

File No J-11060/18/2022-RE-VI.Part (1)
Ministry of Rural Development
Department of Rural Development
(Mahatma Gandhi NREGA Division)

Krishi Bhawan, New Delhi

16th January, 2024

To

The Principal Secretary/Secretary/Commissioner (in charge of Mahatma Gandhi NREGA), Rural Development Department

Mission Director/Chief Executive Officer
State Rural Livelihood Mission

All States/UTs(Except Delhi & Chandigarh)

Subject : Advisory on Cluster Level Federation (CLF) as
Programme Implementing Agency (PIA) under Mahatma
Gandhi NREGS.

Ref: DO No. J-11060/4/2019-RE-VI (366816) dated 6th January 2022 from
MoRD regarding :

- i. CLF as PIA for general plantation at block level and for individual beneficiary project.
- ii. Promotion of plantation works with special emphasis on horticulture plantation around 20% of the land areas of eligible individual beneficiary household

Madam/Sir,

As you are aware, an advisory on Cluster Level Federation (CLF) as Programme Implementing Agency (PIA) under Mahatma Gandhi NREGS was issued with reference to above letter on 6th January 2022 and the same has been stipulated in the Annual Master Circulars (AMC) 2022-23 (Para 6.7.2, 7.1.1 and 7.5.9) of Mahatma Gandhi NREGS for implementation of CLF as PIA.

It is reiterated that CLF constituted under National Rural Livelihood Mission (NRLM) could act as PIA under Mahatma Gandhi NREGS. This could be especially helpful for livelihood enhancing Individual works. The selection of eligible individual beneficiary is based on the provision under Para 5 of the Schedule-I of the Act.

With a view to ease out the process of implementation of CLF as PIA under Mahatma Gandhi NREGS, the following terms may be considered in addition to above references.

2. Criteria for identification of CLFs as PIA:

The State Rural Livelihood Mission (SRLM) through its district level functionaries will identify better performing CLFs and share the list with the Commissioner, Mahatma Gandhi NREGS for approving the CLFs as PIAs under Mahatma Gandhi NREGS. While identifying the CLF as PIA, the following criteria may be adopted :

- i. The CLF should be a registered entity like Society/Trust/Non-Profit Company or any other legal entity under respective Acts.
- ii. The CLF should be promoted under the Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) and in functioning activity for atleast *three years*.
- iii. Have a track record of managing at least INR 10 lakh of Community Investment Fund (CIF) in the past 3 years.
- iv. Have a proven track record of regular book-keeping and manage community cadre engaged in accounts, book-keeping and audits and conducted Executive Committee (EC) meetings as per the norms under DAY-NRLM.
- v. It has demonstrated the ability to monitor the financial transactions of Self Help Groups (SHGs) and primary federations/village organizations at regular intervals.
- vi. The CLF should have placed at least 2 supporting CLF Staffs.
- vii. A list of the identified CLFs to act as PIA under Mahatma Gandhi NREGS will be provided by the respective SRLM to the Commissioner, Mahatma Gandhi NREGS.
- viii. Appropriate actions will be taken up by the Commissioner, Mahatma Gandhi NREGS for approval and communicate the same to the concerned authorities of the relevant Districts and Blocks to facilitate the CLFs for taking up the responsibility of PIA for identified works and to inform CLF and SRLM.
- ix. After receiving the approval from the Mahatma Gandhi NREGS, the SRLM Officials will inform the same to the relevant District and Block Level Managers and the CLFs.
- x. An agreement should be executed between CLF as PIA, Block Programme Manager/District Programme Manager of SRLM and Programme Officer of Mahatma Gandhi NREGS. The agreement needs to cover proposal, purpose, parties to agreement and responsibilities of parties with respect to nature of Mahatma Gandhi NREGS works for CLF as PIA as indicated at point 3 of this advisory.

3. Mahatma Gandhi NREGS works for which CLFs will act as PIA:

The Cluster Level Federations (CLFs) constituted under NRLM could act as PIA for livelihood enhancing (individual) assets for the eligible beneficiary under Schedule I, Para-5 of the Act.

