

# Demand for Grants 2022-23 Analysis

## Rural Development

The Ministry of Rural Development is responsible for the development of and welfare activities in rural areas. It aims at increasing livelihood opportunities, providing social safety nets, and improving infrastructure for growth. The Ministry has two departments: (i) Rural Development, and (ii) Land Resources. This note presents the budgetary allocations to the Ministry for 2022-23, and analyses various issues related to the schemes implemented by it.

### Allocation in Union Budget 2022-23

The Ministry of Rural Development has been allocated Rs 1,38,204 crore in 2022-23.<sup>1</sup> Table 1 gives the trend in budgetary allocation towards the Ministry over the past three years.

In 2022-23, the Department of Rural Development has been allocated Rs 1,35,944 crore, which is an 11% decrease from the revised estimates of 2021-22. The Department of Land Resources has been allocated Rs 2,259 crore, which is a 52% increase over the revised estimates of 2021-22.

**Table 1: Budgetary allocation to the Ministry of Rural Development (Rs crore)**

Department	20-21 Actuals	21-22 RE	22-23 BE	% Change (22-23 BE/21-22 RE)
Rural Development	1,96,417	1,53,558	1,35,944	-11%
Land Resources	1,176	1,485	2,259	52%
<b>Total</b>	<b>1,97,593</b>	<b>1,55,043</b>	<b>1,38,204</b>	<b>-11%</b>

Note: BE is budget estimate and RE is revised estimate.

Sources: Demands for Grants 2022-23, Ministry of Rural Development; PRS.

#### Policy announcements in the Budget Speech 2022-23

- The one lakh crore allocation towards states for capital expenditure will include supplemental funding for priority segments of PM Gram Sadak Yojana, including support for the states' share.
- Border villages will be covered under the new Vibrant Villages Programme. The activities will include construction of village infrastructure, housing, tourist centres, road connectivity, provisioning of decentralised renewable energy, direct to home access for Doordarshan and educational channels, and support for livelihood generation.
- To enable affordable broadband and mobile service proliferation in rural and remote areas, five per cent of annual collections under the Universal Service Obligation Fund will be allocated.
- Use of 'Kisan Drones' will be promoted for crop assessment, digitisation of land records.

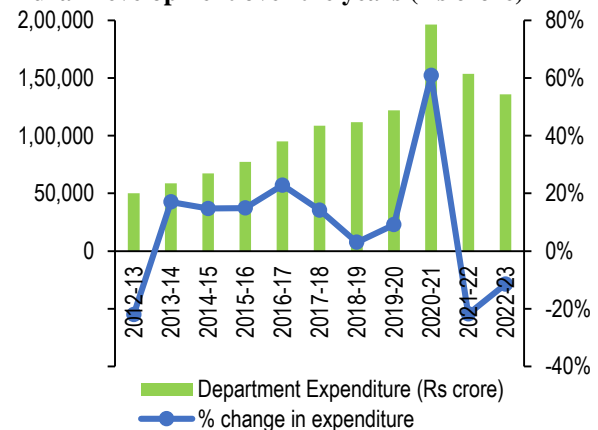
### Overview of finances: Department of Rural Development

The Department implements schemes targeted at poverty reduction, provision of basic services, employment generation, and habitation development. Since 2012, expenditure of the Department has seen an average annual growth of 10.5%.

In 2020-21, expenditure of the Department increased significantly primarily due to the additional expenditure on the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and direct benefit transfer towards PM Jan Dhan Yojana account holders. In 2020-21, while the budgeted allocation towards the Department was Rs 1,20,147 crore, the actual expenditure was 61% higher at Rs 1,96,417 crore.

The Standing Committee on Rural Development (2020) had noted that the allocation to the Department is much lower than the amount demanded by the Ministry.<sup>2</sup> Such lack of funds could affect the timely progress of the schemes. However, in 2021-22, the Committee noted that unspent balance of Rs 40,294 crore had accrued over all the schemes of the Department, which may raise questions on utilisation of the funds.<sup>3</sup>

**Figure 1: Expenditure by the Department of Rural Development over the years (Rs crore)**

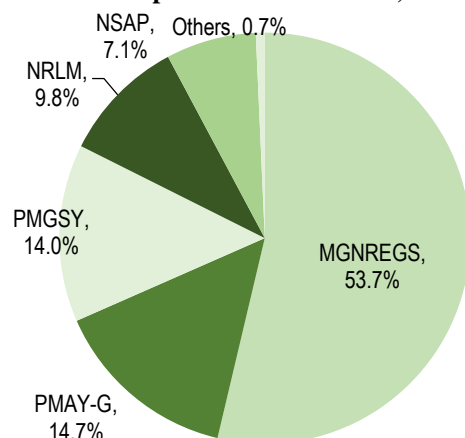


Note: Values for 2021-22 and 2022-23 are revised estimates and budget estimates respectively.

Sources: Union Budgets 2012-13 to 2022-23; PRS.

### Major schemes under the Department

In 2022-23, 54% of the Department's expenditure is estimated to be on MGNREGS. This is followed by the rural component of Pradhan Mantri Awaas Yojana – Gramin (PMAY-G) (15%), and Pradhan Mantri Gram Sadak Yojana (PMGSY) (14%).

**Figure 2: Top expenditure heads in 2022-23 (as % of total departmental allocation)**

Note: MGNREGS is Mahatma Gandhi National Rural Employment Scheme, PMAY-G is Pradhan Mantri Awas Yojana – Gramin, PMGSY is Pradhan Mantri Gram Sadak Yojana, NRLM is National Rural Livelihood Mission, NSAP is National Social Assistance Program, Others include Rurban Mission, and projects like socio-economic and caste survey. Sources: Demands for Grants 2022-23, Department of Rural Development; PRS.

