

**6.1 2001-02 - Merging EAS and JGSY and launching of SGRY**

D.O.No.V-24011/34/2001/SGRY 12.10.2001

Dear Shri Shankar,

You would recall that a new Centrally sponsored Scheme, the "Sampoorna Grameen Rozgar Yojana (SGRY)" involving an annual expenditure of Rs.10,000 crores was announced by the Hon'ble Prime Minister on 15<sup>th</sup> August, 2001. Under the Scheme, which has since been launched, 50 lakh tonnes of food grains (worth Rs.5000 crores) are to be provided every year to the States/UTs free of cost, as an additionality the balance of Rs.5000 crores is to be utilized to meet the cash component for wages and material cost.

2. The objectives of the SGRY are to provide additional wage employment in the rural areas as also food security, alongside the creation of durable community, social and economic assets and infrastructure development in these areas. The Programme is self-targeting in nature and would be available for all the rural poor (BPL/APL) who are in need of wage employment and are willing to take up manual / unskilled work. Priority would be directed towards provision of wage employment to the poorest amongst the poor, women, SC/ST and parents of child labour withdrawn from hazardous occupations. Under the Scheme, 5 Kgs of food grains (in kind) will be distributed as part of wages per man day. The remaining wages will be paid in cash to ensure "notified minimum wages" every week. It is, thereby, envisaged to generate about 100 crore man days of employment every year in the rural areas. The Scheme will be implemented on cost sharing basis between Centre and the States in the ratio of 75:25 of the cash component. The State share, when taken against the total allocation including the value of food grains, comes to only 12.5%. In the case of Union Territories the Center would provide the entire funds under the Scheme. The cost of transportation of the food grains from the FCI godowns to the work site / PDS and their distribution will be the responsibility of the State Governments and the Union Territory Administrations.

3. The programme provides that all Wage Employment Schemes of the Government of India would be a part of the composite SGRY and would be executed by the Panchayat Raj Institution (PRIs) at all levels. The Wage Employment Programmes of the other Central Ministries and Departments are being reviewed separately to be part of the SGRY from the next financial year. Insofar as the Department of Rural Development is concerned, the two relevant Schemes in this behalf namely, the EAS and the JGSY are being merged into the SGRY and will continue (without reducing allocations), during the current year as part of the SGRY, with which these Schemes would stand fully integrated from the next financial year (2002-2003) onwards.

4. The main features of the SGRY are enclosed at Annexure-I. The Guidelines in respect of the scheme (which would be entirely operational from the next financial year) are being formulated for early circulation to the State Governments and Union Territory Administrations. In the remaining period of the current financial year, the EAS and the JGSY will be continued as part of the SGRY. The requisite funds and appropriate quantities of foodgrains on account of the new Scheme will be provided this year in the EAS and the JGSY. For the remaining months of the current financial year (which is the transitional period), the instructions to be followed are enclosed at Annexure - II.

5. Food grains to the tune of 50 lakh tonnes, along with requisite funds, would be provided to the States / UTs as per the existing criteria for allocation under the EAS and the JGSY. The corresponding additional State share of the cash component will require to be provided by the State Government. Thus, according to the revised central allocation, the State Government of Tamil Nadu would receive the total funds/ food grains of Rs.410.46 crores, which is higher than the earlier allocation by Rs.272.27 crores on account of the new Scheme. The break up of the total allocation would be Rs.88.00 crore under the EAS and Rs.87.73 cr. under the JGSY and food grains worth Rs.117.48 crores and Rs.117.25 crores, under the EAS and the JGSY respectively. The States / UTs are urged to implement the Scheme with due care and diligence so as to ensure generation of additional employment for the benefit of the rural poor in various parts of the country.

