

Demand for Grants 2018-19 Analysis

Rural Development

The Ministry of Rural Development is responsible 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 third highest ministry-wise allocation in the Union Budget 2018-19, of Rs 1,14,915 crore. This is an increase of Rs 4,041 crore (3.6%) over the revised estimates of 2017-18.

The **Department of Rural Development** under the Ministry is responsible for implementation of all major schemes in rural areas. These schemes are targeted at poverty reduction, employment generation, rural infrastructure, habitation development, and provision of basic services. In 2018-19, the Department has an allocation of Rs 1,12,404 crore, accounting for 97.8% of the Ministry's allocation.

The **Department of Land Resources** is primarily responsible for undertaking land reforms. It supports states in the implementation of the National Land Records Modernization Programme, and aims to increase productivity of land through the process of integrated watershed management. In 2018-19, the Department has an allocation of Rs 2,511 crore, which is 37.1% more than the revised estimates of 2017-18.

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 2018-19

In 2018-19, the Department of Rural Development has witnessed a 3% increase in funds from revised estimates of 2017-18. In 2017-18, the Department was allocated Rs 1,05,448 crore, which was revised upwards by Rs 3,594 crore in the revised estimates for that year.

On the other hand, the Department of Land Resources saw a 37% increase in allocation in 2018-19, from the revised estimates of 2017-18. In 2017-18, the budgeted expenditure of Rs 2,310 crore was decreased by Rs 478 crore at the revised estimates stage.

Table 1 shows the allocations to the Ministry of Rural Development over the past three years.

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

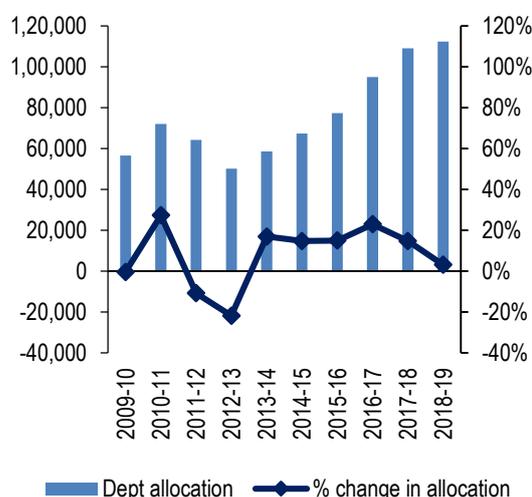
Department	Actuals 16-17	Revised 17-18	Budgeted 18-19	% change (RE to BE)
Rural Development	95,069	1,09,042	1,12,404	3.1%
Land Resources	1,658	1,832	2,511	37.1%
Total	96,727	1,10,874	1,14,915	3.6%

Note: BE is budget estimate and RE is revised estimate. Sources: Demands for Grants 2018-19, Department of Rural Development and Department of Land Resources, Ministry of Rural Development; PRS.

Department of Rural Development

Over the past 10 years, the allocation to the Department of Rural Development has seen an annual average increase of 7%. Except in 2011-12 and 2012-13, when the allocation was reduced in comparison to the previous year, funds allotted to the Department have seen an increase over the years. In recent years, the highest increase in allocation was seen in 2016-17, when it was 23% in comparison to the previous year.

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



Note: Values for 2017-18 and 2018-19 are revised estimates and budget estimates respectively. Sources: Union Budgets 2009-10 to 2018-19; PRS.

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

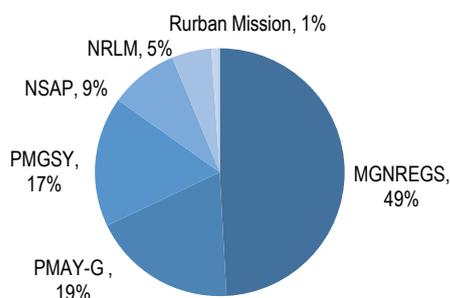
Table 2: Budgetary allocation to the Department of Rural Development (Rs crore)

Major Head	Actual 16-17	Revised 17-18	Budgeted 18-19	% change (RE to BE)
MGNREGS	48,215	55,000	55,000	0.0%
PMAY-G	16,071	23,000	21,000	-8.7%
PMGSY	17,923	16,900	19,000	12.4%
NSAP	8,854	8,745	9,975	14.1%
NRLM	3,158	4,350	5,750	32.2%
Rurban Mission	599	600	1,200	100.0%
Others	249	447	479	7.0%
Total	95,069	1,09,042	1,12,404	3.1%

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

Sources: Demands for Grants 2018-19, Department of Rural Development, Ministry of Rural Development; PRS.

