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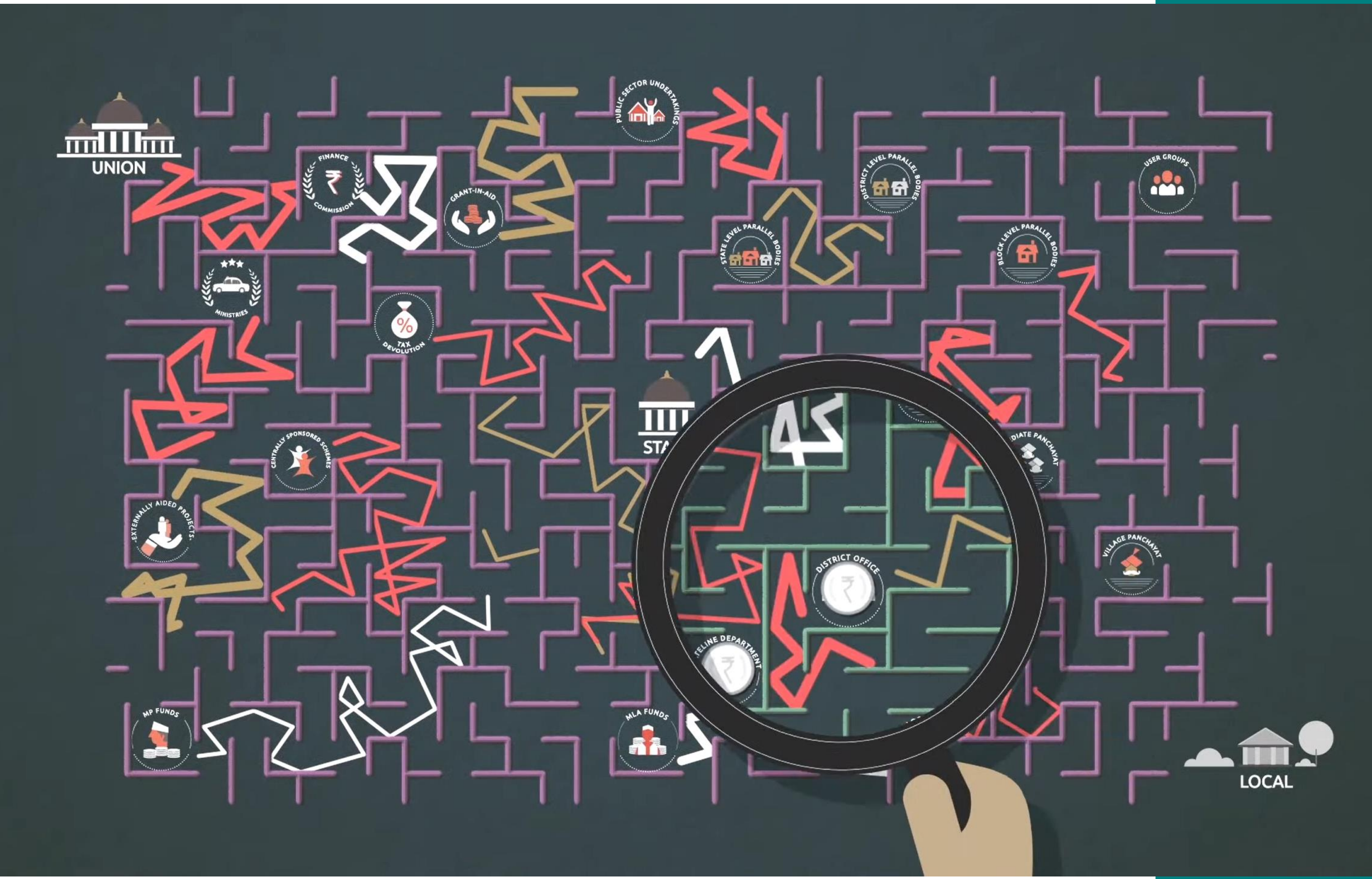

BUDGET INSIGHTS

VOL 1/ISSUE 8

Trends in Finances for the Ministry of Rural Development

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13 August 2024

KEY HIGHLIGHTS

In FY 24-25 Budget Estimates (BEs), ₹1,80,233 crore has been allocated to the Ministry of Rural Development (MoRD), a 4 per cent increase from last year's Revised Estimates (REs).

MoRD comprises of the Department of Rural Development (DoRD), which accounts for over 98 per cent of MoRD's budget, and the Department of Land Resources (DoLR). Centrally Sponsored Schemes (CSSs) constitute the major share of the DoRD's budget at over 99 per cent.

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is the largest CSS scheme – accounting for 49 per cent of DoRD's CSS budget. In FY 24-25, MGNREGS allocations are ₹86,000 crore – of which 50 per cent, or ₹42,597 crore, has been spent as of 11 August 2024.

The second-largest CSS is the Pradhan Mantri Awas Yojana – Grameen (PMAY-G), which is 31 per cent of the CSS budget in FY 24-25, with an allocation of ₹54,500 crore. This is a 70 per cent increase from FY 23-24 REs.

Allocations for Pradhan Mantri Gram Sadak Yojana (PMGSY) have reduced by 29 per cent to stand at ₹12,000 crore. Since 2016, over phases, the PMGSY has sanctioned connectivity of 1.63 lakh habitations, of which 1.62 lakh have been completed. Additionally, 93 per cent of sanctioned road length has been completed.

KEY POLICY ANNOUNCEMENTS

Phase IV of Pradhan Mantri Gram Sadak Yojana will be launched to provide all-weather connectivity to 25,000 rural habitations which have become eligible in view of their population increase[1].

Three crore additional houses were announced under the PM Awas Yojana (PMAY) in rural and urban areas of the country, for which necessary allocations are being made. Out of these, 2 crore will be for rural families (under PMAY – Grameen).[1]

Rural land-related reforms will be undertaken, including (1) assignment of Unique Land Parcel Identification Number or Bhu-Aadhaar, (2) digitisation of cadastral maps, (3) survey of map sub-divisions as per current ownership, (4) establishment of land registry, and (5) linking to the farmers registry. [1]

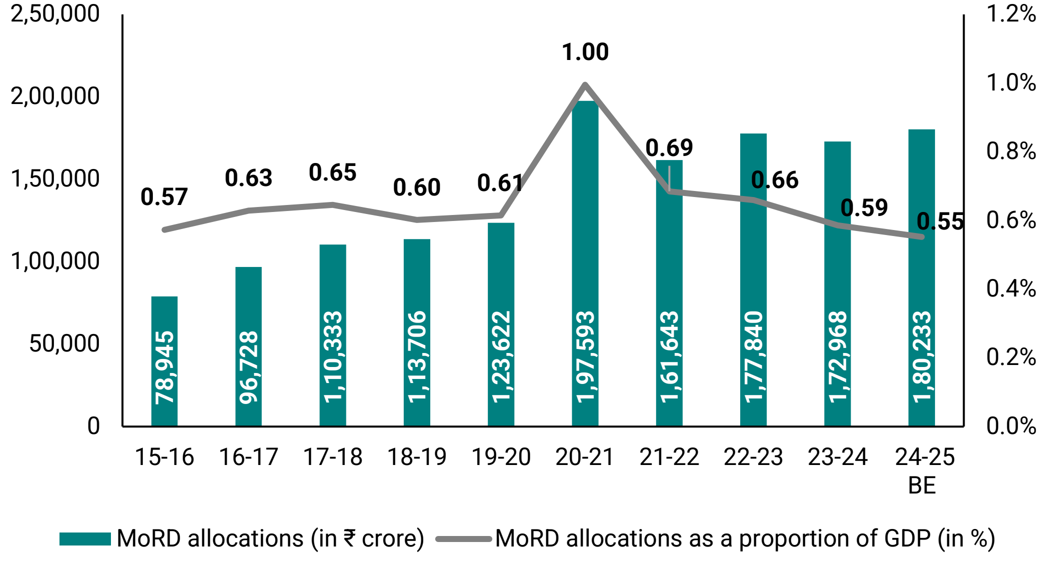
Suggested citation: Tamang L and Kapur A (2024), Trends in Finances for the Ministry of Rural Development, *Budget Insights 2024-25*, Volume 1, Issue 8, Foundation for Responsive Governance, New Delhi. 13 August 2024.