Enhancing participation of women in Mahatma Gandhi NREGA, NRLM compliant CLF should act as PIA for individual beneficiary plantation works particularly horticulture plantation (including moringa plantation), nursery raising (including moringa) at block level and other individual beneficiary works of eligible beneficiary from NRLM compliant SHG household under Mahatma Gandhi NREGS. Works creating individual assets shall be prioritized on land or homestead owned by household belonging to the Schedule I, Para-5 of the Act.

4. Engaging CLF as PIA:

As per the provisions in Mahatma Gandhi NREGS, AMC 2022-23 (Para 6.4), where the Gram Panchayat (GP) is the implementing agency, all works shall mandatorily be approved by the Gram Sabha. The Gram Panchayat is the custodian of the shelf of projects. All PIAs working in the Gram Panchayat should duly incorporate their plans in the annual plan of Mahatma Gandhi NREGS. For the works implemented by PIAs other than Gram Panchayat, approval may be obtained from the Block/Intermediate/District Panchayat, depending on the level of authorization.

5. Planning of works:

Upon notification of the CLFs as PIAs by the competent authority, the CLFs will coordinate with the Programme Officer, Mahatma Gandhi NREGS at the Block level to understand the existing shelf of projects and the implementing agencies allotted for these works along with potential of creation of employment (in person-days). Thereafter, the CLFs will assess all the works pertaining to Self Help Group (SHG) households, plantations and nursery, which they can take up in the allotted project areas.

The CLF will also plan the new works to be taken up in SHG and Village Organization (VO) level meetings. The process will facilitate the strengthening of the livelihood activity/activities identified by the beneficiary. The planned activities shall be listed, compiled and presented for approval to the concerned Block Panchayat/District Panchayat by the CLF. Approval of these works shall be communicated to the Gram Panchayat before they can be taken up, as mentioned in Para 6.4 of AMC 2022-23.

6. Administrative Sanction and Technical Sanction of Works:

The State Governments already have setup processes for providing Technical and Administrative Sanctions for Mahatma Gandhi NREGS works. The same will be followed for CLF as PIA.

The Administrative Sanction will be issued by the District Program Coordinator or any other competent authority as per the financial delegation authorized by the State Govt.

7. Administrative fund availability:

- i. Para 16(5) of Mahatma Gandhi NREGA states that, 'The Programme Officer shall allot at least fifty percent of the works in terms of its cost under a Scheme to be implemented through the Gram Panchayats.'
- ii. As per the guidelines issued by the Ministry of Rural Development (MoRD) on 21st August 2014 regarding breakup of administrative fund component, 'The expenditure at the GP level shall not be less than 2% of the total expenditure'.
- iii. As per the Para 2.5.2(xiii) of Operational Guidelines 2013, 'Empanel agencies that can be used by State Governments as PIAs for implementation of MGNREGA works and determine the percentage value of funding that can be given to them to meet their administrative costs.'

On the basis of above Para (ii), Gram Panchayat is entitled to get administrative cost of 2% of total expenditure done by the GP. As per the Para(iii), it is proposed that same concept may be applicable for the line department i.e., 2% of total expenditure made by CLF on taking up Mahatma Gandhi NREGS works as indicated in point 3 of this advisory may be allowed as administrative cost for CLF as PIA under Mahatma Gandhi NREGS.

Administrative expenditure may be incurred as per the Para 12.5.5 of Operational Guidelines 2013 and it has to be provided as per the provision made in Receipts, Expenditure, Advances and Transfers (REAT) module and same may be followed for CLF as PIA followed by the due procedure of the Scheme. Expenditure has to be done on the basis of bills/vouchers.

Expenses not allowed under administrative costs-The following items shall under no condition be booked under the administrative costs of MGNREGA:

- o Purchase of vehicles and repair of old vehicles,
- o Civil works,
- o Salaries/ remuneration of functionaries already engaged by the Government/ PRIs/ any other implementing agency,
- o Material procurement for works.

8. Implementation of the works and its monitoring:

The implementation of works and its monitoring should be done as per Annexure-I. These are to be taken cognizance of while implementation of works.

