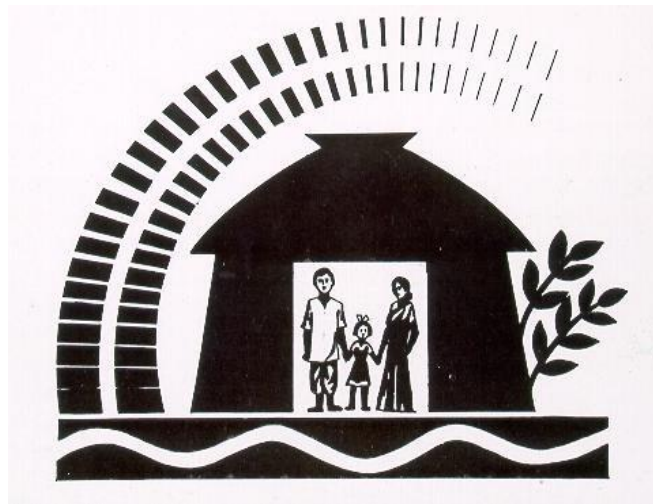


INDIRA AWAAS YOJANA

(IAY)



GUIDELINES

Government of India Ministry of
Rural Development Department of
Rural Development Krishi Bhavan
NEW DELHI – 110 114
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PREFACE

Indira Awaas Yojana (IAY), a flagship scheme of the Ministry of Rural Development has since inception been providing assistance to BPL families who are either houseless or having inadequate housing facilities for constructing a safe and durable shelter. This effort has been part of a larger strategy of the Ministry's poverty eradication effort, supporting the development of an environmentally sound habitat with adequate provisions for incremental expansion and improvement.

Ministry's commitment of 'shelter for all' gained further momentum when India became a signatory to the Istanbul Declaration on Human Settlement in June 1996 recognising thereby the need for access to safe and healthy shelter and basic services as are essential for a person's physical, psychological, social and economic well being. The object of the habitat approach is to achieve adequate shelter for all, especially the deprived urban and rural poor through an enabling approach leading to development and improvements in access to basic facilities like infrastructure, safe drinking water, sanitation, electricity etc.

The Constitution of India places rural housing in the domain of State Governments and the Panchayati Raj Institutions. Central Government has been implementing IAY as part of the enabling approach to shelter for all, taking cognizance of the fact that rural housing is one of the major anti-poverty measures for the marginalised. The house is recognised not merely as a shelter and a dwelling place but also an asset which supports livelihood, symbolises social position and is also a cultural expression. A good home would be in harmony with the natural environment protecting the household from extreme weather conditions, has the required connectivity for mobility and facilities for economic activities.

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CHAPTER - 1

HISTORICAL BACKGROUND

1.1 Public housing programme in the country started with the rehabilitation of refugees immediately after independence. Till 1960, nearly 5 lakh families were provided houses in different parts of northern India.

1.2 In 1957, as a part of the Community Development Movement (CDM) a Village Housing Programme (VHP) was introduced providing loans to individuals and cooperatives of upto Rs.5,000/- per unit. Only 67,000 houses could be constructed in this scheme till end of the 5th Five Year Plan (1974-1979). Another scheme introduced in the 4th Plan called House Sites-cum-Construction Assistance Scheme (HSCAS) was also transferred to the State Sector from 1974-75.

1.3 Indira Awaas Yojana (IAY) is the biggest and most comprehensive rural housing programme ever taken up in the country. It has its origin in the wage employment programmes of National Rural Employment Programme (NREP), which began in 1980, and the Rural Landless Employment Guarantee Programme (RLEGP), which was started in 1983, as construction of house was permitted under these programmes. However, there were no common norms.

1.4 It was in June, 1985 that Indira Awaas Yojana was launched as a sub-scheme of RLEGP by earmarking a part of the fund for construction of houses for SCs/STs and freed bonded labourers. When Jawahar Rozgar Yojana (JRY) was launched in April, 1985, 6% of the funds was allocated for housing for the SCs/STs and freed bonded labourers. In 1993-94, the coverage was extended to Non-SC/ST families by increasing the earmarked fund for housing under JRY to 10% and allowing the use of the additional 4% for this category of beneficiaries.

1.5 Indira Awaas Yojana was made an independent scheme with effect from 1st January, 1996. It is now a flagship programme of the Ministry of Rural Development as part of the larger strategy of rural poverty eradication, in order to reduce the rigours of poverty and to provide the dignity of an address to the poor households to enable them to access different rural development programmes.

CHAPTER - 2

APPROACH AND STRATEGIES

2.1 Housing is a fundamental human need; it is a basic requirement for human survival as well as for a decent life. Housing is not just for individual families alone; it is for the community. Basically houses afford shelter from the elements of nature, privacy and protection from the hustle and bustle of the external world. As a dwelling place, it provides security and enables access to different facilities based on its location. Going beyond mere shelter, dwelling and house, ultimately everyone desires a 'home' which gives a sense of ownership and identity, affords psychological satisfaction and promotes self-esteem and confidence. A home contributes significantly to well-being and is essential for a person's social and economic development. It supports livelihoods and promotes social integration. It is a form of cultural expression and symbolizes social position.

2.2 To have a comfortable home is the fulfilment of a deep and, often, long cherished wish. By giving shape and form to desires and preferences, in turn, the home shapes family and social life. It is a major factor in moulding the life and behaviour of individuals and contributes significantly to formation of character and creates an eco-system for holistic development. A good home would be in harmony with the natural environment and protect the household from extreme weather, remaining warm in winter, cool in summer and dry during the rains. The household should be able to maintain the home and carry out the required repairs within its financial resources and utilizing locally available skills and materials. The home would have the right external connectivities for mobility, for facilities, for economic activities and for natural resources.

2.3 A house is both a consumer good as well as a capital good. It is an economic good which enhances the standard of living. It is a critical entitlement in a welfare state to be provided to citizens who cannot afford it on their own. Investment in public housing stimulates local economic development besides expanding welfare.

2.4 Public housing essentially aims to provide the basic requirements of functional space for a family that is, a 'core house' or a 'starter house'. While it

provides essential dwelling space in a limited area, it is complete in all respects, including a toilet. Such a house lends itself to expansion and development as the family grows or improves its economic status. Design and adequacy of a core house would vary from culture to culture. It is more than just a roof over one's head. It implies sufficiency of space, ease of accessibility, availability of minimum needs, provision of physical comfort and a pleasant, micro-climate within and around, existence of a good environment and guarantee of safety and stability. It has to be organically linked to social, livelihood and ecological surroundings. It has to enable linkages to stimulate progress so as to free the next generation from the travails of the present one, mainly through options for education and vocation.

2.5 It has to be noted that a large portion of existing housing stock in rural India is community financed, self-built and self-managed, mostly using locally available materials and labour creatively with traditional technologies and, often improved in quality and extended in area over time. It is the result of a 'social production process' which is people-centered. It naturally is an environment-friendly product, Government initiatives, therefore, should focus on enabling access to resources and improved knowledge, technology and skill.