OVERVIEW

The Ministry of Rural Development (MoRD) is the nodal Ministry for most development and welfare activities in rural areas. The vision and mission of the Ministry is sustainable and inclusive growth of rural India through a multipronged strategy for eradication of poverty by increasing livelihoods opportunities, providing social safety net, and developing infrastructure for growth. This is expected to improve quality of life in rural India and to correct developmental imbalances, aiming in the process, to reach out to most disadvantaged sections of the society[2].

- In FY 24-25 Budget Estimates (BEs), allocations for MoRD stand at ₹1,80,233 crore, a 4 per cent increase from the previous year's Revised Estimates (REs) which stood at ₹1,72,968 crore but a 13 per cent increase from the FY 23-24 BEs which stood at ₹1,59,964 crore.
- The allocations for the Ministry were the highest during the COVID-19 pandemic in FY 20-21 at ₹1,97,593 crore – a 60 per cent increase from the previous year's allocation due to rural distress and an increased demand for work. Since then, allocations have declined somewhat but remain above pre- FY 20-21 levels.
- As a percentage of Gross Domestic Product (GDP), MoRD's allocations have averaged 0.65 per cent of the GDP over the last ten years. The allocation reached 1 per cent of GDP in FY 20-21 but has since declined. In FY 24-25, MoRD's allocation as a share of GDP is at 0.55 per cent, the lowest it has been in ten years.

Figure 1: Allocations and Expenditures for MoRD



Source: (1) Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in. (2) Annual and Quarterly Estimates of GDP at current prices, 2011-12 series, MoSPI. Available online at: https://www.mospi.gov.in/data. Last accessed on 23 July 2024.
Note: Figures are Actuals between FY 15-16 and FY 22-23, REs for FY 23-24 and BEs for FY 24-25.

HOW DOES THE MoRD ALLOCATE?

- The MoRD has two main departments under it. These are:

Department of Rural Development (DoRD)

The DoRD aims to enhance rural citizens' livelihood security, provide basic housing, social assistance to vulnerable citizens, and amenities like all-weather road connectivity.

Department of Land Resources (DoLR)

The DoLR is responsible for ensuring sustainable development in the productivity and income potential of land through the development of rainfed cultivable and degraded lands. Additionally, the DoLR also develops and maintains a Land Records Management System.

- DoRD is the larger department, accounting for nearly 99 per cent of total allocations in FY 24-25. For the year, ₹1,77,566 crore was allocated to the department, a 4 per cent increase over the previous years' REs but 13 per cent more than the BEs.

- However, it is stated that an additional ₹7,000 crore allocations is to be met from balances from the Agriculture Infrastructure and Development Fund for financing the Pradhan Mantri Gram Sadak Yojana.[3] This brings the total effective outlay for FY 24-25 to ₹1,84,566 crore, 8 per cent more than the previous year's REs.

- The DoLR, in contrast has historically occupied less than 2 per cent of the MoRD's allocations. In FY 24-25, the DoLR's share of the MoRD's budget is at 1.5 per cent. It received an allocation of ₹2,667 crore, a 41 per cent increase over the previous year's REs, which stood at ₹1,898 crore.

Table 1: MoRD allocations by Department (in ₹ crore)

Year	Department of Land Resources	Department of Rural Development
16-17	1,700	96,060
17-18	1,832	1,09,042
18-19	1,996	1,12,404
19-20	1,900	1,22,649
20-21	1,252	1,97,377
21-22	1,485	1,53,558
22-23	1,260	1,81,122
23-24	1,898	1,71,069
24-25 BE	2,667	1,77,566

Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in.

DEPARTMENT OF RURAL DEVELOPMENT

- The DoRD is the nodal agency for the implementation of most development and welfare activities in rural areas of the country. This includes many flagship programmes like the Mahatma Gandhi National Rural Employment Guarantee Act, Pradhan Mantri Awas Yojana (Grameen), and the Pradhan Mantri Gram Sadak Yojana.
- Utilisation trends have been high in DoRD, remaining above 99 per cent in most years.
- The DoRD's majority expenditure is on Centrally Sponsored Schemes (CSS) – over 99 per cent of total allocations since 2016.
- CSS schemes are largely funded by the Government of India (GoI) along with a smaller contribution from states. For larger states, the fund sharing ratio stands at 60:40 while for northeastern and hilly states its 90:10. State governments are responsible for implementing CSS schemes.
- The subsequent sections of the brief will focus on an analysis of key CSS schemes under DoRD.

MAJOR AREAS OF ALLOCATIONS:

KEY SCHEMES

- **The DoRD has five major schemes**

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)
The MGNREGS is the GoI's flagship rural employment guarantee programme. It provides registered households with guaranteed employment of at least 100 days annually.

National Social Assistance Program (NSAP)
The NSAP aids vulnerable groups with income support like the aged, the differently abled, widows etc. It comprises of five different schemes targeting different vulnerable groups.

Pradhan Mantri Awas Yojana–Grameen (PMAY-G)
PMAY-G aims to provide '*pucca*' houses with basic amenities to poor households.

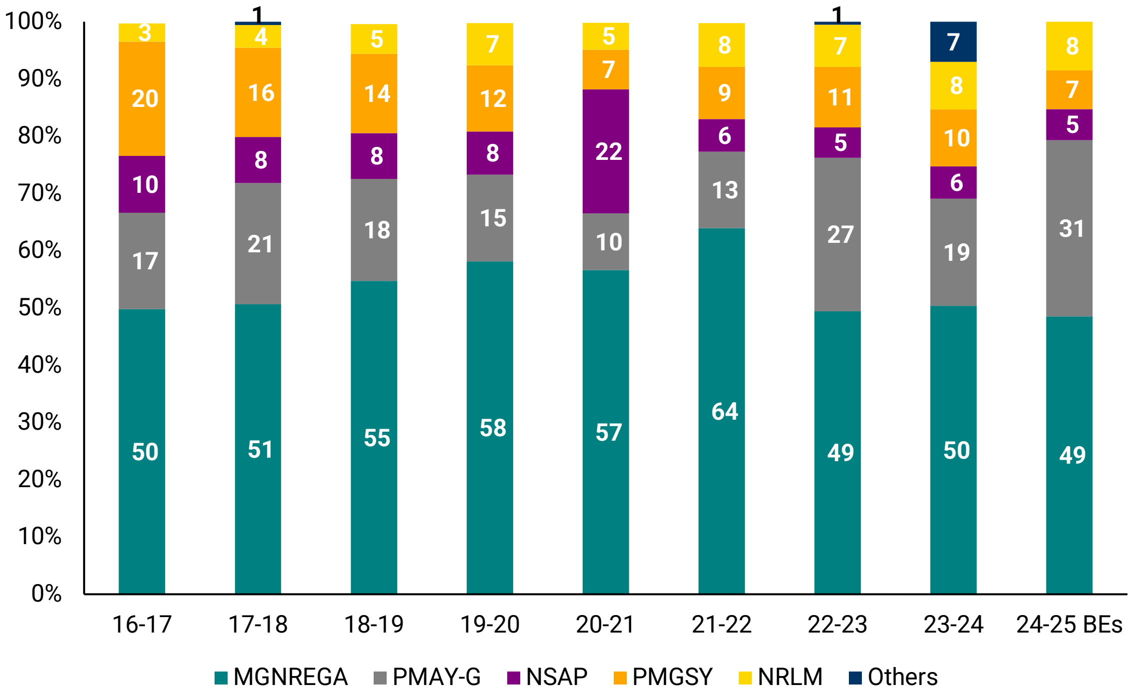
Pradhan Mantri Gram Sadak Yojana (PMGSY)
The PMGSY scheme has the objective of providing all-weather road connectivity to habitations that are above a threshold population size.

Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM)
The DAY-NRLM is a flagship poverty alleviation mission that enables households to access gainful self-employment and wage employment.

