

Demand for Grants 2019-20 Analysis

Rural Development

The Ministry of Rural Development is the nodal Ministry for development and welfare activities in rural areas. The Ministry has two departments: (i) rural development, and (ii) land resources.

The Ministry of Rural Development has the fourth highest ministry-wise allocation in the Union Budget 2019-20, of Rs 1,19,874 crore. This is an increase of Rs 5,474 crore (4.8%) over the revised estimates of 2018-19.

The **Department of Rural Development** under the Ministry is responsible for implementation of many major schemes in rural areas. These schemes are targeted at poverty reduction, provision of basic services, employment generation, rural infrastructure and habitation development. In 2019-20, the Department has an allocation of Rs 1,17,647 crore, accounting for 98.1% of the Ministry's allocation.

The **Department of Land Resources** aims to increase productivity of degraded land through the process of integrated watershed management. It also aims to develop an integrated land information management system to improve real-time information on land. In 2019-20, the Department has an allocation of Rs 2,227 crore, which is 11.6% more than the revised estimates of 2018-19.

This note presents the detailed budgetary allocations to the Ministry of Rural Development, and analyses various issues related to the schemes implemented by the Ministry.

Allocation to the Ministry in 2019-20

In 2019-20, the Department of Rural Development has witnessed a 4.7% increase in funds from revised estimates of 2018-19. In 2018-19, the Department was allocated Rs 1,12,404 crore, which remained the same in the revised estimates stage for that year.

On the other hand, the Department of Land Resources saw a 11.6% increase in allocation in 2019-20, from the revised estimates of 2018-19. In 2018-19, the budgeted expenditure of Rs 2,511 crore was decreased by Rs 515 crore in the revised estimates stage.

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

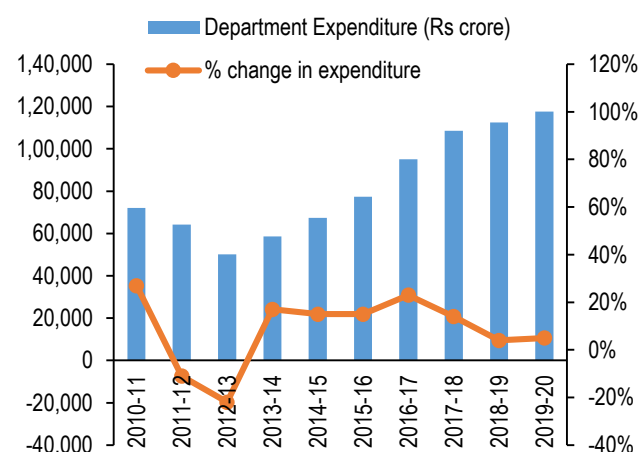
Department	Actuals 17-18	Revised 18-19	Budgeted 19-20	% change (RE to BE)
Rural Development	1,08,560	1,12,404	1,17,647	4.7%
Land Resources	1,774	1,996	2,227	11.6%
Total	1,10,334	1,14,400	1,19,874	4.8%

Note: BE is budget estimate and RE is revised estimate. Sources: Demands for Grants 2019-20, Department of Rural Development and Department of Land Resources, Ministry of Rural Development; PRS.

Department of Rural Development

In the past ten years, the Department of Rural Development has seen an average increase of 8.7% in its expenditure. Except in 2011-12 and 2012-13, when the Department reduced its spending, its expenditure has increased in all other years. However, even though the expenditure is increasing, the rate of increase in spending has been declining gradually. In recent years, the highest increase in expenditure was seen in 2016-17, when it was 23% in comparison to the previous year. Whereas, in 2018-19, the increase in expenditure was 4% compared to the previous year.

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



Note: Values for 2018-19 and 2019-20 are revised estimates and budget estimates respectively. Sources: Union Budgets 2009-10 to 2019-20; PRS.

Major schemes under the Department

Table 2 represents the budgetary allocation for major schemes under the Department of Rural Development.

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

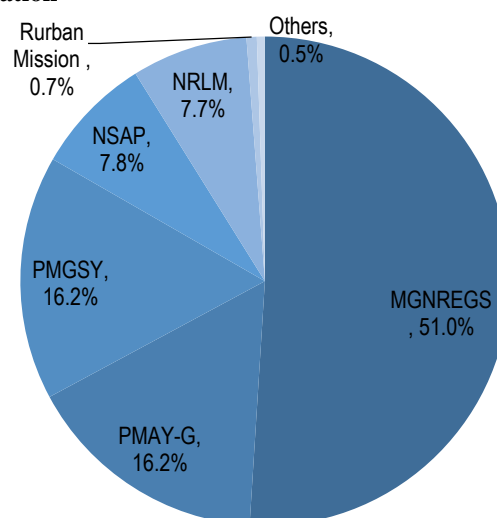
Major Head	Actual 17-18	Revised 18-19	Budgeted 19-20	% change (RE to BE)
MGNREGS	55,166	61,084	60,000	-1.8%
PMAY-G	22,572	19,900	19,000	-4.5%
PMGSY	16,862	15,500	19,000	22.6%
NSAP	8,694	8,900	9,200	3.4%
NRLM	4,327	5,783	9,024	56.0%
Rurban Mission	553	451	800	77.4%
Others	385	786	623	-20.7%
Total	1,08,559	1,12,404	1,17,647	4.7%

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

Sources: Demands for Grants 2019-20, Department of Rural Development, Ministry of Rural Development; PRS.

- The total fund allocation towards the Department has increased by 4.7% over the past year.
- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), continues to account for about half of the department's budget but the funds for it have slightly decreased by 1.8%.
- The housing scheme, Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) has seen a decrease of 4.5% in allocation.
- National Rural Livelihoods Mission (NRLM), which aims to provide sustainable livelihood opportunities, has seen an increase of 56% this year.
- Allocation towards the welfare scheme, the National Social Assistance Program (NSAP) has seen an increase of 3.4%.
- Funds allocated for the rural roads scheme, Pradhan Mantri Gram Sadak Yojana (PMGSY) has seen an increase of 22.6%.
- The Rurban Mission aims to develop village clusters into economically and socially sustainable spaces. It has witnessed the maximum increase in allocation of 77.4% this year, over the revised estimates of last year.

