

Milestone Volume

BUDGET BRIEFS

Vol 15/Issue 1

Pradhan Mantri Awaas Yojana - Gramin (PMAY-G) Gol, 2023-24

Pradhan Mantri Awaas Yojana - Gramin (PMAY-G) is Government of India's (Gol's) flagship 'Housing for All' scheme. The scheme aims to provide monetary assistance for the construction of a *pucca* house with basic amenities to all rural houseless families and those living in dilapidated and *kutcha* houses.

Using government data, this brief reports on trends in:

- Allocations and cost estimates;
- Releases and expenditures;
- Target completion and physical progress of house construction; and
- Payments to eligible citizens.

Cost share and implementation: Funds are shared between Gol and state governments in a 60:40 ratio. For Himalayan and North Eastern Region (NER) states, this ratio is 90:10. For Union Territories (UTs), the scheme is funded fully by Gol.

HIGHLIGHTS

₹ 1,59,964 cr

Gol allocations for Ministry of Rural Development (MoRD) in FY 2023-24

₹ 54,487 cr

Gol allocations for PMAY-G in FY 2023-24

SUMMARY & ANALYSIS

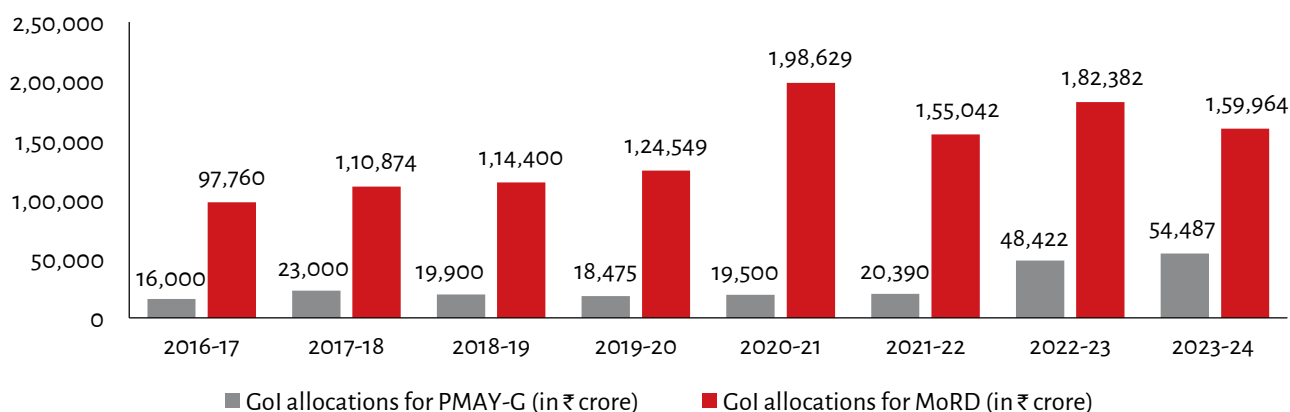
- In Financial year (FY) 2023-24, Government of India (Gol) allocated ₹54,487 crore Budget Estimates (BEs) for Pradhan Mantri Awaas Yojana - Gramin (PMAY-G). This is 13 per cent more than the previous year's Revised Estimates (REs) of ₹48,422 crore.
- In the first year of Phase 3 i.e, FY 2022-23, utilisation of funds available is high. By December 2022, 90% of available funds had already been spent.
- Cumulatively, since the start of the scheme till 1 January 2023, 77 per cent of sanctioned households have been completed.
- Despite completion, many houses have not received all the instalments. As of 13 January 2023, ₹1,488 crore of payments were pending for completed houses.
- The entire PMAY-G allocations are included in Part A of the Gender Budget statement. Yet, as on 1 January 2023, only 26% of sanctioned houses were solely owned by women and an additional 44% were jointly owned by men and women.

- In April 2016, Government of India (GoI) announced restructuring of Indira Awaas Yojana (IAY), a rural housing scheme started in 1996 and implemented by the Ministry of Rural Development (MoRD), into the Pradhan Mantri Awaas Yojana-Gramin (PMAY-G). The scheme aims to provide monetary assistance for the construction of a *pucca* house with basic amenities for an estimated 2.95 houseless families and those living in dilapidated and *kutcha* houses in rural India.
- While the scheme was supposed to end by March 2022, due to delays caused by the COVID-19 pandemic, the Union Cabinet approved the continuation of the scheme for two additional years i.e. until March 2024.
- The restructured scheme has several new features compared to the previous IAY. These are:-
 - Increased monetary assistance from ₹70,000 in plains and ₹75,000 in hilly and difficult terrains under IAY to ₹1,20,000 and ₹1,30,000, respectively.
 - A focus on convergence for piped drinking water, electricity connection, Liquid Petroleum Gas (LPG) connection, toilet construction, and persondays of unskilled labour under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).
 - Houses are to have a minimum size of 25 square metres, including a dedicated area for hygienic cooking.
 - The selection method of eligible candidates was revised using the Socio Economic and Caste Census (SECC 2011), rather than data based on Below Poverty Line (BPL) households.
 - Availability of a loan from financial institutions for an amount of up to ₹70,000.
 - Earmarking housing for focus groups with 60 per cent for Scheduled Castes (SCs) and Scheduled Tribes (STs), 15 per cent for minorities, and, as far as possible, at least 5 per cent for persons with disabilities.
- The scheme is being implemented in three phases. Phase 1 was from November 2016 to March 2019, and aimed to construct houses for 1 crore households. Phase 2 was approved in February 2019 and targeted construction of 1.95 crore houses by March 2022. However, since completion of 1.56 crore households was still pending as on 31 March 2021, the scheme was extended to Phase 3 from April 2022 to March 2024.