2.6 Rural housing development has to be seen in the context of poverty alleviation and overall rural development and the following strategies are relevant:-

- (i) Strengthening the ongoing process and helping people to carry it forward by supporting the process instead of supplanting it with inappropriate designs and technologies;
- (ii) Supporting the construction of a 'core house' with adequate provisions for incremental expansion and improvement - also incorporating workspaces as acceptable within the house;
- (iii) Determining the design of dwelling units on the basis of user requirements;
- (iv) Promoting choice of materials and construction technologies keeping in view affordability, adaptability, employment generation, environmental benefit (green technologies), energy consumption over the life cycle, ease of maintenance and sustainability;

- (v) Identifying appropriate building technologies and upgrading of traditional and local technologies which could result in construction of durable houses which would last for at least 30 years with normal maintenance;
- (vi) Focusing on the habitat as an organic entity which conserves use of natural resources like water, sunlight and greenery and is also sensitive to the socio-economic aspects of rural livelihood;
- (vii) Preserving the organic nature of the settlement;
- (viii) Promoting affirmatively equity and social justice by enabling SC/ST families, women-headed households and people with disabilities and, particularly marginalized groups who cannot even express their need for shelter, to access the scheme and construct houses;
- (ix) Engendering the decision making process in respect of design, technology and financing of the house;
- (x) Re-skilling and sensitizing traditional masons and construction workers as also engineers and developing women mason groups with an understanding of good design, appropriate building technologies and also cost effective construction practice along with efficient site and construction management;
- (xi) Providing greater role to the Panchayats especially at the village level in the planning and implementation of the housing programme.

2.7 IAY thus provides an opportunity for reinventing people as builders and promoting a kind of -reverse participation, with Government participating in the indigenous process of the people to house themselves.

CHAPTER – 3

SALIENT FEATURES OF THE SCHEME

3.1 Target group

Indira Awaas Yojana is essentially a public housing scheme for the houseless poor families and those living in dilapidated and kutcha houses with a component for providing house sites to the landless poor as well. The scheme is designed to enable Below Poverty Line (BPL) households identified by the community through Gram Sabhas following criteria suggested for such identification from time to time, to build their houses or get house sites with financial and technical assistance from the Government.

3.2 Components of the scheme:-

IAY has the following components:

3.2.1 Assistance for construction of a new house

The unit cost of an IAY house in plain areas and in hill states and difficult areas (including IAP districts) would be as given in the Schedule attached. Difficult areas are those where due to reasons like low availability of materials, poor connectivities and adverse geographic, climatic and geological conditions, the cost of construction goes up significantly. The identification of 'difficult area' within a State shall be done by the State Government based on the methodology developed by it and approved by the Empowered Committee for the programme. Village Panchayats may be treated as the unit.

Note: A 'new house' would mean a house constructed with a minimum built up area of at least 20 sq. mts. excluding the toilet. IAY house has to be 'pucca' in the sense that it should be able to withstand normal wear and tear due to usage and natural forces including climatic conditions, with reasonable maintenance, for at least 30 years. It should have roof of permanent material and its walls should be capable of withstanding local climatic conditions and need to be plastered only when the outer surface of the walls is erodible. Any building technology which helps achieve durability of 30 years can be adopted by the State Government including mud and bamboo houses constructed with appropriate specifications. Materials and technologies approved by reputed organizations like HUDCO,

BMPTC, IITs, engineering colleges and eminent NGOs in the field of building construction could be used. Technologies and materials which have BIS specifications may also be included. Reuse/recycling of used construction material is permitted. Green Technologies need to be specially encouraged. If any new technology is to be adopted, prior approval may be taken of the Empowered Committee or any agency approved by the Empowered Committee. The beneficiary should have the final informed choice of materials and technology.

Every house should include a toilet, soak pit and compost pit. Smokeless chulhas should also be included, which however can be dispensed with wherever households have an LPG /biogas connection. Roof water harvesting system as appropriate locally should also be set up. Every household should be actively encouraged to construct a bathroom.

If States provide additional assistance, minimum built up area can be enhanced. Maximum area can be fixed by States to prevent people from falling into debt.

Normally, individual buildings alone may be taken up under the scheme. Wherever the beneficiaries specifically so prefer, duplex housing can be permitted. In congested localities where the cost of land is very high, the beneficiaries may be allowed to construct multi-storey building with each floor being given to one family. In such cases, it shall not exceed three floors including the ground floor and there should be a multi-party agreement with the State Government specifying the construction and maintenance responsibilities.

3.2.2 Upgradation of kutcha or dilapidated houses:

This would involve upgradation of roof/walls, repair/replacement of parts and the like. Upgradation may reuse/recycle materials. Through use of additional material/replacement of material, changes in design enabling durability, and/or better workmanship, the house should, with reasonable maintenance, be capable of lasting at least 30 years. Assistance would be as given in the Schedule to the guidelines.

Note: A 'kutcha' house is one in which walls and/or roof is made of material, such as un-burnt bricks, bamboos, mud, grass, reeds, thatch, loosely packed stones, etc which are not durable due to inappropriate application of techniques and are not able to withstand normal wear and tear.

A –dilapidated housell means a pucca house rendered unserviceable through wear and tear or damaged by any other cause.

Upgradation means improvement of such a kutchu/dilapidated house to a standard similar to a new house.

3.2.3 Provision of house sites

The landless poor are particularly vulnerable as they bear the double disadvantage of being unsheltered and with no land to build a house on. Assistance as per Schedule would be provided for the purpose of providing house sites.

State Governments may notify the entitlements for house sites in their respective States. If justified, this could vary within the State. Different extents of land may be prescribed for different localities based on the availability of land and its cost. Ideally 10 cents of land should be provided.

For the house sites component, the District Collector should identify public lands available in the habitations and allot them to the eligible landless. In case public land is not available the required land may be purchased by following the procedure prescribed by the State government. If this is not possible, land acquisition may be undertaken as the last resort.

While selecting land, it should be ensured that it is fit for construction of houses especially in terms of connectivity, availability of drinking water, access to public institutions, etc. The State should ensure that site is chosen with the involvement of the people for whom it is meant and is fully acceptable to them.

If money provided under the scheme is not sufficient, additional funds may be provided by the State Government. If the beneficiary is willing to purchase the land she may be reimbursed the eligible amount after due verification. States should issue detailed guidelines for this component.

The States may prepare projects for providing houses to all such landless people who have been given land sites and give special priority to them under IAY. Once the details of such landless people to be given housing sites are available, Ministry of Rural Development would earmark a stream of IAY funds exclusively for the benefit of this group based on a formula and this amount would be non-divertible.

3.2.4 Special projects

Five percent of IAY allocation would be retained at the Central level as reserve fund. Special Projects for utilizing the reserve fund can be posed by the States/UTs for the following purposes:-

- (1) Rehabilitation of BPL families affected by natural calamities.
- (2) Rehabilitation of BPL families affected by violence and law and order problems.
- (3) Settlement of freed bonded labourers and liberated manual scavengers.
- (4) Settlement of particularly vulnerable tribal groups.
- * **(5) Rehabilitation of people affected by occupational diseases like Silicosis, Asbestos, people affected by overuse of pesticides etc. or people affected in an epidemic of diseases like Kala –azar.**
- * **(6) Settlement of households benefitted under The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 commonly known as FRA beneficiaries.**
- * **(7) Settlement of people forced to relocate in districts along the international border.**
- (8) New technology demonstration – especially with focus on affordable and green technologies.

These projects would have to be submitted by State Governments with adequate details and justification to the Ministry of Rural Development by September [except (1) and (2)] and it will be considered by the Empowered Committee constituted for the purpose of approval.

3.3 Funding pattern

The cost of the scheme except the component for provision of house sites would be shared between Government of India and State Governments in the ratio 75:25. In the case of North Eastern States the ratio is 90:10. The cost of providing house sites would be shared 50:50 between Government of India and State Governments. Government of India would provide the full cost in respect of Union Territories (UTs).