- The funds for Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which account for nearly half of the department's budget, have remained unchanged.
- The housing scheme, Pradhan Mantri Awaas Yojana- Gramin (PMAY-G) has seen a decrease in allocation by 8.7%.
- National Rural Livelihoods Mission (NRLM), which aims to provide sustainable livelihood opportunities, has seen an increase of 32.2%.
- Funding for the welfare scheme, the National Social Assistance Program (NSAP) has seen an increase of 14%, money allocated for the rural roads scheme, Pradhan Mantri Gram Sadak Yojana (PMGSY) has seen an increase of 12.4%.
- The allocation for Rurban Mission, which aims to develop village clusters into economically and socially sustainable spaces, has been doubled, over the revised estimates of last year, though on a small base.

Figure 2: Top expenditure heads in 2018-19, as a percentage of total departmental allocation

Sources: Demands for Grants 2018-19, Department of Rural Development, Ministry of Rural Development; PRS.

Figure 2 represents the composition of expenditure of the Department of Rural Development. In 2018-

19, 49% 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 (19%), and Pradhan Mantri Gram Sadak Yojana (17%). Over the years, it has been observed that this split in the department's expenditure has remained the same.

Policy proposals in Union Budget 2018-19

The following provisions were made for the Ministry in the 2018-19 Budget speech:

- Under Phase III of Pradhan Mantri Gram Sadak Yojana, habitations will be connected to agricultural and rural markets, higher secondary schools, and hospitals.
- Under Pradhan Mantri Awaas Yojana - Gramin, 51 lakh houses will be constructed in 2017-18 and 2018-19.
- Loans to Self Help Groups (SHGs) will increase to Rs 75,000 crore by March 2019. Allocation to National Rural Livelihood Mission (NRLM) has been increased substantially to Rs 5,750 crore.
- Women SHGs will be encouraged to take up organic agriculture in clusters under NRLM.

Table 3 below details out the policy proposals for rural development as highlighted in the budget speech of 2017-18 and their implementation status.¹

Table 3: Policy proposals and their implementation status

Policy proposal	Implementation status
▪ During 2017-18, five lakh farm ponds will be taken up. This will contribute to drought proofing of gram panchayats.	▪ As against a target of five lakh farm ponds for 2017-18, 3.91 lakh farm ponds have been completed as on January 15, 2018.
▪ Geo-tag and putting all MGNREGA assets and in public domain to established greater transparency.	▪ As on January 15, 2018, 3.15 crore assets out of 3.29 crore completed works have been geo tagged.
▪ Targets under PMGSY will be completed by 2019. Habitations with more than 100 persons in left wing extremism affected blocks will also be connected.	▪ 82% habitations have been connected so far. Habitations in left wing extremism affected blocks have also been undertaken in 9 states with a target of constructing 5,382 km.
▪ 51 lakh houses will be completed by March 2018 to complete the target of construction of one crore houses by March 2019.	▪ As against the target for 2017-18, as on December 26, 2017, construction of 15.57 lakh rural houses has been completed.
▪ Mason training will be provided to five lakh persons by 2022, with an immediate target of training at least 20,000 persons by 2017-18.	▪ As on December 18, 2017, 5,107 candidates have been trained, and 1,057 candidates are undergoing training.

Sources: Implementation of Budget Announcements 2017-18; PRS.

Financial allocations to outcomes

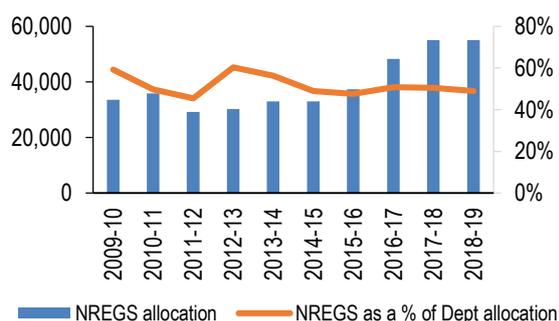
Mahatma Gandhi National Rural Employment Guarantee Scheme

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was launched in 2005 through the Mahatma Gandhi National Rural Employment Guarantee Act, 2005.² The primary objective of the Act is to provide guaranteed 100 days of wage employment per year to each rural household. The Act specifies a list of works that can be undertaken to generate employment. These are related to water conservation, drought proofing, land development, flood control and protection works, among others. The scheme at present covers all districts of the country with the exception of those that have a 100% urban population.³

90% of MGNREGS funds come from the central government. The fund releases are made to the states after they submit their labour budgets, estimating the anticipated demand for works.⁴ A minimum of 50% of MGNREGS works are to be executed by gram panchayats.