TRENDS IN ALLOCATIONS

- PMAY-G is the second largest scheme within MoRD. In FY 2023-24, GoI has allocated ₹54,487 crore Budget Estimates (BEs) for the scheme. This is 13 per cent more than last year's Revised Estimates (REs) which stood at ₹48,422 crore, and the highest ever allocation for the scheme since its inception.

GOI ALLOCATIONS FOR PMAY-G IN 2023-24 ARE 13 % MORE THAN THE PREVIOUS YEAR'S RES



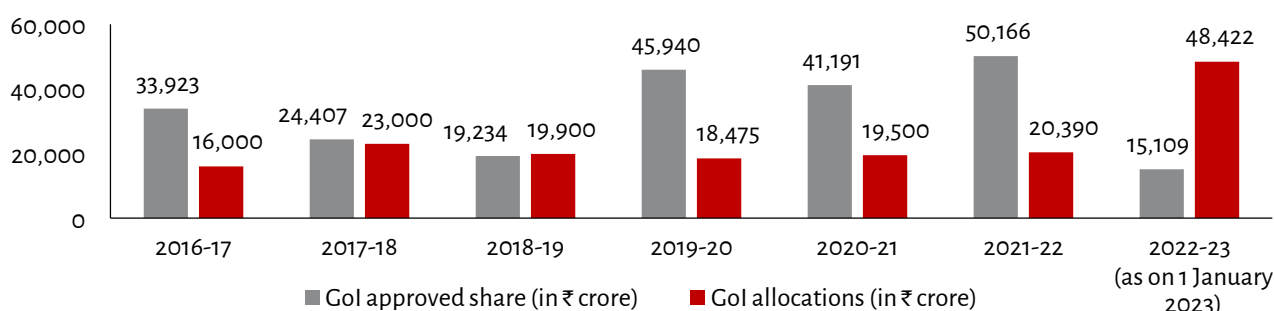
Source: (1) Union Expenditure Budget, MoRD FY 2016-17 to FY 2023-24. Available online at: www.indiabudget.gov.in. Last accessed on 1 February 2023.

Note: Figures are in crore of Rupees and are Revised Estimates (REs), except for FY 2023-24 which are Budget Estimates (BEs).

Fund Approvals and Allocations

- The total cost estimate for the scheme stands at ₹4,23,832 crore of which Gol's share is ₹2,55,276 crore. For Phase 1, till March 2019, of the total cost estimate of ₹1,30,075 crore, Gol's share was ₹81,975 crore, including ₹1,975 crore through borrowings from the National Bank for Rural Development (NABARD). For Phase 2, till March 2022, the total cost was anticipated at ₹76,500 crore, of which Gol's share was ₹48,195 crore. Phase 3, till March 2024, saw a big increase in the estimated cost of constructing the remaining houses. A total of ₹2,17,257 crore has been anticipated, of which Gol's share is ₹1,25,106 crore. This includes ₹18,676 crore towards the interest repayment to NABARD.
- Gol allocations, however, remain lower than the cost estimates. Cumulatively, till FY 2023-24, Gol has allocated 86 per cent of Gol's estimated cost share.
- Similarly, a comparison with the annual Gol approved share as per the Management Information System (MIS) shows that allocations have remained lower than the approved shares in Phases 1 and 2, till FY 2021-22.
- However, since the beginning of Phase 3, Gol allocations were higher the Gol approved shares in the MIS. In FY 2022-23, the first year in this phase, the Gol allocations were 3.2 times more than the Gol approved shares as on 1 January 2023.