**Table 2: Allocation to schemes under the Department of Rural Development (Rs crore)**

Scheme	20-21 Actuals	21-22 RE	22-23 BE	% Change (22-23 BE/ 21-22 RE)
MGNREGS	1,11,170	98,000	73,000	-26%
PMAY-G	19,269	20,390	20,000	-2%
PMGSY	13,688	14,000	19,000	36%
NRLM	9,208	11,710	13,336	14%
NSAP	42,443	8,730	9,652	11%
Others	639	728	956	31%
<b>Total</b>	<b>1,96,417</b>	<b>1,53,558</b>	<b>1,35,944</b>	<b>-11%</b>

Note: BE is budget estimate and RE is revised estimate. Others include projects like management support to rural development programs, socio-economic and caste census survey and centre's expenditure.

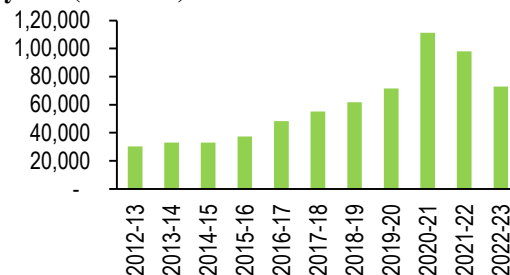
Sources: Demands for Grants 2022-23, Department of Rural Development, Ministry of Rural Development; PRS.

## Key issues and analysis

### *Expenditure on MGNREGS shot up during COVID-19*

MGNREGS seeks to provide guaranteed 100 days of wage employment per year to every rural household whose adult member volunteers to do unskilled manual work.<sup>4</sup> The scheme has statutory backing through the Mahatma Gandhi National Rural Employment Guarantee Act, 2005. The Act specifies a list of works that can be undertaken to generate employment. These are related to water conservation, land development, construction, and agriculture, among others. The scheme covers all districts of the country barring the ones with 100% urban population.<sup>5</sup>

Figure 3 shows the expenditure on the scheme from 2012-13 to 2022-23.

**Figure 3: Expenditure on MGNREGS over the years (Rs crore)**

Note: Values for 2021-22 and 2022-23 are revised estimates and budget estimates respectively.

Sources: Union Budgets 2012-13 to 2022-23; PRS.

In 2022-23, the scheme has been allocated Rs 73,000 crore. This is 26% lower than the revised estimates of 2021-22. This decline is primarily because the scheme received additional allocation in 2020-21 and 2021-22 to address the employment demand during the COVID-19 pandemic. In 2020-21, the scheme was allocated Rs 61,500 crore at the budget stage, however the actual expenditure went up to Rs 1,11,170 crore (an increase of 81%). In 2021-22, allocation to the scheme was increased to Rs 73,000 crore at the budget stage. The revised expenditure is estimated to be Rs 98,000 crore (an increase of 34%). Note that as on September 1, 2021, funds amounting to Rs 52,223 crore had already been released.<sup>6</sup>

This suggests that the actual expenditure on the scheme overshoot the budget estimates due to the pandemic induced distress. However, since 2015-16, expenditure on the scheme has consistently been higher than the amount estimated at the budget stage. Table 3 shows the trends in allocation and actual expenditure on MGNREGS since 2012-13.

**Table 3: Budgeted versus actual expenditure on MGNREGS (Rs crore)**

Year	Budgeted	Actuals	% utilised
2012-13	33,000	30,273	-8%
2013-14	33,000	32,992	0%
2014-15	34,000	32,977	-3%
2015-16	34,699	37,341	8%
2016-17	38,500	48,215	25%
2017-18	48,000	55,166	15%
2018-19	55,000	61,815	12%
2019-20	60,000	71,687	19%
2020-21	61,500	1,11,170	81%
2021-22	73,000	98,000	34%
2022-23	73,000		

Note: The 'actuals' figure for 2021-22 is the revised estimate. Sources: Union Budgets 2012-13 to 2022-23; PRS.

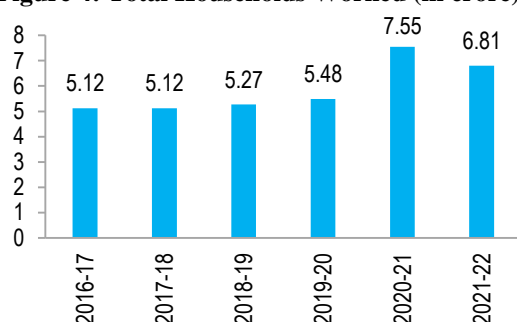
### *While demand for MGNREGA work has increased, uptake of employment has been poor*

**Demand for work:** MGNREGS is a demand driven scheme. According to the Ministry, in 2021-22 (as on December 15, 2021), 7.27 crore households had demanded employment under the

scheme.<sup>7</sup> Of these, 7.24 crore households were offered employment, while 6.36 crore households (87%) availed such employment. As per the Ministry, this could be due to better employment opportunities available elsewhere, or illness, and other such factors. The number of households engaged in MGNREGA work has increased from 5.12 crore in 2016-17 to 6.81 crore in 2021-22.<sup>8</sup>

Demand for work also shot up significantly during the pandemic. According to the Ministry, 1.85 crore persons were offered work in May 2021, which was 52% higher than the work offered in May 2019.<sup>9</sup>

**Figure 4: Total Households Worked (in crore)**



Source: Dashboard, Mahatma Gandhi National Rural Employment Guarantee Act, Ministry of Rural Development, last accessed on February 11, 2022; PRS.

The demand under MGNREGS is related to the movement of migrant labour. That is, states from which labour migrates would have seen higher demand under the scheme since migrant labourers returned to their home states during the COVID-19 pandemic. The Economic Survey 2021-22 noted that for several migrant source states such as Bihar, Madhya Pradesh, Odisha, and West Bengal the MGNREGS employment in most months of 2021 was lower than the corresponding levels in 2020.<sup>10</sup> On the other hand, the demand for MGNREGS employment was higher for migrant recipient states like Karnataka, Maharashtra, Punjab, and Tamil Nadu for most months in 2021 over 2020.<sup>10</sup>

**Employment provided:** The scheme guarantees 100 days of employment. However, from 2016-17 to 2020-21, the average number of days of employment has been 48 days, with a maximum of 52 days of employment in 2020-21.<sup>11</sup> Since 2016-17, on average, less than 10% of the households completed 100 days of wage employment. The Standing Committee on Rural Development (2022) noted that despite MGNREGA being a demand driven scheme where workers can move to better opportunities, these figures are quite low.<sup>6</sup> According to the Committee workers opt out of MGNREGA works due to low wage rates which hampers the amount of work completed.