Budgeted versus actual expenditure: Figure 3 shows the expenditure on the scheme from 2009-10 to 2018-19. For most of these years, expenditure on the scheme has been more than 50% of the department's budget. During 2017-18, budgetary allocation for the scheme was increased by 15%, from budget estimates of Rs 48,000 crore to Rs 55,000 crore at the revised estimates stage. Its share of the department budget in 2018-19 is Rs 55,000 crore. The allocation to the scheme has steadily increased, but has remained constant in the past few years.

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



Note: Values for 2017-18 and 2018-19 are revised estimates and budget estimates respectively.
Sources: Union Budgets 2009-10 to 2018-19; PRS.

It may be pertinent to note that from 2009-10 to 2012-13, the scheme has witnessed under-spending. In 2013-14, the actual expenditure was almost similar to the budget estimates. However, in the last three years, the actuals in 2015-16 and 2016-17 and revised estimates in 2017-18 have exceeded the budget estimates.

Table 4 shows the trends in allocation and actual estimates of expenditure on NREGS over the past nine years.

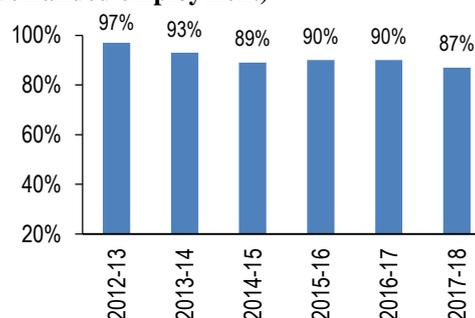
Table 4: Budgeted versus actual expenditure on MGNREGS (Rs crore)

Year	Budgeted	Actuals	% of budgeted
2009-10	39,100	33,539	86%
2010-11	40,100	35,840	89%
2011-12	40,000	29,212	73%
2012-13	33,000	30,273	92%
2013-14	33,000	32,992	100%
2014-15	34,000	32,977	97%
2015-16	34,699	37,341	108%
2016-17	38,500	48,215	125%
2017-18	48,000	55,000	115%

Note: The 'utilised' figure for 2017-18 is the revised estimate.
Sources: Union Budgets 2009-10 to 2017-18; PRS.

Demand for work: MGNREGS is a demand driven scheme. The proportion of households that demanded employment saw an increase of 15% from 2014-15 to 2015-16, and an increase of 1% from 2015-16 to 2016-17. However, the proportion of households that received employment has seen a decrease, from 97% in 2012-13 to 90% in 2016-17. Over the years, work demanded under the scheme has remained stable. However, demand in employment has seen a decrease of 4% this year. Till February 2018, 87% of these households have been provided with employment.

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



Note: Data for 2016-17 is updated till February 20, 2017.
Sources: NREGS MIS Reports from 2012-13 to 2016-17; PRS.

The Comptroller and Auditor General (CAG) of India in 2013 carried out a performance audit of the scheme.⁵ It highlighted a significant decline in per rural household employment generation, from 54 days in 2009-10 to 43 days in 2011-12. Although in 2012-13, average employment reached 50 days, it reached a low of 40 days in 2014-15. In 2017-18, till February, the average days of employment provided per household was 39. Note that this is significantly lower than the 100 days of employment that the Act guarantees.

Table 5: Average days of employment provided per household under NREGS

Year	Average days of employment provided per household
2012-13	50
2013-14	49
2014-15	40
2015-16	48
2016-17	46
2017-18	39

Sources: NREGS MIS Reports from 2012-13 to 2016-17; PRS.