CUMULATIVELY, 86% OF GOI'S ESTIMATED COST SHARE HAS BEEN ALLOCATED

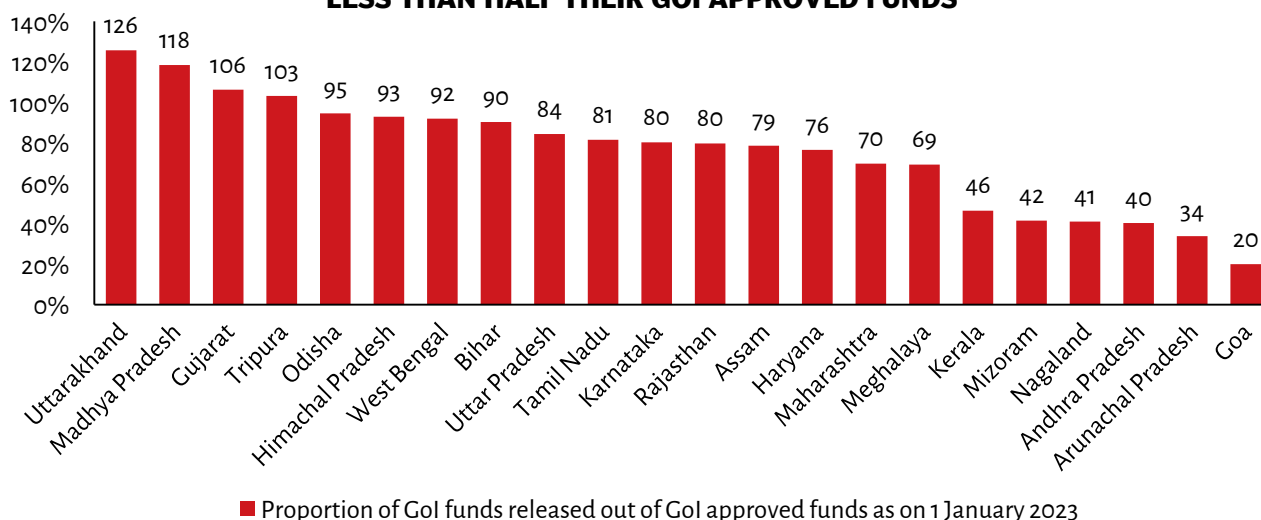


Source: (1) Union Expenditure Budget, MoRD, FY 2016-17 to FY 2023-24. Available online at: www.indiabudget.gov.in. Last accessed on 1 February 2023. (2) PMAY-G MIS system: B3. High level financial progress report. Available online at: https://rhreporting.nic.in/netiay/FinancialProgressReport/Report_HighLevel_FinancialProgress.aspx. Last accessed on 1 January 2023.

Releases

- Gol allocations to states and Union Territories (UTs) are released in two instalments. The first instalment (50 per cent of the annual financial allocations for each state) is released in the beginning of the financial year, conditional on the submission of a proposal from the states. The provision of the second instalment is subject to the utilisation of 60 per cent of total available funds and fulfilment of necessary criteria on target setting, sanctions, release of first instalment, and the status of house construction.
- Total Gol releases for PMAY-G in FY 2022-23 stood at ₹24,747 crore as on 1 January 2023. This is higher than the initial allocations for the scheme but 51 per cent of the REs.
- There are wide variations in releases across states. A comparison of state-wise approved budgets given in the MIS shows that cumulatively, till 1 January 2023, releases have been the highest for Uttarakhand with 126 per cent of Gol's approved shares released. Similarly, more than Gol's share had been released for Madhya Pradesh (118 per cent), Gujarat (106 per cent), and Tripura (103 per cent).
- Release of funds, however, has been low for most North Eastern Region (NER) states, Andhra Pradesh (40 per cent), and Goa (20 per cent).

CUMULATIVELY TILL 1 JANUARY 2023, SIX STATES HAD RECEIVED LESS THAN HALF THEIR GOI APPROVED FUNDS

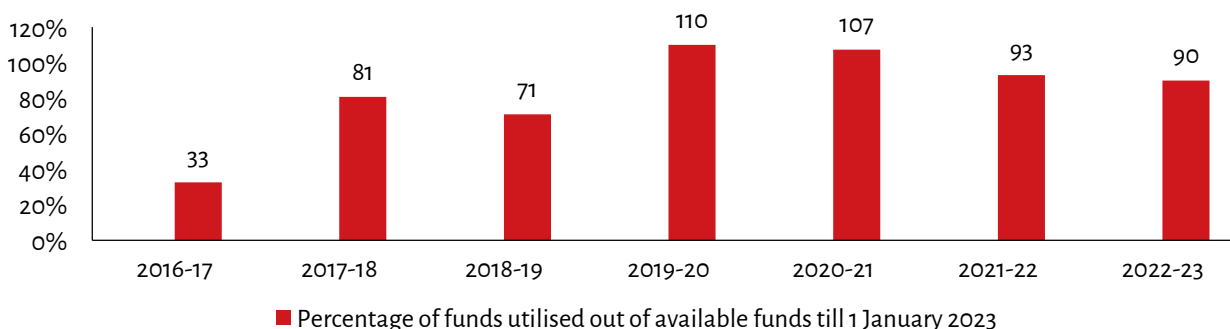


Source: PMAY-G MIS system: B3. High level financial progress report. Available online at: https://rhreporting.nic.in/netiay/FinancialProgressReport/Report_HighLevel_FinancialProgress.aspx. Last accessed on 1 January 2023.

Expenditures

- The total funds available in any given year include opening balances (unspent funds from the previous year), GOI releases, and state releases. Utilisation has been benchmarked against available funds.
- Fund utilisation picked up pace in Phase 2, with spending exceeding available funds in FY 2019-20 (110 per cent) and FY 2020-21 (107 per cent). While there was a slight dip in the expenditure in FY 2021-22 (93 per cent), the pace of expenditure retained till the third quarter of FY 2022-23 (90 per cent), as on 1 January 2023.

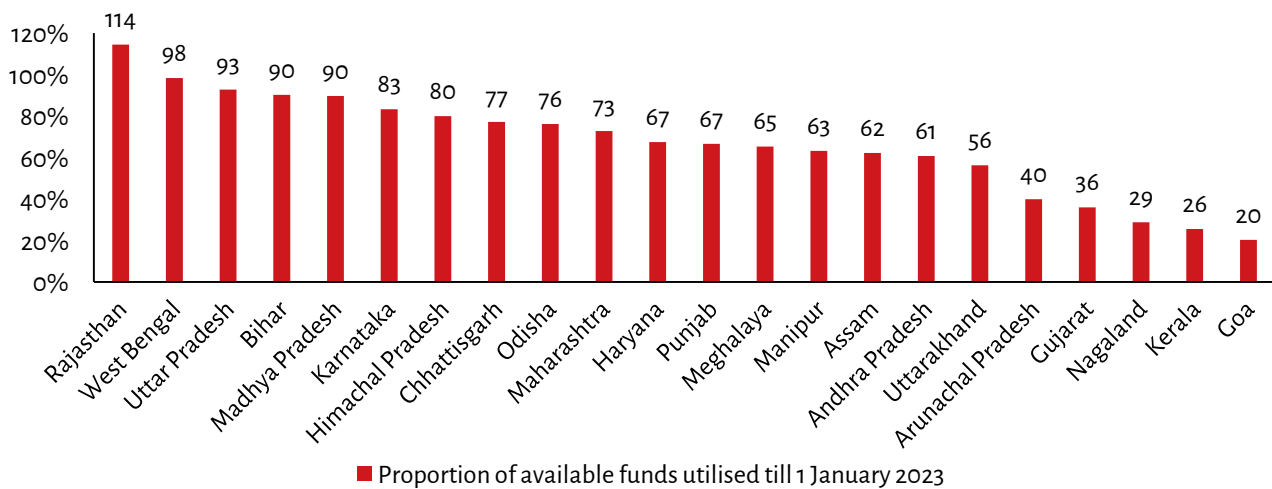
FUND UTILISATION PICKED UP PACE IN PHASE 2, RETAINED IN 2022-23 AS ON 1 JANUARY 2023



