ACCOUNTABILITY INITIATIVE

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Pradhan Mantri Awaas Yojana - Gramin (PMAY-G)

GoI, 2022-23 (Pre-Budget)

Pradhan Mantri Awaas Yojana - Gramin (PMAY-G) is Government of India's (GoI) flagship 'Housing for All' scheme. The scheme was launched in November 2016 and aims to provide monetary assistance for the construction of a *pucca* house with basic amenities to all rural houseless houseless families and those living in dilapidated and *kutcha* houses.

Using government data, this brief reports on trends in PMAY-G along the following parameters:
- Allocations and cost estimates;
- Releases and expenditures;
- Target completion and physical progress of house construction;
- Payments to beneficiaries; and
- Convergence with Ujjwala.

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

HIGHLIGHTS

₹ 1,80,729 cr
GoI allocations for MoRD in FY 2021-22 (including supplementary budgets)

₹ 19,500 cr
GoI allocations for PMAY-G in FY 2021-22

SUMMARY & ANALYSIS

- PMAY-G is the second largest scheme within the MoRD. In Financial Year (FY) 2021-22, GoI allocated ₹19,500 crore Budget Estimates (BEs) for the scheme, the same as the previous years' Revised Estimates (REs).
- Fund utilisation picked up pace in the second phase of the scheme's implementation. In FY 2021-22, with 2 months left of the financial year, 109 per cent of funds available had already been spent.
- The pace of construction slowed down partly due to the pandemic. Of the total target for Phase 2 to complete 1.95 crore houses, only 1.19 crore houses had been sanctioned (61 per cent of targets) till 25 January 2022. Of these, 65 per cent had been completed.
- PMAY-G guidelines prescribe that house construction should be completed within 12 months of sanctioning the house to the beneficiary. However, since the scheme's inception till 20 December 2021, on average it has taken 268 days.
- PMAY-G beneficiaries are also eligible for a Liquid Petroleum Gas (LPG) connection under the Pradhan Mantri Ujjwala Yojana (PMUY). However, convergence has been slow. As on 26 January 2022, only 20 per cent of eligible PMAY-G households had an LPG connection.

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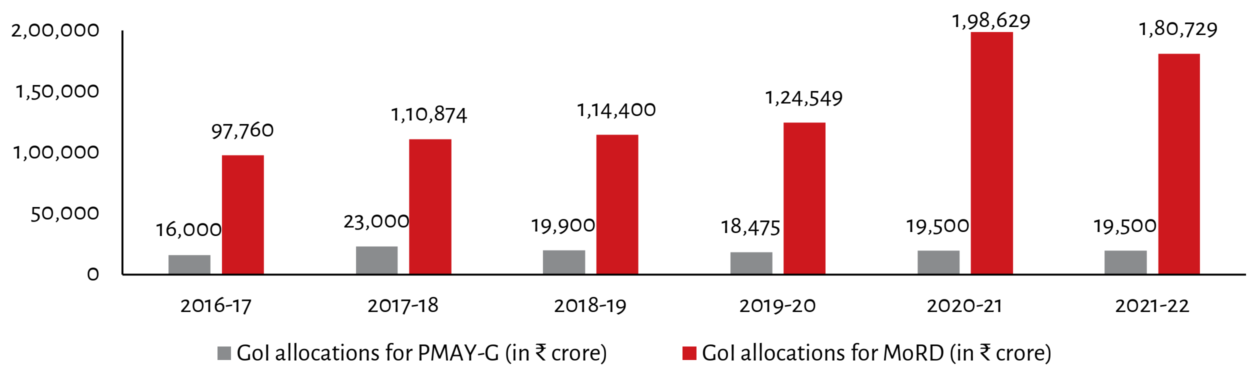
- In April 2016, Government of India (GoI) announced the restructuring of the Indira Awaas Yojana (IAY), a rural housing scheme started in 1996 and implemented by the Ministry of Rural Development (MoRD), into the Pradhan Mantri Awaas Yojana-Gramin (PMAY-G). The scheme aims to provide monetary assistance for the construction of a *pucca* house with basic amenities for an estimated 2.95 crore rural houseless families and those living in dilapidated and *kutcha* houses by 2022. In December 2021, the Union Cabinet approved the continuation of the scheme for two additional years i.e. until March 2024.
- The restructured scheme, PMAY-G, emerged against the backdrop of a Performance Audit Report by the Comptroller and Auditor General of India (CAG) in 2014, which pointed to several gaps in the selection of beneficiaries, a lack of convergence, low quality of house construction, and weak monitoring mechanisms in the erstwhile IAY scheme. The report found that these gaps had limited the impact and outcomes of the programme.
- PMAY-G sought to address these gaps by:
    - o Enhancing the monetary assistance given to beneficiaries from ₹70,000 in plains and ₹75,000 in hilly areas and difficult terrains under IAY to ₹1,20,000 and ₹1,30,000, respectively.
    - o Focusing 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).
    - o Houses are to have a minimum size of 25 square metres, including a dedicated area for hygienic cooking.
    - o The method of selection of beneficiaries was revised by using the Socio Economic and Caste Census (SECC 2011), rather than data based on Below Poverty Line (BPL) households.
    - o Availability of a loan from financial institutions for an amount of up to ₹70,000.
    - o Earmarking housing for focus groups, with 60 per cent for Scheduled Castes (SCs)/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 two 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 to construct 1.95 crore houses by March 2022. It has now been extended till March 2024.