Delayed payments: MGNREGS stipulates that wage payments must be made within 15 days of the date of closure of the muster roll.³ Delays in payments are calculated from the 16th day onwards. Table 5 below shows the percentage of delayed payments out of the total payments for the past five 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, delayed payments have come down substantially from the previous year. Till February 2018, 14% of the payments were delayed, amounting to Rs 5,33,281 crore.

Table 6: Trends in delayed payment of wages under MGNREGS

Year	% delayed payments	Composition of delayed payments (%)			
		> 90 days	60-90 days	30-60 days	15-30 days
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

Note: Data for 2017-18 is updated till February 13, 2018.

Sources: NREGS MIS Reports from 2012-13 to 2017-18; 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.² Non-sharing of unemployment allowance by the central government puts an additional burden on the states.⁵ It has been suggested that the Ministry of Rural Development should consider partial reimbursement of unemployment allowance.⁵

Other issues: The Standing Committee on Rural Development in 2013 examined the implementation of the scheme.⁶ It found several issues with the implementation of the scheme, including (i) fabrication of job cards, (ii) delay in payment of wages, (iii) non-payment of unemployment allowances, (iv) a large number of

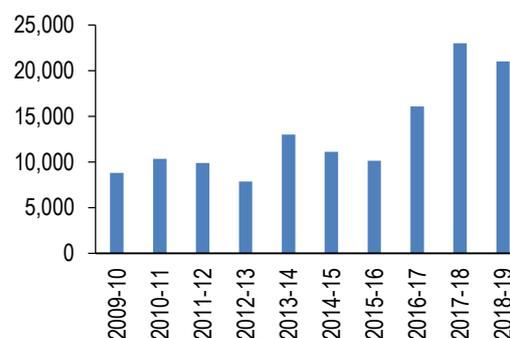
incomplete works, (v) poor quality of assets created, (vi) several instances of malpractices and corruption, and (vii) insufficient involvement of Panchayati Raj Institutions.

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 19% of the Department's finances.

IAY was launched in May 1985 as a sub-scheme of Jawahar Rozgar Yojana.⁷ 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. Additionally, the size of a dwelling unit is being increased from 20 square meters (sq. M) to up to 25 sq. M.

In 2018-19, the allocation to the scheme saw a decline of 8.7%, (from revised estimates of 2017-18 to budget estimates of 2018-19) this year.

Figure 5: Expenditure on PMAY over the years (Rs crore)

Note: Values for 2017-18 and 2018-19 are revised estimates and budgeted estimates respectively.

Sources: Union Budgets 2009-10 to 2018-19; PRS.

Table 7 shows the trends in allocation and actual estimates of expenditure on rural housing scheme (previously IAY and now PMAY-G) over the past nine years. As can be observed, there has been substantial underutilisation of funds in 2012-13 and 2014-15. Under-expenditure affects the pace of construction of houses under the scheme.

Table 7: Budgeted versus actual expenditure on rural housing scheme

Year	Budgeted	Actuals	% of budgeted
2009-10	7,918	8,799	11%
2010-11	8,996	10,337	15%
2011-12	8,996	9,872	10%
2012-13	9,966	7,868	-21%
2013-14	13,666	12,981	-5%
2014-15	16,000	11,106	-31%
2015-16	10,025	10,116	1%
2016-17	15,000	16,071	7%
2017-18	23,000	23,000	0%

Note: The 'utilised' figure for 2017-18 is the revised estimate.
Sources: Union Budgets 2009-10 to 2017-18; PRS.

Targets in construction of houses: The budget speech announced that under the scheme, 51 lakh houses will be constructed in each year in 2017-18 and 2018-19. In last year's speech, the government had proposed to complete construction of one crore houses by 2019.⁸ Table 8 shows the number of houses constructed under the scheme in the past five years.

Table 8: Houses constructed under PMAY-G

Year	Houses constructed
2013-14	74,855
2014-15	70,975
2015-16	1,21,959
2016-17	16,11,498
2017-18	5,77,543

Note: Data for 2017-18 is updated till February 23, 2018.
Sources: Yearwise breakup of houses completed report 2017-18, Pradhan Mantri Awaas Yojana; PRS.

Note that against the target of constructing 51 lakh houses in 2017-18, so far less than six lakh houses have been constructed in over 10 months.

Performance of the scheme: In August 2016, the Standing Committee on Rural Development examined the scheme. It observed that between 2012 and 2016, the number of houses constructed fell short of the target by 440 lakh units.⁹ The number of houses that were not constructed were 8.8 lakh in 2013, 8.6 lakh in 2014 and 2.7 lakh in 2015.