Source: PMAY-G MIS system: B3. High level financial progress report. Available online at: https://rhreporting.nic.in/netiay/FinancialProgressReport/Report_HighLevel_FinancialProgress.aspx. Last accessed on 1 January 2023.

- Similar to releases, fund utilisation also varied widely across states. States with the highest cumulative utilisation, till 1 January 2023, included Rajasthan (114 per cent), West Bengal (98 per cent), Uttar Pradesh (93 per cent), Bihar (90 per cent), and Madhya Pradesh (90 per cent).
- Kerala (26 per cent) and Goa (20 per cent) had the least utilisation of available funds as on 1 January 2023.

CUMULATIVELY, 84% OF AVAILABLE FUNDS WERE UTILISED TILL 1 JANUARY 2023



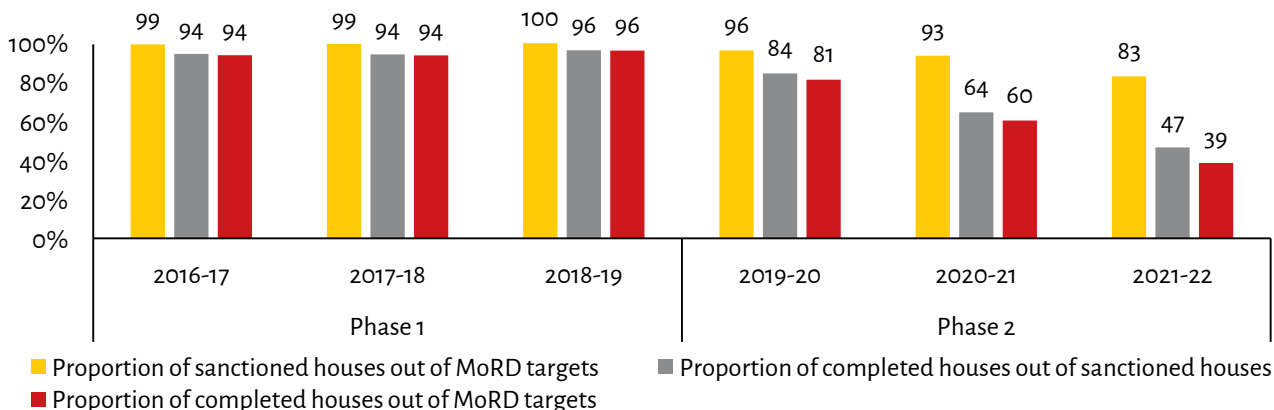
Source: PMAY-G MIS system: B3. High level financial progress report. Available online at: https://rhreporting.nic.in/netiay/FinancialProgressReport/Report_HighLevel_FinancialProgress.aspx. Last accessed on 1 January 2023.

TRENDS IN TARGETS, COMPLETION AND ACHIEVEMENTS

House Sanctions and Completion

- The process of selection of eligible citizens follows several steps. First, using the Socio-Economic Caste Census (SECC) 2011, eligible citizens are identified and verified by Gram Panchayats (GPs), followed by an Appellate Committee. A GP-wise Permanent Wait List (PWL) is then prepared. Data on each of these is entered on AwaasSoft, which helps in auto-generating the final list of eligible citizens for the scheme.
- Next, upon successful identification of the eligible citizens, they are registered on the MIS by mapping MGNREGS job cards, verified bank account details, phone numbers, and Aadhar numbers. Finally, after successful registration, an 'Annual Select List' indicating the final list of eligible citizens is generated and sanctioned orders are released to initiate the house construction process for these citizens.
- Due to under-reporting in the PWL based on SECC 2011, MoRD conducted an Awaas+ survey from January 2018 to March 2019 to ensure the inclusion of all eligible citizens.
- The 21st report of the Standing Committee on Rural Development and Panchayat (2021-22) identified discrepancies in the identification of eligible citizens under PMAY-G through GPs. The committee recommended downsizing the role of the Sarpanch and GPs through the incorporation of a Block Development Officer (BDO) and involvement of Non-Government Organisations (NGOs) or private bodies, along with the adoption of a flexible approach so that no one is left behind.
- In the initial phase of the scheme, from FY 2016-17 to FY 2018-19, out of the target of 1 crore houses, 99 per cent were sanctioned (98 lakh houses) and 95 per cent of the sanctioned houses (i.e. 93 lakh houses) were completed.
- Phase 2 of the scheme starting from FY 2019-20 indicates a slight decline in the pace of construction, partly due to the pandemic. Cumulatively for Phase 2, while MoRD targets increased by 76 per cent, i.e. from 1 crore houses to 1.74 crore houses and 90 per cent of these houses were sanctioned, only 65 per cent or 1.02 crore of the sanctioned houses were completed.