3.4 Earmarking of funds

At the national level, 60% of the funds would be earmarked for SCs and STs with the proportion between SCs and STs being decided from time to time by the Ministry of Rural Development and reflected in the targets. Further, 15% of the funds would be set apart for beneficiaries from among the minorities. The State should ensure that atleast 3% of beneficiaries are from among persons with disabilities. Statewise allocation of funds will be as given in para 3.5. The

***vide Ministry's order No. M- 13011/07/2013- RH dated 28/11/2013**

earmarking is only the minimum limit that should be achieved by the State and States, if they so desire may add to the target under these categories. The targets in these categories should not be reduced. However, targets from SC and ST can be interchanged if there are no eligible beneficiaries from either of the category and it is certified as such.

If a district has no eligible persons under any category, it should be certified as such by the District Collector or CEO Zilla Parishad. A certificate once accepted shall be irrevocable. The targets shall then be reallocated proportionately among other districts to the same category. The consequential changes should be made in AwaasSoft immediately. For selection of Minority beneficiaries States can use the existing Permanent waitlist and go lower in the list to cover them. If States have a separate waitlist for Minorities the same can be used.

3.5 Allocation of funds

95% of the total budget would be utilized for the components relating to new houses, upgradation of houses and provision of house sites and administrative expenses. The remaining 5% would be reserved for special projects as indicated in para 3.2.4.

Allocation to States/UTs and from States/UTs to districts, blocks and wherever the States so desire, to the Village Panchayats would be on the basis of houseless people from among the BPL population for each category i.e. SC, ST, minorities and others, once the Socio Economic Caste Census(SECC) currently under way is finalised.

Till such time data are available to make such allocations, the Ministry would fix the annual allocation for the States/UTs broadly on the basis of 75% weightage to housing shortage in rural areas as per the latest census data and 25% weightage to the number of people below poverty line (BPL). Within this overall target, allocation of funds for SCs, STs and Minorities would be made on the basis of the proportionate population of these categories in the States/UTs, suitably adjusted to avoid distortions. State shall follow this principle for allocating targets below the State level. States which decide to adopt any other alternative formula using data/ relevant to the scheme should seek prior approval of the Empowered Committee with full justification (para 3.8).

Upto 20% of the district allocation can be used for upgradation of kutcha/dilapidated houses of families below poverty line as decided by the States on the basis of need.

3.6 Administrative expenses

Upto 4% of the funds released can be utilised for administering the scheme, of which upto 0.5% can be retained at the state level and the balance shall be distributed to the districts. The district allocation would include two parts, one part to meet fixed expenditure which would be same for all districts in a State and the other part proportional to the targets allotted to the district in order to meet working expenses. The States may decide the formula and also the formula for distribution to the intermediate and Village Panchayat levels in accordance with workload assigned to them. The norms adopted by States for distribution of funds under this category shall be intimated to the Ministry of Rural Development within six months.

Eligible items of expenditure under administrative expenses are the following:-

- (i) *Upto 1% of administrative expenses should be used for IEC activities for preparation of IEC material including electronic material especially on different designs and technology options;
- (ii) **Upto 1% of administrative expenses should be used for Social Audit;
- (iii) Imparting habitat and housing literacy to beneficiaries;
- (iv) Construction of prototypes and preparation of small scale models for demonstration;
- (v) Cost of photographs of the house at various stages and of uploading them;
- (vi) Cost of quality supervision and monitoring through visits;
- (vii) Cost of hardware/software for MIS;
- (viii) Cost of data entry in AwaasSoft, including hiring of personnel on contract;
- (ix) Training of master masons and beneficiaries providing labour, including training on maintenance practices;
- (x) Training of Community Resource Persons (CRPs) and NGOs;
- (xi) Payment of honorarium to CRPs and service charges to NGOs;
- (xii) Training of officials and elected representatives of Panchayats;
- (xiii) Conduct of assessments and evaluation studies;

* **Vide Ministry's order No. M- 13011/06/2013- RH dated 26/09/2013**

** **vide Ministry's order No. J- 11011/06/2013 – RH dated 12/12/2013**

The administrative expenses shall be shared by the Centre and States in the same ratio as applicable to the main programme expenditure.

3.7 Agency for implementation

At the district level the implementation should be entrusted to Zilla Parishad or its equivalent in States where there are no Zilla Parishads.

At the local level, the Village Panchayat, or its equivalent where the State has no Village Panchayats, would implement the programme. If Village Panchayats are too small to implement the scheme, the State may entrust the task to the Panchayat at the intermediate level. In such cases, Village Panchayats should be given clear roles in selection of habitats and beneficiaries and in supervision and monitoring.

3.8 Empowered committee

There shall be an Empowered Committee chaired by Secretary(RD)/Additional Secretary(RD) consisting of the following members

- i. Joint Secretary (Rural Housing)
- ii. Adviser (Planning Commission)
- iii. Representative of HUDCO
- iv. Representative of Knowledge Network
- v. Representatives of two eminent NGOs from the field of building construction
- vi. Secretary dealing with Rural Housing, of the state concerned
- vii. Representative of I.F.D

The Empowered Committee may invite experts as required to assist it in its meetings

The functions of the Empowered Committee are:-

- (i) To approve State's criteria for determination of difficult areas (para 3.2.1)
- (ii) To decide on targets for completion of houses and for new construction (para 4.5)

- (iii) To approve any alternative formula adopted by States for the districtwise allocation of targets (para 3.5)
- (iv) To decide on reallocation of funds (para 5.3)
- (v) To sanction special projects for the 5% allocation (para 3.2.4)
- (vi) To clear special projects for subsidy-linked schemes availing bank loans [para 6.9 (iv)]
- (vii) To permit cash payments temporarily in exceptional case [para 4.7(iii)]
- (viii) To permit transfer of Central share by state agency in a single instalment to difficult areas [para 5.6.1.IV]
- (ix) To approve new construction technologies proposed by State Governments which have not been approved by any technical body (para 3.2.1 Note)
- (x) To review the programme, suggest studies etc.
- (xi) To issue clarifications in matters where there are genuine difficulties in operationalising the guidelines

CHAPTER – 4

IMPLEMENTATION OF IAY

4.1 Implementation approaches

The implementation strategy for IAY needs to be developed by each State by balancing the needs and advantages of habitation or cluster approach and individual household approach.

In order to achieve economies in construction and provide a bouquet of basic minimum needs to poor families and ease of extension and monitoring, IAY should be implemented following the habitation approach, as far as possible. All habitations of the following categories may be covered on priority to achieve saturation:-

1. PTGs
2. Beneficiary families of the Forest Rights Act

Other habitations may be identified by the State Government for coverage using locally relevant, transparent socio-economic criteria.

However, to cover eligible beneficiaries of certain categories who may be living scattered within a Village Panchayat, the individual household approach can be used: While following this approach, first priority should be given to families of manual scavengers, including those rehabilitated and rehabilitated bonded labourers. Thereafter the priority to be adhered to is as follows:-

- (i) Women in difficult circumstances, including widows, those divorced or deserted, women victims of atrocities and those whose husbands are missing for at least three years, and, women headed families.

*** (i)(a) Households with a single girl child.**

- (ii) Mentally challenged persons (with at least 40% disability)
- (iii) Physically challenged persons (with at least 40% disability)
- (iv) Transgender persons
- (v) Widows and next-of-kin of members of defence/paramilitary/police forces killed in action (even if not BPL);

*** (vi) Households where a member is suffering from Leprosy or Cancer.**

*** (vii) People living with HIV (PLHIV)**

- (viii) Other houseless BPL families

*** Vide Ministry's order No. M- 13011/07/2013- RH dated 28/11/2013**

This would also ensure coverage of the most vulnerable people in the priority list. The above suggested priority needs to be followed for SCs, STs, persons with disabilities, Minorities and others.