- MGNREGS is the largest programme of the DoRD, accounting for over half the total CSS allocations and over 50 per cent of the Department's budget on average. In FY 24-25 BEs, 49 per cent of CSS allocations and 48 per cent of the Department's budget has been directed toward MGNREGS.
- PMAY-G has occupied 19 per cent of CSS expenditure on average. In FY 24-25 BEs, PMAY-G accounted for 31 per cent of CSS expenditure.
- Allocations for NSAP have usually occupied around 9 per cent of the CSS budget. In FY 20-21, during the COVID-19 pandemic, GoI provided a large Direct Benefit Transfer (DBT) to eligible citizens under NSAP with a Jan Dhan account. NSAP allocations thus increased to occupy 22 per cent of total allocations but have since declined to 5 per cent.

- Share of PMGSY in total CSS allocations have declined from 20 per cent in FY 16-17 to 7 per cent in FY 24-25 BEs.
- Share of DAY-NRLM allocations have increased from occupying 3 per cent of CSS allocations in FY 16-17 to 8 per cent in FY 24-25 BEs.

Figure 2: DoRD CSS Allocations across Key Schemes (in %)



Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in

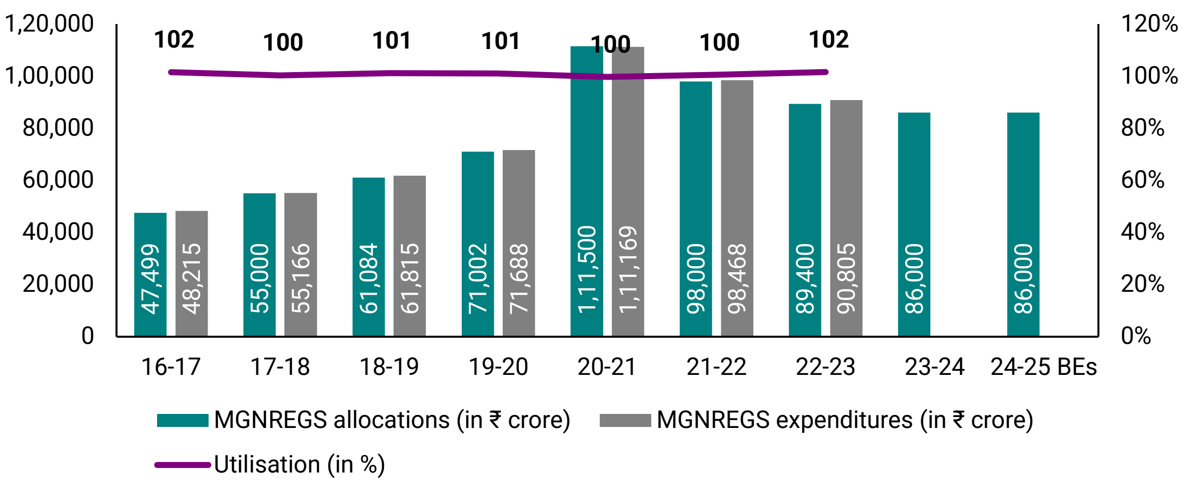
DEEP DIVE INTO KEY SCHEMES

MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME (MGNREGS)

- The MGNREGS, implemented in 2005 after the passing of the MGNREG Act, is the GoI's flagship employment guarantee programme, which aims to provide at least 100 days of employment based on demand by rural households. The programme is one of the largest employment guarantee programmes in the world, and currently has nearly 25 crore registered workers.[4]

- MGNREGS is the GoI's largest CSS programme across ministries, accounting for 17 per cent of the total CSS budget in FY 24-25 BEs.[5]
- MGNREGS is a demand-driven scheme, which means that the allocation and release of funds is supposed to happen on a rolling basis throughout the FY. MGNREGS budget allocation is calculated based on labour budgets that follow a bottom-up process, with each Gram Panchayat submitting details of the anticipated demand for the number of days of employment in the coming FY.
- The MGNREGS budget saw a sharp increase in FY 20-21 with the onset of the COVID-19 pandemic.
- In FY 24-25 BEs, MGNREGS received ₹86,000 crore, which is a 43 per cent increase from FY 23-24's BE; however, it remains unchanged from FY 23-24's RE.
- Utilisation has been high in MGNREGS, remaining at or above 100 per cent, even as allocations have been declining. This indicates that there is sustained demand for MGNREGS work across years, even before or after the COVID-19 pandemic.
- MGNREGS REs have on average, been 30 per cent higher than the BE. As a demand-driven scheme, this is expected to happen; however, the Lok Sabha Standing Committee on Rural Development and Panchayati Raj has noted that there is a perennial shortage of funds in MGNREGS, which affects timely payment of wages and material costs, further impacting implementation of the programme.[6] The Ministry of Finance has also acknowledged that lack of funds has contributed to delays in MGNREGS payments.[7]
- In FY 24-25, till August 11, with more than half the FY remaining, ₹42,597 crore of the MGNREGS budget had already been spent comprising 82 per cent of GoI releases and 50 per cent of the BEs.[8]

Figure 3: Allocations and Utilisation Trends for MGNREGS

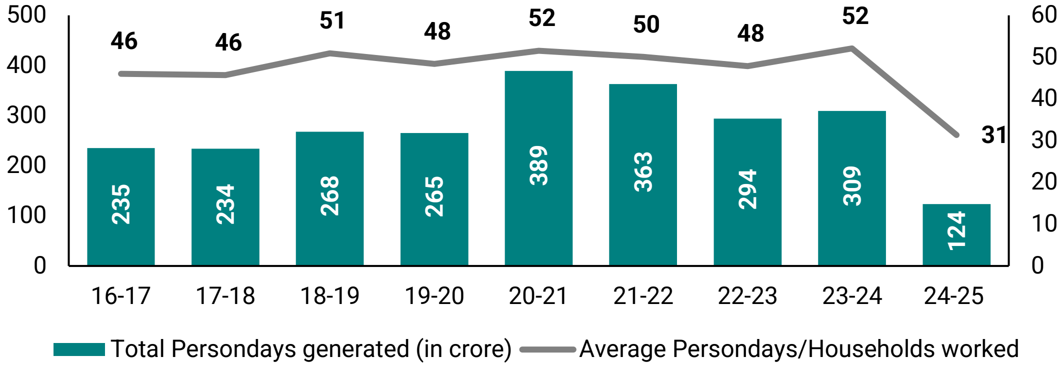


Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in.
Note: Figures till FY 23-24 are REs and for FY 24-25 they are BEs.

Employment Generation Trends

- Employment generated in MGNREGS is measured in persondays, which are the number of MGNREGS workdays generated. While there was an obvious COVID-induced spike in persondays generated in FY 20-21, employment generated continues to be above pre-pandemic levels.
- In FY 23-24, 309 crore persondays were generated across the country, a 5 per cent increase from the persondays generated in FY 22-23.
- The number of persondays generated has slowed down in FY 24-25. In FY 24-25, till 31st July, 126 crore persondays had been generated. During the same period in the previous FY i.e. till 31st July 2023, the number of persondays stood at 150 crore. There has been a 16 per cent decline in persondays generated in FY 24-25 so far.[9]
- Average persondays per household and number of households that have completed 100 days are important indicators for assessing MGNREGS's performance. Both have largely stayed above the pre-pandemic trends and had seen an increase in FY 23-24 compared to the previous FY.
- For instance, in FY 23-24, 52 persondays were worked on average by each working household, an increase of 4 persondays from FY 22-23. In FY 24-25, as on August 10, average persondays/household stands at 32.
- Additionally, looking at the number of households that completed 100 days of work in FY 20-21, 72 lakh households had completed 100 days of work; this has since reduced to 59 lakh in FY 21-22; 36 lakh in FY 22-23; and increased again to 45 lakh in FY 23-24.
- In FY 24-25, as on August 10, the number of households that have completed 100 days of work stands at 3.5 lakh.[10]

Figure 4: Total and Average Persondays Generated



Source: MGNREGS MIS R5.1.1, FY 16-17 to FY 23-24. Available online at https://nreganarep.nic.in/netnrega/MISreport4.aspx. Last accessed 10 August 2024.
Note: Figures for FY 24-25 are up till 10 August 2024.