Figure 2: Top expenditure heads in 2019-20, as a percentage of total departmental allocation



Sources: Demands for Grants 2019-20, Department of Rural Development, Ministry of Rural Development; PRS.

Figure 2 represents the composition of expenditure of the Department of Rural Development. In 2019-20, 51% of the Department's expenditure is estimated to be on the Mahatma Gandhi National Rural Employment Guarantee Scheme. This is followed by the rural component of Pradhan Mantri Awaas Yojana (16.2%), and Pradhan Mantri Gram Sadak Yojana (16.2%).

Policy proposals in Union Budget 2019-20

The following provisions were made for the Ministry in the 2019-20 Budget speech:

- Under Phase III of Pradhan Mantri Gram Sadak Yojana, 1,25,000 km of road length will be upgraded in the next five years with an estimated cost of Rs 80,250 crore.¹⁰
- Under the second phase of Pradhan Mantri Awaas Yojana - Gramin, ~~1.95 crore~~ ~~95,000~~ houses are proposed to be provided to beneficiaries from 2019 to 2022. These houses will be provided with toilets, electricity and LPG connections.¹⁰

Financial allocations to outcomes

Mahatma Gandhi National Rural Employment Guarantee Scheme

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was launched in 2005 through the Mahatma Gandhi National Rural Employment Guarantee Act, 2005.¹ The main goal of the scheme is to provide guaranteed 100 days of wage employment per financial year to every rural household whose adult members volunteer to do unskilled manual work. The Act specifies a list of works that can be undertaken to generate

* Correction made on July 11, 2019

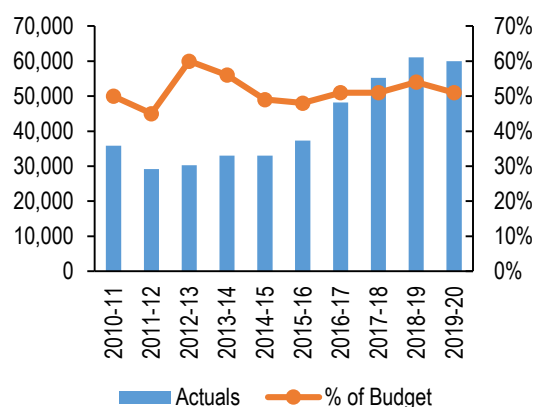
employment. These are related to water conservation, land development, construction, agriculture, livestock and fisheries among others. The scheme at present covers all districts of the country with the exception of those that have a 100% urban population.²

A minimum of 50% of MGNREGS works are to be executed by gram panchayats. In terms of funding, 100% of the unskilled labour cost and 75% of the material cost of the programme is borne by the centre.

In 2019-20, the allocation to the scheme saw a decline of 1.8%, from the revised estimates of 2018-19.

Budgeted versus actual expenditure: Figure 3 shows the expenditure on the scheme from 2010-11 to 2019-20. For most of these years, expenditure on the scheme has been more than 50% of the Department's budget. During 2018-19, budgetary allocation for the scheme was increased by 11%, from budget estimates of Rs 55,000 crore to Rs 61,084 crore in the revised estimates stage. Its share of the department budget in 2019-20 is Rs 60,000 crore.

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



Note: Values for 2018-19 and 2019-20 are revised estimates and budget estimates respectively.

Sources: Union Budgets 2010-11 to 2019-20; PRS.

Over the last few years, the utilisation of funds under the scheme has steadily grown. Till 2014-15, the actual expenditure was lower or similar to the budget estimates. However, post 2014-15, the actual expenditure of the scheme has always exceeded the budget estimates.

Table 3 shows the trends in allocation and actual expenditure on NREGS over the past nine years.

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

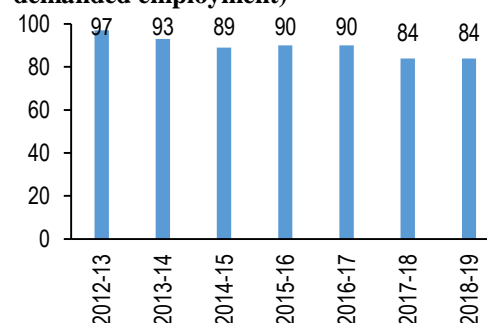
Year	Budgeted	Actuals	% of budgeted
2010-11	40,100	35,840	89.4%
2011-12	40,000	29,212	73.0%
2012-13	33,000	30,273	91.7%
2013-14	33,000	32,992	100.0%
2014-15	34,000	32,977	97.0%
2015-16	34,699	37,341	107.6%
2016-17	38,500	48,215	125.2%
2017-18	48,000	55,166	114.9%
2018-19	55,000	61,084	111.1%

Note: The 'utilised' figure for 2018-19 is the revised estimate.

Sources: Union Budgets 2010-11 to 2018-19; PRS.

Demand for work: MGNREGS is a demand driven scheme. The percentage of households provided employment as a percentage of households receiving employment has seen a decrease from 2012-13 to 2018-19. It can be seen in figure 4 that the decrease has been the highest over the past two years when 84% of the households who demanded work, were provided employment.

Figure 4: No. of households provided employment (as a % of households that demanded employment)



Sources: NREGS MIS Reports from 2012-13 to 2018-19; PRS.

Employment Provided: The scheme guarantees 100 days of employment. However, in the past six years, the average number of days of employment has been 45.5 days, with a maximum of 49 days of employment in 2015-16.

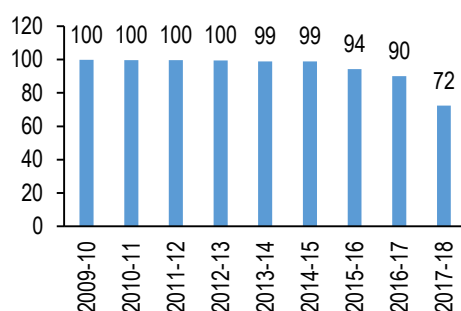
Table 4: Average days of employment provided per household

Year	Average days of employment provided per household
2012-13	46
2013-14	46
2014-15	40
2015-16	49
2016-17	46
2017-18	46

Sources: NREGS MIS Report 2018-19- Data Analysis; PRS.