ALLOCATIONS

- PMAY-G is the second largest scheme within the MoRD. In FY 2021-22, GoI allocated ₹19,500 crore Budget Estimates (BEs) for the scheme, the same as the previous year's Revised Estimates (REs).

NO CHANGE IN ALLOCATIONS FOR PMAY-G BETWEEN 2020-21 AND 2021-22



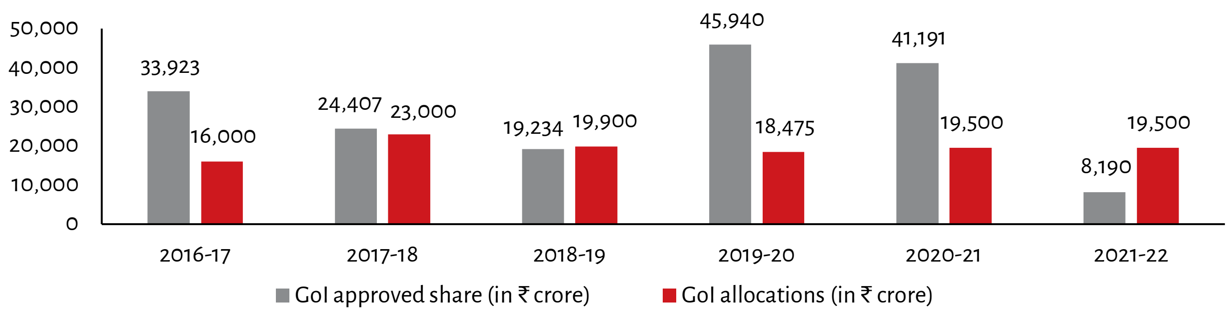
Source: (1) Union Expenditure Budget, MoRD FY 2017-18 to FY 2021-22. Available online at: www.indiabudget.gov.in. Last accessed on 25 January 2022. (2) Supplementary Demands for Grants 2021-22. Available online at: https://dea.gov.in/budgetdivision/ supplementary-demands-grants. Last accessed on 25 January, 2022

Note: Figures are in crores of Rupees and are Revised Estimates (REs), except for FY 2021-22 which are Budget Estimates (BEs). (2) Allocations made in the Supplementary Budget have been added to MoRD allocations.

FUND APPROVALS AND ALLOCATIONS

- For Phase-1 till March 2019, the total cost estimate was ₹1,30,075 crore, of which GoI'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 the GoI share was ₹48,195 crore. For Phase-3 till March 2024, the total financial cost for constructing the remaining houses is anticipated to be ₹2,17,257 crore , of which GoI's share is ₹1,25,106 crore. In addition to costs for construction, this includes an additional requirement of ₹18,676 crore towards the interest repayment to NABARD.
- GoI allocations remain lower than both the cost estimates and the annual GoI share approved as per the scheme's Management Information System (MIS).
- Cumulatively, till 25 January 2022, GoI allocations were 11 per cent less than the estimated GoI share. In Phase-1, allocations were 72 per cent of GoI's estimated share. This figure, however, increased to 119 per cent in Phase-2 by 25 January 2022 i.e. GoI allocations exceeded the approved GoI share.
- Similarly, a comparison of the annual GoI approved share as per the MIS and actual GoI allocations shows that, except for FY 2021-22, allocations have remained lower than the approved shares.