Wage Rate

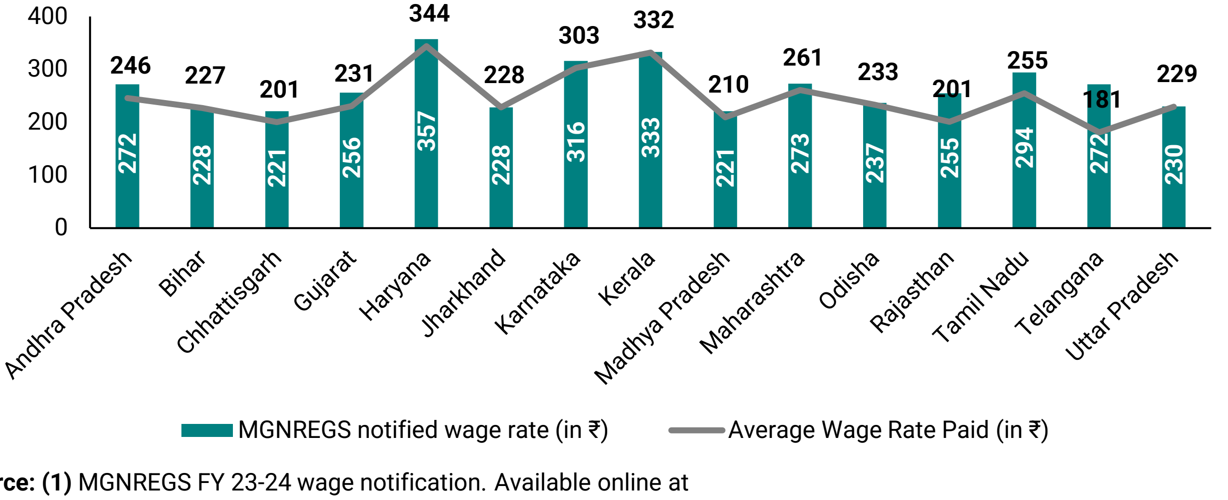
- MGNREGS wage rates have been a point of contention. Since 2009, the MGNREGS wage rate has been indexed using the Consumer Price Index for Agricultural Labourers (CPI-AL), instead of the Consumer Price Index Rural (CPI-R), with base year as 2009. The Mahendra Dev Committee, which was set up in 2013 to examine MGNREGS wage rate indexation, recommended using 2014 as the base year, and using CPI-R as the appropriate enhancement index for MGNREGS wages; however, the Ministry of Finance rejected these proposals.[11 12]

- MGNREGS notified wage rates are announced every FY and are different for each state. In FY 24-25, the MGNREGS notified wage varies between ₹234 per day of work in Arunachal Pradesh and Nagaland, and ₹374 in Haryana.[13]

- The MGNREGS wage for every state is lower than the national average minimum wage rate for unskilled agricultural workers, which is ₹449. The gap is the least in Haryana (₹75), and the most in Bihar (₹204), and Madhya Pradesh (₹206).[14]

- There is also some amount of discrepancy in the notified wage rate and the actual wages paid to workers. As Figure 5 shows, in FY 23-24, on average there was a ₹15 difference in the notified wage and actual wage paid. This difference was the highest in Telangana (₹91), and the least in Rajasthan, where actual wages paid are ₹30 higher than the notified wage rate.

Figure 5: MGNREGS State-wise Notified Wage Rate and Actual Wage Paid in FY 23-24 (in ₹)

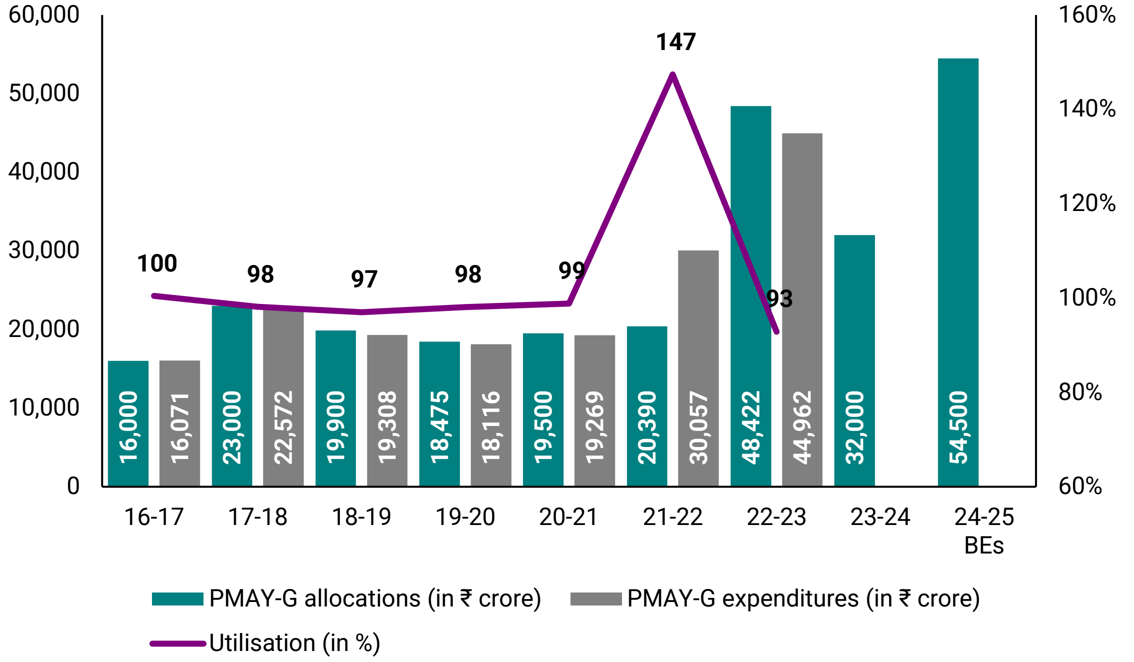


Source: (1) MGNREGS FY 23-24 wage notification. Available online at https://nregaplus.nic.in/netnrega/writereaddata/Circulars/Wage_Rate_NotificationFY_2023-24.pdf. (2) MGNREGS actual wages paid – MGNREGS Scheme at a Glance report. Available online at https://nreganarep.nic.in/netnrega/nrega_ataglance/At_a_glance.aspx. Last accessed 11 August 2024.

PRADHAN MANTRI AWAS YOJANA – GRAMEEN (PMAY-G)

- PMAY-G is the GoI's flagship 'Housing for All' scheme. Launched in 2006, the scheme aims to provide monetary assistance for the construction of *pucca* houses with basic amenities for all rural house-less families, and those living in *kutcha* houses.
- PMAY-G was implemented in three phases: Phase 1 was from November 2016 to March 2019, and aimed to construct houses for 1 crore households. Phase 2 was approved in February 2019 and targeted construction of 1.95 crore houses by March 2022. However, since completion of 1.56 crore households was still pending as on 31 March 2021, the scheme was extended to Phase 3 from April 2022 to March 2024.[15]
- By 2024, PMAY-G's target was to complete 2.95 crore houses. As of 6 August 2024, a little less than 2.95 crore houses had been sanctioned; 2.65 crore had been completed.
- The Finance Minister (FM) in the July 2024 budget speech announced that 3 crore additional houses will be built under PMAY, out of which 1 crore will be in urban areas. While no timeline was specified by the FM for the completion of these, budgetary allocation has been made for the same.[16]
- In FY 24-25 BEs, ₹54,500 crore has been allocated for PMAY-G. This is a 70 per cent increase compared to FY 23-24's REs, which stood at ₹32,000; however, it is nearly identical to FY 23-24's BEs.

Figure 6: Allocations and Utilisation Trends for PMAY-G



Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in.

- Till FY 21-22, allocations for PMAY-G came from two main sources. First, is the programme component funded by GoI. The second is Extra Budgetary Resources (EBR) sourced primarily from the National Bank for Agriculture and Rural Development (NABARD). Between FY 17-18 and FY 20-21, ₹48,810 crore had come as EBR for the scheme.[17]
- Loan assistance released by NABARD under PMAY-G has facilitated construction of 1.77 crore houses as on 31 March 2022.[18]

TARGETS AND OUTCOMES

- Across three phases, between 2016 and 2024, the MoRD's target was to construct 2.95 crore houses; out of this, as on 1 August 2024, 2.94 crore had been sanctioned, and 2.64 crore were completed, which is 90 per cent of the target.[19]
- Rate of completion slowed down post the pandemic. In FY 21-22, 87 per cent of the sanctioned houses had been completed down from 96 per cent the previous year. The number of completed houses out of sanctioned decreased further to 48 per cent in FY 22-23 and stood at 58 per cent in FY 23-24.

