

Government of Punjab
Department of Rural Development & Panchayats
(IRD)

To

All Divisional Commissioners in the State
All Deputy Commissioners in the State
All Addl. Deputy Commissioners (Development) in the State
All District Development & Panchayat Officers in the State
All Block Development & Panchayat Officers in the State

Memo No. 1/1/2020-21/NREGA/6082 Dated, the 29th of May 2020

Sub: Rural Transformation Strategy (2020-22) – Guidelines

In order to alleviate the miseries of the people in rural areas and to secure their lives and livelihoods adversely impacted by the Covid-19 pandemic, the Department of Rural Development and Panchayats aims to launch a mission to, inter alia, revive the rural economy, livelihood and transform rural infrastructure. This is sought to be achieved by leveraging funds under its flagship programs such as Smart Village Campaign (SVC), MGNREGS, PM Awas Yojana–Gramin (PMAY-G), and using grants from Rural Development Fund (RDF), Finance Commission (FC) grants, and the internal resources of Gram Panchayats. This unique endeavour aimed at achieving rural transformation will be executed in mission mode with active participation of communities.

2. **Rural Transformation Strategy:** The key components of the Rural Transformation Strategy are as follows:

- Firstly, the Department shall maximise availability of funds for development of rural infrastructure and individual beneficiaries through convergence of funds under its various schemes and programmes.
- Secondly, it shall create greater rural employment by building community assets in keeping with contextual requirements of local communities by actively involving the Panchayati Raj Institutions (PRIs) at village, block and district level.
- Thirdly, there will be thrust on creating a sustainable model of infrastructure using modern technology with continued focus on hygiene and sanitation.
- Fourthly, it envisages maximum works through Gram Panchayats in rural areas to engage rural labour on a large scale while simultaneously building desired community assets.

3. **Size and Scope:** The envisioned size of the mission is Rs. 5655 crore with the following key components:

14 th Finance Commission Grants	Rs. 1088 crore
15 th Finance Commission Grants	Rs. 1388 crore
MGNREGS	Rs. 1200 crore
RDF	Rs. 1879 crore
Others	Rs. 100 crore
Total	Rs. 5655 crore

4. **Finance Commission Grants:** A total amount of Rs. 2476 crore of Finance Commission Grants to Gram Panchayats are likely to be received from the Ministry of Panchayati Raj, Government of India by June 2020, details of which are as under:

Source	Amount	Timeline
14 th FC	Rs. 353 crore	Released in March 2020
14 th FC	Rs. 353 crore	Received on March 30 th 2020
14 th FC	Rs. 382 crore	Received on March 31 st 2020
15 th FC	Rs. 1388 crore	1 st installment of Rs. 694 crore is expected in June 2020, upon submission of UC of 14 th FC.
Total	Rs. 2476 crore	

5. The disbursement of this amount shall be a major step to revive rural economy in the coming months. The 14th FC funds shall be spent by the Panchayats through a consultative process of Gram Panchayat Development Plans (GPDP) approved by the Gram Sabha. The GPDP exercise is being carried out in May-June 2020. It is planned that 75% of the FC amount shall be converged with the Smart Village Campaign (SVC), and the remaining 25% shall be used by the panchayats for their committed liabilities. The FC guidelines provide for delivery of basic services such as water supply, sanitation, sewerage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths and street lighting, and burial and cremation grounds. These activities are also a valid charge under the SVC; therefore, a convergence model has been designed. The focus would be on holistic development of villages through community participation and ownership.

6. In this endeavor, FC grants shall be available to all three levels of PRIs. There will be a provision for:

- a) Zila Parishads (10%),
- b) Block Samitis (15%)
- c) Balance 75% will be the share of GPs, which has two components – Basic (Untied) and Tied Funds – 50% each. The untied component shall be used by the GPs for location-specific felt needs. The tied component has to be equally distributed into two

components of (a) sanitation and maintenance of open-defecation free (ODF) status; and (b) supply of drinking water, rainwater harvesting and water recycling.

The funds earmarked for Punjab in FY 2020-21 are Rs. 1388 crore, of which first installment of about Rs 694 crore is expected in June, 2020.

7. **Smart Village Campaign Phase II:** In SVC Phase I, a total of 19,132 works of Rs. 835 crore were taken up and these are nearing completion. The target has however been raised for SVC Phase II. Like the first phase, the Smart Village Campaign (Phase II) is proposed to comprise of different components viz. RDF, 14th FC, 15th FC, MGNREGS and internal resources of GPs. The total size of SVC Phase II is Rs. 3040 crore as per the following details:

RDF	Rs. 1879 crore
14 th FC	Rs. 816 crore
15 th FC	Rs. 195 crore
MGNREGS	Rs. 150 crore
Total	Rs. 3040 crore

It is estimated to leverage Rs. 1879 crore from RDF, which forms the major share of the total outlay of the Mission. The State has received Rs. 1088 crore from 14th FC in three installments, 75% of which (i.e. Rs. 816 crore) is expected to be converged with SVC Phase II. Further, out of 15th FC share of GPs, Rs. 195 crore will be converged with the SVC Phase II.

8. **Convergence with MGNREGS:** In 2019-20, Rs. 155 crore were availed for SVC Phase I under MGNREGS. For the SVC Phase II, convergence with MNREGS is not mandatory, and it is envisaged only for those works, which are otherwise permissible under MGNREGS basket of works. Thus, a total amount of Rs. 3040 crore is set to be the target for SVC Phase II. In this way, more than 50,000 works in rural areas will be taken up under SVC Phase II.