GOI's CUMULATIVE ALLOCATIONS WERE 33% LESS THAN ITS APPROVED SHARE TILL 2021-22 BEs

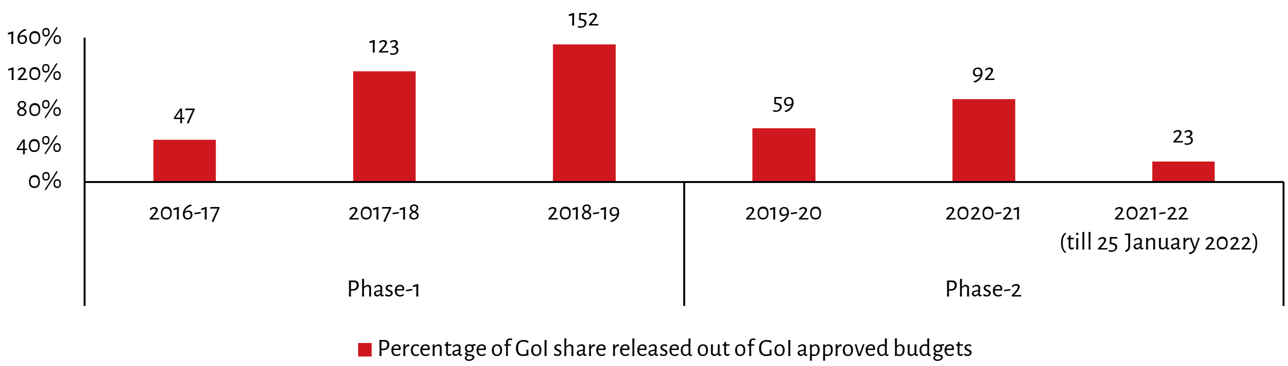


Source: (1) PMAY-G MIS System: B1. Annual target and allocation report. Available online at: https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation_PhaseWiseReport.aspx. (2) Union Expenditure Budget, Ministry of Rural Development. Available online at: www.indiabudget.nic.in. Last accessed on 25 January 2022.

Releases

- GoI allocations to states and Union Territories (UTs) are released in two instalments. The first instalment (50 per cent of the annual financial allocation for each state) is released at the beginning of the financial year, conditional on the states' submission of a proposal. The provision of the second instalment is subject to the utilisation of 60 per cent of total available funds and fulfilling necessary criteria on target setting, sanctions, release of first instalment, and the status of house construction.
- There are differences across years with respect to the proportion of releases by GoI and states. In Phase-1, GoI had released 97 per cent of its share. In fact, it had released more than its share in FY 2017-18 (123 per cent) and FY 2018-19 (152 per cent).
- Releases have been slower in Phase-2, with 56 per cent of GoI approved shares released till 25 January 2022. Interestingly, however, releases were highest in FY 2020-21, at 92 per cent, during the first year of the COVID-19 pandemic.
- Releases, however, slowed down in FY 2020-21. Till 25 January 2022, only 23 per cent of GoI's approved share had been released.

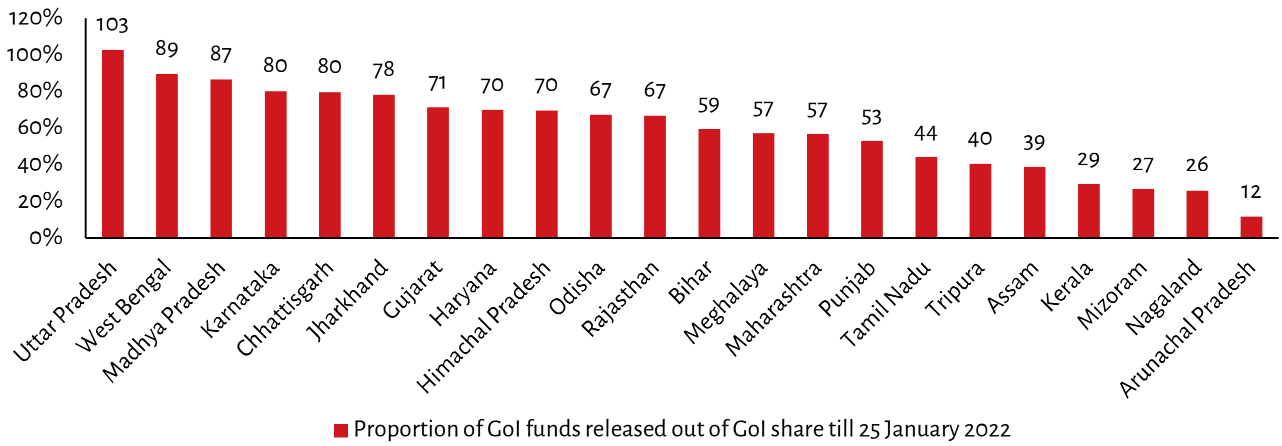
ONLY 23% OF GOI APPROVED SHARE RELEASED IN 2021-22 TILL 25 JANUARY 2022