**Table 4: Average days of employment provided per household**

Year	Employment days / household
2016-17	46
2017-18	46
2018-19	51
2019-20	48
2020-21	52
2021-22	45

Sources: Dashboard, Mahatma Gandhi National Rural Employment Guarantee Act, Ministry of Rural Development, last accessed on February 11, 2022; PRS.

**Work Completed:** The scheme also aims to create durable assets to improve rural livelihood through the work done while providing employment. In 2020-21 and 2021-22, while the demand for work has increased and the number of persons being employed has also increased, the percentage of work completed under the scheme has been lower than 40%.<sup>11</sup>

**Figure 5: Percentage of work completed**



Sources: Dashboard, Mahatma Gandhi National Rural Employment Guarantee Act, Ministry of Rural Development, last accessed on February 11, 2022; PRS.

### *Delays in wage payments have improved but persist; wage rates are low in a few states*

**Indexing of minimum wage rate:** The Ministry of Rural Development notifies the MGNREGA wage rate every year for states/UTs. Each state/UT may notify wages over and above the wage-rate notified by the central government. Skilled wage rate is decided by states governments. The minimum wage rate is fixed by the central government on the basis of the Consumer Price Index-Agricultural Labourers (CPI-AL). If this is not available, the minimum wage rate fixed by the states for agricultural labourers is considered.<sup>12</sup> The Ministry revises the wage rate every year based on changes in CPI-AL.<sup>13</sup>

The Standing Committee on Rural Development (2020) had noted that the wage rate under MGNREGS is less than the minimum wages fixed by states.<sup>2</sup> Further, the agricultural labourers receive wages higher than the MGNREGS workers. It recommended increasing the minimum wages under MGNREGS periodically after taking inflation into account.<sup>2</sup> Note that in March 2020, under the Pradhan Mantri Garib Kalyan Yojana, MGNREGA wage was increased from Rs 182 a day to Rs 202 a day.<sup>14</sup> In 2021-22, till February 2022, the average wage rate was Rs 209 per day

per person.<sup>15</sup> However, in six states the average wage paid was less than the minimum wage notified by the centre (Bihar, Chhattisgarh, Madhya Pradesh, Rajasthan, Telangana, and Tripura).<sup>16</sup>

The Committee on Alignment of MGNREGS wages under the Ministry of Rural Development (2017) noted that the type of work done by agricultural labourers and MGNREGS workers is different.<sup>17</sup> Thus, there should be difference in their minimum wages. It also noted that the Consumer Price Index-Rural was more recent and provided for higher expenditure on education and medical care compared to CPI-AL.<sup>17</sup> It recommended using CPI-Rural instead of the existing CPI-AL for revising MGNREGS wages.<sup>17</sup>

The Standing Committee on Rural Development (2020) noted the disparity in MGNREGS wages in various states. The Committee on Alignment of MGNREGS (2017) noted that this variation is not desirable for a programme where wage component is fully funded by the centre. It recommended convergence on Schedule of Rates across states to avoid variation.<sup>17</sup>

**Payment delays have reduced:** Under MGNREGS wage payments must be made within 15 days of the date of closure of the muster roll.<sup>5</sup> Delays in payments are calculated from the 16<sup>th</sup> day onwards. Table 5 shows the percentage of delayed payments out of the total payments over the past six years, and delay in payments. The proportion of delayed payments has reduced from 71.6% in 2014-15 to 1.4% in 2021-22. The Economic Survey (2018-19) noted that the implementation of direct benefit transfer has helped in reducing delays in payments.<sup>18</sup> However, the Standing Committee on Rural Development (2022) noted that failed transactions and non-completion of Aadhaar based payments affects timely transfer of wages.<sup>6</sup> It also noted that there were several instances where the amount transferred does not credit to the beneficiaries' accounts and causes delays in the actual realisation of wages.

**Table 5: Trends in delayed payment of wages under MGNREGS (in %)**

Year	% Delayed Payment	Composition of delayed payments(%)			
		>90 days	61-90	31-60	15-30
2014-15	71.6%	13.4%	9.8%	22.0%	26.3%
2015-16	63.1%	9.5%	8.1%	19.0%	26.5%
2016-17	56.6%	14.2%	8.4%	15.9%	18.1%
2017-18	15.5%	1.8%	0.9%	3.6%	9.2%
2018-19	10.5%	1.9%	0.7%	2.0%	5.8%
2019-20	6.2%	1.9%	0.7%	1.1%	2.6%
2020-21	3.5%	1.5%	0.3%	0.5%	1.3%
2021-22	1.4%	0.5%	0.1%	0.2%	0.6%

Sources: MGNREGS MIS Report, Delayed Payments, last accessed on February 11, 2022; PRS.

**No unemployment allowance given in 2021-22 so far:** Currently under MGNREGS, a daily unemployment allowance is paid from state government funds (if employment is not provided by the state government within 15 days of application).<sup>4</sup> A CAG report (2013) on the scheme had stated that this puts an additional burden on the states.<sup>19</sup> It suggested that the Ministry of Rural Development should consider partial reimbursement of unemployment allowance.<sup>19</sup>