Other issues: The Committee also noted issues such as insufficiency of funds, significant gaps between allocation and releases, and under-utilisation of released amount in the last few years.

It recommended that the Ministry needed to strengthen its data collection mechanism under the scheme to correctly evaluate the differences between targeted and constructed houses. It stated that this would also help in accurately estimating the actual rural housing shortage in the country.

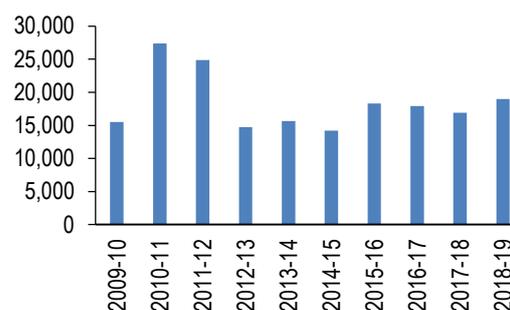
Upgradation of kutchha houses: Large number of kutchha houses are present in the states of Bihar (65.65lakh), Uttar Pradesh (48.3 lakh), Madhya Pradesh (47.45 lakh), etc. Special initiatives should

be undertaken by the Ministry, state governments and other stakeholders to initiate the process of upgradation of houses. This will also help achieve the objective of housing for all by 2022 in a time-bound manner.

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 third highest allocation in the Department's budget this year. Expenditure on PMGSY accounts for 17% of the Department's expenditure in 2018-19.

As Figure 6 indicates, over the past ten years, the highest allocation was in 2010-11 at Rs 27,386 and has decreased to Rs 19,000 crore in 2018-19.

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

Note: Values for 2017-18 and 2018-19 are revised estimates and budgeted estimates respectively.

Sources: Union Budgets 2009-10 to 2018-19; PRS.

Table 9 shows the trends in allocation and actual estimates of expenditure on PMGSY.

Table 9: Budgeted versus actual expenditure on Pradhan Mantri Gram Sadak Yojana

Year	Budgeted	Actuals	% of budgeted
2012-13	24,000	8,387	-65%
2013-14	21,700	13,095	-40%
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	16,900	-11%

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

Note that in most years, there has been significant underutilisation of funds, which in turn effects the construction of rural roads under the scheme.

Inconsistency in budgetary allocation: Standing Committees over the years have highlighted substantial reduction of funds at the revised

estimates stage in this scheme.^{10,11} Due to this short-fall in financial allocation, targets (habitations connected and road length constructed) have not been met over the years. From 2005-06 to 2017-18, 89% of the target habitation have been connected. States are yet to complete the roads to provide connectivity to the remaining habitations. The reasons given by the department include: (i) inadequate institutional capacity and limited contracting capacity in some states, (ii) non availability of sufficient qualified technical personnel including engineers, contractors, and (iii) non-availability of construction materials, limited working season and adverse climate conditions in some states.

Mismatch between targets and achievements:

The CAG conducted an audit of the PMGSY for the period from April 2010 to March 2015.¹² It submitted its report in August 2016. It noted that the achievements under the scheme from 2010-11 to 2014-15 was more than the target set for those years. It reasoned that the targets were not realistically fixed. CAG also observed that despite a lower allocation at the revised estimates stage, achievements continued to be higher as compared to the targets.

Table 10 and 11 give details of length of roads constructed and habitations connected in the last ten years, under the scheme.

Table 10: Length of road constructed under PMGSY (KM)

Year	Target length	Completed length	Completed length (%)
2005-06	28,774	21,101	73%
2006-07	45,395	25,142	55%
2007-08	55,020	34,125	62%
2008-09	64,440	50,183	78%
2009-10	55,000	55,259	100%
2010-11	34,090	46,784	137%
2011-12	30,566	31,615	103%
2012-13	30,000	27,802	93%
2013-14	26,950	27,330	101%
2014-15	21,775	38,057	175%
2015-16	33,649	35,155	104%
2016-17	48,812	47,447	97%
2017-18	51,000	28,844	57%
Total	5,25,471	4,68,844	89%

Note: Data for 2017-18 is updated till February 13, 2018.
Sources: Pradhan Mantri Gram Sadak Yojana Online Management, Monitoring and Accounting System (OMMAS), Ministry of Rural Development; PRS.