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 25 January 2022.

- There are variations across states. Cumulatively, releases have been the highest for Uttarakhand with 171 per cent of GoI's approved share released. Releases were also high for Uttar Pradesh at 103 per cent.
- In contrast, less than half of GoI's approved share has been released for Tamil Nadu (44 per cent), Tripura (40 per cent), Assam (39 per cent), Kerala (29 per cent), Mizoram (27 per cent), Nagaland (26 per cent), and Arunachal Pradesh (12 per cent). In fact, no funds have been released for Kerala in Phase-2.

LESS THAN HALF OF GOI's SHARE RELEASED IN 11 STATES AND UTs TILL 25 JANUARY 2022

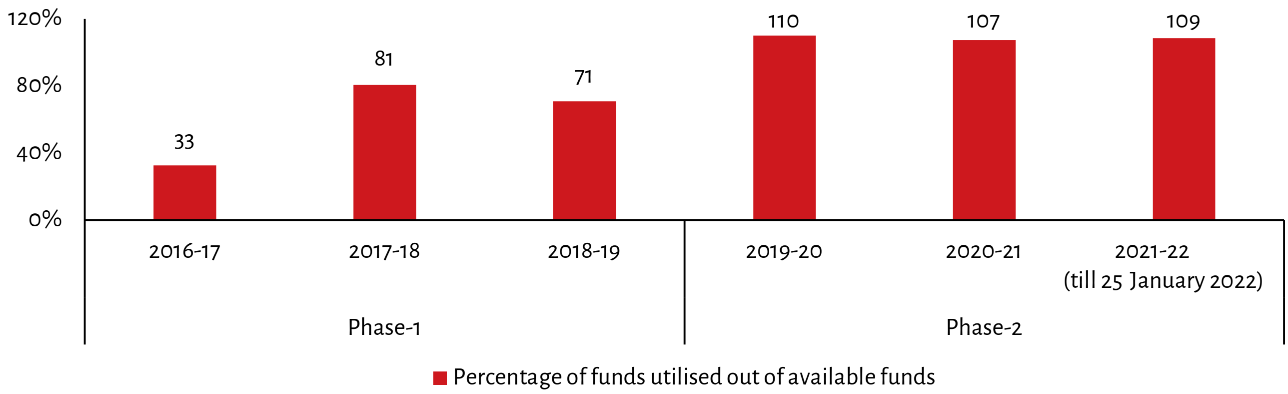


Source: PMAY-G MIS system: B3.High level financial progress report. Available online at: https://rhreporting.nic.in/netiay/FinancialProgressReport/Report_HighLevel_FinancialProgress.aspx. Last accessed on 25 January 2022.

Expenditures

- The total funds available in any given year include opening balances (unspent funds from the previous year), GoI releases, and state releases. Utilisation, therefore, has been benchmarked against available funds.
- Fund utilisation picked up pace in Phase-2, with spending exceeding available funds across all three years from FY 2019-20 to FY 2021-22 till 25 January 2022. In fact, in FY 2021-22, with 2 months left of the financial year, utilisation was already at 109 per cent of the funds available.