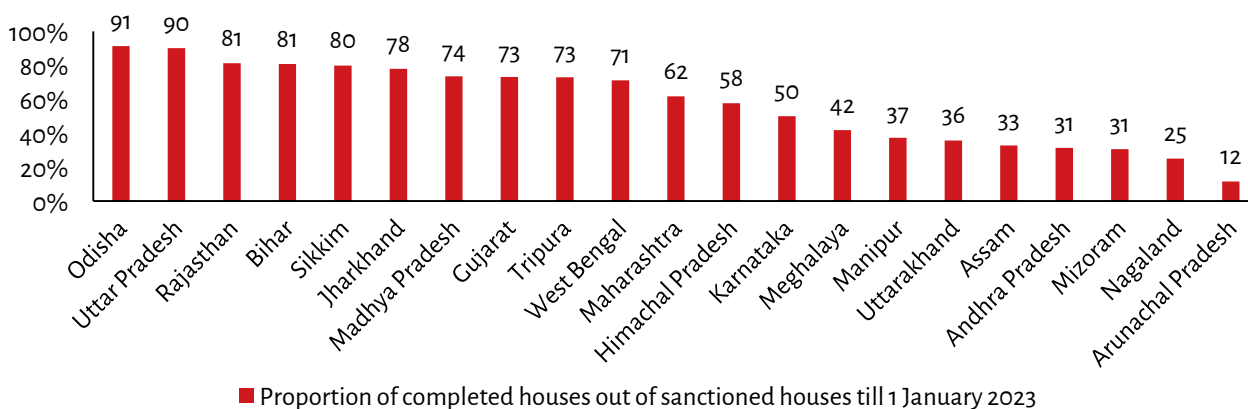
95% OF SANCTIONED HOUSES WERE COMPLETED IN PHASE 1, WHILE 65% WERE COMPLETED IN PHASE 2



Source: PMAY-G MIS system: (1) A6. Panchayat-wise incomplete houses (drillable upto beneficiaries level) Available online at: https://rhreporting.nic.in/netiay/PhysicalProgressReport/Report_IncompleteHouse.aspx. Last accessed on 1 January 2023. (2) A3. Target to Account Verification report. Available online at: <https://rhreporting.nic.in/netiay/PhysicalProgressReport/GapbetweenstagesTargettoaccountverificationreport.aspx>. Last accessed on 1 January 2023.

- There are wide variations in completion rates of houses across states, ranging from 91 per cent in Odisha to 12 per cent in Arunachal Pradesh.
- States with a higher rate of sanctioned houses completed till 1 January 2023 include Uttar Pradesh (90 per cent) and Rajasthan (81 per cent).
- On the other hand, all states in the NER, except Sikkim (80 per cent) and Tripura (73 per cent), had completed less than half of their sanctioned houses till 1 January 2023. Completion rates were the lowest in Mizoram (31 per cent), Nagaland (25 per cent), and Arunachal Pradesh (12 per cent).

CUMULATIVELY ACROSS PHASES, 77% OF SANCTIONED HOUSEHOLDS WERE COMPLETED TILL 1 JANUARY 2023

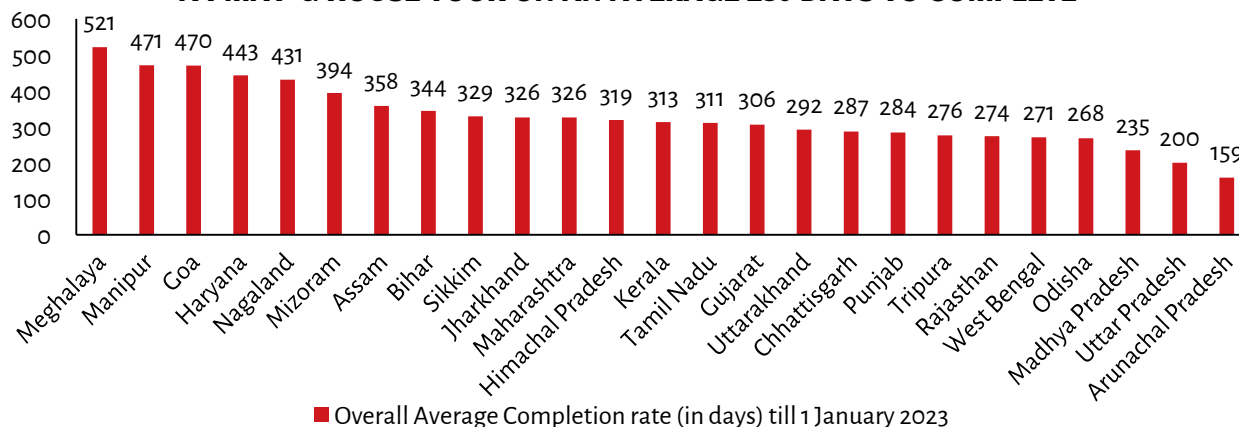


Source: PMAY-G MIS system: A6. Panchayat wise incomplete houses (drillable upto beneficiaries level). Available online at: https://rhreporting.nic.in/netiay/PhysicalProgressReport/Report_IncompleteHouse.aspx. Last accessed on 1 January 2023.

