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in Budget 2025-26 is same as 2024-25 i.e. Rs. 86,000 crore despite the program running on a deficit;
- (b) whether it is a fact that fund crunch has led to delays in wage disbursement to workers;
- (c) whether it is a fact that in Bihar the scheme is marked by several challenges, such as low average days of employment generation and delays in wage payment;
- (d) if so, the steps being taken to improve the overall situation, specially in the context of Bihar; and
- (e) if so, the details thereof?

ANSWER

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

(a)& (b): For the financial year 2024-25, budget allocation of ₹86,000 crore has been made at Budget Estimate (BE) stage, which is the highest ever allocation under Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) at the Budget Estimate (BE) stage since inception. In the financial year 2025-26, the government has retained this allocation at ₹86,000 crore, ensuring continued support for rural employment.

As Mahatma Gandhi NREGS is a demand-driven scheme, the Central Government is committed to making funds available to States and Union Territories based on the demand for work on the ground. The Ministry of Rural Development closely monitors this demand and seeks additional funds from the Ministry of Finance as and when required to meet the demand for work on the ground.

Under Mahatma Gandhi NREGS, wage payments are directly credited by the Central Government to the account of beneficiaries through the Direct Benefit Transfer protocol. Beneficiaries are entitled to receive their wages within 15 days of completing the work. If there is a delay beyond this period, they are eligible for compensation as per the provisions of the Act.

(c)to (e): Mahatma Gandhi NREGS is a demand driven wage employment Scheme which provides for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. It provides livelihood security, i.e. fall back options for livelihood for the rural households, when no better employment opportunity is available.

Regarding challenges being faced in implementation of the scheme especially in Bihar it is mentioned that in the financial year 2024-25 (as on 18.03.2025), the average days of employment provided per household in Bihar State under Mahatma Gandhi NREGS stood at 47.95 days, showing an increase compared to 45.77 days in the previous financial year (2023-24).

Further, in the current financial year 2024-25 (as on 18.03.2025), a total of 23.21 crore persondays have been generated in Bihar under the scheme, marking an increase from 22.05 crore persondays in the previous financial year 2023-24. This rise also signifies improved employment generation in the scheme. To ensure that employment is provided to eligible beneficiaries within the stipulated time frame, the Government continuously monitors its implementation.

Government of India has issued a detailed Standard Operating Procedure (SOP) to the States to ensure timely wage payment. The Ministry along with the States/UTs has been making concerted efforts for improving the timely payment of wages. States/UTs have been advised to generate pay orders in time. The Ministry has taken various steps to ensure timely payment of wages to workers under the Mahatma Gandhi NREGS. These include:

- (i) Upscaling of National Electronic Fund Management System (Ne-FMS)
- (ii) Intensive consultation with State Governments and other stakeholders to strategise timely payment of wages, verification of pending compensation claims etc.
- (iii) Formulation of Standard Operating Procedure for monitoring of timely payment and payment of compensation.
- (iv) During Annual Action Plan finalization meeting, Mid-Term review meeting, Labour Budget revision meeting, Monthly review meeting, as well as State/UT visit by senior officers, the issue of the status of timely payment of wages and payment of delay compensation is also reviewed.

These initiatives have helped in the timely generation of Fund Transfer Orders (FTOs) within 15 days from the closure of muster rolls. The percentage of Fund Transfer Orders (FTOs) generated within 15 days in Bihar for the financial year 2024-25 is 98.68%, showing an improvement compared to 98.38% in the financial year 2023-24.