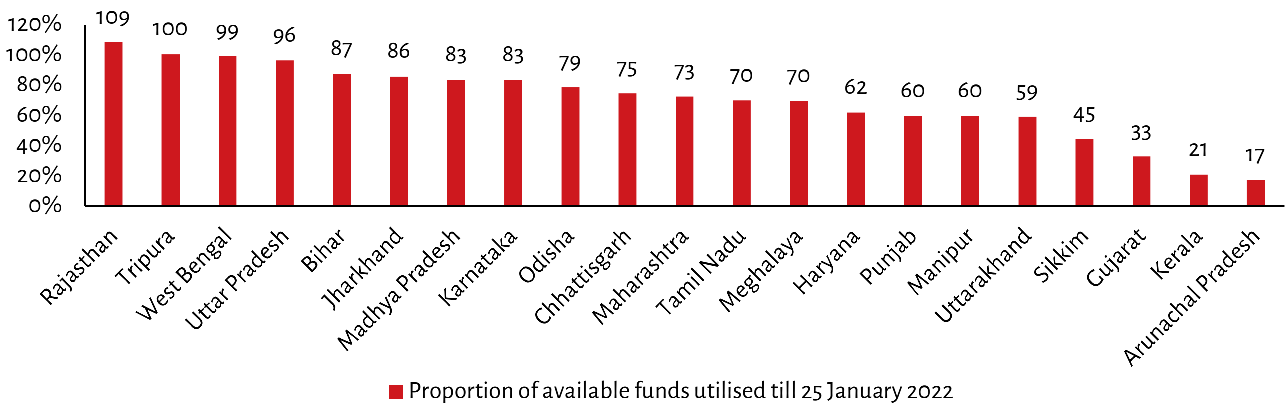
FUND UTILISATION PICKED UP PACE IN PHASE-2



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 25 January 2022.

- Fund utilisation varied significantly across states. Cumulatively, till 25 January 2022, utilisation was high in Rajasthan (109 per cent), Tripura (100 per cent), West Bengal (99 per cent), and Uttar Pradesh (96 per cent).
- In contrast, it was low in Gujarat (33 per cent), Kerala (21 per cent), and Arunachal Pradesh (17 per cent).

CUMULATIVELY, 84% AVAILABLE FUNDS HAD BEEN UTILISED AS ON 25 JANUARY 2022



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 25 January 2022.

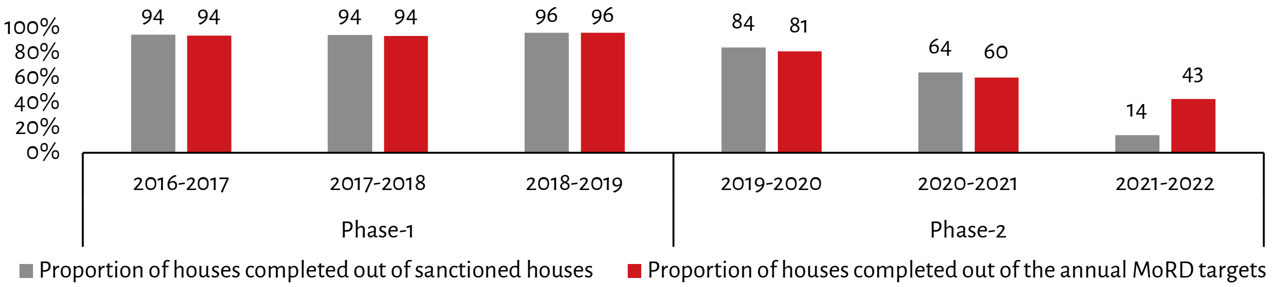
TRENDS IN TARGETS, COMPLETION AND ACHIEVEMENTS

House Sanctions and Completion

- Beneficiary selection is based on the housing deprivation parameters prescribed under SECC 2011. After due verification by the Gram Sabha and completion of the Appellate Process, a Gram Panchayat-wise 'Permanent Wait List' (PWL) is prepared. The auto-generated priority list of households from the SECC 2011 database is then provided to states and UTs for conducting Gram Sabha meetings to finalise the PWL.
- Between January 2018 to March 2019, MoRD conducted an Awaas+ survey for identification and inclusion of households who were thought to be eligible for the benefits under PMAY-G but were left out from the SECC 2011 based PWL.

- Once identified, beneficiaries need to be registered on the MIS with bank account details, the name of a nominee, MGNREGS card number, mobile number, and Aadhaar number. Once successfully registered, the final registered beneficiary list, also known as the 'Annual Select List' is generated. Sanction orders are then generated for each registered beneficiary.
- For Phase-1, the MoRD set a cumulative target of 1 crore houses to be constructed across the country from FY 2016-17 to FY 2018-19. Sanctioned houses, however, were lower at 98 lakh. Of the total target of 1 crore households, 93 per cent or 93 lakh houses were completed. This accounts for 95 per cent of sanctioned houses.
- The pace of construction slowed down in the second phase partly due to the pandemic. In Phase 2 till March 2022, the target was to complete another 1.95 crore houses. However, only 1.19 crore houses were sanctioned (61 per cent of the targeted numbers). Of these, 65 per cent had been completed till 25 January 2022. Cumulatively, as on 25 January 2022, 1.7 crore houses have been completed accounting for 58 per cent of the total MoRD target.