9. MGNREGS provides livelihood security in the rural areas by providing at least of 100 days of guaranteed wage employment. The total expenditure in MGNREGS in FY 2019-20 was Rs. 765 crore, which is Rs.100 crore higher than the expenditure in FY 2018-19. Accordingly, the financial target for FY 2020-21 under MGNREGS has been fixed at Rs. 800 crore. As a part of the economic package announced by GOI to deal with Covid-19 fallout, an additional budget of Rs. 40,000 crore has been allocated under MGNREGS. This provides an opportunity to increase the target under MGNREGS from the approved target of Rs. 800 crore to over Rs. 1200 crores during FY 2020-21. Further, MGNREGS being a demand-driven scheme, the possibility of getting higher allocation in the revised budget estimates cannot be ruled out in case the State can utilize the existing allocation well in time. The following strategy has been formulated for achieving this target.

- i) There are around 18 lakh MGNREGS Job Cards in Punjab, out of which around 10 lakh job cards are active. The Department proposes a special drive for enrolling more job cardholders and increasing the number of active job cards by undertaking works in each and every village.

ii) Against 100 man-days of employment allowed to each worker, Punjab has been able to provide an average of 31 days only per worker per year. Last year, only 7600 Households completed 100 days of employment. This year, concerted efforts would be made to provide employment for full 100 days to a significantly higher number of workers. For example, 26,000 'van mitras' should complete 100-mandays each.

iii) Last year, there were 305 Gram Panchayats/villages where no expenditure was incurred under MGNREGS, whereas this year effort would be made to undertake MGNREGS works in all villages.

iv) It has been observed that in Punjab, the material-labor ratio has been around 80:20, thus leaving a scope to increase the material component. This year, it is proposed to increase the material component to utilization 40 percent as required. However, to achieve this target, the State shall have to bear its 25% share in material component. This will also provide impetus to construction material industry such as interlocking tiles, cement, steel, etc. The State shall also endeavor to create a special corpus/imprest of around Rs. 100 crore to provide for ready release of State share @25% to promote timely payments under the scheme.

v) A change in policy has been made by the Department to promote individual works such as cattle sheds, compost pits etc. under MGNREGS. As GOI guidelines do not prescribe any beneficiary share, and most state governments have also not imposed any such condition, therefore, in May 2020, a policy decision was taken to remove the condition of 40% beneficiary share, and provide for 100% cost under the scheme. This is expected to provide an impetus to individual beneficiaries' works under MGNREGS. A target of at least 5 beneficiaries per village has been allotted to all the Gram Rozgar Sewaks for the next three months; thus $13,000 \times 5 = 65,000$ beneficiaries will be covered, which is 10 times more than the last year. This number will, in due course, be enhanced to 10 beneficiaries per village. In financial terms, a gross benefit of Rs. 325 crore will be delivered to these 65,000 beneficiaries. In view of increased demand in villages due to the pandemic COVID-19, the Department will target two such tranches of 1,30,000 works in FY 2020-21 with an expenditure of Rs. 650 crores.

vi) On the occasion of 550th Birth Anniversary of Sri Guru Nanak Dev Ji, 550 plants were planted in each village by the Forest Department. From April 1st 2020, these have been transferred by the Forest Department to the GPs. The Department has accordingly prepared a SOP for nurturing and maintenance of these plantations. Two Van Mitras have been appointed in each village (about 24,000 workers), at an expenditure of around Rs. 98 crore per annum.

vii) 750 sports stadia are also proposed to be built during the year 2020-21, under MGNREGS in convergence with SVC-II. The estimated expenditure on rural stadia is Rs. 200 crore.

viii) The kutchra phirnis of all villages as well as missing links are also targeted for coverage under MGNREGS in convergence with other funds, viz. RDF and SVC-II in the years 2020-22.

ix) Innovations and use of technology including SECURE: The entire labour payments under MGNREGS are done in a transparent online system through Aadhar-linked beneficiary accounts. The procedure of identification, estimation, technical and administrative approval of works is being done online through a web-based software called SECURE. From 1st April 2020, all MGNREGS work estimates are also being made through SECURE software.

10. During the FY 2019-20, an amount of Rs. 765 crore was spent under MGNREGS, which is the highest ever, expenditure in the state. With this, a record total of 2.35 crore man-days were generated. The target for FY 2020-21 is 3 crore man-days, which is expected to address the rural distress caused by the Covid-19 pandemic. With additional enhanced allocation under MGNREGS as part of the Covid-19 Economic Package, the Department shall utilise this opportunity to mitigate rural unemployment by creating more and more livelihoods as well as durable community assets.

11. **Special drive for remodeling of village ponds:** A special drive for remodeling of village ponds has been launched by the Department. Under this program, dewatering and de-silting of village ponds shall be done from 12th May till June 10th 2020. A total of 12,394 ponds have been identified for the purpose and dewatering has already begun in 8,481 ponds. 1,323 ponds have been further identified for de-silting as well. 750 ponds shall be taken up under Thapar Model/Seechewal Model in FY 2020-21 under PM Krishi Sinchai Yojana and State Plan Scheme RDOS-28. The target expenditure on remodeling of ponds under MGNREGS is Rs. 225 crore as compared to Rs. 118 crore in FY 2019.

12. The Department will recognize the special innovations, either technological or managerial, in the implementation of the mission in different districts by executing agencies. Special recognition will be accorded to efficiency in use of funds, improvement in quality of works, their sustainability, as well as incorporation of women and physically challenged persons in MGNREGS works, to name a few.

13. List of illustrative works under various components of the Strategy is attached as Annexure. It will be incumbent upon all executing agencies and their supervisory officers to ensure that the extant guidelines of any existing scheme or source of funds (e.g. MGNREGS or FC grants) are duly adhered to.

14. Please acknowledge and ensure compliance.

(Seema Jain, IAS)
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