Work Completed: Other than the objective of providing employment, the scheme aims to create durable assets to improve rural livelihood. Decreased employment makes it difficult to achieve the targets of asset creation. We can see in figure 5, the work completed ratio has been falling over the last two years. The work completed ratio came to an all-time low of 72.3% in 2017-18.

Figure 5: Percentage of work completed (in %)



Sources: NREGS MIS Report (as on July 7, 2019), 2018-19-State Wise Data Analysis; PRS.

Delayed payments: MGNREGS stipulates that wage payments must be made within 15 days of the date of closure of the muster roll.² Delays in payments are calculated from the 16th day onwards. Table 5, below shows the percentage of delayed payments out of the total payments over the past seven years. It also indicates the number of days that payments were delayed by. As can be seen in the table, the proportion of delayed payments had increased from 39% in 2012-13 to 73% in 2014-15 but has reduced since then. In 2017-18, delays in payments had come down substantially from the previous year. In 2018-19, delayed payments came down by 29% from 2017-18. It can also be noted that the percentage of delayed payments for over 90 days has come down from 28.5% in 2012-13 to 1.4% in 2018-19. The Economic Survey 2018-19, stated that the implementation of Direct Benefit Transfers helped significantly in reducing delays in payments.³

Table 5: Trends in delayed payment of wages under MGNREGS

Year	% Delayed Payment	Composition of delayed payments(%)			
		>90 days	61-90	31-60	15-30
2012-13	39	28.5	14.8	26.9	29.8
2013-14	50	18.4	13.9	30.1	37.6
2014-15	73	18.6	13.7	30.8	36.8
2015-16	66	6.2	9.3	31.2	53.3
2016-17	56	25.0	14.9	28.1	32.0
2017-18	14	6.4	6.2	24.7	62.7
2018-19	10	1.4	0.8	2.1	6.0

Sources: NREGS MIS Report 2018-19- Delayed Payments; PRS

Non-payment of unemployment allowance (if employment is not provided within 15 days of application) is high across states. Currently under the NREGA, unemployment allowance is paid from state government funds.¹ CAG report on the performance audit of scheme states that non-sharing of unemployment allowance by the central government puts an additional burden on the states.⁴ The report suggests that the Ministry of Rural Development should consider partial reimbursement of unemployment allowance.⁴

Minimum Wage Rate: The minimum wage rate under the scheme is fixed by the central government on the basis of the Consumer Price Index-Agricultural Labourers (CPI-AL). If this not available, the minimum wage rate fixed by the state government for agricultural labourers is considered.⁵ Every state has its defined Schedule of Rates for defining work output and calculating wages, thus the wage can be different for every state. The Committee on Alignment of MGNREGA wages found that in 17 states/UTs like Uttar Pradesh, MGNREGA wages are higher than state's minimum wages for agriculture labour. While in 17 states/UTs like West Bengal and Karnataka minimum agricultural wages are higher.

The Committee on Alignment of MGNREGA wages under the Ministry of Rural Development (2017) found parity between minimum agriculture wages and wages under MGNREGA. They studied the following aspects of wages:⁶

- Schedule rates between agricultural labourer and MGNREGA worker: The Committee feels that as the type of work is so different, there should be difference in the minimum wages for agricultural labour and NREGA workers. The Committee also noted that the weighting diagram of Consumer Price Index-Rural (CPI-RL) was more recent. The weighting diagram of CPI-RL provides for higher expenditure on education, medical care and transport compared to CPI-AL. It recommended using Consumer Price Index-Rural for average of 12 months instead of the existing CPI-AL of December for revising MGNREGA wages every year.⁷
- Schedule rates across states: The Committee feels that this variation is unsustainable for a programme where wage component is fully funded by Government of India. It recommended Convergence on Schedule of Rates across states to avoid wide variation. It recommended that this can be done by persuading states to follow a uniform and

scientific policy for indexation and notification of wages.

Other issues: The Standing Committee on Rural Development (2017-18) examined certain other issues and made some recommendations.⁸ MGNREGS receives about 50% of the allocation of the Department of Rural Development every year. Thus, it requires a robust mechanism of inspection and monitoring of fund utilization by the center. The Committee recommended periodic internal audit at all levels. It also highlighted some other issues with the implementation of the scheme. These include: (i) issuance of fake job cards, (ii) fabrication of list of beneficiaries, and, (iii) non-payment of unemployment allowance. The Committee recommended strict disciplinary action to be taken against people engaging in corrupt activities.

Pradhan Mantri Awaas Yojana- Gramin

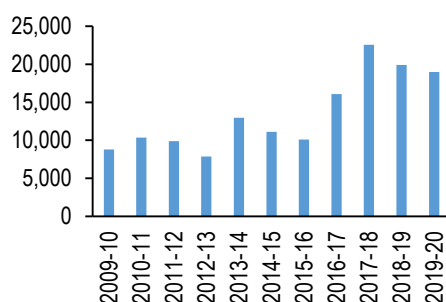
This housing scheme, previously known as Indira Awaas Yojana, got the second highest allocation in the Department's budget this year. The funds allocated to the scheme comprise 16.2% of the Department's finances.

IAY was launched in May 1985 as a sub-scheme of Jawahar Rozgar Yojana.⁹ Since January 1, 1996, it is being implemented as an independent scheme.

Under IAY, financial assistance of Rs 70,000 in plain areas and Rs 75,000 in hilly areas is provided to rural BPL households for construction of a dwelling unit. Under PMAY-G, this has been enhanced to Rs 1,20,000 in plain areas and Rs 1,30,000 in hilly areas. The cost of unit assistance will be shared between the centre and state in the ratio of 60:40 in plain areas and 90:10 in hilly states.

The allocation towards the scheme has been decreasing since last year. In 2019-20, the allocation to the scheme saw a decline of 4.5% from revised estimates of 2018-19.

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



Note: Values for 2018-19 and 2019-20 are revised estimates and budgeted estimates respectively.

Sources: Union Budgets 2009-10 to 2019-20; PRS.

Table 6 shows the trends in allocation and actual estimates of expenditure on rural housing scheme (previously IAY and now PMAY-G) over the past ten years. As can be observed, there has been substantial under utilisation of funds in 2012-13 and 2014-15. The same trend can be seen in the past two years. This affects the pace of construction of houses under the scheme.