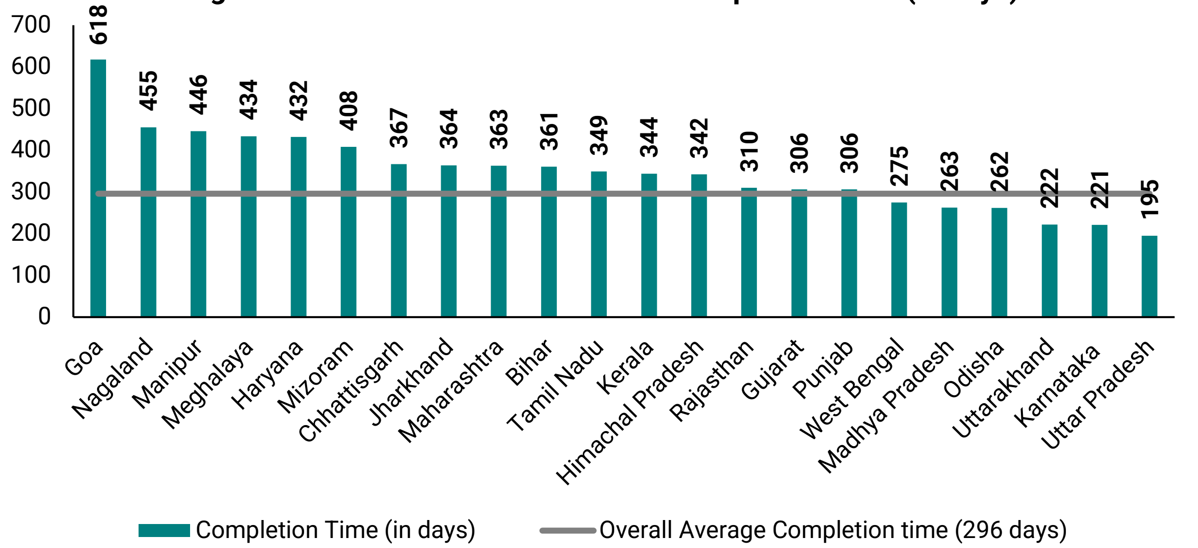
Table 2: PMAY-G Targets and Achievements (in lakh)

Year	MoRD target	Sanctioned houses	Completed	% Completed houses out of sanctioned
16-17	41.9	41.8	40.9	98
17-18	31.5	31.5	30.9	98
18-19	25.1	25.1	24.7	98
19-20	56.4	56.3	54.4	97
20-21	41.6	41.5	39.8	96
21-22	66.7	66.6	57.8	87
22-23	23.2	23.2	11.1	48
23-24	8.6	8.6	5.0	58
Total	295	294.6	264.5	90

Source: PMAY-G Dashboard. Available online at https://rhreporting.nic.in/netiay/newreport.aspx. Last accessed 6 August 2024

- As per PMAY-G's Framework for Implementation (FFI), house construction should be completed within 365 days of sanctioning. The scheme's performance has been good, with the overall average completion time being 296 days. However, there are significant state variations in this.[20]
- Time taken to construct a house was more than 365 days in several states, including Goa (618 days), Nagaland (455 days), Manipur (446 days), and Meghalaya (434 days). Other states include Haryana (432 days) and Mizoram (408 days).
- On the other hand, among states, Uttar Pradesh took the shortest time at 195 days, followed by Karnataka (221 days) and Uttarakhand (222 days).
- In total, 23 per cent of completed houses took longer than 1 year; 5 per cent took longer than 2 years.

Figure 7: State-wise PMAY-G House Completion Time (in days)

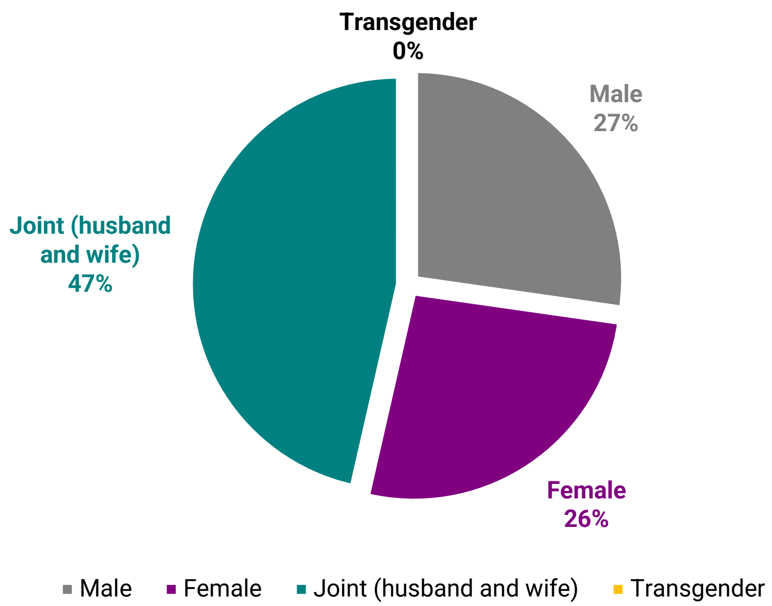


Source: PMAY-G Dashboard. Available online at https://rhreporting.nic.in/netiay/DataAnalytics/data-analytics.aspx. Last accessed 11 August 2024.

Ownership

- PMAY-G accounted for 48 per cent in Part A of the Gender Budget in FY 24-25, indicating that 100 per cent of the allocations under this programme were directed towards women's welfare.[21]
- However, the proportion of PMAY-G houses sanctioned solely to women remain low. As on 11 August 2024, only 26 per cent of all completed houses were in women's name, and 46 per cent were jointly for husband and wife. In total, 73 per cent of completed houses were partly or solely owned by women.

Figure 8: PMAY-G Completed Houses Ownership Trends



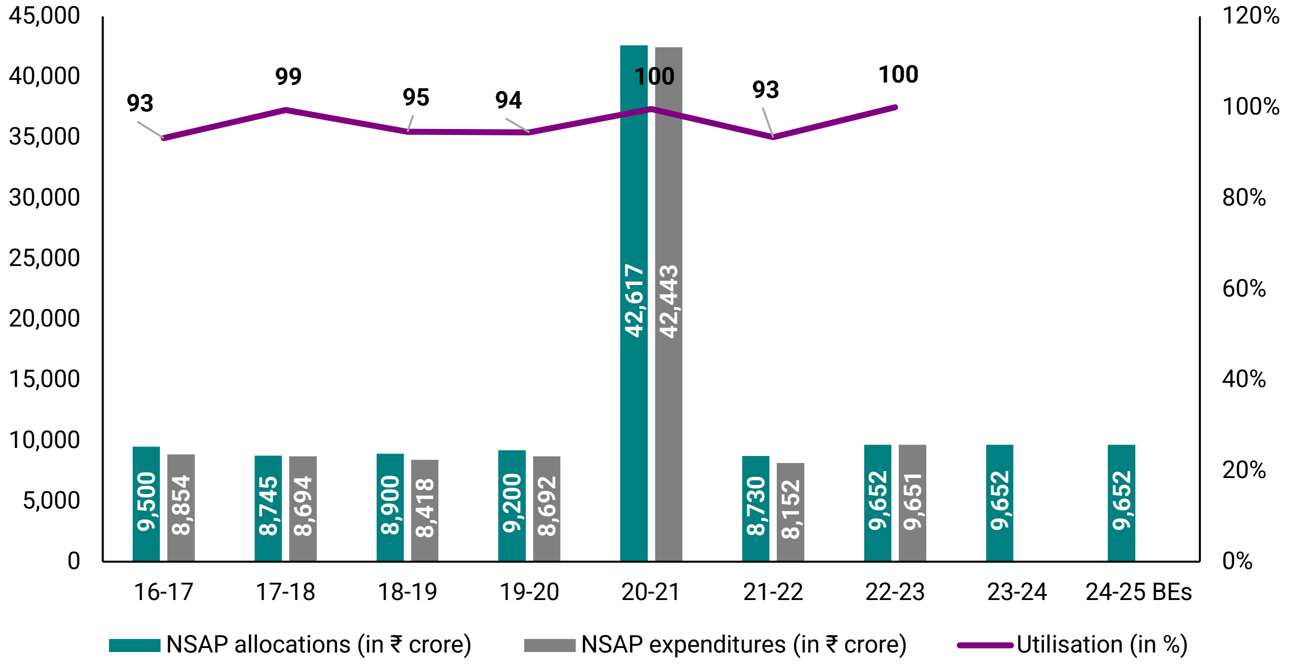
Source: Allottee Type, PMAY-G Dashboard. Available online at https://pmayg.nic.in/netiay/PBIDashboard/PMAYGDashboard.aspx. Last accessed 11 August 2024..