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6. It may, in this connection, also be mentioned that the criteria for allocation to the States/ UTs are such as to favour those Districts / Blocks which are more acutely faced with the problems of poverty and backwardness, natural calamities and migration of labour. Within the Districts and Blocks, the most needy areas are to be identified and priority directed, accordingly, in implementing the Scheme. You are requested, in order to facilitate direct focus to these areas, to urgently send the Block – wise / District – wise lists of such areas (latest by 31<sup>st</sup> October, 2001 ) to the undersigned. The Gram Panchayat-wise allocation of the present level for the year 2001-2002 may also be sent immediately in the prescribed format along with the floppy as mentioned in our earlier letter No. M-16016 / 28 / 99 JGSY dated 10<sup>th</sup> August, 2001, so that allocation of funds under the new scheme could be determined.

7. Enclosed herewith are the Statements indicating the revised allocation of funds and food grains to your State/UT for the current year. In order to be able to release the food grains and the funds at the earliest, it is necessary that the State Government / UT. Administration indicate their preferences immediately in respect of Wheat or Rice, keeping in view the food habits, as also how much food grains, within the allocation, would be utilized by the end of the current financial year. Should any State/UTs not wish to utilise the food grains, their allocation(s) could be provided to other States / UTs. It is clarified that no compensation will be provided in cash, in lieu of food grains. As a result, the concerned State / UT could stand to lose to the extent of the value of the food grains not lifted.

8. The important of the SGRY and the attention it requires would, no doubt, fully recognized at your end. It is requested that the requisite information referred to above, may please be sent to the undersigned immediately so that action in respect of release of funds and food grains to your State/UT could be processed at the earliest.

**WILFRED LAKRA**  
JOINT SECRETARY (PA)  
MINISTRY OF RURAL DEVELOPMENT  
GOVERNMENT OF INDIA

To  
Shri.P.Shankar  
Chief Secretary  
Govt.of Tamil Nadu

The main features and provisions of the Sampoorna Grameen Rozgar Yojana(SGRY)

### **NATURE OF THE SCHEME**

1. The Programme will be implemented as a Centrally - sponsored Scheme on cost sharing basis between the Centre and the States in the ratio of 75:25. In the case of Union Territories, the Centre would provide the entire (100%) funds under the Scheme. Foodgrains are to be provided free of cost to the States / Union Territories. The cost of transportation of the foodgrains from the FCI godown to the work-site/PDS and its distribution will remain the responsibility of the State / UT Governments.

### **OBJECTIVES**

2. Wage employment in the rural areas and also food security, alongside the creation of durable community, social and economic assets and infrastructure developments in these areas.

### **TARGET GROUPS**

3. The SGRY will be available for all the rural poor(BPL and APL) who are need of wage employment and are willing to take up manual on unskilled work in and around his or her village and habitation. However, the preference will be given to the poorest among the poor, Scheduled Castes/Scheduled Tribes, and parents of child labour, withdrawn from hazardous occupation.

### **STRATEGY OF IMPLEMENTATION OF THE SGRY**

4. The programme will be implemented in two streams :-

- (a) The First Stream will be implemented at the District and intermediate Panchayat levels; 50% of the funds will be earmarked out of the total funds available under the SGRY and distributed between the Zilla Parishads(20%) and intermediate Level Panchayats or Panchayat Samitis(30%)
- (b) The Second Stream will be implemented at the Village Panchayat Level; 50% of the funds available under the SGRY will be earmarked for the village Panchayats and distributed among the Gram Panchayats through DRDAs/Zilla Parishads.

5. Under the Programme, the funds and foodgrains would be allocated to the States/UTs on the basis of proportion of the rural population in State to the total rural poor in the country or such other criteria as may be determined by the Government of India from time to time.

6. From out of the State allocation, the allocation of funds and food grains to the districts is based on an index of backwardness to determine which two indicators would be employed, namely, the proportion of SC/ST population of the District and inverse of agricultural production per agriculture worker, Equal weightage is accorded to these two indicators.

7. 95% of the annual budgetary allotment will be distributed among the States/UTs as per the above principle. The Ministry would retain 5% for utilization for the areas of acute distress arising out of extraordinary seasonal conditions. In the event these funds are not fully utilized, the balance will be distributed among the States towards the end of the year keeping in view the requirement of different States.