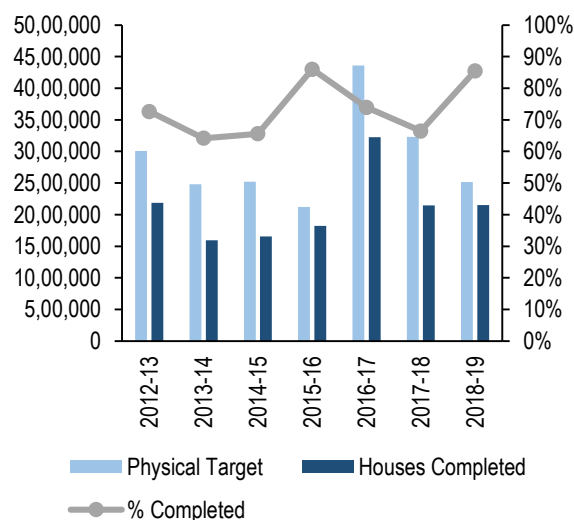
Table 6: Budgeted versus actual expenditure on rural housing scheme

Year	Budgeted	Actuals	% of budgeted
2009-10	7,918	8,799	11.1%
2010-11	8,996	10,337	14.9%
2011-12	8,996	9,872	9.7%
2012-13	9,966	7,868	-21.1%
2013-14	13,666	12,981	-5.0%
2014-15	16,000	11,106	-30.6%
2015-16	10,025	10,116	0.9%
2016-17	15,000	16,071	7.1%
2017-18	23,000	22,572	-1.9%
2018-19	21,000	19,900	-5.2%

Note: The 'utilised' figure for 2018-19 is the revised estimate. Sources: Union Budgets 2009-10 to 2018-19; PRS.

Target construction of houses: In the budget speech 2019-20, it was announced that 1.54 crore rural houses have been completed in the last five years.¹⁰ Figure 7 shows the number of houses completed compared to the target construction in the last seven years. It can be seen that the achievement rate has been lower than the target over the years. In 2018-19, the achievement rate was at 85%. In 2018-19, 21,51,244 houses were completed as against a target of 25,16,481 houses.

Figure 7: Construction performance of Pradhan Mantri Awaas Yojana



Sources: Demand for Grants, Standing Committee on Rural Development, Ministry of Rural Development 2017-18; PMAY-G MIS: High level physical progress report; PRS.

In August 2016, the Standing Committee on Rural Development examined the scheme and noted the inability of the scheme to reach its target output and continuing underutilization and insufficiency of funds.¹¹ The Committee also noted issues such as insufficiency of state level data available to the centre, weak system of monitoring and opaque system of beneficiary selection.

It recommended that the Ministry needed to strengthen its data collection mechanism and regularly update their data regarding work completed and fund allocation. They also recommended better targeting of beneficiaries. This can be done by devising verifiable norms for identification and selection of beneficiaries.

Misleading data: The Standing Committee on Rural Development (2016) observed discrepancy of data with regard to achievement of target during 2015-16. For example, state of Odisha showing 200.23% achievement, and Madhya Pradesh showing 6.48% achievement. This was because work-done included backlog of previous year's. The Committee recommended to keep the record straight and not including backlog in annual target for construction.¹²

Exclusion of beneficiaries: The Standing Committee on Rural Development (2017-18) noted that about three crore shelter less population are yet to benefit from the scheme. They recommended that the everlasting issue of exclusion of beneficiaries needs to be dealt with, pro-actively.¹³

Upgradation of kutcha houses: The problem of Kutcha houses is acute in nine states of Bihar, Uttar Pradesh, Madhya Pradesh, West Bengal, Odisha, Rajasthan, Chhattisgarh, Jharkhand and Maharashtra. To recognise number of kutcha houses, the ministry still uses the SECC (Socio Economic and Caste Census) 2011 Data. The Standing Committee on Rural Development examining the scheme recommended special initiatives to be undertaken by the Ministry and state governments in this regard.¹²

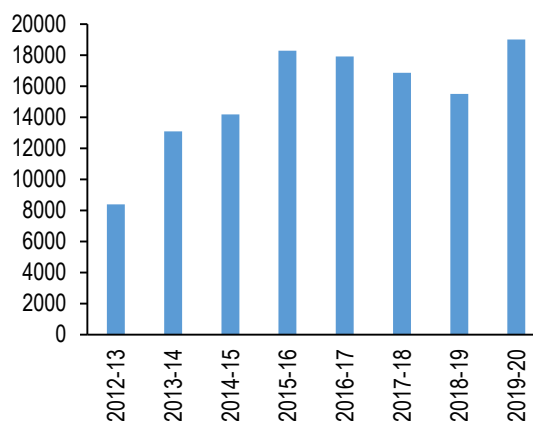
Pradhan Mantri Gram Sadak Yojana

Pradhan Mantri Gram Sadak Yojana was launched in December 2000 and 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 got the second highest allocation in the Department's budget this year, the same as PMAY-G. Expenditure on PMGSY accounts for 16.2% of the Department's expenditure in 2019-20.

As Figure 8 indicates, over the past years, the expenditure on the scheme had been increasing until 2015-16, but it has been decreasing since

then. The allocation towards the scheme has been Rs 19,000 crore from 2016-17 to 2019-20.

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



Note: Values for 2018-19 and 2019-20 are revised estimates and budgeted estimates respectively.

Sources: Union Budgets 2012-13 to 2019-20; PRS.

Inconsistency in budgetary allocation:

Table 7 shows the trends in allocation and actual estimates of expenditure on PMGSY. In most years, there has been significant underutilisation of funds, which in turn affects the construction of rural roads under the scheme.

Table 7: Budgeted versus actual expenditure on Pradhan Mantri Gram Sadak Yojana

Year	Budgeted	Actuals	% of Budgeted
2012-13	24,000	8,387	-65.1%
2013-14	21,700	13,095	-39.7%
2014-15	14,391	14,188	-1.4%
2015-16	14,291	18,290	28.0%
2016-17	19,000	17,923	-5.7%
2017-18	19,000	16,862	-11.3%
2018-19	19,000	15,500	-18.4%

Note: The 'utilised' figure for 2018-19 is the revised estimate. Sources: Standing Committee on Rural Development reports from 2012-13 to 2017-18; PRS.