- The Framework for Implementation (FFI) of PMAY-G prescribes that house construction should be completed within 12 months or 365 days of sanctioning.
- As on 1 January 2023, the average time taken for constructing a house was less than a year at 280 days.

- Time taken to complete a house was more than a year in several NER states including Meghalaya (521 days), Manipur (471 days), Nagaland (431 days), Mizoram (394 days), and Assam (358 days). Other states which took more than a year included Goa (470 days), and Haryana (443 days).
- On the other hand, Arunachal Pradesh took the least time for constructing houses at 157 days, followed by Uttar Pradesh (200 days), and Madhya Pradesh (234 days).
- Despite the average time taken for construction of houses within the stipulated timeframe as prescribed by the FFI, Bihar (2.3 lakh houses), Odisha (60,000 houses), and Jharkhand (50,000 houses) had the largest number of houses that took 2-3 years to complete. At the pan-India level, 6,14,282 houses had a completion time of 2-3 years till 1 January 2023.

A PMAY-G HOUSE TOOK ON AN AVERAGE 280 DAYS TO COMPLETE

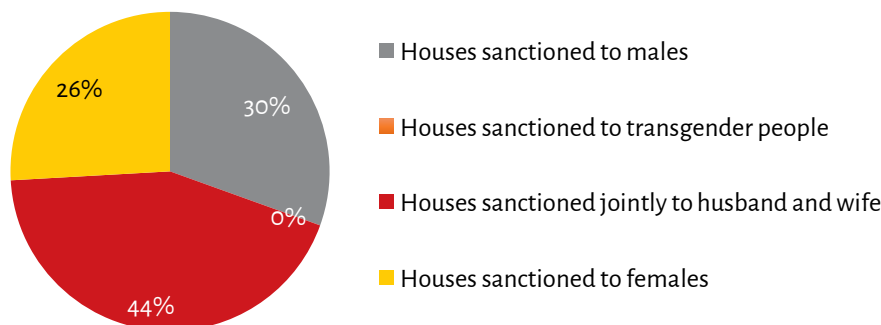


Source: PMAY-G Dashboard: Physical Progress: Geological/Geo-spatial analysis report. Available online at: <https://rhreporting.nic.in/netiay/DataAnalytics/CompletionRateForHsSancRpt.aspx>. Last accessed on 1 January 2023.

House Ownership

- PMAY-G accounted for a significant share (62 per cent) in Part A of the Gender Budget Statement in FY 2022-23, indicating that 100 per cent of the allocations under this Mission were directed towards women's welfare.
- However, PMAY-G houses sanctioned to women remain low. As on 1 January 2023, only 26 per cent of total PMAY-G houses sanctioned were solely in the name of women. An additional 44 per cent were jointly owned by both men and women. In total, 70 per cent of the sanctioned houses, as on 1 January 2023, had women as sole or part owners of PMAY-G houses.

WOMEN OWN 70% OF SANCTIONED HOUSES EITHER SOLELY OR JOINTLY



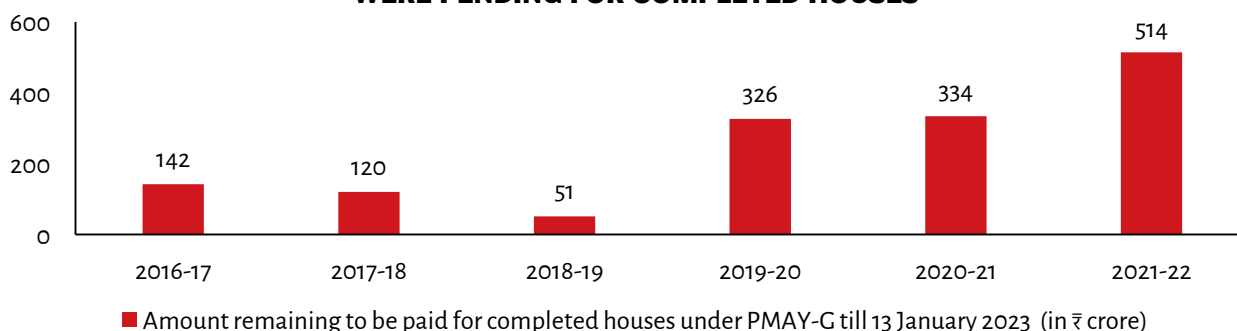
Source: PMAY-G Dashboard: Physical Progress: Allottee Type data. Available online at: <https://pmayg.nic.in/netiay/PBIDashboard/PMAYGDashboard.aspx>. Last accessed on 1 January 2023.

- Bihar (0.14 crore), West Bengal (0.1 crore), Uttar Pradesh (0.09 crore), and Rajasthan (0.08 crore) had a higher proportion of houses sanctioned to women as on 1 January 2023.
- As per the MIS data, there remain very few households which still remain landless as per the PWL. All the landless households as per the PWL in Jharkhand, Uttarakhand, Tripura, Himachal Pradesh, Sikkim, Nagaland, and Mizoram had either been successfully allotted land or have subsequently purchased land. In contrast in Karnataka, 49 per cent of the landless eligible citizens were yet to receive land through PMAY-G as on 1 January 2023.