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### **Allocation of Fund under the First Stream from Districts to Zilla Parishads and Panchayat Samitis**

8. 40% of the funds earmarked under the First Stream will be reserved at the District level and would be utilized by the Zilla Parishads in the areas affected by endemic labour exodus and in areas of distress, as per the Annual Action Plan approved by the Zilla Parishad. In selecting the works to be taken up, preference would be attached to areas which are calamity-prone and susceptible to substantial migration of labour.

9. 60% of the funds earmarked under the First Stream would be allocated to Panchayat Samitis (Intermediate Panchayats), 50% on the basis of the proportion of SC/ST and 50% on the basis of the proportion of the total rural population in the respective Panchayat Samitis in the Districts. The works would be taken as per the Annual Action Plans approved by the Panchayat Samitis, with preference being accorded to the areas which are Calamity - Prone and / or face labour migration.

10. Under the first Stream, 22.5% of the funds will be earmarked for individual beneficiaries schemes for SCs/STs for providing economic and social assets, and for developmental works on individual lands of BPL SC and ST families.

### **Allocation of Funds and Foodgrains under the Second Stream - From District to Gram Panchayats**

11. Out of the total funds earmarked under the SGRY, 50% of the funds thus allocated to the Districts under the Second Stream, (Rs.1875 crores) would be released to the Gram Panchayats directly by the DRDA/Zilla Parishad.

12. While, during the current year (2001-02), the allocation and release of funds will continue as per the existing criteria for the JGSY, from the next financial year (2002-03) onwards, the allocation of funds would be made in a manner that each Panchayat receives a minimum of Rs.50,000/-. The present allocation for the year 2001-02 to the State Governments and Union Territory Administrations is proposed to be treated as a base for making allocation for each State / UT each year in the future.

13. The State and District-wise allocations will be made by the Ministry of Rural Development at the Central level. At the Panchayat level, the DRDA/Zilla Parishad will make the allocation to each Panchayat. If there is increase in the number of Panchayats in any given year, the share of each Panchayat would stand reduced proportionately. Should there be a decrease in the number of Panchayats, the share of each Panchayat would be increased proportionately. The detailed Guidelines in this behalf would be formulated separately.

14. The Gram Panchayats will prepare their own Annual Action Plans for the approval of the Gram Sabhas; 50% of the funds earmarked for the Gram Panchayats would be kept for taking up of Infrastructure Development works in SC/ST localities.

### **PROCEDURE FOR RELEASE OF FUNDS & FOODGRAINS**

15. The Ministry of Rural Development are to make the allocation of funds and foodgrains to the States/UT's as per the criterion prescribed and intimate the same annually. Funds and foodgrains will be released in two instalments.

16. The First Instalment, would be released in the beginning of the financial year after the State-wise allocations are made. The Second instalment of Central Assistance will be released on request from the DRDAs/Zilla Panchayats in the prescribed format, subject to the condition that 60% of the total available funds/foodgrains is utilised, along with a reconciled statement of

quality of foodgrains lifted to be signed by the P.D. DRDA/CEO,. Zilla Panchayat and the District Manager of FCI.

17. The Department of Rural Development will intimate the quantity of foodgrains to be released to the States/UT's to the Department of Food and Public Distribution, with the District-wise details. The Dept. of Food and Public Distribution would, thereafter, send appropriate advice to the Food Corporation of India (FCI), under Intimate to the Union Department of Rural Development and the Secretary (RD) of the State/UT, for release of foodgrains from its designated Depots under the Food for Work Programme.

18. The Department of Rural Development will release funds for the foodgrains directly to the FCI at the economic cost. The FCI will be required to send a claim to the Department of Rural Development on the basis of Statements of quantities of foodgrains allocated, lifted and distributed. District wise, signed jointly by the Senior Regional Manager of the FCI and the Secretary(RD) of the State /UT concerned.

19. At the District level, the Project Director, DRDA will coordinate the release and lifting of stocks under the Programme. No payment will be required to be made to the FCI at the Depots by the DRDA or Authorised Agency for lifting the foodgrains, within the District-wise allocation communicated by the Department of Food and Public Distribution.