NATIONAL SOCIAL ASSISTANCE PROGRAMME (NSAP)

- NSAP was launched in 1995 with the objective of supporting vulnerable social groups such as the elderly, widows, and disabled persons. It comprises of five sub-schemes targeted to different groups:
  - **Indira Gandhi National Old Age Pension Scheme (IGNOAPS) –** this scheme provides monthly assistance of ₹200 to Below Poverty Line (BPL) individuals above the age of 60, and assistance of ₹400 to BPL individuals above 80.
  - **Indira Gandhi National Widow Pension Scheme (IGNWPS) –** this scheme provides monthly assistance of ₹200 to BPL widows under the age of 60.
  - **Indira Gandhi National Disability Pension Scheme (IGNDPS) –** this scheme provides monthly assistance of ₹200 to BPL individuals who have a disability level of 80 per cent or higher.
  - **National Family Benefit Scheme (NFBS) –** this scheme provides a one-time lumpsum cash assistance of ₹20,000 to BPL families when the primary breadwinner between the ages 18-59 passes away. The amount is transferred to the widow or the eldest unmarried daughter.
  - **Annapurna Scheme –** Under this scheme, 10 kg of free foodgrains per month are provided to senior citizens who are eligible for IGNOAPS but have been left out.

- The allocation for NSAP has largely remained similar since FY 16-17, except for FY 20-21. Allocations for NSAP is unchanged since FY 22-23 at ₹9,652; it is the same in FY 24-25.
- Utilisation has been above 93 per cent. In FY 22-23, utilisation was at 100 per cent.
- Apart from these schemes, a one-time allocation of ₹30,957 crore was made in FY 20-21 for the DBT to Pradhan Mantri Jan Dhan Yojana (PMJDY) account holders in FY 20-21 during the COVID-19 pandemic, which led to the NSAP budget increasing by more than three times in FY 20-21.

Figure 9: Allocations and Utilisation Trends for NSAP (in ₹ crore)



Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in.

- The largest share of NSAP allocations has consistently been allocated to IGNOAPS, since the number of old-age pensioners is always greater than the number of widows or disabled pensioners. This is followed by IGNWPS, NFBS, and IGNDPS.
- IGNOAPS, IGNWPS, and IGNDPS have all followed the trend of highest allocations being in FY 20-21, with subsequent years seeing a decline.
- While there have been allocations for Annapurna in the BEs, these are usually nil in the REs. For instance, in FY 23-24 BEs, ₹10 crore was allocated to the scheme but the RE was 0. In FY 24-25 BEs as well, ₹10 crore has been allocated for the scheme.
- While utilisation for IGNOAPS have been the highest, remaining above 97 per cent, utilisation for the other schemes has been more varied.

Table 3: NSAP scheme-wise allocations, expenditures, and utilisation trends (in ₹ crore)

Year	Type	IGNOAPS	IGNWPS	IGNDPS	NFBS	Annapurna
16-17	Allocation	6,131	2,222	279	787	76
	Expenditure	5,926	2,037	240	623	9
	Funds Utilised (in %)	**97**	**92**	**86**	**79**	**12**
17-18	Allocation	5,657	2,103	249	708	-
	Expenditure	6,110	1,817	221	530	-
	Funds Utilised (in %)	**108**	**86**	**89**	**75**	**-**
18-19	Allocation	5,972	1,967	259	675	12
	Expenditure	5,776	1,734	280	607	11
	Funds Utilised (in %)	**97**	**88**	**108**	**90**	**93**
19-20	Allocation	6,302	1,938	300	622	19
	Expenditure	6,193	1,775	234	481	6
	Funds Utilised (in %)	**98**	**92**	**78**	**77**	**29**
20-21	Allocation	8,287	2,525	347	481	6
	Expenditure	8,965	1,881	263	375	-
	Funds Utilised (in %)	**108**	**75**	**76**	**78**	**-**
21-22	Allocation	5,945	1,845	285	583	54
	Expenditure	5,806	1,769	237	339	-
	Funds Utilised (in %)	**98**	**96**	**83**	**58**	**-**
22-23	Allocation	6,602	2,027	290	675	-
	Expenditure	6,827	2,087	279	459	-
	Funds Utilised (in %)	**103**	**103**	**96**	**68**	**-**
23-24	Allocation (RE)	6,634	2,027	290	645	-
24-25	Allocation (BE)	6,646	2,027	290	659	10

Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in.

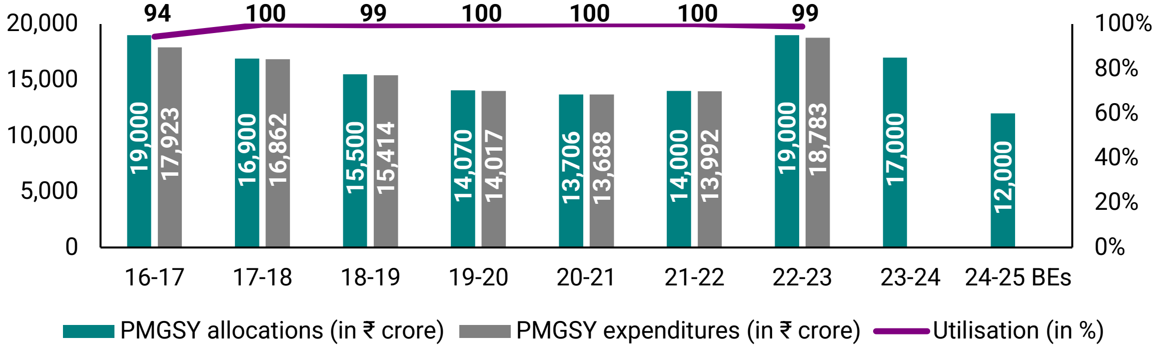
- As previously mentioned, under NSAP, GoI provides ₹200 monthly pension to beneficiaries of IGNOAPS, IGNDPS, and IGNWPS, the three pension schemes. While NSAP is a 100 per cent centrally funded scheme, most states have given a top-up amount over the prescribed amount, ranging from ₹50 to ₹5,800. The Lok Sabha Standing Committee on Rural Development and Panchayati Raj noted the amount was "abysmally low", "unacceptable", and "beyond comprehension". The amount of ₹200 has remained unchanged since 2012, and despite the LS Committee's recommendation for urgent revision of the amount, the DoRD refused to submit a proposal for the same, arguing that states and UTs were equally responsible for providing assistance to the vulnerable.[22]
- As of 11 August 2024, there are 2.97 crore NSAP recipients; additionally, 1.82 crore citizens are supported by state-funded schemes.[23]
- In the Performance Audit report on the NSAP, the Comptroller and Auditor General (CAG) noted that there were delays at various stages of the programme's implementation, which adversely impacted the eligible citizens. This includes delays in identifying potential eligibles, in sanctioning the pension, and in disbursement of the pension amounts. The report also noted that monitoring and evaluation of the programme are almost non-existent, with no social audits happening at all in 25 states/UTs, and no remedial action being taken on the social audit's findings in states/UTs it did take place.[24]

PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)

- The PMGSY was launched by the GoI in 2000 to provide all-weather road connectivity to eligible habitations in rural areas. Additionally, the scheme also supports the upgradation of existing rural roads in districts where all roads have achieved all-weather connectivity.
- PMGSY consists of multiple phases, each focussing on different targets. Phase I, for instance, targets habitations with populations higher than 500 people in plain areas, and higher than 250 people in difficult terrain areas. Phase II focussed on upgrading existing roads; Phase III on consolidating roads that connected facilities like markets and hospitals. An additional vertical was launched in 2016 to focus on connectivity in left-wing extremism affected areas, called the Road Connectivity Project for Left Wing Extremism Affected Areas (RCPLWEA).
- In 2024, the GoI announced the launching of Phase IV, which will focus on providing all-weather connectivity to 25,000 additional habitations that have become eligible in view of their population increase.[24]
- Allocations for PMGSY in FY 24-25 BEs stands at ₹12,000 crore, a 29 per cent decline from FY 23-24 REs which were ₹17,000 crore, and a 37 per cent decline from the BEs of ₹19,000 crore.

