

**GOVERNMENT OF INDIA  
MINISTRY OF RURAL DEVELOPMENT  
DEPARTMENT OF RURAL DEVELOPMENT**

**LOK SABHA  
UNSTARRED QUESTION NO. 2402  
ANSWERED ON 06/08/2024**

**IMPROVEMENT IN FINANCIAL MANAGEMENT SYSTEM OF MGNREGS**

**2402 DR. M P ABDUSSAMAD SAMADANI:**

**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

- (a) whether the Government is aware of the need to improve the financial management system of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) by ensuring the regular transfer of funds to States and the timely release of funds to implementing agencies;**
- (b) if so, the details thereof;**
- (c) whether the Government is aware of the hardships faced by workers under MGNREGS due to indefinite delays in wages and the issues faced by local self-governments and implementing agencies due to this; and**
- (d) if so, whether the Government has any plan to improve the transparency and efficiency of the wage payment process, including the use of digital tools and platforms to track payments and prevent delays?**

**ANSWER**

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

**(a)&(b): Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment Scheme. Funds release to States/UTs is a continuous process and Central Government is committed to making funds available to States/UTs for the implementation of the Scheme as per the demand for work on the ground.**

**Under Mahatma Gandhi NREGS, States/UTs furnish funds release proposals to Government of India. The Ministry releases funds periodically in two tranches with each tranche consisting of one or more installments, keeping in view the “agreed to” Labour Budget, demand for works, opening balance, pace of utilization of funds, pending liabilities, overall performance and subject to submission of relevant documents by the States/UTs.**

**The following measures have been taken to ensure the regular transfer of funds to States and the timely release of funds to implementing agencies:**

- 1. Public Financial Management System (PFMS): The government has implemented the PFMS to monitor and ensure the efficient and timely transfer of funds. This system helps in tracking the fund flow in real-time and ensures transparency.**
- 2. Direct Benefit Transfer (DBT): Wages under Mahatma Gandhi NREGS are paid directly into the bank accounts of beneficiaries through the DBT system. This minimizes delays and ensures timely payments.**
- 3. Monitoring and Coordination: Regular reviews and meetings are conducted with State governments and other stakeholders to monitor the fund flow and address any issues promptly.**
- 4. Grievance Redressal Mechanism: A robust grievance redressal mechanism is in place to address any issues related to the delay in fund transfer and release.**

**(c)&(d): As per the provision of the Mahatma Gandhi National Rural Employment Guarantee Act, the beneficiaries are entitled to get wage payments within 15 days. Government of India has also issued a detailed Standard Operating Procedure (SOP) to the States to ensure timely wage payment. The Ministry along with the States/UTs have 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) Implementation of National Electronic Fund Management System (Ne-FMS). It has since been implemented in all States and 3 Union Territories.**

**(ii) Intensive consultation with State Governments and other stakeholders to ensure timely payment of wages, verification of pending compensation claims etc.**

**(iii) Formulation of Standard Operating Procedure for monitoring of timely payment of wages and payment of delay compensation.**

**(iv) States/UTs are regularly requested to ensure the timely regeneration of rejected transactions and correction of invalid accounts as per information provided by PFMS.**

**(v) Aadhaar Based Payment System (ABPS) has been made mandatory since January 1, 2024, to ensure faster, safer, and timely wage disbursement to beneficiaries under Mahatma Gandhi NREGS.**

**(vi) Capturing of real-time attendance through the National Mobile Monitoring System (NMMS).**

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