#### **PAYMENT OF WAGES UNDER THE SCHEME**

20. Under the Scheme, 5 kg of foodgrains (in kind) will be made available per manday. Should a State Govt wish to give more than 5 k.g. of foodgrains per manday, it may do so within the existing State allocation. The State Governments and UT Administrations will be free to calculate the cost of foodgrains paid as part of wages, at either BPL rates, or APL rates, or anywhere between the two rates. The workers will be paid the balance of wages in cash, such that they are assured of the notified Minimum Wages.

#### **DISTRIBUTION OF FOODGRAINS TO THE WORKERS**

21. The distribution of foodgrains will be made to the workers, most preferably at the work site. In the event of the workers belonging to one Habitation and should they choose to receive food grains in their Habitation, the same could be organised. While the State Govt. would have the option of utilising the PDS, it will have to be ensured that effective safeguards are in place to avoid leakages. The payment of wages, in cash as well as in foodgrains, should be made at least once, every week, without fail.

#### **QUALITY CONTROL OF FOODGRAINS**

22. The normal procedure by way of joint sampling, as is done for the PDS, will operate. In case of any complaint, the sample from the field will be compared with the sample packet retained at the FCI Depot and action initiated against all responsible in this behalf, if any discrepancy is established.

#### **IMPLEMENTING AUTHORITY**

23. The overall supervision of the Programme will rest with the Zilla Parishad; the Implementing Agency at the District level will be Zilla Parishad, at the Samiti level, the Panchayat Samiti and at the Gram Panchayat level, the Gram Panchayat. The Zilla Parishad will, inter alia, be responsible for the supervision and coordination of works and the forwarding of requisite reports

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to the States and UTs to the Government of India.

### **EXECUTING AGENCIES**

24. The Panchayati Raj Institutions will be fully involved with the SGRY. The Executing Agency under the SGRY within a District can be any Line Department. Corporation of the State Govt. and Panchayat Raj Institutions at all the three levels.

### **BAN ON CONTRACTORS**

25. No contractors are permitted to be engaged for execution of any of the works and no middle men / intermediate agencies employed for executing works under the Scheme. The full benefit of wages to be paid should , at all times, reach the workers.

### **ANNUAL ACTION PLAN(AAP)**

26. The Annual Action Plan(AAP) will independently be prepared every year at all Panchayat Raj Institution levels. The responsibility for preparation of the Annual Action Plan will be that of the Zilla Panchayat for the works to be taken at the District level. While the Panchayat Samitis will be responsible for preparation and approval of their own Plans, in respect of the works to be taken up at Samiti level, the Gram Panchayats will be responsible for preparation of their own plans, which are to be approved by the Gram Sabha. The Gram Panchayats can take up any work with the approval of the respective Gram Sabhas. No financial limit has been proposed as several States have already delegated powers to the Gram Panchayats and it would be left to the State Govts to prescribe the same in the light of the prevailing delegation of powers. The works will need to be approved and incorporated in the Annual Action Plan, as approved by the Gram Sabha.

27. Monitoring and Evaluation : Responsibility and accountability of implementation of the programme will be of the States/UTs Govt. The programme will be regularly monitored by the Department of Rural Development in accordance with the existing in-built mechanisms through periodical reports, Vigilance and Monitoring Committees and visits by officers of the State Govt. and by Area officers of the Ministry of Rural Development. The Programmes will also be evaluated through reputed institutions/independent institutions / organisations which studies may be initiated by the Central and State Govts.

### **WORKS TO BE TAKEN UP UNDER THE SGRY AND THEIR EXECUTION**

28. The works to be taken up will be labour intensive, leading to the creation of additional wage-employment, durable assets and infrastructure, particularly those which would assist in drought-proofing such as soil and moisture conservation works, watershed development, promoting of traditional water resources, afforestation and construction of village infrastructure and link roads, primary school buildings, dispensaries, veterinary hospitals, marketing infrastructure and Panchayat Ghars.