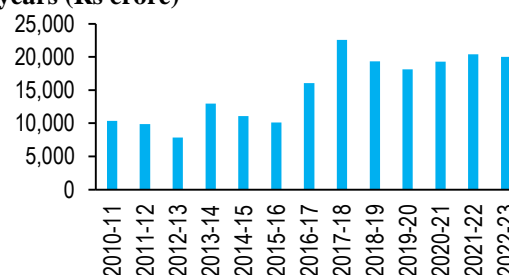
In recent years, the amount of unemployment allowance paid by states has reduced. In 2017-18, the total unemployment allowance paid by 11 states was Rs 2.82 lakh.<sup>6</sup> This further reduced to Rs 63,000 in 2018-19 (paid by eight states), and Rs 12,000 in 2019-20 (paid by four states).<sup>6</sup> In 2020-21, only Maharashtra had paid such allowance, amounting to a total of three thousand rupees. The Standing Committee on Rural Development (2022) noted that in 2021-22, till November 5, no states had paid such allowance.<sup>6</sup> The Ministry had responded to this stating that in 2021-22 (as on August 31, 2021), 99.26% beneficiaries who had demanded for work had been offered the work.<sup>6</sup>

The Standing Committee (2022) noted that low or no payment of unemployment allowance is a blatant violation of the MGNREG Act.<sup>6</sup> It noted that even though it is the states' responsibility to provide the allowance, the centre being the nodal agency should act upon this issue, and devise measures to oversee the implementation of the provision of unemployment allowance.

### **Target of houses to be constructed under Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) has not been met**

PMAY-G has the second highest allocation in the Department's budget in 2022-23, at Rs 20,000 crore, which is 2% lower than the revised estimate of 2021-22. Since 2010-11, expenditure on the scheme has seen an average annual growth of 6%. The scheme was launched in 2016, as part of the central government's target to provide housing for all by 2022. PMAY-G subsumed the erstwhile Indira Awaas Yojana for rural housing.

**Figure 6: Expenditure on PMAY-G over the years (Rs crore)**



Note: Value for 2021-22 is revised estimate, value for 2022-23 is budget estimate. Values for years prior to 2016-17 relate to Indira Awaas Yojana.

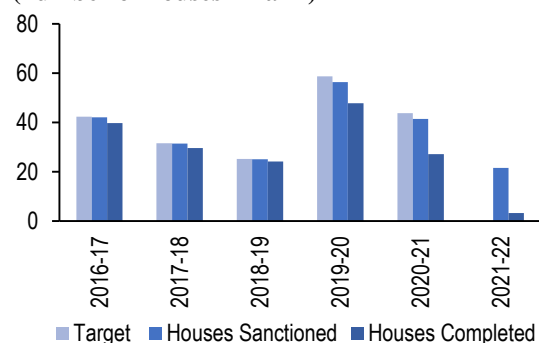
Sources: Union Budgets from 2010-11 to 2022-23; PRS.



**Houses constructed:** Since the scheme was announced in 2016-17, the target for construction for houses has not been met in any of the years. The rate of construction (completed vs sanctioned) has also declined since 2019-20. In 2021-22, the completion rate (till February 2021) was at 15%. Poor construction rates for 2020-21 and 2021-22 may be due to the inability to carry out construction due to the COVID-19 pandemic.

The Standing Committee on Rural Development (2020) had noted that progress under the scheme has been slow.<sup>2</sup> It observed that one of the biggest hurdles for the timely completion of houses, is delay in the release of instalments under PMAY-G to beneficiaries. It recommended the Department of Rural Development to streamline the method for the timely release of instalments and explore ways to ensure that construction of houses is completed within the targeted time frame.

**Figure 7: Construction rate under PMAY-G (number of houses in lakh)**



Note: No target set for 2021-22.

Sources: Dashboard, PMAY-G, Ministry of Rural Development, last accessed on February 11, 2022; PRS.

#### **Increase in financial assistance under PMAY-G:**

Under PMAY-G, financial assistance of Rs 1,20,000 in plain areas and Rs 1,30,000 in hilly areas is provided to rural BPL households for construction of a dwelling unit. The Standing Committee on Rural Development (2019) had noted that the financial assistance provided is not proportionate with the rising inflationary cost of the construction, material and other aspects of house building.<sup>20</sup> Further, Standing Committee on Rural Development (2020-21) noted the disparity in assistance for constructing a house in rural and urban areas (assistance of about Rs 2,50,000 per house). It noted that there are several logistical issues in rural areas that may not be there in urban areas. It recommended the Ministry to increase the assistance provided by them under the PMAY-G scheme and bring parity between the per-unit assistance in rural and urban areas.<sup>20</sup>

**Coverage of the scheme:** Questions have also been raised around the coverage of the scheme and whether all intended beneficiaries are included. Under PMAY-G beneficiaries are selected based on the housing deficiency and other social deprivation parameters in the Socio Economic and Caste Census, 2011 (SECC), and as verified by the Gram Sabhas. The Standing Committee on Rural

Development (2021) had noted that to ensure that Gram Sabhas are making fair assessments, the rejected applicants should be cross-checked by independent agencies and more accountability be brought into the process.<sup>21</sup> Anomalies in the SECC 2011 data could also exclude people from benefitting under the scheme. It recommended that a new strategy be designed to identify beneficiaries.

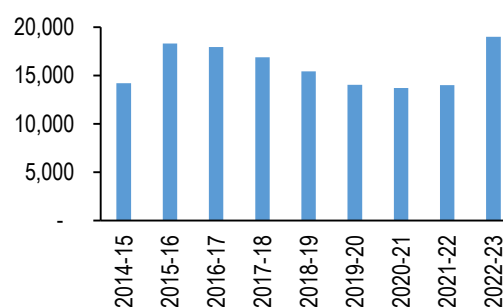
#### **Pradhan Mantri Gram Sadak Yojana**

Pradhan Mantri Gram Sadak Yojana (PMGSY) seeks to provide all-weather road connectivity to all eligible unconnected habitations, existing in the core network in rural areas of the country. The scheme has been allocated Rs 19,000 crore in 2021-22, which is an increase of 36% over the revised estimate of 2021-22.

#### **Declining fund allocation and poor**

**utilisation:** While the allocation in 2022-23 sees a significant increase from the revised estimates of last year, the expenditure on the scheme has been decreasing since 2015-16 (see Figure 8). Further since 2016-17, the Ministry has been spending less than the amount allocated at the budget stage (see Table 6). This trend of underutilisation has been worsening between 2016-17 and 2020-21.