States may decide the proportion of houses to be taken up following the habitation approach and those to be taken up for scattered individual beneficiaries. Once this is done, action may be initiated following the procedure suggested in para 4.2 and para 4.3.

4.2 Identification of habitations

The habitations have to be prioritized on the basis of transparent criteria to be developed by the State Government – with a five year and annual priority list.

As soon as the habitations are selected, a detailed survey should be got done by the State Implementing Agency with the involvement of the Panchayats concerned, collecting details of houses as well as other facilities in the habitations like physical connectivity, power connectivity, water supply, environmental sanitation and social infrastructure like anganwadis, libraries, community halls, work sheds, etc. This survey should be complemented by participatory methods like transect walks, focus group discussions and people's planning. All the eligible beneficiaries from the selected habitations have to be listed out.

4.3 Baseline survey and preparation of five year priority list

In the first year (2013-14), the existing priority list for IAY may continue to be used.

Within the first six months of the availability of the SECC data, the list has to be revised. Baseline data should be taken from Socio-Economic Caste Census 2011. A five year priority list of people who need to be given assistance should be prepared using the SECC baseline data through a participatory process. Identification and ranking of beneficiaries may be done using locally acceptable norms of priority for different categories following the methodology for participatory identification of the poor (PIP). Ministry of Rural Development would issue detailed guidelines for PIP.

SECC data should also be used to identify the landless households. All families having less than two cents of land would be considered landless for the

purpose of the scheme. A list thus extracted should be verified on the ground through a survey in which the Village Panchayats and local community are fully involved. Once the landless poor are identified they may be prioritized, as per the PIP process indicated for the IAY houses component with separate lists prepared for SCs/STs, minorities, persons with disabilities and others.

The five year priority list of IAY beneficiaries and the list of landless households generated from the above process and the list of beneficiaries from the identified habitations should be presented in the Gram Sabha and its approval taken. The meeting should be attended by a representative of the District Collector and it should be videographed. In order to correct errors of inclusion and exclusion, the process of appeal indicated for SECC may be adopted. The five year priority list once approved by the Gram Sabha should be uploaded on AwaasSoft for habitations and for scattered households.

4.4 Finalisation of annual select list of beneficiaries

In order to finalize the annual select list of IAY beneficiaries, it would be expedient to complete the process mentioned in para 4.3 and place the five year priority list before the Gram Sabha and draw the annual select list based on the target assigned for habitations and for scattered households.

The Gram Sabha meeting to approve the annual select list shall also be attended by a nominee of the District Collector and it shall be videographed. While doing so, list of new inclusions and list of exclusions if any shall be marked as such with reasons. The Gram Sabha meetings should be completed by 30th November and the finalized list sent to the Zilla Parishad before 31st December, so that, based on the tentative targets, the annual beneficiary list of the district can be finalized.

Details of beneficiaries selected should be entered on AwaasSoft.

4.5 Setting of targets

The State-wise targets would be set by the Ministry of Rural Development annually for two aspects of the programme:-

- (1) For completion of houses sanctioned during the previous years.
- (2) For selection of beneficiaries for new houses to be started during the year.

The Targets would be set after setting apart 4% from 95% of the allocation for administrative expenses. The targets thus set would be vetted by the Empowered Committee before being communicated to the States.

4.6 Sensitisation of beneficiaries

All the beneficiaries selected for the year should be requested to assemble at a place and at a time convenient to them. Persons with disabilities and old and infirm persons should be specially assisted for this. The beneficiaries should be informed of the details of the programme and their rights and responsibilities including the assistance which they are eligible to get and the conditions which they need to satisfy. More importantly, they should be sensitized in detail on the housing designs and construction technologies which are available and their costs for labour and materials and facilitated to make an informed choice based on affordability and cultural preference. For this purpose, states should devise easy-to-read diagram-based handbooks in the local language. Videos should be made of different designs/technologies and shown to the beneficiaries. Small scale models should also be exhibited. Prototypes could be built in selected localities with easy access within the Block, for demonstration. The beneficiaries should be requested to indicate the assistance they need.

4.7 Issue of sanction letter and release of first instalment

When beneficiaries come for the above meeting, the following procedures may be completed:-

- (i) A sanction order shall be issued in favour of each beneficiary in the local language in the format prescribed by the State Department/Agency detailing the terms and conditions especially the payment schedule.
- (ii) An entitlement card has to be given to every beneficiary, indicating in local idiom understood by the lay public, all her/his entitlements and obligations. This should indicate the support services available and the outer time limits for different services and how grievances would be redressed.
- (iii) The fund transfer orders releasing first instalment to each beneficiary should also be given. The fund should be transferred into the Bank/ Post Office account of each beneficiary. Release of instalments in cash to beneficiaries is not permissible under IAY.

- (iv) For exemption, permission of Empowered Committee may be obtained after providing adequate justification and that too for a limited period of time, subject to the following conditions:-
- a) The payment will be made in Gram Sabha meeting in the presence of all members.
 - b) The total amount sanctioned for construction of the house and the amount of instalment being paid will be announced for information of all members
 - c) Receipt of payment shall be taken from the beneficiary and kept on record in the Gram Panchayat
 - d) This will be verified specifically in Social Audit.

The State Government may decide on a particular day to mark the above event which could be observed across the state as Awaas Divas. The beneficiaries of house site component could also be given the land titles on the same day. Holding of such an event would ensure transparency and stimulate community participation in implementation and monitoring.

4.8 Allotment of houses

Allotment of the IAY house shall be jointly in the name of husband and wife except in the case of a widow/unmarried /separated person. The State may also choose to allot it solely in the name of the woman. In the case of beneficiaries selected under the quota for persons with disabilities, the allotment should be only to such persons. The allotment order should be in a form which may be prescribed by the State conferring the title to the house. In the case of house sites, the land identified may be assigned in the name of the eldest woman of the household except in the case of all-male households and pucca title granted as patta and house for the assignee of the land should also be allotted to that person. There should be a provision for non-alienation for at least 15 years.

4.9 **Construction**

The construction should be carried out by the beneficiary himself/herself.

No contractor should be involved in the construction of houses under IAY. If any case of construction through contractors comes to notice, the Ministry of Rural Development will have the right to recover the releases made to the State for those IAY houses. The house should also not be constructed by any Government department/agency. The spirit of IAY requires that the house is not to be constructed and delivered by any external agency. However, Government departments or agencies can give technical assistance or arrange for coordinated supply of material such as cement, steel or bricks or prefabricated components if the beneficiaries so desire.

But construction may be entrusted to reputed agencies in the case of very old beneficiaries above sixty years of age and persons with disabilities who may not be able to stand the strain of supervisory construction and who request for such support in writing.

Also services of reputed NGOs, / Charitable Organisations, Youth clubs of standing, Nation Service Scheme (NSS) Units of Schools and Colleges may be utilized to provide necessary support services to the beneficiaries especially for adopting suitable materials and building technologies, managing construction and in monitoring. States may accredit such agencies based on transparent criteria and fix reasonable service charges to be paid to them from the provisions for administrative expenses.

4.10 **Design and construction standards**

There should not be any mandatory type design. A menu of options in respect of use of materials and building technologies as appropriate locally, may be provided to the beneficiary along with the cost implications and the choice should be left to the beneficiary.

There should be special effort to promote green housing, which will include improved use of local materials, appropriate building designs and construction techniques. The objective is to reduce the negative environmental impact of housing and improve user comfort. This is through greater reliance on renewable and locally available material, through reduced use of energy during the life-cycle

of the house and the use of materials and designs appropriate to local weather patterns.

