

No. G-31011/10/2016-MGNREGA-V
Government of India
Ministry of Rural Development
Department of Rural Development

Krishi Bhawan, New Delhi
Dated 22nd August 2016

To,

The Principal Secretary/Secretary/Commissioner
(Incharge MGNREGA)
Rural Development/Panchayat Raj Department
All States/UTs

Sub: Guidelines/Framework for "Planning for works and preparation of Labour Budget" under the Mahatma Gandhi NREGA for the FY 2017-18.

Madam/Sir,

Sub-section 6 of Section 14 of the MGNREG Act 2005 mandates that the District Programme Coordinator (DPC) under MGNREGA shall prepare, in the month of December every year, a Labour Budget (LB) for the next financial year containing the details of anticipated demand for unskilled manual work in the district and the plan for identification of need based works and engagement of workers in the works covered under the programme. The LB is to be prepared in a bottom up approach by each Gram Panchayat (GP) which should be approved by the respective Gram Sabha (GS).

2. The Para 7 of Schedule I of the Act mandates that there shall be a systematic, participatory planning exercise at each tier of Panchayat, as per detailed methodology laid down. All works to be executed by the Gram Panchayats shall be identified and placed before the Gram Sabha, and such works which are to be executed by the Intermediate Panchayats or other implementing agencies shall be placed before the Intermediate or District Panchayats, along with the expected outcomes. Para 2.4 (2.4.1 to 2.4.16) of Master Circular (FY 2016-17) reiterates the procedure to be followed for planning for works and preparation of LB.

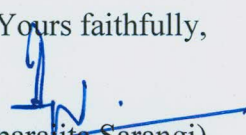
3. **The proforma for preparation of LB in which it has to be submitted to the Ministry of Rural Development is being made available on MGNREGA website soon.** While preparing LB, it should be ensured that all columns and rows are duly filled in, especially, month-wise projection of labour demand during FY 2017-18. It also needs to be ensured that units [volume/ length/ area etc. in respect of works & numbers in cases of person days, costs etc.] are filled in correctly. LB is an important tool for the Ministry to assess the demand of the State/district in advance while releasing Central share of funds. To assess adequate and advance budget requirements for the MGNREGA and smooth and timely release of central share of funds to your State, GP-wise online entry should be completed for all the districts of your State.

5. LB is an essential annual work plan document that entails planning, approval, funding and project execution modalities. Since the LBs are prepared in accordance with the provisions made in sections 13 to 16 of MGNREGA, the DPCs have to ensure a strict adherence to the principle of bottom-up approach from planning to approval of the selected shelf of projects by each of the gram sabha in village panchayats of the district. Further, proceedings of each Gram Sabha in which respective LB and the shelf of projects have been approved have to be uploaded as an attachment to the respective LB in the MIS. The State Government is also required to furnish a certificate to the effect that the provisions made in the MGNREGA for preparation of LB have been satisfied and a bottom-up approach has been adhered to in the preparation of LB for 2017-18.

6. A meeting of the Empowered Committee in the Ministry is likely to be scheduled in the third week of February 2017 onwards. It is, therefore, requested to submit LB for FY 2017-18 online for each district of your State following afore-mentioned instructions **latest by 15.02.2017**.

This may be treated as **MOST URGENT**.

Yours faithfully,


(Aparajita Sarangi)
Joint Secretary (MGNREGA)

22/8/16

Copy to:

1. Sr. Technical Director, NIC-DoRD for uploading in NREGA Soft (What's New & Circular- LB sections) and for taking appropriate action on para 3 above.
2. PPS to SRD for information.
3. PSO to SS&FA (RD) for information.