**Figure 8: Expenditure on PMGSY over the years (Rs crore)**



Note: Value for 2020-21 is the revised estimates.

Sources: Union Budgets from 2014-15 to 2022-23; PRS.

**Table 6: Budgeted versus actual expenditure on PMGSY (Rs crore)**

Year	Budgeted	Actuals	% utilisation
2014-15	14,391	14,188	-1%
2015-16	14,291	18,290	28%
2016-17	19,000	17,923	-6%
2017-18	19,000	16,862	-11%
2018-19	19,000	15,414	-19%
2019-20	19,000	14,017	-26%
2020-21	19,500	13,688	-30%
2021-22	15,000	14,000	-7%
2022-23	19,000		

Note: The 'Actuals' figure for 2021-22 is the revised estimate.

Sources: Union Budgets from 2014-15 to 2022-23; PRS.

**Slow pace of work under the scheme:** Till December 8, 2021, under phase I of the scheme, 6,45,627 km of road length has been sanctioned, of which, 6,10,179 km has been completed.<sup>22</sup>

PMGSY II was launched in 2013 to consolidate the existing rural road network, under which 50,000 km of road length was targeted for upgradation. As on December 8, 2021, 49,885 km has been sanctioned and 45,573 km has been constructed.<sup>22</sup> In July 2019, PMGSY III was approved for consolidation of 1.25 lakh km roads length through routes and major rural links connecting habitations. As on December 8, 2021, 71,902 km has been sanctioned and 19,649 km has been constructed.<sup>22</sup> Phase III is to be implemented till March 2025.

**Table 7: Status of road construction (in km) under PMGSY (as on December 8, 2021)**

	Sanctioned	Constructed	Balance
Phase I	6,45,627	6,10,179	20,340
Phase II	49,885	45,573	3,860
Phase III	71,902	19,649	52,152

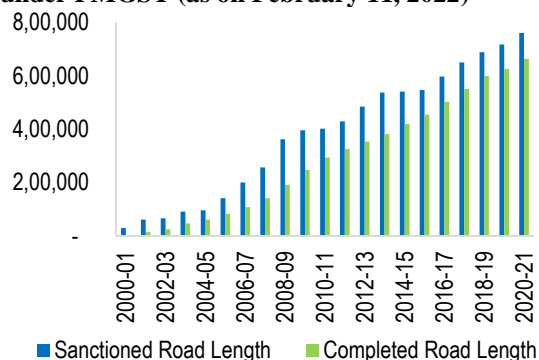
Source: Lok Sabha Starred Question No. 226, December 14, 2021; PRS.

While targets under various phases of the scheme are being met, the progress has been slow. The Standing Committee on Rural Development (2021) noted that projects under PMGSY do not get completed in the prescribed time frame.<sup>3</sup> Such delays result in escalation of the project costs which affects the overall expenditure. Delays are also caused due to delays in obtaining clearances for projects from various ministries.

In 2020, the Committee had noted that the pace of work under the scheme has been slow, especially in hilly states like Uttarakhand.<sup>2</sup> It noted that the delay in approval of Detailed Project Reports (DPRs) is the main cause for the slow pace of the scheme. It recommended that the Department of Rural Development ensure timely preparation and approval of DPRs and increase the pace of completion of projects.

Figures 9 and 10 give details of length of roads constructed and habitations connected in the last ten years, under the scheme.

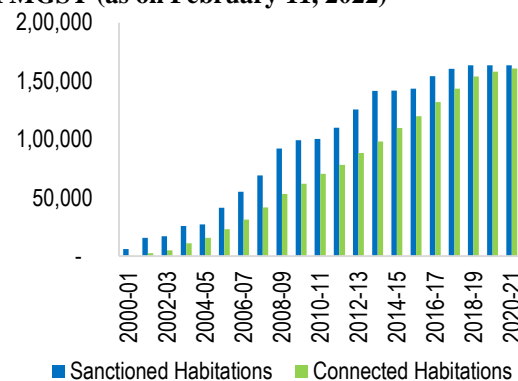
**Figure 9: Length of road constructed (in km) under PMGSY (as on February 11, 2022)**



Note: Road length includes roads constructed under Road Connectivity Project for Left Wing Extremism Affected Areas (RCPLWEA).

Sources: Sanctioned road length under PMGSY, Rural Dashboard, Monitoring and Accounting System (OMMS), Ministry of Rural Development, last accessed on February 11, 2022; PRS.

**Figure 10: Habitations connected under PMGSY (as on February 11, 2022)**



Note: Road length includes roads constructed under Road Connectivity Project for Left Wing Extremism Affected Areas (RCPLWEA).

Sources: Sanctioned road length under PMGSY, Rural Dashboard, Monitoring and Accounting System (OMMS), Ministry of Rural Development, last accessed on February 11, 2022; PRS.

### ***Issues with contracting and poor maintenance affects quality of roads built under PMGSY***

The Standing Committee on Rural Development (2021) noted that contractors tend to quote 25-30% lower than the minimum bid amount to acquire project tenders under the scheme.<sup>3</sup> This affects the quality of roads constructed under PMGSY. Often contracts are also sublet to petty contractors who are not involved at the time of awarding bids. This is done for further cost-cutting in projects and profiteering.

For ensuring sustainability of roads built under PMGSY, each contractor has to provide for: (i) defect liability for five years, and (ii) paid routine maintenance after completion of work. The Standing Committee on Rural Development (2020, 2021) has consistently noted that roads constructed are not up to the prescribed standards and there has been deterioration in the roads despite the five-year warranty period.<sup>2,3</sup> It has recommended the Ministry to ensure stricter norm compliance and hold the contractors and agencies accountable for their negligence.

### ***National Social Assistance Program***

The National Social Assistance Program (NSAP) is a welfare program comprising of sub-schemes aimed at providing assistance to citizens in case of unemployment, old age, sickness, and any form of disability. The major schemes include Indira Gandhi National Old Age Pension Scheme, Indira Gandhi National Widow Pension Scheme, and Indira Gandhi National Disability Pension Scheme. It also includes funds provided to Pradhan Mantri Jan Dhan Yojana (PMJDY) account holders through direct benefit transfers (DBT).

