

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

**LOK SABHA
STARRED QUESTION NO. 323
ANSWERED ON 11/08/2026**

FINANCIAL STRUCTURE OF VB-G RAM G

***323. Shri Vijayakumar Alias Vijay Vasanth:
Shri Manickam Tagore B:**

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been effectively replaced by the new Viksit Bharat Grameen Rozgar and Aajeevika Mission (VB-G RAM-G), if so, the details thereof and if not, the reasons for the ambiguity;**
- (b) whether the Government has taken note of concerns raised by several State Governments regarding the financial structure of VB-G RAM-G, if so, the details thereof and if not, the reasons for ignoring the objections of States;**
- (c) the details and the reasons for shifting financial burden to States up to 40 percent under VB-G RAM-G, compared to earlier provisions under MGNREGS;**
- (d) whether any formal consultation was held with States, Parliamentary Standing Committee or stakeholders before introducing VB-G RAM-G, if so, the details thereof and if not, the reasons therefor; and**
- (e) whether the statutory “right to work” guaranteed under MGNREGS is diluted under the new scheme, if so, the justification therefor?**

**ANSWER
MINISTER OF RURAL DEVELOPMENT
(SHRI SHIVRAJ SINGH CHOUHAN)**

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO. *323 TO BE ANSWERED ON 11.08.2026 REGARDING “FINANCIAL STRUCTURE OF VB-G RAM G”

(a): Consequent upon enactment of the Viksit Bharat–Guarantee for Rozgar and Aajeevika Mission (Gramin): VB-G RAM G Act, 2025, VB-G RAM G scheme has been successfully implemented in rural areas of the entire country with effect from 1st July, 2026 and the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 stands repealed from the same date. All States and Union Territories have notified the Scheme and have started works under VB G RAM G by providing employment to the willing households as per the provisions of the Act. The transition from MGNREGA to VB G RAM G has been smooth, seamless and worker-centric. Over 9.69 Crore person days have been generated in approximately within a month of the rollout of VB G RAM G Act.

The VB-G RAM G provides for a statutory guarantee of one hundred and twenty five days of wage employment in a financial year to every rural household whose adult members volunteer to undertake unskilled manual work against one hundred day of guaranteed wage employment available under Mahatma Gandhi NREGS. The new scheme also provides an expanded list of permissible works with emphasis on Water Security, Core Rural Infrastructure, Livelihood-related Infrastructure and Mitigation of Extreme Weather Events, while promoting convergence with other Central and State Government programmes through a Whole-of-Government Approach.

(b) & (c): The Ministry maintains continuous engagement with the States and Union Territories through regular review meetings, consultations and other appropriate fora to facilitate effective implementation of the Scheme. Suggestions given and concerns raised by the States/UTs during various review meetings and through written communications have duly been noted by the Ministry.

As per sub-section (2) of section 22 of the Act, the fund sharing pattern between the Central Government and the State Governments shall be 90:10 for the North Eastern States, Himalayan States and Union territory (Uttarakhand, Himachal Pradesh and Jammu and Kashmir) and 60:40 for all other States and Union territories with legislature.

Here, it is stated that, historically, most of the major rural employment schemes in the country have operated on shared funding

models between the Centre and the States. Further, presently almost all Centrally Sponsored Schemes (CSS) across sectors are being implemented on the 60:40 sharing model. The 60:40 pattern adopted under this Act is therefore consistent with the broader framework of Centrally Sponsored Schemes.

In the current financial year 2026-27 (for the period from 01.07.2026 to 31.03.2027), a provision of ₹95,692.31 crore has been made for the Central share for Viksit Bharat-Guarantee for Rozgar and Aajeevika Mission (Gramin), which is among the largest allocation ever made for rural employment programme at budget estimate stage in the country. With the inclusion of the corresponding estimated State share, the total programme outlay is likely to exceed ₹1.51 lakh crore, which is expected to significantly accelerate rural transformation, large-scale employment generation and income enhancement in rural areas. Accordingly, financial sanctions for various components amounting to ₹25,844.97 crore have already been issued to the States/UTs as the first instalment under the scheme. All States/UTs have reported that budget provisions have been made towards their matching share accordingly.

Overall, the funding pattern is designed to balance fiscal responsibility, State participation and national rural development priorities.

(d): During various review meetings held with important stakeholders such as States, Mahatma Gandhi NREGS functionaries, Civil society Organizations, experts etc., various operational gaps in the implementation of Mahatma Gandhi NREGS were observed.

Further, Hon'ble Standing Committee on Rural Development and Panchayati Raj in its various meetings also made recommendations regarding increase in the number of permissible days of work, revision of wage rates, strengthening of transparency, technological and administrative mechanism.

All these suggestions, feedback and guidance were duly considered during the process of formulation of VB-G RAM G.

(e): VB-G RAM G Act, 2025 retains and strengthens the rights-based and demand-driven nature of wage employment. The Act provides an enhanced statutory guarantee of at least 125 days of wage employment in a financial year to every rural household whose adult members volunteer to undertake unskilled manual work.