Payments to Eligible Citizens

- As per the guidelines, financial support to households is provided in three to four instalments. The exact number of financial disbursements, however, depend on states' own discretion.
- States such as Madhya Pradesh, Tamil Nadu, and Odisha have opted for four instalments, with the last instalment paid upon house completion. Other states such as Uttar Pradesh, Rajasthan, and Bihar have opted for only three instalments, with the last instalment paid upon completion of different stages of house construction for different states.
- Verification of bank accounts of all eligible citizens is undertaken by the Public Finance Management System (PFMS). Post verification, eligible citizens with valid bank accounts are registered on the MIS and sanction orders for initiating the construction of the house are generated. The first instalment is to be released within seven days of the order issue date.
- The release of each subsequent instalment is tied to a different stage of completing the construction of a house. For instance, the second instalment is mapped to either the foundation, plinth, windowsill or lintel level (depending on the state). The third instalment is made following house construction up to the lintel level or roof cast stage or upon house completion. Some states also have a fourth instalment payment option that is mapped to roof cast stage or house completion.
- While 99 per cent of the sanctioned households with verified bank accounts received their first instalment, there is a decline in the proportion of sanctioned households receiving consecutive tranches, with only 93 per cent of them receiving their second instalment and 87 per cent of them receiving their third instalment as on 1 January 2023.
- Even completed houses have not received their full payment as on 13 January 2023. For instance, in FY 2018-19, ₹51 crore was pending for payment. This increased to ₹514 crore in FY 2021-22. Cumulatively, ₹1,488 crore is remaining to be paid as instalments to completed houses under PMAY-G till 13 January 2023.

CUMULATIVELY TILL 13 JANUARY 2023, PAYMENTS OF ₹1,488 CRORE WERE PENDING FOR COMPLETED HOUSES



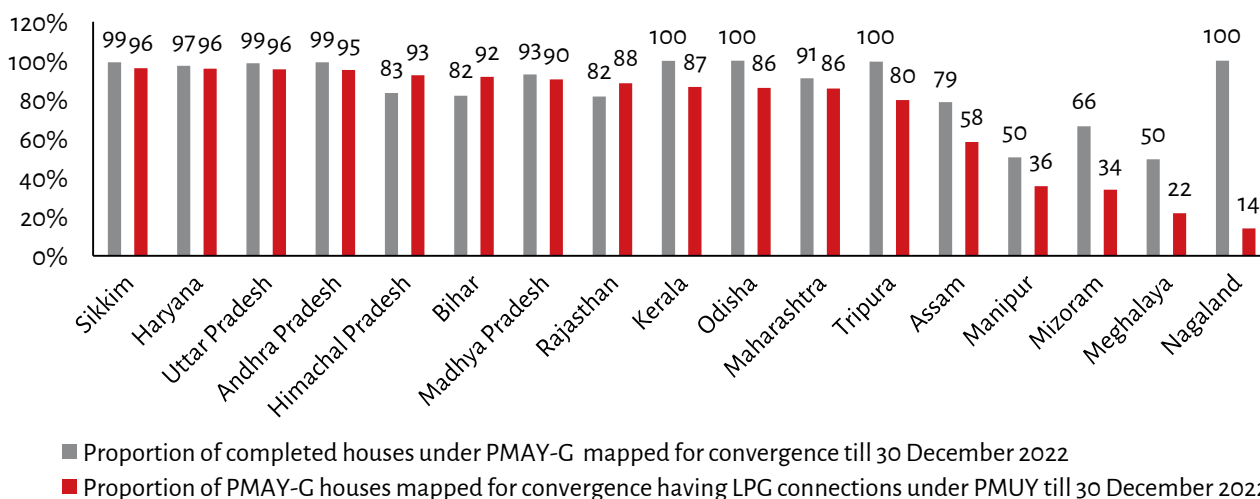
Source: PMAY-G Dashboard: Physical Progress: Physically completed houses pending for financial completion. Available online at [Power Bi Dashboard | Pradhan Mantri Awaas Yojana- Gramin \(pmayg.nic.in\)](https://powerbi.dashboard.prmantriawaasyojana-gramin.pmayg.nic.in). Last accessed on 13 January 2023.

- States such as Maharashtra (59,773 houses), West Bengal (67,278 houses), Gujarat (66,541 houses), Madhya Pradesh (55,340 houses), and Odisha (53,857 houses) had the highest number of completed houses with partial release of funds as on 13 January 2023.

CONVERGENCE

- PMAY-G envisages convergence with other schemes like Pradhan Mantri Ujjwala Yojana (PMUY), MGNREGS and Jal Jeevan Mission (JJM). As per an RTI response from MoRD dated 30 December 2022, data for 92 per cent of completed houses has been mapped with other welfare programmes.
- States such as Uttarakhand, Kerala, Odisha, Jharkhand, Tripura, and Nagaland have mapped convergence of all completed households with other schemes. However, nine out of 28 states had less than 90 per cent of the completed houses mapped to other schemes. Goa had only 6 per cent of the completed houses under PMAY-G mapped to other welfare schemes.
- The guidelines of the PMUY scheme implemented by the Ministry of Petroleum and Natural Gas were modified to ensure that citizens eligible for a house under PMAY-G are also eligible for getting an LPG connection under PMUY.
- At an all-India level, only 87 per cent of mapped PMAY-G houses had an LPG connection till 30 December 2022
- Sikkim (96 per cent), Haryana (96 per cent), and Uttar Pradesh (96 per cent) had the highest number of PMAY-G houses with LPG connections under PMUY. On the other hand, all states in the NER except Tripura (80 per cent) had lower number of houses with LPG connections based on the RTI response from MoRD as on 30 December 2022.