Table 11: Habitations connected under PMGSY

Year	Target habitations	Connected habitations	Connected habitations (%)
2005-06	12,962	6,633	51%
2006-07	13,857	7,767	56%
2007-08	14,005	8,990	64%
2008-09	18,100	10,718	59%
2009-10	13,000	8,786	68%
2010-11	4,000	8,360	209%
2011-12	4,000	7,666	192%
2012-13	4,000	9,413	235%
2013-14	3,500	9,515	272%
2014-15	4,688	11,121	237%
2015-16	10,177	9,953	98%
2016-17	15,000	11,742	78%
2017-18	15,000	7,082	47%
Total	1,32,289	1,17,746	89%

Note: Data for 2017-18 is updated till February 13, 2018.

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

Financial management: 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.¹³

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 21% of the completed work under PMGSY was not properly maintained.¹³ Further, only 15 states had formulated Rural Roads Maintenance Policy. Out of a target of training 7,271 persons, so far only 1,732 engineers and 1,020 contractors have been trained.

The Committee recommended that the Ministry should ensure that the remaining states expedite the process of formulating Rural Roads Maintenance Policy, in order for the roads built under the scheme to remain functional. A time-bound strategy should also be evolved to impart training to remaining engineers and contractors for proper maintenance of roads.

Upgradation of the scheme- PMGSY-II: In 2015, the government brought forward the completion date of PMGSY from 2022 to 2019. The government plans to achieve the target at an earlier date by providing enhanced financial allocation and modifying the funding pattern of the scheme. The sub-group of Chief Ministers on Rationalization of Centrally Sponsored Schemes has recommended that fund sharing pattern of PMGSY should be in the ratio of 60:40 between the centre and states.¹⁴ The existing centre-state sharing is in the ratio 75:25. This recommendation has been accepted by the Ministry. The allocation to the scheme was enhanced in 2016-17, but has been kept unchanged in 2017-18 and 2018-19. It remains to be seen how in the absence of an implementation plan, the target will be achieved within three years instead of the initially planned six years.

In March 2017, the Standing Committee on Rural Development in its report stated that till 2016, only eight states had transitioned into the second phase of the program.¹³ 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. It recommended that necessary steps should be taken to achieve targets set under the scheme.

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 9% of the Department's finances.

Table 12 below shows the budget estimates, revised estimates, and actual expenditure by states under the scheme from 2012-13 to 2015-16.

Table 12: Expenditure under NSAP (Rs crore)

Year	B.E.	R.E.	Actuals	% change (Actual/BE)
2012-13	8,447	7,885	6,912	-18.2%
2013-14	9,615	9,615	8,534	-11.2%
2014-15	10,635	7,241	7,087	-33.4%
2015-16	9,082	9,082	8,616	-5.1%
2016-17	9,500	9,500	8,854	-6.8%

Sources: Standing Committee on Rural Development 2016-17 and 2017-18; Union Budget 2018-19; PRS.

The Standing Committee examining the scheme noted that there was a huge shortfall of funds between the revised estimates and actuals stage.¹¹ It said that this impacts the implementation of the

scheme and also affects the beneficiaries. The table below shows the number of beneficiaries under the various sub-schemes of NSAP.

Table 13: Number of beneficiaries under the various sub-schemes of NSAP (lakhs)

	Number of beneficiaries reported			
	2014-15	2015-16	2016-17	2017-18
IGNOAPS	230	230	210	213
IGNWPS	60	60	60	57
IGNDPS	10	8	8	7
NFBS	3	4	2	3
Annapurna	9	4	2	-
Total	312	306	282	280

Note: Data for 2017-18 is updated till January 2018.

Sources: Unstarred question No. 2874 and 1033, answered on December 04, 2018 and February 8, 2018, Ministry of Rural Development; Standing Committee Report on Rural Development 2017-18; PRS.

As can be observed, the number of beneficiaries has fallen by 10% in the last four years, from 2014-15 to 2017-18.

National Rural Livelihoods Mission

National Rural Livelihoods Mission (NRLM) aims at creating efficient and effective platforms for the rural poor and in the process, increase their household income. The mission aims to achieve this through sustainable livelihood enhancements and improved access to financial services. 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 4% 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 14 below shows the actual expenditure by states under the scheme from 2012-13 to 2015-16.