In 2022-23, the scheme has been allocated Rs 9,652 crore, which is a 11% increase over the revised estimates of 2021-22. The expenditure on the scheme was increased substantially in 2020-21,

owing to Rs 30,945 crore spent on DBT to women account holders of PMJDY (Rs 500 for three months).<sup>23</sup> This was an initiative under the PM Garib Kalyan Package to combat the economic effects of the COVID-19 pandemic.

**Table 8: Allocation under NSAP (in Rs crore)**

	20-21 Actuals	21-22 RE	22-23 BE
Indira Gandhi National Old Age Pension Scheme	8,965	5,945	6,564
Indira Gandhi National Widow Pension Scheme	1,881	1,845	2,027
National Family Benefit Scheme	375	583	675
DBT to PMJDY Women Account Holders	30,944	-	-
Others	278	358	386
<b>Total</b>	<b>42,443</b>	<b>8,730</b>	<b>9,652</b>

Sources: Demands for Grants 2022-23, Department of Rural Development; PRS.

Table 9 shows the budget estimates and actual expenditure under the scheme since 2014-15.

**Table 9: Expenditure under NSAP (Rs crore)**

Year	Budgeted	Actuals	% utilised
2014-15	10,635	7,087	-33%
2015-16	9,082	8,616	-5%
2016-17	9,500	8,854	-7%
2017-18	9,500	8,694	-8%
2018-19	9,975	8,418	-16%
2019-20	9,200	8,692	-6%
2020-21	9,197	42,443	361%
2021-22	9,200	8,730	-5%
2022-23	9,652		

Note: The 'Actuals' figure for 2020-21 is the revised estimate. Sources: Union Budgets from 2014-15 to 2022-23; PRS.

**Increase of assistance amount:** The Standing Committee on Rural Development (2020,21) has consistently noted that the assistance amount (ranging from Rs 200 to Rs 500 per month) under the different components of the scheme is inadequate. It recommended the Department of Rural Development to increase the assistance amounts under the scheme.

**PM Jan Dhan Yojana:** PMJDY was launched in August 2014 to increase banking penetration, promote financial inclusion and provide at least one bank account per household across the country. As on February 2, 2022, 44.58 crore accounts have been opened under PMJDY (since its launch).<sup>24</sup> 67% of these accounts have been opened in rural and semi-urban bank branches. The remaining 33% are in urban metro centres. Deposits of Rs 1.58 lakh crore have been made and 31.38 crore RuPay debit cards have been issued.<sup>24</sup>

### National Rural Livelihoods Mission

The National Rural Livelihoods Mission (NRLM) aims to reduce poverty through promotion of diversified and gainful self-employment and skilled wage employment opportunities. In 2022-23, the scheme has been

allocated Rs 13,336 crore, which is a 14% increase over the revised estimates of 2021-22.

Table 10 shows the actual expenditure by states under the scheme since 2012-13.

**Table 10: Expenditure under NRLM (Rs crore)**

Year	Budgeted	Actuals	% utilisation
2012-13	3,915	2,195	-44%
2013-14	4,000	2,022	-49%
2014-15	4,000	1,413	-65%
2015-16	2,505	2,514	0%
2016-17	3,000	3,157	5%
2017-18	4,500	4,327	-4%
2018-19	5,750	5,783	1%
2019-20	9,024	9,022	0%
2020-21	9,210	9,208	0%
2021-22	13,678	11,710	-14%
2022-23	13,336		

Note: Actuals for 2021-22 are revised estimates. From 2015-16, allocation to start-up village entrepreneurship program has also been included. Sources: Union Budgets from 2012-13 to 2022-23; PRS.

Table below shows progress under components of the scheme since 2016-17.

**Table 11: Households mobilised into self-help groups**

	Number of households mobilised into Self Help Groups
2016-17	74,01,665
2017-18	88,29,599
2018-19	97,37,594
2019-20	89,17,895
2020-21	62,06,775
2021-22	45,37,327

Source: Aajeevika - Deen Dayal Antyodaya Yojana - NRLM, Rural Dashboard, Ministry of Rural Development, last accessed on February 11, 2022; PRS.

**Table 12: Progress under key components of NRLM**

	SHGs provided Revolving Fund	Revolving fund disbursed to SHGs (in Rs lakh)	SHGs provided Community Investment Fund (CIF)	CIF disbursed to SHG (in Rs lakh)
2016-17	1,91,734	26,762	1,35,033	80,847
2017-18	2,95,303	41,756	2,33,094	1,38,356
2018-19	4,29,557	62,221	2,73,485	1,67,613
2019-20	4,37,881	63,459	3,26,505	2,10,188
2020-21	5,03,485	72,712	4,07,600	2,47,260
2021-22	3,87,996	59,315	3,85,576	2,79,453

Source: Aajeevika - Deen Dayal Antyodaya Yojana - NRLM, Rural Dashboard, Ministry of Rural Development, last accessed on February 11, 2022; PRS.

## Overview of finances: Department of Land Resources

The Department of Land Resources aims to increase productivity of degraded land through integrated watershed management. It also aims to develop an integrated land information management system to improve real-time information on land, and to optimise use of land resources. It implements two key schemes: (i) Integrated Watershed Development Component of Pradhan Mantri Krishi Sinchai Yojana (WDC-PMKSY), and (ii) the Digital India Land Records Modernisation Programme (DILRMP).

In 2021-22, the Department has been allocated Rs 2,259 crore, which is a 52% increase over the revised estimates of 2021-22.

**Table 13: Budgetary allocation to the Department of Land Resources (Rs crore)**

Major Heads	20-21 Actuals	21-22 RE	22-23 BE	% Change (22-23 BE/ 21-22 RE)
WDC - PMKSY	938	1,216	2,000	64%
DILRMP	225	250	239	-4%
Secretariat	13	19	20	8%
<b>Total</b>	<b>1,176</b>	<b>1,485</b>	<b>2,259</b>	<b>52%</b>

Note: WDC – PMKSY is the Watershed Development Component under Pradhan Mantri Krishi Sinchai Yojana. DILRMP is Digital India Land Records Modernisation Programme. BE is budget estimate and RE is revised estimate. Sources: Demands for Grants 2022-23, Department of Land Resources, Ministry of Rural Development; PRS.