### **WORKS PROHIBITED UNDER THE SCHEME**

- (i) Buildings for religious purposes and the like.
- (ii) Monuments, Memories, Statues, Idols, Arch Gates / Welcome Gates and the like.
- (iii) Big buildings and big Bridges.
- (iv) Government Office buildings and Compound walls.
- (v) Buildings for Higher Secondary Schools and Colleges.

Note:- No new works under the EAS and the JGSY are to be taken up after the introduction of the Sampoorna Grameen Rozgar Yojana. The on-going works and projects under these two Scheme would be completed first and works under the SGRY taken up after completion of the on-going works.

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29. The wage employment programmes of other Ministries and Departments will be discussed further, and made part of SGRY from the next financial year and, thereby, total outlay of the Scheme may increase . However, employment guarantee in the rural areas will be a long term objectives of the scheme towards which end necessary arrangements would need be worked out with the State Govt., including legislative provisions.

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## 6. SGRY

### ANNEXURE – II

#### Instruction for implementation of the SGRY during 2001 - 02

1. The EAS and the JGSY will be continued as a part of the SGRY till March, 2002 with additional allocation of funds over and above what has been already intimated under these two Schemes. Of the quantity of food grains, due from the new Scheme for the Districts which are yet to take the First Instalment, 50% of the allocated food grains will be allotted together with the First Installment. The remaining 50% of the food grains will be authorized with the Second Instalment.

2. The Second Instalment of Central Assistance will be released on request from the DRDAs/Zilla Panchayats in the prescribed format, subject to the condition that 60% of the total available funds / food grains is utilised along with a reconciled statement of the quantity of food grains lifted to be signed by the P.D, DRDA / CEO, Zillah Panchayat and the District Manager of FCI.

3. The balance of the First instalment under the EAS & the JGSY and the quantity of food grains due to the Districts will be released immediately. For this year, this amount of funds and the quantity of food grains, thus released will not be taken into account for the release of the second instalment.

4. In the case of District which have already been given the Second Instalment in advance or in the normal course the balance allocation with the quantity of food grains due will be released immediately.

5. The District which either do not want to lift or want to lift less than the allocated quantity of food grains should inform the Ministry of Rural Development immediately, so that either only the cash balance of the allocation or the cash balance with the reduced quantity of food grains can be released to them non-lifting or reduced lifting of Food grains is net loss to the State/UTs as supply of food grains is an additionality and free of cost from the Centre to the States / UTs.

6. New works for this year under these two Schemes can be taken up only after the completion of the ongoing works, which have already been started on or before 31<sup>st</sup> October. 2001.

7. For the States opting for food grains, 5 kg of food grains per man day is to be distributed as kind component of the wage payment. Should a State Govt. wish to give more than 5 kg of food grains per man day, the same may be allowed within the existing allocation.

8. The State Govts / UT Administration will be free to calculate the cost of food grains paid as part of wage, at either BPL rates or APL rates anywhere between these two rates. The worker will be paid the balance of wages in cash, so that they are assured of the notified minimum wages.

9. The distribution of food grains will be made to the workers, most preferably at the work site. In the event of the workers belonging to one Habitation and should they choose to receive food grains in their Habitation, the same could be organized. While the State Govt. would have the option of utilizing the PDS, it will have to be ensured that effective safeguards are in place to avoid leakages. The payment of wages, in cash as well as in food grains, should be made at least once, every week without fail.

10. Transportation cost of food grains from FCI godown to the work site / PDS and its distribution is the responsibility of the States / UTs.

11. The Dept. of Rural Development on account of the SGRY will intimate the quantity of food grains ( to be released under the EAS and the JGSY to the States / UTs) to the Dept. of Food & Public Distribution with District wise details. The Dept. Of Food and Public Distribution would, thereafter, send appropriate to the Secretary (RD) of the State / UTs for release of food grains for its designated Depots.



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12. At the District level, the Project Director, DRDA will co-ordinate the release and lifting of stocks under the Programme. No payment will be required to be made to the FCI at the Depots by the DRDA of Authorized Agency for lifting the food grains, within the District-wise allocation communicated by the Department of Food and Public Distribution.

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