The layout of the house should also be decided by the beneficiary who may, however, be advised on a good layout as suitable to the locality. For households having persons with disabilities, barrier-free design should be adopted to facilitate smooth and free movement in the house. In areas prone to natural calamities, disaster resilient features should be built in.

It is also desirable that the house should have, in addition to the mandatory components, the following:

- (i) Adequate space for pursuing livelihood activities;
- (ii) A verandah;
- (iii) Stair case to go to the top of the house.

4.11 Technical support

Support in the form of technical and managerial guidance should be provided for construction of IAY house. Foundation laying and lintel level are critical stages for maintaining the quality of the house. Therefore, technical support should be provided at least at these two stages.

4.12 Stages of construction and release of instalments

The number of instalments given to beneficiaries should be fixed at three. The release of instalments should be linked to the level of construction reached.

- (i) The first instalment should be given on the Awaas Divas along with the sanction order. It should not be more than 25% of the unit cost.
- (ii) The 2nd instalment should be released on reaching the level lintel. It should not be less than 60% of the unit cost.
- (iii) The 3rd instalment should be given only after the house including the sanitary latrine is constructed and the beneficiary starts living in the house. But floor finish, fixing of shutters to doors and windows, plastering other than what is essential to withstand natural forces, and painting need not be insisted on for receiving the assistance. It should be an amount not more than 15% of the unit cost;

Release of each instalment should be preceded by site visit by the designated official and verification of the work details of which would be uploaded to the programme website (AwaasSoft) along with photographs in support.

4.13 Timelines for construction

Generally, subject to weather and other factors, the stages of construction should be managed within the following timelines

Stage	Level	Time limit
Stage1	Construction upto lintel level	Nine months from date of release of first instalment
Stage 2	Completion	Nine months from date of release of second instalment

4.14 Completion

Completion of a dwelling unit normally should not take more than two years from the date of sanction of first instalment. However, since the beneficiaries are from the PBL category who often find it difficult to mobilize the resources required to complete the house, cases of delay must be monitored and the beneficiaries facilitated to complete the house within a maximum period of three years. On completion of an IAY dwelling unit, the Zilla Parishad concerned should ensure that for each house so constructed, a display board is fixed indicating the IAY logo, year of construction, name of the beneficiary etc. The expenditure on this account can be met from the funds available under the scheme. The cost of each logo should be fixed by the State Government but the central share shall not exceed Rs.100/- from the programme fund.

CHAPTER – 5

RELEASE AND MANAGEMENT OF FUNDS

5.1 Allocation

The allocation of funds to the States and from the States to districts and below shall be made as per para 3.5.

5.2 Proposals to be made State wise

The State shall be the unit for purpose of sending proposals to the Government of India. The State shall send one consolidated proposal to Ministry of Rural Development for each instalment, giving District wise information required for the release of the instalment as required in para 5.4 and 5.5. All information should be as per entries in AwaasSoft only. The State Governments will have to put in place a robust mechanism to ensure adequate scrutiny of the District level documentation. Due diligence on district level proposals will be carried out by the State Government department concerned. The consolidated proposal for the first instalment should also indicate the district wise allocations and the formula and methodology used to arrive at the allocation. Conditionalities will now be applicable at State level, monitoring mechanisms will also need to be improved to ensure that delay or default in any one District does not affect flow of funds to the State.

The Ministry will continue to release funds to Districts directly on the basis of the consolidated proposal, till such time an alternative system is worked out.

5.3 Release of funds

Fund releases shall be as follows:-

- (i) The annual allocation will be released in two instalments.
- (ii) First instalment shall be equal to 50% of annual allocation fixed in accordance with the provision in para 3.5.
- (iii) Second instalment shall be equal to the annual allocation minus first instalment and applicable deductions as in para 5.6.
- (iv) All releases would be made to designated accounts of Districts as per guidelines issued by the Ministry from time to time.
- (v) In the case of Districts/UTs namely, Kinnaur, Lahul - Spiti, Leh and Kargil districts and the UT of Andaman & Nicobar Islands having

limited working season and any other such areas as may be decided by the Empowered Committee, the entire central assistance may be released in one instalment. The State should also release its share in one instalment

5.4 Procedure for release of first instalment

- I. 1st instalment shall be released in respect of all Districts who have taken the 2nd instalment in the previous year. From 2014-15 this will also be subject to the fulfilment of the condition that the selection of beneficiaries is completed and the list is uploaded in AwaasSoft.
- II. Districts who have not received the 2nd instalment of previous financial year have to submit proposals for 1st instalment alongwith all requisite documents which were required to be submitted for the release of 2nd instalment of previous financial year.

5.5 Procedure for release of second instalment

Release of second installment to the State will be subject to the following conditions:-

- (i) Utilization of at least 60% of total available funds (equal to opening balance plus releases during the year and miscellaneous receipts).
- (ii) Fulfillment of conditionalities, if any, indicated during earlier releases.
- (iii) Completion of 100% of sanctioned houses more than three years old and 75% of houses sanctioned two to three years ago.
- (iv) Data entry in AwaasSoft reflecting utilisation of funds and completion of houses.

The State government shall furnish the following documents along with the proposal:-

- (i) Utilization Certificate (for State as a whole) for the funds received during the previous financial year based on Utilisation Certificate and Audit Reports received from the districts.

- (ii) Utilization Certificate for funds received during the current financial year.
- (iii) A certificate that Utilization Certificate/Audit Report and Bank Reconciliation Statement for the previous financial year have been received from all the districts and these have been examined and found to be in order. The certificate will specifically mention that the Audit Report does not refer to any irregularities on which ATR is required or the ATR on the observations have been received and they are in order.
- (iv) Statement indicating the district-wise financial position covering the following:-
 - (a) Opening Balance (including unencashed cheques and unadjusted advances), central and state share received and miscellaneous receipts during previous financial year;
 - (b) Total availability of funds, Expenditure and Closing Balance during previous financial year as per Utilization Certificate/Audit Report received from districts;
 - (c) The Central and State shares received, interest accrued and miscellaneous Receipts during the current financial year upto the latest date available;
 - (d) Total availability of funds and expenditure during the current financial year up to the latest date available.
- (v) A certificate that the administrative expenses have been incurred on permissible items within the approved ceiling.
- (vi) A certificate that funds have been transferred to the beneficiaries as per provisions of the guidelines.
- (vii) Copies of sanction orders releasing the state share for the previous and current financial year.
- (viii) Non-diversion and non-embezzlement certificate.
- (ix) Certificate that the IAY funds have been kept in a separate Savings Bank account in a nationalized bank.
- (x) Bank details in prescribed format.

A check list for release of 2nd instalment and a proforma for submission of the proposal for 2nd instalment are at **Annexes I and II**. A model format for Utilization Certificate is given at **Annexe III**.

The State should nominate a senior officer (Head of Department) to sign the proposal (Authorised Signatory) to be sent to Government of India. The State should nominate another officer (nodal officer) to monitor the progress of data entry in the AwaasSoft and ensure that the proposal is in line with the data.

5.6 Release of State share

The State Government should release the full state share corresponding to the central share and allocate it among the districts within 15 days of release of central share. The state share of the 4% administrative expenses should also be released simultaneously. A copy of the allocation order should be endorsed to the Ministry.

If there is shortfall in state share pertaining to the previous financial year proportionate deduction shall be made to the extent of unmatched central release from the 2nd instalment of central share (i.e. 03 times the shortfall in case of Non- NE states and 09 times the shortfall in case of NE states).