- Till FY 19-20, around 1/4th of the funding for PMGSY came from Externally Aided Programmes (EAP) . However, since FY 22-23, no funds are coming via EAP.
- Utilisation trends or releases by GoI have been high in the programme, remaining above 99 per cent in recent years.

Figure 10: Allocations and Utilisation Trends for PMGSY



Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in.

- Under PMGSY, separate allocations are made for the North-East region, and for Left-Wing Extremism (LWE) affected area projects. In FY 24-25 BEs, 10 per cent of the total PMGSY budget is for North-East Region and 3 per cent for LWE.

Targets and Outcomes

- PMGSY has sanctioned connectivity of 1.63 lakh habitations; as on 11 August 2024, 1.62 lakh or 99.6 per cent of these have been completed.
- In road length completion, of the sanctioned 8.23 lakh kms, PMGSY has achieved 93 per cent completion (or 7.66 lakh kms) across all phases of the programme.

Table 4: PMGSY Targets and Achievements

Phases	Sanction road length (in kms)	Completed road length (in kms)	% sanctioned road length completed	Bridges sanctioned	Bridges completed
PMGSY I	6,44,874	6,24,443	97	7,461	7,126
PMGSY II	49,835	49,017	98	759	746
PMGSY III	1,16,802	83,293	71	2,945	784
RCPLWEA	12,228	9,247	76	705	422
Total	8,23,739	7,66,000	93	11,870	9,078

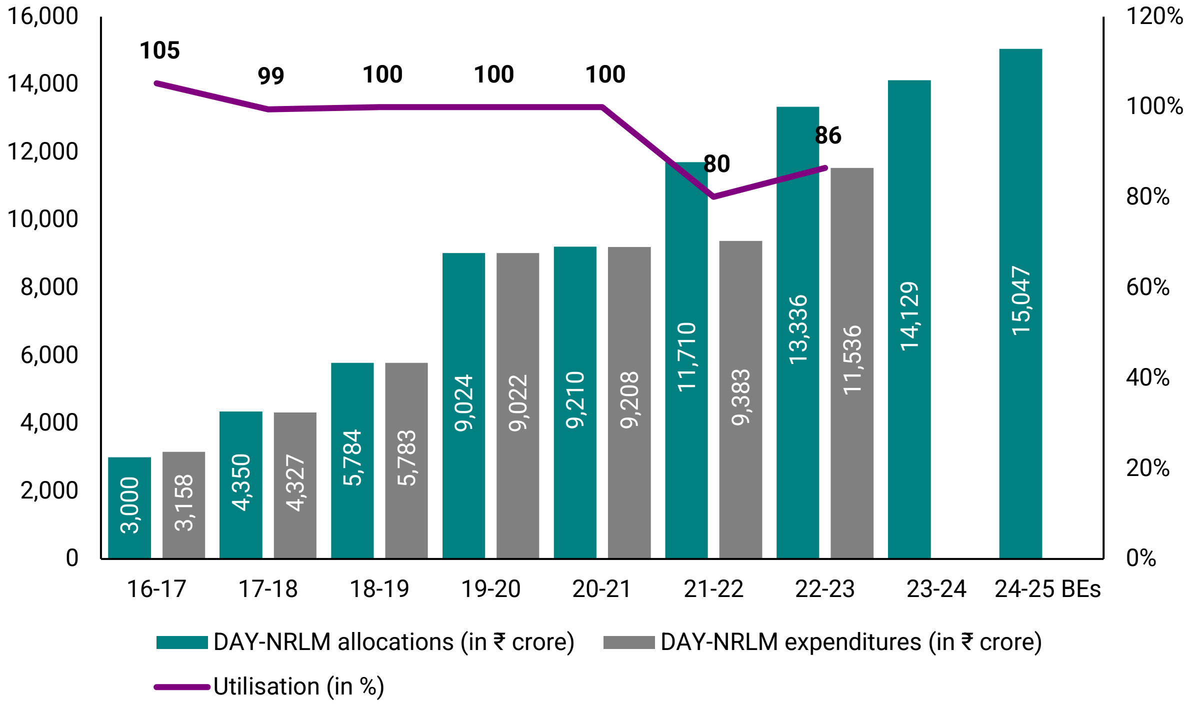
Source: PMGSY dashboard. Available online at https://omms.nic.in/dbweb/Home/TableView. Last accessed 11 August 2024.

- The roads and bridges constructed under PMGSY are regularly tested for quality, and the contractors are responsible for their maintenance for the first five years, after which the state governments are responsible for their upkeep.
- Between April 2022 and August 2024, 14,001 total inspections were carried out country-wide by the National Quality Monitor across completed works, ongoing works, maintenance works, and bridge works. 10 per cent of inspected completed works, 8 per cent of inspected ongoing works, 22 per cent of inspected maintenance works, and 12 per cent of inspected bridge works were found to be unsatisfactory.[26]
- The 15th Finance Commission remarked that rural roads needed constant maintenance and noted that states are struggling to provide funds for the upkeep of roads after the five-year period and recommended that the MoRD allocate and administer ₹27,539 crore between 2021 and 2026 for the maintenance of roads post the five-year period.[27] The LS Standing Committee also noted that inadequate budgeting for road maintenance by state governments could lead to the deterioration of roads constructed using significant public funds.[28]

DEENDAYAL ANTYODAYA YOJANA – NATIONAL RURAL LIVELIHOOD MISSION (DAY-NRLM)

- The DAY-NRLM was launched in 2011 with the objective of poverty alleviation by enabling poor households to access gainful employment, resulting in diverse livelihood options. The Mission seeks to achieve this objective through four core components:
    - Social mobilisation and promotion and strengthening of self-managed and financially sustainable community institutions of rural poor women
    - Financial inclusion
    - Sustainable livelihoods
    - Social inclusion, social development, and access to entitlements through convergence.[29]
- The main axis of DAY-NRLM interventions is through organising the poor into communities like Self-Help Groups (SHGs), Village Organisations (VOs), Farmer Produces Organisations (FPOs) etc.
- Allocations for DAY-NRLM have seen a steady rise in years. Between FY 16-17 and FY 24-25, allocations have increased by 400 per cent or 5 times . Allocations stand at ₹15,047 crore in FY 24-25 BEs, having increased by 6 per cent from both the RE and BE of FY 23-24.
- Utilisation rates have largely been high but have decreased from 100 per cent up till FY 20-21 to 80 per cent in FY 21-22 and 86 per cent in FY 22-23.

Figure 11: Allocations and Utilisation Trends for DAY-NRLM



Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in.

- As on 8 August 2024, the programme had covered 7,612 blocks across the country and organised 10.25 crore households into 84.68 lakh SHGs.[30]
- Access to finance by the rural poor and by vulnerable groups is an essential pre-requisite for poverty reduction and sustainable development. Consequently, one of the main efforts of the NRLM has been promoting financial inclusion, especially for SHGs. NRLM's bank-related services include opening savings accounts for SHGs; facilitating SHGs in accessing adequate banking credit to meet consumption and production needs; provision of insurance services; and pension products. [31]
- Out of the total 84.68 lakh SHGs, 97 per cent have registered bank accounts. In terms of composition, 21 per cent are Scheduled Caste SHGs and 13 per cent are Scheduled Tribe SHGs.[32]

DEPARTMENT OF LAND RESOURCES

- The DoLR's mission is to ensure sustainable development of rainfed cultivable and degraded lands through a participatory approach by involving the stakeholders in decision making in the watershed development programmes. It makes a concerted effort to enhance the productivity of wastelands, thereby enhancing livelihood opportunities in rural areas.

DoLR's expenditure is mainly allocated to two programmes that fall into two expenditure categories:

Digital India Land Records Modernisation Programme (DILRMP): A scheme for developing a modern, comprehensive, and transparent land record management system. DILRMP is a Central Sector (CS) scheme, which means it is designed, funded, and implemented entirely by the GoI.