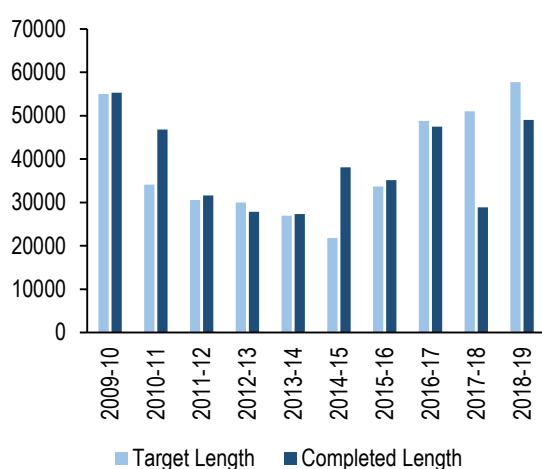
Standing Committees over the years have highlighted substantial reduction of funds at the revised estimates stage in this scheme.^{14,15} In 2017-18, the expenditure on the scheme was brought down by 11.3%, from Rs 19,000 crore to Rs 16,862 crore. A similar trend can be seen in 2018-19.

Slow pace of work: In December 2018, the Standing Committee on Rural Development noted that the pace of work under the scheme has been really low, especially in hilly states like Uttarakhand. It recommended that the pace of completion of projects be increased to ensure achievement of the target of the scheme.¹⁶

Difference between targets and achievements: In the beginning of the decade, the length completed was much more than the target length. However, in the last three years, the Ministry has not been able to achieve its targets for both habitations and length of road. In 2018-19, 85% of target road was constructed and 70% of habitations were connected. As on January 2018, the connectivity and completion of road length against the sanctions given by the Ministry is low in States like Assam, Bihar, J&K, Jharkhand, Madhya Pradesh, Odisha, Rajasthan and West Bengal.¹⁷

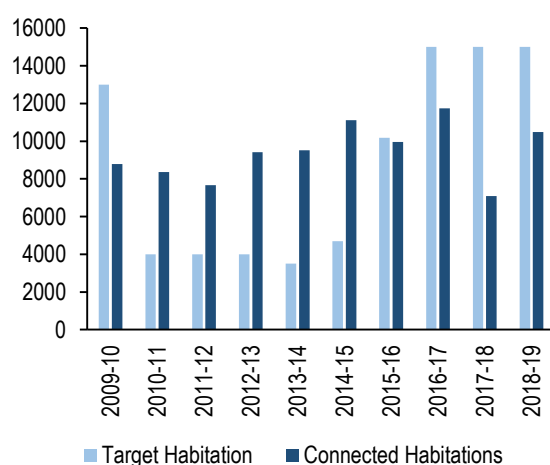
Figures 9 and 10 give details of length of roads constructed and habitations connected in the last ten years, under the scheme.

Figure 9: Length of road constructed under PMGSY (KM)



Sources: Pradhan Mantri Gram Sadak Yojana Online Management, Monitoring and Accounting System (OMMAS), Ministry of Rural Development; PRS.

Figure 10: Habitations connected under PMGSY



Sources: Pradhan Mantri Gram Sadak Yojana Online Management, Monitoring and Accounting System (OMMAS), Ministry of Rural Development; PRS.

Financial management by states: The CAG audit observed that from 2010-2012, states did

not fully utilise the central assistance, which led to a substantial reduction of funds at the revised estimates stage from 2012-2015. The Department also reasoned that the reduction at the revised estimates stage was due to the availability of unspent balances from previous years with the states and the slow pace of implementation. In March 2017, the Standing Committee on Rural Development in its report stated that with enhanced funding for the scheme from 2015-16, the Ministry should ensure that: (i) finances are utilised optimally and properly, (ii) leakages are checked, (iii) utilisation certificates are received on time, and (iv) e-payments are the preferred mode for payments to contractors.¹⁷

Upgradation of the scheme: PMGSY-III: In 2015, the government advanced the completion date of PMGSY from 2022 to 2019. The government planned to achieve the target at an earlier date by providing enhanced financial allocation and modifying the funding pattern of the scheme. The allocation to the scheme was enhanced in 2016-17 and has been kept unchanged since then. As per the initial mandate, the funding pattern between the centre and the states was 75:25 for plain areas and 90:10 for special areas. However this was changed to 60:40 for plain areas and 90:10 for 8 North Eastern states and 3 Himalayan states.¹⁷ The Standing Committee on Rural Development (2017-18) noted that there was high unspent balance due to this change in funding pattern and the release of the state's share.¹⁷

Standing Committee on Rural Development (2017) in its report stated that till 2016, only eight states had transitioned into the second phase of the program.¹⁷ Out of a target length of 50,000 km between 2012 and 2017, 13,525 km of road length has been sanctioned and 7,701 km has been completed in these eight states up to 2016. Note that in the 2019 Budget Speech it was announced that all weather connectivity to 97% of the habitations has been provided.¹⁸ It has been proposed that in the next five years, 1,25,000 km of road would be upgraded with an estimated cost of Rs 80,250 crore under PMGSY- III.

Maintenance of roads: 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 Committee noted that out of the 6,288 inspections conducted in 2015-16, 7.6%, 11.3% and 20.80% works were found unsatisfactory in completed, ongoing and maintenance categories, respectively. So far, 24 states have notified rural road maintenance policies. Out of a target of training 7,271 persons, so far only 1,732 engineers and 1,020 contractors have been trained for carrying out

maintenance works. The Ministry said that the issue of low maintenance of roads was not limited to contractors but also the release of funds by the state governments.

The Standing Committee on Rural Development (2017) recommended that the centre should play a bigger role in ensuring that the quality of roads built is not compromised. A time-bound strategy should be evolved to impart training to remaining engineers and contractors for proper maintenance of roads.¹⁷

National Social Assistance Program

NSAP is a welfare program which comprises of a number of sub-schemes that primarily aim to provide public assistance to citizens in case of unemployment, old age, sickness and any form of disability. The scheme has been in existence since 1995. NSAP got the fourth highest allocation under the Department's budget. The funds allocated to the scheme comprise 7.8% of the Department's finances.

Table 8 below shows the budget estimates and actual expenditure by states under the scheme from 2012-13 to 2018-19.