5.7 Reallocation

No proposal for 2nd instalment will be entertained after end of December of the financial year. However, for States to adjust to the new cycle, a grace period of three years from 2013-14 would be given during which period the proposals could be submitted till end of January. If proposal for 2nd instalment is not received by this date, the balance allocation earmarked for the defaulting States as well as any available savings out of the 5% reserve fund shall be proportionately reallocated among other States in the month of February on the basis of magnitude of expenditure of above 60% including second instalment as the determining factor. Reallocation would be done to State Governments submitting specific proposal for additional release after having utilised 60% of available funds by January. And if the reserve of 5% is fully committed and there are more eligible proposal for special projects, they would be given priority. Reallocation will be done with the approval of the Empowered Committee.

5.8 Management of IAY Account

- (i) At the District level, IAY funds (Central share as well as State share) shall be kept in a nationalised bank in an exclusive and separate Savings Bank account by the Zilla Parishad/DRDA. The State government will

communicate to the Ministry details of the Bank Branch and Account numbers and also enter the details in AwaasSoft and CPSMS.

- (ii) The interest amount accrued on the deposits of the IAY funds shall be treated as part of the IAY resources (in the ratio of 75 : 25 as Central and State shares).
- (iii) The Districts will follow the accounting procedures prescribed by the Ministry of Rural Development. The finalised district level accounts of the previous year shall be got approved by the Zilla Parishad on or before 30th June and got audited on or before 31st August of the same year. The accounts Zilla Parishad/DRDA shall show the interest earned separately.
- (iv) Drawal of funds from the accounts shall only be made for incurring expenditure under the IAY.
- (v) All such accounts will be auditable by the CAG.

5.9 Payment to beneficiaries

Payment to beneficiaries shall be made into her/his Bank/Post Office account only except in cases where prior permission to pay in cash has been taken from the Empowered Committee. The account details and Aadhaar number, if any, shall be entered in AwaasSoft so that the account of the beneficiary can be directly credited using the eFMS module of AwaasSoft as soon as the module is operationalised. All payments to beneficiaries must be reflected in AwaasSoft so as to enable the Implementing Agency and the Ministry to know the status of expenditure and balance in hand at the District level and below.

CHAPTER – 6

SUPPORT SYSTEMS

States need to put in place a robust system to provide support services to the families constructing houses under the Scheme. These include -

6.1 Dissemination of appropriate building technologies

The State should proactively identify appropriate building technologies focusing on use of local materials. These should be conveyed to the beneficiaries through booklets, pamphlets, videos, models and prototypes built in accessible locations.

Natural factors such as building orientation, wind direction, vegetation, drainage, and contours of the land along with awareness of locally available materials should be factored into housing design.

Good construction practices in such housing would include:

- a. Half Brick Wall
- b. Rat-trap Bond
- c. Jali Wall
- d. Filler Slabs
- e. Arches
- f. Frameless Doors And Windows
- g. Rubble Masonry
- h. Bamboo Construction
- i. Mud Construction
- j. Built-in Furniture

6.2 Capacity Building

States should prepare a capacity building plan to strengthen the quality of implementation. The States may assign the task to SIRD or any other State level institution for this purpose. The capacity building plan should have the following elements:-

- (a) Training of district level officials;

- (b) Training of cutting edge level functionaries;
- (c) Training of trainers especially for Community Resource Persons, masons and other extension workers;
- (d) Orientation and training of Quality Monitors;
- (e) Training of elected representatives of Panchayats

6.3 Transfer of Technology

The States must put in place a system for transfer of technology. This can be done best through utilization of Community Resource Persons (CRPs) suitably trained for this purpose availing services of reputed NGOs. The CRPs and NGOs have to closely work with the beneficiaries as well as the local masons and help the beneficiary families to make a proper choice and later assist them in implementing it on ground.

6.4 Technology Facilitation Centres

Utilizing the facilities of educational institutions or building centres, Technology Facilitation Centres may be opened at convenient locations and all beneficiaries informed about them at the time of selection itself.

6.5 Fixing rates of material

District Collector may fix rates for materials at different points and empanel suppliers following due procedure and intimate these to the beneficiaries so that they can benefit. However, the final choice would be that of the beneficiary. For cement, steel and similar items, State Government could fix the maximum price after negotiation with the suppliers and let the beneficiaries know of the details.

6.6 Prefabrication

Prefabrication of certain structures and materials may be done where volumes at the district level justify and the beneficiaries prefer them. This could include doors, windows, tiles, roofing etc.

6.7 Training Masons

Master masons should be trained in different building technologies which are relevant locally and in cost reduction methods. Wherever feasible, women mason groups should also be created after adequate training. The list and contact

addresses of such masons and groups should be made available to the beneficiaries.

6.8 Convergence

(i) Toilet

For all IAY houses, construction of toilets under Nirmal Bharat Abhiyan (NBA) is mandatory. The State Governments should put in place a system which facilitates this, covering fund flows, accounting, reporting, etc. It should be ensured that the beneficiary has to approach only one agency for the IAY and NBA components.

(ii) Drinking water

Potable drinking water should be provided to all IAY households by converging the State and Central Government programmes relating to drinking water. Also drinking water wells can be constructed using MGNREGS for an individual house or a group of houses.

(iii) Electricity

Electrification should be provided under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) or any State scheme and in areas where there is no electricity, solar lights should be provided.

(iv) Land development

The lands of individual beneficiaries or habitats may be developed using MGNREGS. The Scheme can also be used for soil conservation and protection, bio-fencing, planting of avenue trees, construction of playgrounds, etc.

(v) Social security

Since IAY beneficiaries are below poverty line, they may be automatically provided benefit of Rastriya Swasthya Bima Yojana (RSBY) or State Level Health Insurance Scheme in those States where RSBY is not implemented. Life Insurance Corporation runs insurance policies for the poor like Janshree Bima Yojana and Aam Aadmi Bima Yojana. The IAY beneficiaries may be enrolled into one of the schemes as suitable to them.

(vi) Connectivity

Connectivity may be provided in the form of paved pathways, roads or steps using MGNREGS and relevant State schemes.

In order to bring about convergence a state level meeting may be held exclusively for the purpose by the Chief Secretary by January of every year in which all the State level departments/agencies responsible for different schemes may be called and an action plan for convergence prepared to ensure that there is automatic and simultaneous convergence in favour of IAY beneficiaries, as they all belong to families in real need.

6.9 Mobilising additional resources

The amount provided under IAY may not be sufficient in all places for construction of houses with facilities adequate for the family. Therefore, additional resources need to be mobilized as follows:

(i) **Supplementary grants from the State Government:**

State Governments may provide supplementary grants from their budget as additionality. This is particularly relevant for SCs/STs where funds may be pooled from SCSP and TSP.

(ii) **Mobilisation of DRI Loans:**

Nationalized Banks have been instructed by the RBI to provide loans upto Rs.20,000/- per house at an interest rate of 4% per annum under the Differential Rate of Interest (DRI) Scheme to SC/ST beneficiaries. To ensure its implementation, the following methodology is suggested:-

- (a) Hold a meeting of State Level Bankers Committees (SLBC) to discuss the scheme and take collective decision on modalities;
- (b) Assign responsibilities to the DLBC as per district level targets;
- (c) At the district level, bank-wise targets may be finalized according to their service area;
- (d) Once the beneficiary selection is finalized, in the initial meeting of the beneficiaries, applications for DRI loan should be collected and submitted in the bank branch concerned. A functionary may be assigned the task of following up these applications.