Table 14: Expenditure under NRLM (Rs crore)

Year	B.E.	R.E.	Actuals	% change (Actual/BE)
2012-13	3,915	2,600	2,195	-43.9%
2013-14	4,000	2,600	2,022	-49.5%
2014-15	4,000	2,186	1,413	-64.7%
2015-16	2,705	2,597	2,514	-7.1%
2016-17	3,000	3,000	3,157	5.2%
2017-18	4,500	4,350	-	-

Note: From 2015-16, allocation to start-up village entrepreneurship program has also been included. Sources: Union Budgets 2012-13 to 2017-18; PRS.

The Standing Committee examining the scheme noted that substantial reduction at the revised estimates stage affects the implementation of the scheme.¹¹ It has been observed that one of the major issues under the scheme is lack of awareness resulting in ineffective social mobilisation and institution building. Another issue that has been pointed out is the lack of experienced and trained professionals at state, district and block levels to mentor and train the Self Help Groups.

It has been recommended that baseline surveys for beneficiary identification should be fast tracked for better implementation of the scheme.¹¹

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 37% increase in allocation over the revised estimates of 2017-18.

Out of the Rs 2,511 crore allocated to the department, Rs 2,251 crore will be spent on Pradhan Mantri Krishi Sinchai Yojana, and Rs 250 crore will be spent on Land Records Modernisation Programme.

Table 15: Budgetary allocation to the Department of Land Resources (Rs crore)

Major head	Actual 16-17	Revised 17-18	Budgeted 18-19	% change (RE to BE)
PMKSY	1,511	1,722	2,251	30.7%
DILRMP	139	100	250	150%
Secretariat	9	10	10	0%
Total	1,658	1,832	2,511	37.1%

Note: 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 2018-19, Department of Land Resources, Ministry of Rural Development; PRS.

Digital India Land Records Modernisation Programme (DILRMP):

DILRMP is a part of the Digital India initiative.¹⁵ The scheme was changed into a Central Sector Scheme in April 2016.¹⁶ With this change, the scheme will now be 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.¹⁷ 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 textual records, maps, survey and settlement operations 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 for its correctness, and will compensate the title holder against losses arising due to defects in the title.

Financial progress: In 2018-19, the programme has been allocated Rs 250 crore, which is an increase of 150% over the revised estimates of 2017-18. Table 16 shows the trends in allocation and actual estimates of expenditure on DILRMP over the past nine years. Note that there is significant underspending across all the years.

Table 16: 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	100	-33.3%

Note: The 'utilised' figure for 2017-18 is the revised estimate. Sources: Union Budgets 2009-10 to 2017-18; PRS.

From 2008 till September 2017, 64% of the funds released under DILRMP have been utilised.

Progress under DILRMP: DILRMP is currently being implemented in all states, but with differential progress.¹⁸ We look at the progress of the different components of the programme below.

Computerisation: As of September 2017, six states/ union territories (UTs) have completed computerisation of land records (100% complete), 10 states/ UTs have completed between 95% - 99%, and five states/ UTs have not started. 19 states/ UTs have started issuing digitally signed RoRs. Of these, in five states, more than 95% of the villages have been issuing digitally signed RoRs. 18 states/ UTs have started linking cadastral maps to the RoRs. Out of these, two states (Odisha and Tripura) have almost completed this process.

Further, 86% of land records have been computerised. This implies that the current land record on paper has been digitised and uploaded on system, from which citizens can access this information. However, only 47% of the mutation records (recording the transfer of ownership) have been computerised. This means that the remaining 53% of the records have not been updated 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 RoR and maps has been done for only 15% of the land records. 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. Typically, it provides (i) names of all persons who have acquired some rights with regard to the land, (ii) the nature and limits of their rights, and (iii) the rent or revenue to be paid by them.

About 46% of the cadastral maps have been digitised so far. Further, only 39% of the spatial data has been verified. This could mean that the digitised records are still incomplete, as 61% 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, one can see that only 26% of cadastral maps have been linked to RoRs. 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.¹⁹ Under the DILRMP, re-survey and survey work has been carried out in only 9% of the villages.

Survey and re-surveys: In December 2016, certain changes were made to DILRMP.²⁰ 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 20 states/ UTs have not started the process of survey/ re-survey.