Table 8: Expenditure under NSAP (Rs crore)

Year	Budgeted	Actuals	% change (Actual/BE)
2012-13	8,447	6,912	-18.2%
2013-14	9,615	8,534	-11.2%
2014-15	10,635	7,087	-33.4%
2015-16	9,082	8,616	-5.1%
2016-17	9,500	8,854	-6.8%
2017-18	9,500	8,694	-8.5%
2018-19	9,975	8,900	-10.8%

Note: The 'utilised' figure for 2018-19 is the revised estimate. Sources: Standing Committee on Rural Development 2017-18; Union Budget 2019-20; PRS.

Shortfall and underutilization of funds: The Standing Committee noted shortfall of funds for the scheme which is mainly due to the slow rate of fund release.¹⁹ The reason given by the Ministry for the same is non-submission of requisite documents by the states/UTs in time. This impacts the implementation of the scheme and its beneficiaries.¹⁹

At the same time, the Committee also noted the continuous underutilization of funds. This can also be seen in Table 8. In 2018-19, 11% of the funds budgeted were not utilized. The unspent balance is mainly due to two reasons: (i) compulsory earmarking of 10% of funds towards North Eastern (NE) states (ii) non-submission of requisite documents by the states/UTs. It was also seen that the requirement of funds for NE States is much less than the annual earmarking of funds.¹⁹

Table 9 shows the number of beneficiaries under the various sub-schemes of NSAP.

Table 9: Number of beneficiaries under the various sub-schemes of NSAP (lakhs)

	Number of beneficiaries reported					
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
IGNOAPS	227	222	221	201	214	214
IGNWPS	50	62	63	54	57	57
IGNDPS	11	11	11	65	7	7
NFBS	4	3	3	4	4	4
Annapurna	8	8	8	8	3	-

Sources: Demand for Grants, Standing Committee on Rural Development 2017-18, Ministry of Rural Development; PRS.

National Rural Livelihoods Mission

National Rural Livelihoods Mission (NRLM) aims to reduce poverty through promotion of diversified and gainful self-employment and skilled wage employment opportunities. The scheme seeks to adopt a strategy of promoting and strengthening community institutions which are in turn expected to mediate the livelihoods of the rural poor. The scheme has been in existence since July 2011. The scheme got the fifth highest allocation under the Department's budget. The funds allocated to the scheme comprise 7.7% of the Department's finances.

NRLM has been renamed as Deen Dayal Antyodaya Yojana. Under the programme, one woman from each poor household is brought into Self Help Groups (SHGs). The programme envisages universal coverage of all 8-9 crore rural poor households to be organised into 70-75 lakh SHGs and their federations at the village and cluster level by 2024-25.

Table 10 below shows the actual expenditure by states under the scheme from 2012-13 to 2018-19.

Table 10: Expenditure under NRLM (Rs crore)

Year	Budgeted	Actuals	% change (Actuals /BE)
2012-13	3,915	2,195	-43.9%
2013-14	4,000	2,022	-49.5%
2014-15	4,000	1,413	-64.7%
2015-16	2,705	2,514	-7.1%
2016-17	3,000	3,157	5.2%
2017-18	4,500	4,327	-3.8%
2018-19	5,750	-	-

Note: From 2015-16, allocation to start-up village entrepreneurship program has also been included. Sources: Union Budgets 2012-13 to 2018-19; PRS.

Target completion: The Standing Committee examining the scheme notes that in 2012-13 and 2013-14, there was some shortfalls in the

achievement of physical targets. These were the transition years from Swarnajayanti Gram Swarozgar Yojana (SGSY) to NRLM and there was lack of necessary institutional structures at the State, District and Block levels.¹⁹ However, after this a number of trained professionals were placed at various levels and necessary systems were put in place. Even so, in 2017-18 the number of SHGs promoted were at 5.87 lakhs (as on December 31, 2017) as against a target of 6.90 lakhs. Also, credit disbursed to SHGs from banks stood at Rs 21,183 crore (as on November 30, 2017) as against the target of Rs 30,965 crore.¹⁹

Department of Land Resources

The Department of Land Resources implements two key schemes: (i) Integrated Watershed Development Component of Pradhan Mantri Krishi Sinchai Yojana, and (ii) Digital India Land Records Modernisation Programme.

This year, the department saw a 11.6% increase in allocation over the revised estimates of 2018-19.

Out of the Rs 2,227 crore allocated to the department, Rs 2,066 crore will be spent on Integrated Watershed Development Component of Pradhan Mantri Krishi Sinchai Yojana, and Rs 150 crore will be spent on Land Records Modernisation Programme. The allocation for PMKSY has increased by 12.2% and the allocation for DILRMP has increased by 3.4%, from the revised estimates of the previous year.

Table 11: Budgetary allocation to the Department of Land Resources (Rs crore)

Major Heads	Actuals 17-18	Revised 18-19	Budgeted 19-20	% Change (RE to BE)
WDC - PMKSY	1,671	1,841	2,066	12.2%%
DILRMP	93	145	150	3.4%%
Secretariat	10	10	11	12.4%%
Total	1,774	1,996	2,227	11.6%%

Note: WDC - Watershed Development Component PMKSY is 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 2019-20, Department of Land Resources, Ministry of Rural Development; PRS.

Watershed Development Component of Pradhan Mantri Krishi Sinchai Yojana (WDC-PMKSY)

The Department of Land Resources implemented the Integrated Watershed Management Programme (IWMP) in 2009 with the aim of developing of rainfed portions of net cultivated area and culturable wastelands²⁰. In 2015, IWMP was subsumed as one of the components of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY).

The activities under WDC are drainage line treatment, soil and moisture conservation, rain water harvesting, afforestation, horticulture among others.

The scheme received the highest allocation under the Department's budget. The funds allocated to the scheme comprise 93% of the Department's finances.

Table 12 below shows the actual expenditure by states under the scheme from 2015-16 to 2018-19. Note that there is under-utilization of the budgeted amounts since last four years.

Table 12: Expenditure under WDC-PMKSY (Rs crore)

Year	Budgeted	Actuals	% of Budgeted
2015-16	1530	1527	-0.2%
2016-17	1550	1510	-2.6%
2017-18	2150	1671	-22.3%
2018-19	2251	1841	-18.2%

Note: Values for 2018-19 is revised estimate.