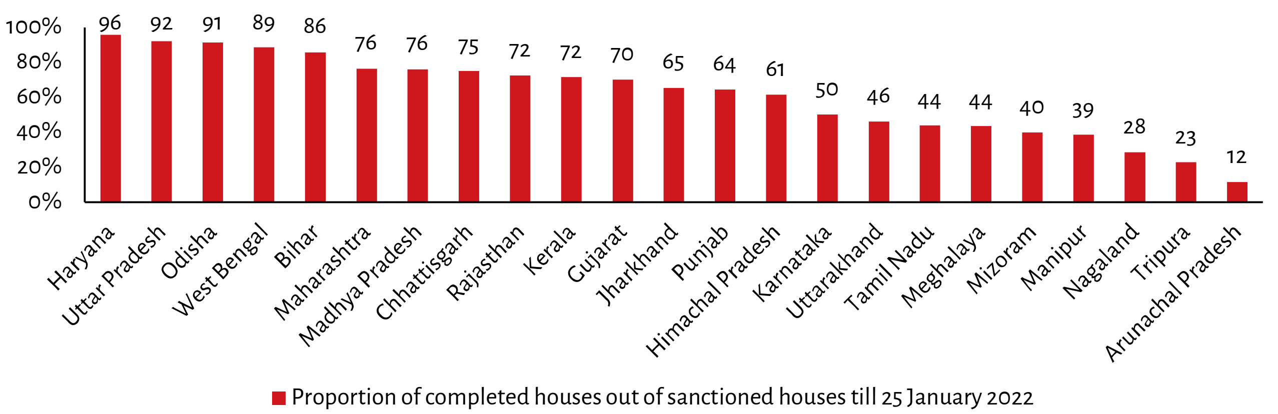
65% OF SANCTIONED HOUSES WERE COMPLETED TILL 25 JANUARY 2022, OR 58% OF THE TARGETED NUMBER OF 2.95 CRORE HOUSES



Source: (1) PMAY-G MIS system. A6. Panchayat wise incomplete houses (drillable upto beneficiary level). Available online at: https://rhreporting.nic.in/netiay/PhysicalProgressReport/Report_IncompleteHouse.aspx. (2) MoRD target numbers are from PMAY-G MIS System: B1. Annual target and allocation report. Available online at: https://rhreporting.nic.in/netiay/FinancialProgressReport/Allocation_PhaseWiseReport.aspx. Last accessed on 25 January 2022.

- There are variations across states. Over 90 per cent of sanctioned houses were completed in Haryana (96 per cent), Uttar Pradesh (92 per cent), and Odisha (91 per cent). In contrast, progress was slow in many North Eastern Region (NER) states. Till 25 January 2022, completion rates out of sanctioned houses were lowest in Mizoram (40 per cent), Manipur (39 per cent), Nagaland (28 per cent), Tripura (23 per cent), and Arunachal Pradesh (12 per cent).
- As per a Parliament Standing Committee Report, reasons for the slower completion rate in the NER states include challenges with respect to terrain, shorter working season, security concerns, difficulties in obtaining clearances, and inadequate execution and contracting capacity.