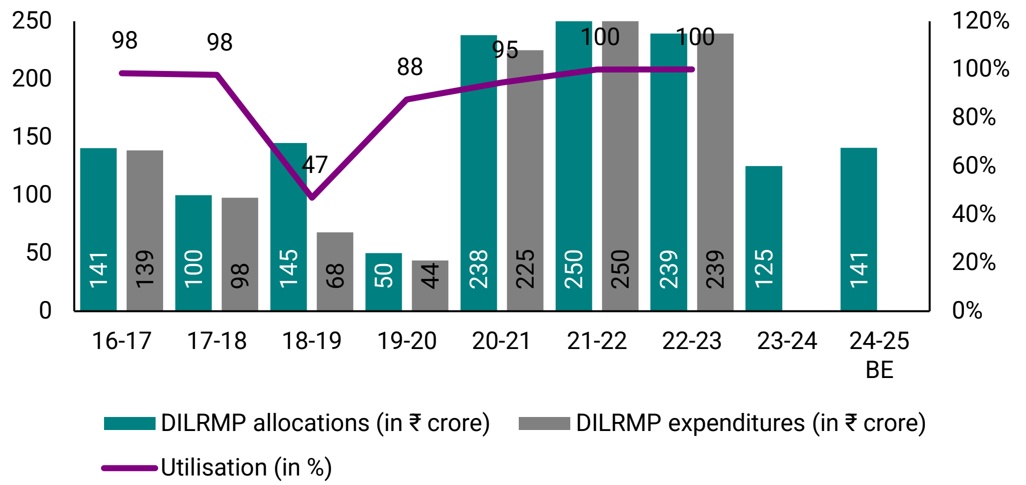
Pradhan Mantri Krishi Sinchai Yojana – Watershed Development Component (PMKSY-WDC): The PMKSY is mainly implemented by the Department of Agriculture and Farmer Welfare, but some components of the programme are implemented by other departments. The Watershed Development Component is a CSS scheme that falls under the DoLR. This programme has the objective of improving the productivity of rainfed/degraded land and improving the efficiency of watershed projects.

SCHEME-WISE TRENDS

DIGITAL INDIA LAND RECORDS MODERNISATION PROGRAMME (DILRMP)

- The DILRMP was launched in 2016 to modernise the management of land records, minimise the scope of land/property disputes, and enhance transparency in the land records maintenance system.[33]
- The objectives of the DILRMP are to
  - Improve real time information on land;
  - Optimise use of land resources;
  - Benefit both landowners and prospectors;
  - Assist in policy and planning; and
  - Reduce land disputes
- DILRMP allocations have been less than 10 per cent of the DoLR's total budget. The allocation saw a doubling In FY 20-21 compared to FY 18-19; however, after FY 23-24, the allocations have once again declined.
- In FY 24-25 BEs, the allocation for DILRMP is ₹141 crore, an increase of 13 per cent from FY 23-24 REs.
- Utilisation has been high for the programme and was 100 per cent for FYs 21-22 and FY 22-23.

Figure 12: Allocations and Utilisation Trends for DILRMP



Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in.

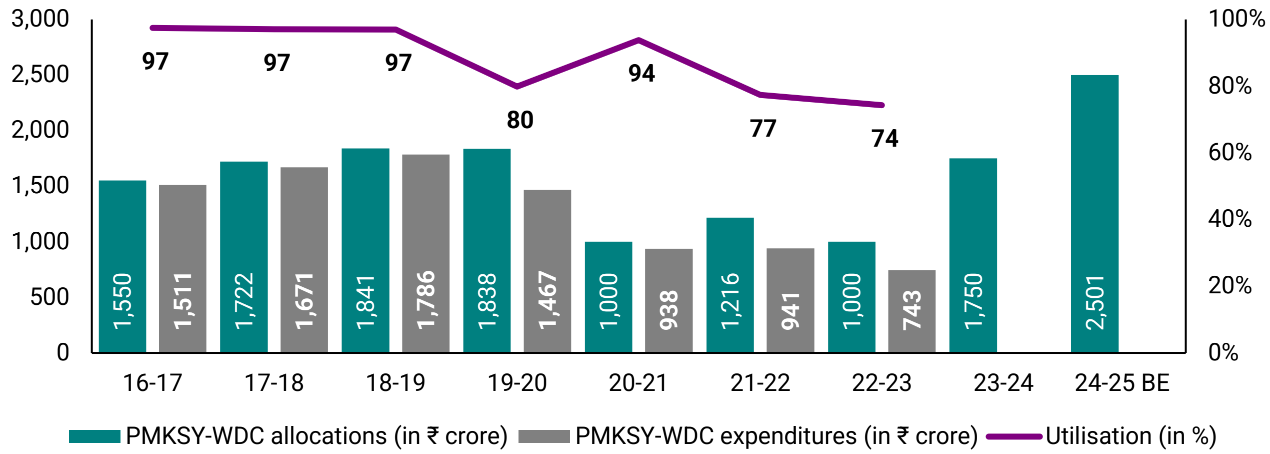
- As of 10 August 2024, the DILRMP dashboard reports that 95.49 per cent of all villages have computerised all land records. However, there are state-wise variations; particularly the North-Eastern states have been lagging.[34]
- As per the dashboard, Arunachal and Meghalaya are at 0 per cent of computerisation. These are followed by Manipur (16 per cent), Nagaland (32 per cent), Mizoram (54 per cent), and Assam (85 per cent).
- All other states have achieved above 90 per cent of computerisation. Kerala, Goa, Tamil Nadu, and Tripura have achieved 100 per cent computerisation.

PRADHAN MANTRI KRISHI SINCHAI YOJANA – WATERSHED DEVELOPMENT COMPONENT (PMKSY-WDC)

- The Watershed Development Component was implemented in FY 15-16, when the previous Integrated Watershed Management Programme was amalgamated into the PMKSY-WDC.
- The objective of the programme is to launch projects that will improve the potential of rainfed/degraded land through integrated watershed management, strengthen community-based institutions for watershed sustainability, and improve the efficiency of watershed projects.[35]
- In 2021, GoI announced the continuation of the programme as 'WDC-PMKSY 2.0' for the period 2021-26. The target was to develop 49.5 lakh hectares (ha) of land, and an outlay of ₹8,134 crore was made for the same.

- GoI has laid down costing norms for watershed projects - ₹22,000/ha for plain areas, and ₹28,000/ha for hilly, desert areas, and for LWE-affected districts.[36]
- The programme has usually accounted for more than 90 per cent of the DoLR's total allocations. In FY 24-25 BEs, it accounts for a 94 per cent share of DoLR's budget.
- Allocations for FY 24-25 stand at ₹2,501; this is a 43 per cent increase from FY 23-24 REs.
- Utilisation has been variable; till FY 20-21, the utilisation was quite high, remaining above 94 per cent, but since then it has been declining. In FY 21-22 and 22-23 the utilisation was 77 per cent and 74 per cent, respectively.

Figure 13: Allocations and utilisation trends for PMKSY-WDC



Source: Union Expenditure Budget, MoRD, FY 17-18 to FY 24-25. Available online at: https://www.indiabudget.gov.in.

- Under the PMKSY-WDC, the following outcomes have been met[37]
  - In FY 23-24, 39 per cent of targeted area has been brought under afforestation/ agriculture/pasture activities. For FY 24-25, as on August 11, the progress is at 11 per cent.
  - In FY 23-24, 48 per cent of targeted areas have been brought under horticulture-related activities, like fruticulture, floriculture etc. For FY 24-25, as on August 11, the progress is at 8 per cent.
  - In FY 23-24, 25 per cent of targeted areas have been brought under soil and moisture conservation activities, like contour bunding and staggered trenching. For FY 24-25 , as on August 11, the progress is at 20 per cent.
  - In FY 23-24, 46 per cent of targeted areas now have newly created water harvesting structures, like farm ponds, check dams etc. For FY 24-25, as on August 11, the progress is at 14 per cent.

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About ResGov

The Foundation for Responsive Governance (ResGov) is a Section 8 not-for-profit working to strengthen the capabilities of government and communities to ensure public initiatives reach the most vulnerable.

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