Sources: Union Budgets 2015-16 to 2018-19; PRS.

Completion of projects: In the period from 2009-10 to 2014-15, 8,214 projects were sanctioned out of which no project was reported to be completed upto 2016-17.²¹ The period for completing PMKSY (Watershed Development) projects is between 4-7 years and the activities are distributed as follows:

Preparatory phase: Preparation of detailed project report, entry point activities and institution & capacity building.

Watershed works phase: Watershed development works, livelihood activities and production system & micro enterprises.

Consolidation and withdrawal phase: Consolidation and completion of various works.

The Standing Committee on rural development 2018-19 notes that as per information received from 14 States, out of the 8,214 sanctioned projects, 1,252 (15.24%) are reported completed, 973 (11.85 %) are in Consolidation Phase, 4,157 (50.61%) are in Works Phase, 1,487 (18.10%) are in Preparatory Phase and 345 (4.2 %) uninitiated projects. The Committee recommended expediting the pace of completion of unfinished projects.

Shortage of funds: The Committee felt that despite an increase in the budget allocation for 2018-19, the insufficiency of the allocation was quite evident to meet the targets for the year. This was on the basis of previous year's performance and the non-completion of the projects. Note that the amount of unspent balance under the scheme

as on 31 March 2018 amount to Rs 1086.55 crore.²²

Monitoring of projects: The Committee also notes that so far, the end-line evaluation of only 62 completed projects has been undertaken by the states.²³ It recommended that better monitoring practices are necessary as the scheme sees the highest allocation in the Department.

Digital India Land Records Modernisation Programme (DILRMP): DILRMP is a part of the Digital India initiative.²⁴ The scheme was changed into a Central Sector Scheme in April 2016.²⁵ With this change, the scheme is now implemented by the central government with 100% of the grants coming from the centre. Between 2009 and 2016, about Rs 946 crore was sanctioned by the central government under DILRMP, of which Rs 412 crore was released.²⁶ The major components of DILRMP are:

- (i) computerisation of all existing land records including mutations (or transfers);
- (ii) digitization of maps, and integration of textual and spatial data;
- (iii) survey/ re-survey, and updating of all survey and settlement records including creation of original cadastral records (record of the area, ownership and value of land) wherever necessary;
- (iv) computerisation of registration and its integration with the land records maintenance system; and
- (v) development of core Geospatial Information System (GIS) and capacity building.

DILRMP intends to eventually move from the existing system of presumptive titles to conclusive and state guaranteed titles. The conclusive title system is based on four basic principles:

- (i) A single window system for land records which will provide for the maintenance and updating of these records and registration of immovable property.
- (ii) The cadastral records reflect all the significant and factual details of the property titles.
- (iii) The record of title is a true depiction of the ownership status, mutation is automatic following registration, and the reference to past records is not necessary.
- (iv) Title insurance, which means that the government guarantees the title holder, the title for its correctness.

In 2019-20, the programme has been allocated Rs 150 crore, which is a 3.4% increase over the revised estimates of 2018-19. Table 13 shows the trends in allocation and actual estimates of expenditure on DILRMP over the past ten years. Note that there is significant underspending across all the years.

Table 13: Budgeted versus actual expenditure on Land Records Modernisation Programme (Rs crore)

Year	Budgeted	Actuals	% of Budgeted
2009-10	360	199	-44.7%
2010-11	200	156	-22.0%
2011-12	150	106	-29.3%
2012-13	150	95	-36.7%
2013-14	378	213	-43.7%
2014-15	250	179	-28.4%
2015-16	90	40	-55.6%
2016-17	150	139	-7.3%
2017-18	150	93	-38.0%
2018-19	250	145	-42.0%

Note: The 'utilised' figure for 2018-19 is the revised estimate. Sources: Union Budgets 2009-10 to 2018-19; PRS.

Note that the amount of unspent balance under the scheme as on 31 March 2018 amount to Rs 464.83 crore.²⁷

Progress of components under DILRMP: DILRMP is currently being implemented in all states, but with differential progress.²⁸ Table 14 shows the progress of some components of the programme. It can be seen that many states are lagging behind.

Table 14: Physical Progress under various components of DILRMP in all States/UTs

Component	Completed	On-going	Not Started
Computerization of Land Records	15	16	5
Computerization of Registration	16	12	8
Integration of Land Records and Registration	9	9	18

Sources: Demand for Grants, Standing Committee on Rural Development 2017-18, Department of Land Resources, Ministry of Rural Development; PRS.

Land records have been computerised for 90% of the villages.²⁸ This implies that the current land record on paper has been digitised and uploaded on system, from which citizens can access this information. However, the mutation records (recording the transfer of ownership) have been

computerised for only 59% of the villages.²⁸ This means that the remaining 41% of the villages do not have updated records with the current data on ownership. If the intent of digitising records is to have easy access to correct data, real time updating of property records becomes essential.

However, real time updation of Record of Right (RoR) and maps has been done for only 22% of the villages.²⁸ The RoR is the primary record that shows how rights on land are derived for the land owner, and records the property's transactions from time to time. 30 states/ UTs have started issuing digitally signed RoRs.²⁸

Further, only 44% villages have verified spatial data.²⁸ This could mean that the digitised records are still incomplete, as 56% of the records would not have updated spatial data. Further, this could imply that spatial records of land are at variance from the information in RoRs. Consequently, only in 37.5% villages, cadastral maps have been linked to RoRs.²⁸ As has been noted by various expert committees, most spatial records date back several years, implying that they may not reflect changes in property records.²⁹ Under the DILRMP, re-survey and survey work has been carried out in only 12% of the villages.²⁸

Survey and re-surveys: In December 2016, certain changes were made to DILRMP.³⁰ As per the changes, survey or re-survey operations will be conducted only when the RoR, or field book or map are not available or are destroyed/ damaged/ outdated. Further, if there is a difference between the area recorded in both the documents, the area recorded in the RoR will prevail. Note that 10 states/ UTs have not started the process of survey/ resurvey.²⁸ At the same time the progress of survey/ resurvey work is low in states like Andhra Pradesh, Bihar, Haryana, Maharashtra among others.²⁸