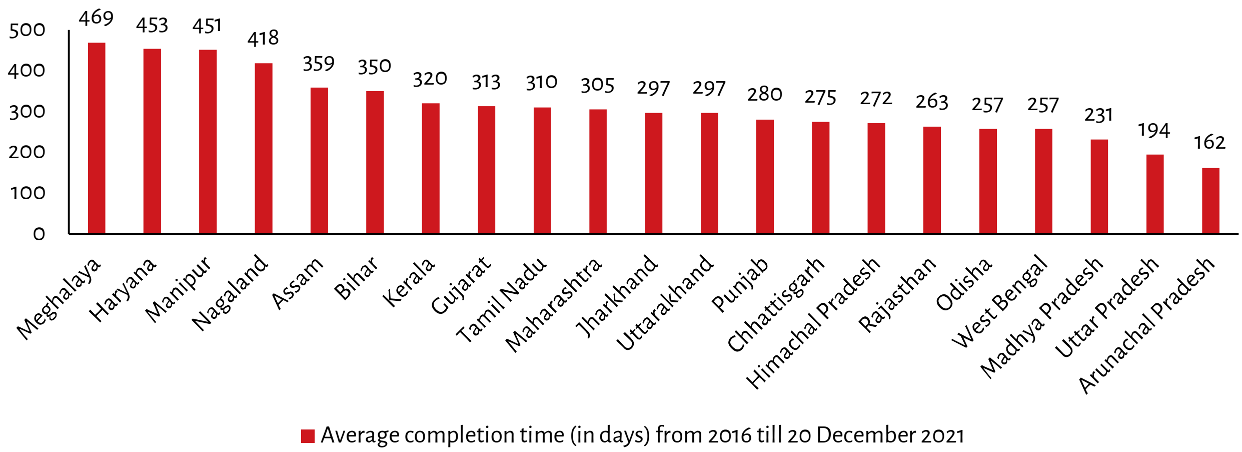
LOW PROGRESS OF HOUSE COMPLETION OUT OF SANCTIONED HOUSES IN MANY NER STATES



Source: PMAY-G MIS system: A6. Panchayat wise incomplete houses (drillable upto beneficiary level). Available online at: https://rhreporting.nic.in/netiay/PhysicalProgressReport/Report_IncompleteHouse.aspx. Last accessed on 25 January 2022.

- The Framework for Implementation (FFI) of PMAY-G prescribes that house construction should be completed within 12 months of sanctioning the house to the beneficiary. However, the average time taken for house construction has been slow.
- Since the inception of the scheme in 2016, till December 2021, the average time taken to construct a PMAY-G house was 268 days. The longest time was taken in Lakshadweep at 771 days, and lowest in the former UT of Daman and Diu at 83 days. Among states, the most time taken was in states like Meghalaya (469 days), Haryana (453 days), Manipur (451 days), and Nagaland (418 days), On the other hand, this figure was the lowest in Uttar Pradesh (194 days) and Arunachal Pradesh (162 days).

HOUSE CONSTRUCTION TOOK 268 DAYS ON AVERAGE AS ON 20 DECEMBER 2021

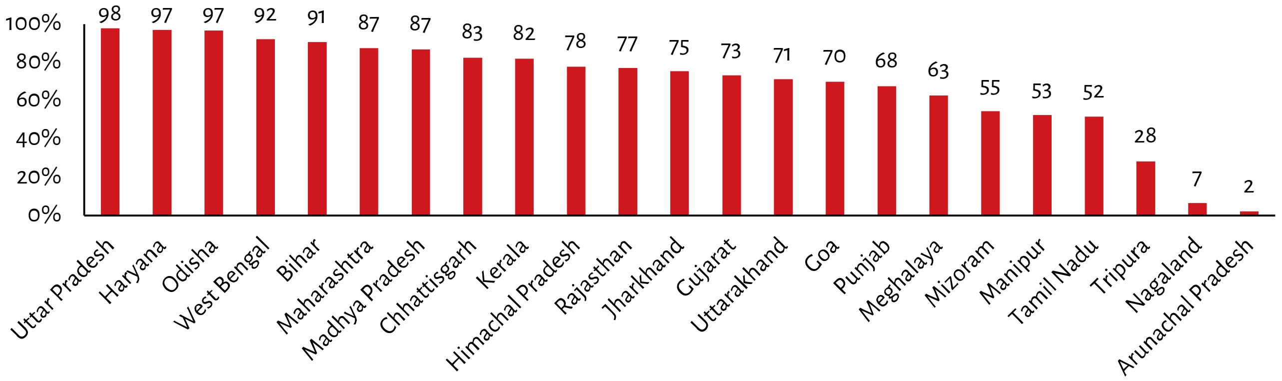


Source: Beneficiaries under PMAY-G: Lok Sabha Unstarred Question No. 3815 answered on 21 December 2021. Available online at: http://164.100.24.220/loksabhaquestions/annex/177/AU3815.pdf. Last accessed on 26 January 2022.