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.¹⁹ There are about 92 million ownership holdings, each with four to six parcels of holdings. The survey/ re-survey has to be done for each plot of land. Further, the government and each land owner must arrive at an agreement certifying that the owner is satisfied with the survey.¹⁹ 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.²¹

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. It recommended that, with the introduction of new technology such as GIS, GPS and use of satellite imagery to update land records, manpower responsible for upgradation, registration, and maintenance of land records should be adequately trained and skilled.

Estimates suggest that this training exercise has to be carried out for one-two lakh *patwaris*, over 50,000 survey staff, and in approximately 5,000 tehsils, and 4,000 registration offices.¹⁹ 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.²²

¹ Budget Speech 2017-18, <http://www.indiabudget.gov.in/ub2018-19/impbud/impbud.pdf>.

² The National Rural Employment Guarantee Act, 2005, http://nrega.nic.in/amendments_2005_2016.pdf.

³ Mahatma Gandhi National Rural Employment Guarantee Act, 2005, Operational Guideline 2008, http://nrega.nic.in/Nrega_guidelinesEng.pdf.

⁴ "Planning for works and preparation of Labour Budget under MGNREGA", Department of Rural Development, Ministry of

Rural Development,

[http://nrega.nic.in/netnrega/writereaddata/Circulars/1850Planning for works and Preparation of Labour Budget.pdf](http://nrega.nic.in/netnrega/writereaddata/Circulars/1850Planning%20for%20works%20and%20Preparation%20of%20Labour%20Budget.pdf).

⁵ “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.

⁶ 42nd Report, Standing Committee on Rural Development (2012-13): ‘Implementation of Mahatma Gandhi National Rural Employment Guarantee Act, 2005’, Lok Sabha, August 14, 2013, http://164.100.47.193/Isscommittee/Rural%20Development/15_Rural_Development_42.pdf.

⁷ Pradhan Mantri Awaas Yojana- Gramin, last accessed on February 27, 2017, <http://iaay.nic.in/netiay/about-us.aspx>.

⁸ Budget Speech 2017-18, <http://www.indiabudget.gov.in/budget2017-2018/ub2017-18/bs/bs.pdf>.

⁹ “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.

¹⁰ 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.

¹¹ 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.

¹² “Report No. 23, Performance Audit of Pradhan Mantri Gram Sadak Yojana”, Comptroller and Auditor General of India, August 12, 2016, http://www.cag.gov.in/sites/default/files/audit_report_files/Union_Civil_Rural%20Development_Report_23_2016_Performance_Audit.pdf.

¹³ 36th Report, Standing Committee on Rural Development (2016-17): ‘Pradhan Mantri Gram Sadak Yojana’, Lok Sabha, March 20, 2017, http://164.100.47.193/Isscommittee/Rural%20Development/16_Rural_Development_36.pdf.

¹⁴ Report of the sub-group of Chief Ministers on Rationalization of Centrally Sponsored Schemes, NITI Aayog, October 2015, <http://niti.gov.in/writereaddata/files/Final%20Report%20of%20the%20Sub-Group%20submitter%20to%20PM.pdf>.

¹⁵ Digital India Land Records Modernization Program, Department of Land Resources, Ministry of Rural Development, <http://nlrmp.nic.in/faces/common/home.xhtml>.

¹⁶ “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>.

¹⁷ Sanction and release towards institutions under Digital India Land Records Modernization Program, <http://nlrmp.nic.in/faces/rptFinancial/institutionalRpt.xhtml?id=../master/institutional.xhtml>.

¹⁸ “Digital India Land Records Modernization Programme - MIS 2.0”, Department of Land Resources, Ministry of Rural Development, Last accessed on September 22, 2017, <http://nlrmp.nic.in/faces/rptPhysicalHome/rptStateGenericDetail.xhtml?id=../master/physical.xhtml>

¹⁹ “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.

²⁰ “Survey/re-survey under Digital India Land Records Modernization Programme [Policy circular no. I of 2016]”, Department of Land Resources, Ministry of Rural Development, December 8, 2016, <http://dolr.nic.in/dolr/downloads/PDFs/DILRMP%20Policy%20Circular%201%20of%202016%20regarding%20Survey%20Resurvey%202017-03-08.pdf>.

²¹ “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>.

²² “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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