The survey/ resurvey has to be done for each plot of land. Further, the government and each landowner must arrive at an agreement certifying that the owner is satisfied with the survey.²⁹ Note that most of the 6.4 lakh villages in the country were surveyed and their cadastral maps prepared during the late 19th and early 20th century. In rural areas, more than 140 million land owners have more than 430 million records.²⁹ This further necessitates the need to undertake surveys on a periodic basis to update information in cadastral maps. The Expert Committee on Land Titling (2014) had recommended that for a guaranteed titling system, it is essential that the spatial and textual records are integrated and unified, so that there is no gap between the two.³¹

Capacity building: The entire process of data collection and storage with regard to land records happens at the village, city, or block level. The

Committee on State Agrarian Relations (2009) had observed that for updating land records and strengthening land management, there is a need to build capacity among officials at all levels. As per the Ministry, the majority of the unutilized funds reported by the States relate to survey / re- survey which is a technology intensive activity and requires significant number of skilled human resources.³²

It is recommended that new technology such as GIS, GPS and use of satellite imagery should be used to update land records. Alongside manpower for the registration and maintenance of land records should be adequately trained and skilled. So far, 37 DILRMP Cells have been sanctioned in 30 States/UTs.

Estimates suggest that training exercise has to be carried out for one-two lakh *patwaris*, over 50,000 survey staff, and approximately 5,000 tehsils, and 4,000 registration offices.²⁹ The Standing Committee on Rural Development in 2016 also recommended the need to enhance the capacity at the level of *patwari* and *tehsildar* for effective implementation of DILRMP.³³

¹ The National Rural Employment Guarantee Act, 2005 https://nrega.nic.in/amendments_2005_2018.pdf

² Mahatma Gandhi National Rural Employment Guarantee Act, 2005, Operational Guideline 2013, https://nrega.nic.in/Circular_Archive/archive/Operational_guidelines_4thEdition_eng_2013.pdf

³ 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

⁴ “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

⁵ The National Rural Employment Guarantee Act, 2005 https://nrega.nic.in/amendments_2005_2018.pdf

⁶ “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>

⁷ Minimum Wages in MGNREGA, Ministry of Rural Development. <https://rural.nic.in/press-release/minimum-wages-mgnrega>

⁸ “Standing Committee on Rural Development, 2017-18, Department of Rural Development, Ministry of Rural Development” http://164.100.47.193/lssccommittee/Rural%20Development/16_Rural_Development_42.pdf

⁹ Pradhan Mantri Awaas Yojana- Gramin, last accessed on June 27, 2019, <http://iaa.nic.in/netiay/about-us.aspx>.

¹⁰ Speech of Nirmala Sitharaman, Minister of Finance. Budget 2019-20. July 5, 2019. <https://www.indiabudget.gov.in/budgetspeech.php>

¹¹ “Pradhan Mantri Awaas Yojana”, Standing Committee on Rural Development, August 31, 2016,

http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_26.pdf.

¹² “Pradhan Mantri Awaas Yojana”, Standing Committee on Rural Development, August 31, 2016, http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_26.pdf.

¹³ “Standing Committee on Rural Development, 2018-19, Department of Rural Development, Ministry of Rural Development” http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_52.pdf

¹⁴ “Demand for Grants (2015-16), Ministry of Rural Development (Department of Rural Development), Standing Committee on Rural Development (2014-15)” http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_6.pdf.

¹⁵ “Demand for Grants (2016-17), Ministry of Rural Development (Department of Rural Development), Standing Committee on Rural Development (2014-15)” http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_21.pdf.

¹⁶ “Standing Committee on Rural Development, 2018-19, Department of Rural Development, Ministry of Rural Development” http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_52.pdf

¹⁷ “46th Report: Demands for Grants (2018-19) of Ministry of Rural Development”, Standing Committee on Rural Development, March 13, 2018, http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_46.pdf

¹⁸ Speech of Nirmala Sitharaman, Minister of Finance. Budget 2019-20. July 5, 2019. <https://www.indiabudget.gov.in/budgetspeech.php>

¹⁹ “46th Report: Demands for Grants (2018-19) of Ministry of Rural Development”, Standing Committee on Rural Development, March 13, 2018, http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_46.pdf

²⁰ 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-krisi-sinchai-yojana-wdc-pmkSY>

²¹ “Demand for Grants (2017-18), Ministry of Rural Development (Department of Land Resources), Standing Committee on Rural Development (2017-18)” http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_47.pdf

²² “Demand for Grants (2017-18), Ministry of Rural Development (Department of Land Resources), Standing Committee on Rural Development (2017-18)” http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_47.pdf

²³ “Standing Committee on Rural Development, 2018-19, Department of Land Resources, Ministry of Rural Development” http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_55.pdf

²⁴ Digital India Land Records Modernization Program, Department of Land Resources, Ministry of Rural Development, <http://nlrmp.nic.in/faces/common/home.xhtml>.

²⁵ “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>.

²⁶ Sanction and release towards institutions under Digital India Land Records Modernization Program,

<http://nlrmp.nic.in/faces/rptFinancial/institutionalRpt.xhtml?id=../master/institutional.xhtml>.

²⁷ “Demand for Grants (2017-18), Ministry of Rural Development (Department of Land Resources), Standing Committee on Rural Development (2017-18)” http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_47.pdf

²⁸ “Digital India Land Records Modernization Programme - MIS
²⁹ “Moving Towards Clear Land Titles in India: Potential Benefits, A Road-Map and Remaining Challenges”, Department of Land Resources, Ministry of Rural Development, Government of India.

³⁰ Demand for Grants 2018-19 Analysis: Rural Development <https://www.prsindia.org/parliamenttrack/budgets/demand-grants-2018-19-analysis-rural-development>

³¹ “Land Titling- A Road Map”, Report of the Expert Committee formed by Government of India, February 5, 2014, <http://dolr.nic.in/dolr/downloads/PDFs/Land%20Titling%20-%20A%20Road%20Map%20report%20dated%205-Feb-2014%20by%20GOI%20Expert%20Committee.pdf>.

³² “Demand for Grants (2017-18), Ministry of Rural Development (Department of Land Resources), Standing Committee on Rural Development (2017-18)” http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_47.pdf

³³ “22nd Report: Demands for Grants (2015-16) of Ministry of Rural Development”, Standing Committee on Rural Development, May 2, 2016, http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_22.pdf

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