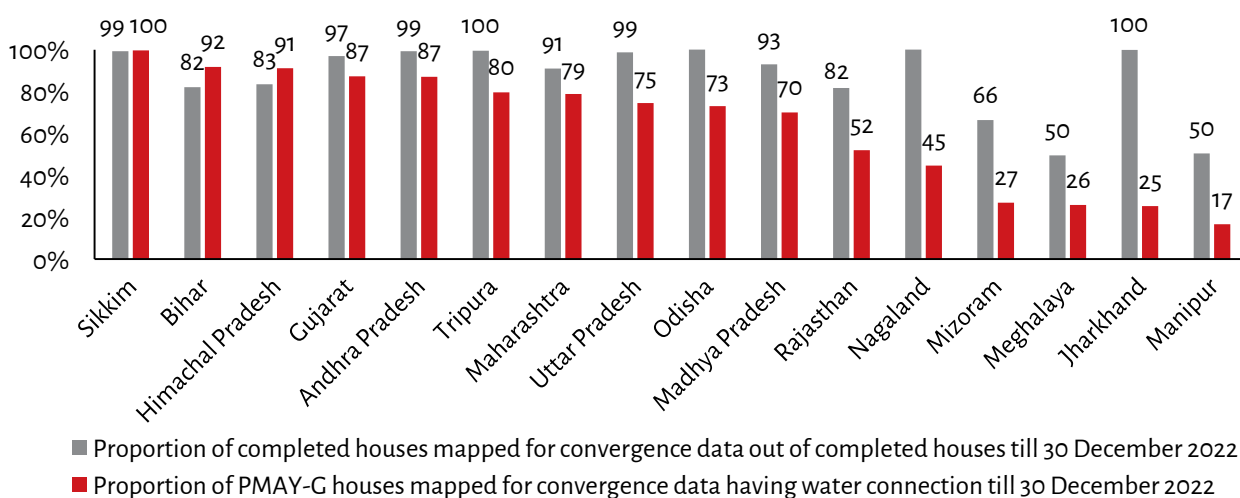
87% OF MAPPED HOUSES HAD AN LPG CONNECTION TILL 30 DECEMBER 2022



Source: RTI response by MoRD dated 30 December 2022.

- PMAY-G guidelines also envisage convergence with JJM under the Ministry of Jal Shakti to enable access to safe drinking water.
- Based on the RTI response from MoRD as on 30 December 2022, Manipur (17 per cent), Jharkhand (25 per cent), Meghalaya (26 per cent), and Mizoram (27 per cent) had less than 30 per cent of the mapped houses under PMAY-G equipped with piped water connections.

66% OF MAPPED HOUSES HAD A WATER CONNECTION TILL 30 DECEMBER 2022

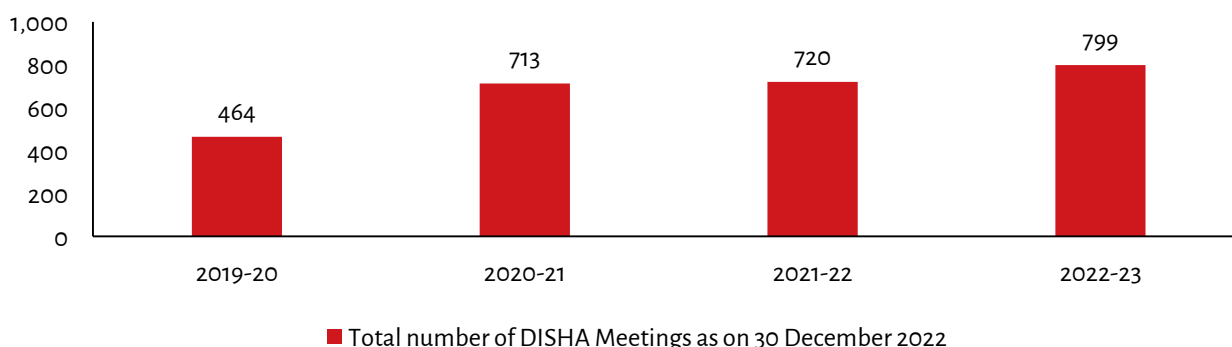


Source: RTI response by MoRD dated 30 December 2022.

MONITORING AND GOVERNANCE

- According to the FFI, monitoring of performance is done through AwaasSoft Application by capturing the real-time progress using workflow-enabled transactional data. After the data is collected, the system collates the data to generate reports and based on pre-determined parameters of performance, the progress of states/UTs are monitored.
- Ground-level inspection on the progress and the process followed during the scheme is also done by national level monitors and area officers at the central level. District-level monitoring is done by the District Development Co-ordination and Monitoring (DISHA) Committee headed by a Member of Parliament.
- As per DISHA guidelines, meetings are to be conducted at least once every quarter, amounting to at least 2,908 DISHA meetings every year.
- However, the number of meetings have been quite low. As per an RTI response from MoRD dated 30 December 2022, only 799 DISHA meetings were held in FY 2022-23.
- A state-wise comparison revealed that states such as Uttarakhand (50 per cent), Kerala (45 per cent), and Uttar Pradesh (41 per cent) had a higher share of target number of DISHA meetings conducted in FY 2022-23, till 30 December 2022. In contrast, Andhra Pradesh held only 6 DISHA meetings out of the target of 104 meetings.

SLOW INCREASE IN THE NUMBER OF DISHA MEETINGS SINCE 2020-21



Source: RTI response by MoRD dated 30 December 2022.