9. Monitoring and Quality assessment-

- a. The Programme Officer (Mahatma Gandhi NREGS) will act as Programme Officer for the work taken up by CLF as PIA under Mahatma Gandhi NREGS.
- b. The Programme Officer (Mahatma Gandhi NREGS) and the State Rural Livelihoods Mission through its district and block level Functionary may monitor the progress and quality of works regularly.
- c. If there is any process gap, irregularities, misappropriation found then responsibility may be fixed and action may be initiated on the CLF and concerned for any kind of deviations/misconduct made in work execution.
- d. Recovery of embezzlement of funds/misappropriation of funds will be done from CLF as PIA as per Schedule I (26) of Act and Para 15.5 AMC 2022-23.

10. Programme Steering Committee:

The initiative of engaging CLF as a PIA requires convergence efforts at State, District and Block level. Hence, for smooth execution of the planning, implementation and monitoring roles, three member Programme Steering Committee (PSC) headed by the Principal Secretary/Secretary of Rural Development Department, Commissioner, Mahatma Gandhi NREGS and Chief Executive Officer (CEO) of SRLM as member is to be constituted.

The PSC will issue necessary advisory, approval of CLFs as PIAs, prepare joint action plan of Mahatma Gandhi NREGS and NRLM programme, monitoring of implementation of the SHG-CLF-PIA, review of the programme on quarterly basis, creation of comprehensive plan for training and capacity building of CLFs as PIA.

In the light of above, it is advised to instruct the concerned Officials for taking appropriate action accordingly.


(Amit Kataria)
Joint Secretary (RE)

Implementation of works and its monitoring

Sl. No.	Activities	Responsible Officers	Remarks
1	Work entry in NREGA Soft	Programme Officer	
2	Preparation of estimate	TA/JE of respective block	Para 7.1.5 of AMC
3	Technical Sanction of work	AE or other as authorized by the State Govt.	Para 7.1.5 of AMC
4	Administrative Sanction of work	DPC or other as authorized by the State Govt.	Para 7.1.5 of AMC
5	Geo-tagging of works in all stages	Present system as authorized by the State Govt.	Para 13.2 of AMC
6	Work initiation	CLF	
7	Collection of work demand in form 6	CLF/VO/SHG	Para 4.1 & 4.3 of AMC
8	Allocation of work	Program Officer	Para 4.2 of AMC
9	Generation and issue of eMR	Program Officer	Para 4.6.1(d) of AMC
10	Capturing of daily attendance (eMR/NMMS) and daily measurement	Women Mate identified by CLF	Para 7.1.2 & 20.1(f) of AMC
11	Uploading of attendance in NREGASoft (in case of IBS work)	CLF	Para 4.6.1(d) of AMC
12	Measurement of work and uploading in MIS	TA or as authorized by the State Govt.	Para 20.2 of AMC
13	Generation of wagelist and send for payment	CLF	Para 4.6.1(d) of AMC
14	Request to vendor for supplying of materials	CLF	Para 4.6.1(d) of AMC
15	Uploading of Bills/Vouchers in NREGASoft and generation of material list	CLF	Para 4.6.1(d) of AMC
16	Generation of FTO for wage/material payment	1st Signatory at Block level	
17	Approval of FTO for wage/material payment	2nd Signatory at Block level	
18	Proper keeping of work files and Registers	CLF	Para 10.7 of AMC

19	Monitoring/Inspection work	of DPC/PO/TA/Gram Panchayat/SRLMwing. Regular inspection to be done by designated officers through Area Officer Monitoring Visit App	Para 7.12 of AMC
20	Regular Social Audit	Social audit unit as per the Guidelines issued by the Ministry of Rural Development	
21	Process Delays	The delay in wage payment is required to be compensated by the individual responsible for the delay. The timely completion of each process of the payment chain is important and is must.	Schedule II (29) and Section 7 (1) of Mahatma Gandhi NREGA, 2005.
22	Completion Certificate of work	Programme Officer	
23	Transparency and Accountability-CIB installation, Regular jobcard updation, Record keeping	CLF	
24	Training and Capacity building	At State level- Rural Development Department, SRLM and Social Audit At District level- District Programme Coordinator (DPC) and District Project Management Unit At Block level-Program Officer, Block Project Management Unit.	