(e) Monitoring of the sanction of DRI loans should be done at the block, district and state levels including at BLBC/DLBC/SLBC levels. At the district and state level, a senior officer should be made responsible for responding to grievances related to non-sanction of DRI loans and sort them out in consultation with the banks concerned.

(iii) Mobilisation of other loans

States may also arrange loans from banks, including cooperative banks to IAY beneficiaries, to supplement the grant assistance, in a schematic manner. The maximum amount of such loan could be Rs.50,000/- and the rate of interest could be subsidized on prompt payment. Detailed guidelines may be issued after working out the scheme in consultation with the banks and cooperatives. Wherever such loans are provided, the beneficiaries have to be sensitized on repayment requirements and their willingness obtained.

(iv) Formulation of subsidy-linked projects availing loans from banks/financial institutions:

State Governments are free to formulate projects which would provide subsidy using IAY funds (within the amount permissible), linked to assured loans from banks including cooperative banks or financial institutions like HUDCO. For coordinating implementation, the States could use the services of organizations of repute and meet their service charges from the provision for administrative expenses and if they are not sufficient, from state funds. Such special projects need the prior approval of the Empowered Committee.

CHAPTER – 7

ROLE OF PANCHAYATS

7.1 The Gram Panchayats have the most critical role to play in the actual implementation of the scheme. They include the following:-

- (1) The baseline survey using Socio-Economic Caste Census data would be coordinated by the Village Panchayats. They would also facilitate the participatory identification of the eligible beneficiaries.
- (2) They should ensure maximum participation in the Gram Sabha held to finalize the five year priority list and the annual select list of beneficiaries.
- (3) The Village Panchayats should conduct IEC campaign through the various field level functionaries of Government, Bharat Nirman Volunteers, SHGs and the representatives of Civil Society Organizations, in order to build awareness of the scheme among the people.
- (4) They should arrange the meeting of beneficiaries either at the level of the Village Panchayat or for a cluster of Village Panchayats, depending on the number of beneficiaries, and facilitate the sensitization of beneficiaries on different aspects of construction of houses and access of support services from different sources. They would proactively promote affordable and green technologies.
- (5) The Village Panchayats with the help of the Gram Sabha would identify families who cannot construct houses on their own and help in identifying NGOs/Civil Society Organizations of repute to handhold such beneficiaries to construct the houses in time.
- (6) They would facilitate the beneficiaries in accessing materials required for construction at reasonable rates and also the masons needed for construction.

- (7) The Village Panchayats would ensure convergence of schemes using resources over which they have command like MGNREGS, BRGF, State and Central Finance Commission grants, etc.
- (8) They should discuss the progress of the scheme in their monthly meetings.
- (9) They should also proactively assist the social audit teams to conduct Social Audit.
- (10) For coordinating different activities under IAY, a special Functional Committee or Task Force should be set up in each Village Panchayat consisting of the elected head, Chairpersons of Standing Committees, volunteers from the SHG network, representatives of NGOs/Civil Society Organizations and local officials.

7.2 The Panchayat at the intermediate level should provide technical assistance especially relating to building materials and construction technologies. It should act as a resource centre to assist the beneficiaries on a continuing basis. It should be the custodian of the publications and electronic material on different aspects of construction and proactively disseminate their contents.

7.3 The Intermediate Panchayat should also redress grievances of the beneficiaries. It should undertake field-level monitoring and send reports to the Zilla Parishad. It has a special role in getting the houses completed without delay.

7.4 The Zilla Parishad should coordinate the overall implementation of the programme in the district by ensuring that the different provisions of the guidelines are adhered to in practice. Wherever there are delays and other problems, the Zilla Parishad has to sort out the issues concerned. It should monitor the progress of the scheme and ensure smooth flow of funds.

In order to enable the Panchayats to play their role effectively, the State Government should do the following:-

- (1) Organise training programme to equip the Panchayats to carry out the tasks assigned to them.
- (2) Provide the Panchayats IEC material particularly on materials and building technologies.

- (3) Provide share of administrative expenses commensurate with workload.
- (4) Issue an order specifying the roles and responsibilities of each tier of Panchayat as appropriate to the States. This should be done within six months.

Note:- It is clarified that in States where there are no Panchayats, democratic institutions at the appropriate levels should be assigned the roles specified for Panchayats. In States where Gram Panchayats are too small, clusters of Gram Panchayats should be formed and enabled to perform their tasks.

CHAPTER – 8

ACCOUNTABILITY

8.1 Disclosure

8.1.1 Details of implementation of all components of IAY should be proactively disclosed in the local area and the following are mandatory:-

- (i) Wall paintings or notice boards at the Village Panchayat level;
- (ii) Proactive dissemination of details to all organizations of SHGs under NRLM.

8.1.2 The details should include the following:-

- (i) The names and addresses of families in the five year priority list.
- (ii) The names and addresses of the beneficiaries selected for a year under different components.
- (iii) The norms used for selection.
- (iv) Money each family is eligible and the amount dispensed.
- (v) Date of completion of the house.

8.1.3 There should be compulsory and pro-active disclosure of the following to the beneficiaries through local level officials, Anganwadi Workers, ASHAs, SHG Leaders and Community Resource Persons:-

- (1) The rights and entitlements of the beneficiaries
- (2) The responsibilities of the beneficiaries
- (3) Registration in AwaasSoft, including entry of mobile number in the system
- (4) Support services available from the State Government and the persons/agencies responsible for providing them
- (5) The various options for appeal and grievance redressal.

8.1.4 There should be concurrent independent monitoring using Community Resource Persons, representatives of civil society organizations and students from Higher Secondary Schools and Colleges. They should be given a format covering the points mentioned above.

8.1.5 Photographs of every beneficiary should be taken in the front of existing house as well as in front of the new IAY house after construction, in addition to different stages.

8.2 Audit

The State will ensure that the accounts at all levels are audited by a Chartered Accountant selected from a panel approved by the C&AG. The auditing should be completed before 31st August of the next financial year. All the IAY Accounts at all levels shall also be open to audit by the C&AG as well as by the Internal Audit Wing of the Pay and Accounts Office of the Ministry of Rural Development.

8.3 Social Audit

8.3.1 Social Audit is a continuous and ongoing process, involving public vigilance and verification of implementation of the scheme. Formal Social Audit is to be conducted in every Gram Panchayat at least once in a year, involving a mandatory review of all aspects.

8.3.2 The basic objective is to ensure public accountability in implementation and provide an effective means for its achievement. The process combines people's participation and monitoring with the requirements of the audit discipline. It is a fact finding process and not a fault finding process.

8.3.3 Social Audit Units (SAU) set up by the state government under MGNREGA can be roped in to facilitate conduct of Social Audit of all components of IAY including implementation of the house site programme. Resource Persons identified by the SAU at different levels may be involved with the Gram Sabha in conducting social audit. The resource persons can be drawn from primary stakeholders, civil society organizations, SHGs under NRLM, Bharat Nirman Volunteers (BNV) and other organizations or individuals, who have knowledge and experience in working for the rights of the people. The Quality Monitors and Community Resource Persons under the scheme should be a part of the Social Audit process.

8.3.4 The Social Audit process can be scheduled for an entire year and carried out in a staggered manner all over the State. The process of beneficiary selection for different components of IAY for the next year and the social

auditing of the implementation of the previous year can be carried out in the same Gram Sabha meeting. The beneficiaries who have received the benefits in the past year and those in the IAY priority list should be informed about the date and venue where the Gram Sabha would conduct the audit.