Payments to Beneficiaries

- Financial assistance to beneficiaries for house construction is provided in three to four instalments. The first instalment is to be released to the beneficiary within seven working days of the sanction order issue date.
- Subsequent instalments are released based on the completion of different stages of house construction. For instance, depending on the state, the second instalment is mapped to physical progress to either the foundation, plinth, windowsill, or lintel level. The third instalment payment is made following house construction up to 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.
- There is considerable variation among states in their choice of the number of instalments, the assistance provided for each instalment, as well as the mapping of instalments to house construction stages. 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 West Bengal opted for only three instalments, with the last instalment paid upon completion of different stages for different states.
- Release of instalments to beneficiaries under PMAY-G varies across states. Cumulatively, till 27 January 2022, the proportion of households with verified accounts which received the second instalment was less than 75 per cent in 11 states and UTs, especially NER states. These include Gujarat (73 per cent), Uttarakhand (71 per cent), Meghalaya (63 per cent), Mizoram (55 per cent), Manipur (53 per cent), Tamil Nadu (52 per cent), Tripura (28 per cent), Nagaland (7 per cent), and Arunachal Pradesh (2 per cent).
- On the other hand, this figure was above 90 per cent in 7 states and UTs including Uttar Pradesh, Haryana, Odisha, West Bengal, and Bihar.

IN 11 STATES AND UTS, LESS THAN 75 % HOUSEHOLDS WITH VERIFIED ACCOUNTS HAD RECEIVED THEIR 2ND INSTALMENT AS ON 27 JANUARY 2022

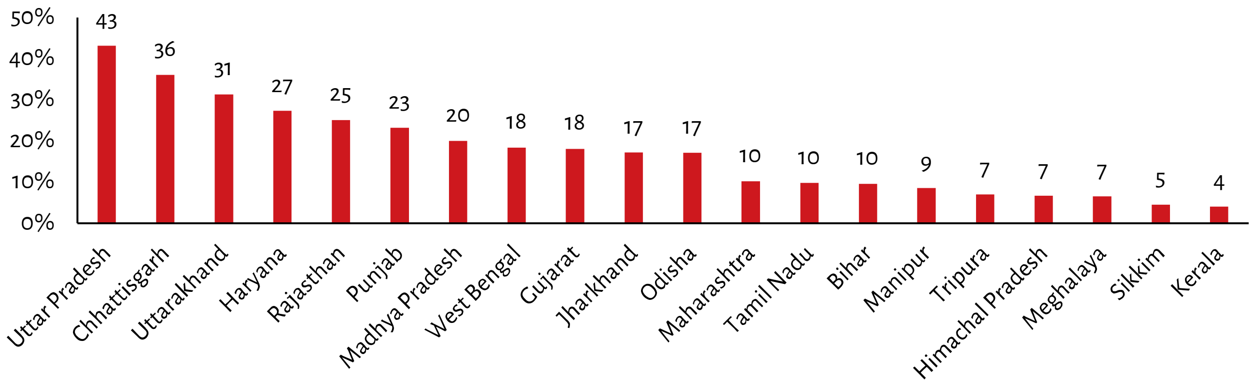


Source: PMAY-G MIS system: A2. House progress against the target financial year. Available online at: https://rhreporting.nic.in/netiay/PhysicalProgressReport/PhysicalProgressRpt.aspx. Last accessed on 26 January 2022.

Convergence

- The guidelines of the Pradhan Mantri Ujjwala Yojana (PMUY), implemented by the Ministry of Petroleum and Natural Gas, have been modified wherein a beneficiary of PMAY-G is also eligible for an LPG connection under the scheme.
- Progress, however, has been slow. As on 26 January 2022, only 20 per cent of eligible PMAY-G households had an LPG connection. States with the highest proportions included Uttar Pradesh (43 per cent), Chhattisgarh (36 per cent), and Uttarakhand (31 per cent). It was the lowest for Tripura, Himachal Pradesh, and Meghalaya (at 7 per cent each), along with Sikkim (5 per cent) and Kerala (4 per cent).

ONLY 20% OF ELIGIBLE PMAY-G HOUSEHOLDS HAD LPG CONNECTION TILL 26 JANUARY 2022



Source: PMAY-G MIS System: G4. Convergence with PM Ujjwala Yojana. https://rhreporting.nic.in/netiay/ConvergenceReport/UjjwalaDataReport.aspx Last accessed on 25 January 2022.