### Watershed Development Component of Pradhan Mantri Krishi Sinchai Yojana

The Integrated Watershed Management Programme aims to develop rain fed portions of net cultivated area and culturable wastelands.<sup>25</sup> In 2015, it was subsumed as one of the components of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY). Activities under the Watershed Development Component are drainage line treatment, soil and moisture conservation, rain water harvesting, and afforestation, among others.

The scheme has been allocated Rs 2,000 crore in 2022-23, which is a 64% increase over the revised estimate of 2021-22. Note that there has been under-utilisation of the budgeted amounts for the last five years.

**Slow progress of projects:** The Standing Committee on Rural Development (2020, 2021) noted the slow pace of completion of projects under the scheme. As of February 10, 2022, 1,139 projects were ongoing and under various stages of implementation.<sup>26</sup> The Standing Committee (2021) noted that projects are delayed in some states due to lack of focus by state governments and delay in release of central funds to the state level nodal agencies. The Committee recommended accelerating the pace of project completion. The centre must

work with the state level nodal agencies to ensure that projects are not delayed.

**Table 14: Expenditure under WDC-PMKSY (Rs crore)**

Year	Budgeted	Actuals	% utilised
2015-16	1,530	1,527	0%
2016-17	1,550	1,510	-3%
2017-18	2,150	1,671	-22%
2018-19	2,251	1,786	-21%
2019-20	2,066	1,467	-29%
2020-21	2,000	938	-53%
2021-22	2,000	1,216	-39%
2022-23	2,000	-	

Note: The 'Actuals' figure for 2021-22 is revised estimate. Sources: Union Budgets from 2015-16 to 2022-23; PRS.

### Digital India Land Records Modernisation Programme (DILRMP)

DILRMP is a part of the Digital India initiative.<sup>27</sup> The scheme was changed into a Central Sector Scheme in April 2016.<sup>28</sup> With this change, the scheme is now implemented by the central government with 100% of the grants coming from the centre. Major components of the programme include: (i) computerisation of all existing land records, (ii) digitisation of maps, (iii) survey/re-survey, and updating of all settlement records, and (iv) computerisation of the registration process and its integration with the land records maintenance system.

In 2022-23, the scheme has been allocated Rs 239 crore which is a 4% decrease from the revised estimates of 2021-22. Over the past few years the amount allocated towards the scheme at the budget stage has typically not been fully utilised, with the actual expenditure in some years being 50% less than the amount allocated at the budget stage. However, in 2021-22, expenditure on the scheme is estimated to be 67% more than the amount allocated at the budget stage.

**Table 15: Budgeted versus actual expenditure on DILRMP (Rs crore)**

Year	Budgeted	Actuals	% utilised
2015-16	90	40	-56%
2016-17	150	139	-7%
2017-18	150	93	-38%
2018-19	250	68	-73%
2019-20	150	44	-71%
2020-21	239	225	-6%
2021-22	150	250	67%
2022-23	239	-	

Note: The 'actuals' figure for 2021-22 is the revised estimate. Sources: Union Budgets 2015-16 to 2022-23; PRS.

### Progress of components under DILRMP:

DILRMP is currently being implemented in all states, but with differential progress.<sup>29</sup> While significant progress has been made across various components of the scheme, several key components



are still lagging behind. Land records have been computerised for 93% of the villages.<sup>29</sup> The record of rights have been digitised for 84% of the villages.<sup>29</sup> Survey/re-survey work has been completed in only 12% of the villages. 68% of the

cadastral maps have been digitised. Land records and property registration has been integrated in 75% of villages. Textual and spatial data has been integrated in 56% villages.

<sup>1</sup> Demand No. 87, Department of Rural Development, Ministry of Rural Development, Union Budget 2022-23, <https://www.indiabudget.gov.in/doc/eb/sbe87.pdf>; Demand No. 88, Department of Land Resources, Ministry of Rural Development, Union Budget 2022-23, <https://www.indiabudget.gov.in/doc/eb/sbe88.pdf>.

<sup>2</sup> Report No. 4, Demands for Grants (2020-21), Department of Rural Development, Standing Committee on Rural Development, March 3, 2020, [http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17\\_Rural\\_Development\\_4.pdf](http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17_Rural_Development_4.pdf).

<sup>3</sup> Report No. 13, Demands for Grants (2021-22), Department of Rural Development, Standing Committee on Rural Development, March 9, 2021, [http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17\\_Rural\\_Development\\_13.pdf](http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17_Rural_Development_13.pdf).

<sup>4</sup> The National Rural Employment Guarantee Act, 2005 [https://nrega.nic.in/amendments\\_2005\\_2018.pdf](https://nrega.nic.in/amendments_2005_2018.pdf).

<sup>5</sup> Mahatma Gandhi National Rural Employment Guarantee Act, 2005, Operational Guideline 2013, [https://nrega.nic.in/Circular\\_Archive/archive/Operational\\_guidelines\\_4thEdition\\_eng\\_2013.pdf](https://nrega.nic.in/Circular_Archive/archive/Operational_guidelines_4thEdition_eng_2013.pdf).

<sup>6</sup> Report No. 20, Critical Evaluation of Mahatma Gandhi National Rural Employment Guarantee Act, Standing Committee on Rural Development, 2021-22, [http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17\\_Rural\\_Development\\_and\\_Panchayati\\_Raj\\_20.pdf](http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17_Rural_Development_and_Panchayati_Raj_20.pdf).

<sup>7</sup> Unstarred Question No. 3781, Lok Sabha Questions, Ministry of Rural Development, December 21, 2021, <http://164.100.24.220/loksabhaquestions/annex/177/AU3781.pdf>.

<sup>8</sup> Dashboard, Mahatma Gandhi National Rural Employment Guarantee Act, Ministry of Rural Development, last accessed on February 11, 2022, <http://mnregaweb4.nic.in/netnrega/MISreport4.aspx>.

<sup>9</sup> “In FY 2021, 1.85 crore persons have been offered work under MGNREGA; 52% higher than the same period in FY 2019”, Ministry of Rural Development, Press Information Bureau, May 17, 2021.

<sup>10</sup> Chapter 10, Social Infrastructure and Employment, Economic Survey 2021-22, Ministry of Finance, <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap10.pdf>.

<sup>11</sup> Dashboard, Mahatma Gandhi National Rural Employment Guarantee Act, Ministry of Rural Development, last accessed on February 11, 2022, [https://ruraldiksha.nic.in/RuralDashboard/MGNREGA\\_New.aspx](https://ruraldiksha.nic.in/RuralDashboard/MGNREGA_New.aspx).

<sup>12</sup> The National Rural Employment Guarantee Act, 2005, [https://nrega.nic.in/amendments\\_2005\\_2018.pdf](https://nrega.nic.in/amendments_2005_2018.pdf).

<sup>13</sup> Unstarred Question No. 2219, Ministry of Rural Development, August 6, 2021, <https://pqars.nic.in/annex/254/AU2219.pdf>.

<sup>14</sup> “Finance Minister announces Rs 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against Corona Virus”, Press Information Bureau, Ministry of Finance, March 26, 2020.

<sup>15</sup> “Program Specific”, Dashboard, Mahatma Gandhi National Rural Employment Guarantee Act, Ministry of Rural Development, last accessed on February 11, 2022; PRS.

<sup>16</sup> R7.2.1 Average wage As per measurement pattern during the Financial Year 2021-2022, The Mahatma Gandhi National Rural Employment Guarantee Act, Ministry of Rural Development, last accessed on February 11, 2022, [http://mnregaweb4.nic.in/netnrega/avg\\_wage\\_paid.aspx?fin\\_year=2021-2022&source=national&Digest=9W1xBQWtJfJS+IGqDnrVHsA](http://mnregaweb4.nic.in/netnrega/avg_wage_paid.aspx?fin_year=2021-2022&source=national&Digest=9W1xBQWtJfJS+IGqDnrVHsA).

<sup>17</sup> “Report of the Committee on Alignment of MGNREGA Wages with Minimum Agricultural Wages.” July, 2017. Ministry of Rural Development, MGNREGA Division. <http://www.im4change.org/siteadmin/tinyMCE/uploaded/Draft%20Report%20of%20Nagesh%20Singh%20Committee%20July%202017.pdf>.

<sup>18</sup> Effective use of technology for welfare schemes – Case of MGNREGS. Economic Survey 2018-19, Volume I. [https://www.indiabudget.gov.in/economicsurvey/doc/vol1chapter/echap10\\_Vol1.pdf](https://www.indiabudget.gov.in/economicsurvey/doc/vol1chapter/echap10_Vol1.pdf).

<sup>19</sup> “Report No. 6, Performance Audit of Mahatma Gandhi National Rural Employment Guarantee Scheme”, Comptroller and Auditor General of India, 2013, [http://www.cag.gov.in/sites/default/files/audit\\_report\\_files/Union\\_Performance\\_Civil\\_Ministry\\_Rural\\_Development\\_6\\_2013.pdf](http://www.cag.gov.in/sites/default/files/audit_report_files/Union_Performance_Civil_Ministry_Rural_Development_6_2013.pdf).

<sup>20</sup> Report No. 1, Demands for Grants (2019-20), Ministry of Rural Development, Standing Committee on Rural Development, December 5, 2019, [http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17\\_Rural\\_Development\\_1.pdf](http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17_Rural_Development_1.pdf).

<sup>21</sup> Report No. 16, Pradhan Mantri Awaas Yojana – Gramin: PMAY-G, Standing Committee on Rural Development, August 2, 2021, [http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17\\_Rural\\_Development\\_16.pdf](http://164.100.47.193/lssccommittee/Rural%20Development%20and%20Panchayati%20Raj/17_Rural_Development_16.pdf).

<sup>22</sup> Starred Question No. 226, Lok Sabha Questions, Ministry of Rural Development, December 14, 2021, <http://164.100.24.220/loksabhaquestions/annex/177/AS226.pdf>.

<sup>23</sup> “Direct cash transfer to women PMJDY account holders under PM Garib Kalyan Package for the month of April 2020 in the light of COVID-19 pandemic”, Ministry of Rural Development, April 3, 2020.

<sup>24</sup> “Progress-Report, PMJDY”, last accessed on February 11, 2022, <https://pmjdy.gov.in/account>

<sup>25</sup> Programme Details, Watershed Development Component Of Pradhan Mantri Krishi Sinchai Yojana (WDC-PMKSY), Department Of Land Resources, Ministry of Rural Development <https://dolr.gov.in/programme-schemes/pmkSY/watershed-development-component-pradhan-mantri-krishi-sinchai-yojana-wdc-pmkSY>.

<sup>26</sup> Unstarred Question no. 1596, Lok Sabha Questions, Ministry of Jal Shakti, February 10, 2022, <http://164.100.24.220/loksabhaquestions/annex/178/AU1596.pdf>.

<sup>27</sup> Digital India Land Records Modernization Program, Department of Land Resources, Ministry of Rural Development, <http://nlrmp.nic.in/faces/common/home.xhtml>.

<sup>28</sup> “Rationalization of Centrally Sponsored Scheme DILRMP as Central Sector Scheme”, Department of Land Resources, Ministry of Rural Development, September 22, 2016, <http://dolr.nic.in/dolr/downloads/PDFs/DILRMP%20Clarifications%202016-09-22.pdf>.

<sup>29</sup> Digital India Land Records Modernization Programme – MIS 2.0, last accessed on February 11, 2022, <https://dilrmp.gov.in/faces/common/dashboard.xhtml>.

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