8.3.5 The following procedure is suggested for social audit:-

- (1) State Government should issue an order enabling the Social Audit Unit set up under MGNREGS to take up the social audit of IAY. The Social Audit Unit should identify resource persons at the district, block and village levels. It should prepare reporting formats and issue detailed guidelines for social audit of IAY.
- (2) Social Audit Teams should be set up at the Village Panchayat level or for a group of Village Panchayats. Women SHG leaders should, as far as possible be included in the team, as also those from disadvantaged social groups like SCs/STs, persons with disability and so on. The Social Audit team members should not be from the Village Panchayat in which they are doing social audit. Adequate training should be given to all the resource persons and Social Audit team members.
- (3) A time-table for Social Audit should be prepared at the beginning of the year in such a way that at least one audit is conducted every year.
- (4) The Social Audit Unit may be provided all details of implementation of IAY like guidelines, five year priority list, annual select list, past beneficiary lists, payments made, support services provided, monitoring visits made from different levels, major inspections carried out etc.
- (5) The Social Audit Teams and the resource persons along with the beneficiaries shall verify the following, with respect to processes and procedures:-
 - (i) Five Year priority list of all components of IAY.
 - (ii) Selection of beneficiaries for the year including changes made if any and its justification – for all components of IAY
 - (iii) Progress of completion of houses

- (iv) Quality of construction of houses
 - (v) Quality of house sites distributed
 - (vi) Quantum and timeliness of payments
 - (vii) Bank loans obtained by the beneficiaries including DRI loans
 - (viii) Other debt incurred by the beneficiaries
 - (ix) Support services provided
 - (x) Grievances and their proper and timely redressal
- (6) Following the verification mentioned above, the Gram Sabha shall meet chaired by an elderly person who is not part of the Village Panchayat or implementing agency to discuss the findings of the Social Audit Team. The Gram Sabha will be a platform for all beneficiaries and persons in the five year priority list and annual select list and other villagers to raise issues related to implementation of IAY. Government may depute an observer to the Social Audit Gram Sabha. The entire proceedings should be videographed, suitably compressed and uploaded in the website.
- (7) The Social Audit reports should be prepared in the local language and signed by the Chairperson of the Social Audit Gram Sabha and displayed in the notice board of the Village Panchayat. The Village Panchayats and others responsible for implementation should take follow up action on the findings of Social Audit and send the action taken report to the State Social Audit Unit. This should also be placed before the next Social Audit Gram Sabha.

8.4 Grievance Redressal

8.4.1 There should be a grievance redressal system at the block and district level to look into the following:-

- 1) Irregularities in selection of beneficiaries
- 2) Irregularities in release of instalments
- 3) Non provision of support services
- 4) Non provision of convergence schemes

- 5) Refusal to agree to the choice of design/construction technology made by the beneficiary

8.4.2 Multiple modes must be provided to the complainant for registering a complaint with the authorized officer including written complaints and complaints made through the provision available on the website. All such complaints must be duly acknowledged with a dated receipt. Time limits must be set for disposal of complaints. Monitoring of disposal of complaints must be done at the next higher level every month. The report generated by the MIS can be used to monitor the action taken on grievances.

CHAPTER -9

MONITORING

The scheme needs to be monitored very closely. Monitoring should be done at all levels and with special emphasis on quality and timely completion of construction.

9.1 Monitoring by Government of India

All data regarding beneficiaries, progress of construction and release of funds, including photographs and inspection reports shall be placed on AwaasSoft and would form the basis for follow up on both the financial and physical progress of the scheme.

The physical progress in construction would be monitored through the photographs to be uploaded every quarter. Photograph is to be uploaded irrespective of whether there is progress or not. A photograph should be uploaded on completion. The cost of taking the photograph and uploading it will be chargeable to administrative expenses and the beneficiary must not be asked to pay for this process.

National level Monitors and Area Officers of the Ministry would also visit IAY houses during the field visits, to the extent possible.

9.2 Monitoring by implementing agencies

Officers at the Block level should inspect 10% of the houses at each stage of construction. The list of such houses may be generated at random by AwaasSoft and the inspection report uploaded.

District level officers should inspect 2% of the houses at each stage of construction from the random list generated by AwaasSoft.

9.3 Quality monitoring

The State Government should put in place a system of quality monitoring to guide and assist the beneficiary in achieving satisfactory quality in respect of the following:-

- Site selection
- Use of appropriate cost effective technology
- Selection of design and materials for construction such that the negative environmental impact is reduced
- Quality of workmanship which ensures longevity and user comfort
- Construction of sanitary latrines, smokeless chullahs, soakpits and compost pits and provision of electricity connection under RGGVY or any state scheme
- Finishing including electrical, plumbing and sanitary fittings
- Integration with existing water supply and sanitary systems of the locality

States may put in place a system to measure the greenness of housing through a simple set of indicators. This could be a measure against a baseline of a standard pucca house utilizing conventional inputs such as bricks and cement concrete, with flat roofs and typical construction design.

9.4 Community / Participatory monitoring

In the meeting of the Gram Sabha to approve the annual select list, the list of ongoing IAY houses and list of houses completed during the year should be read out and copy posted in the Panchayat office notice board. A community based participatory monitoring system should be put in place utilizing the services of the SHG network under NRLM.

9.5 Management Information System

AwaasSoft is a local language-enabled workflow-based transaction level Management Information System in place to facilitate e-governance of IAY. The System has been prepared and deployed at <http://iay.nic.in> by NIC in collaboration with Ministry of Rural Development. The System is designed for all stakeholders of IAY including the beneficiary. The portal <http://iay.nic.in> is accessible to all including the national/international community.

9.5.1 Features of AwaasSoft

The MIS has nine different modules designed to capture all the transactions that would be required in implementation of the scheme. The modules are:-

- i. **Target setting for a year**
Deals with the target setting (physical and financial) at Ministry of Rural Development, State, District, Block and Gram Panchayat levels.
- ii. **Beneficiary Management**
Facilitates registration of the beneficiary, allowing for capturing of her personal details, Bank/Post Office Account number and Aadhaar number.
- iii. **Inspection / Verification of Houses**
Deals with the regular inspection of houses at the level of Gram Panchayat and Block Panchayat. It also provides space for noting verification of houses by officials and monitors.
- iv. **Fund Management**
Captures transfer of fund from Ministry of Rural Development upto the beneficiary through the various tiers.
- v. **Online Submission for demand of fund**
Allows the Districts to submit their proposals online to the State and the States to the Ministry of Rural Development. It includes options for the preparation of Audit report, Utilization Certificate and other documents. The system calculates the amount to be released.
- vi. **Proposal Processing in Ministry of Rural Development**
Proposals sent by the States are received by the Programme Division for processing. The status of the proposal under process can be tracked by the stake holders.
- vii. **Personnel Module**
Captures profile of officials engaged in IAY.
- viii. **Grievance Redressal System**
Allows stakeholders to lodge complaints and to trace the subsequent response. Complaints will escalate automatically to next higher level after every 30 days, if not attended to.
- ix. **Linkage with Financial Institutions**

Captures the Account Details of all stake holders including beneficiaries and this information can be shared with financial institutions through web services or the financial institutions can access the IAY portal and give information of credit of fund into the beneficiary's account.

9.5.2 Process of data entry at different levels

A designated officer manages the MIS at the Ministry of Rural Development working closely with the NIC. The targets and allocation for the States once finalized would be entered by the Ministry.

At the state level, state governments have to nominate Nodal Officers who would manage the MIS. The number of instalments in which the fund would be transferred and in what proportion, the district wise targets and allocation need to be entered at the State level. The Nodal Officer would also serve as the converging point for queries and issues faced by the districts and a single window for communication with NIC in respect of AwaasSoft. The status of usage of AwaasSoft at the district level shall be monitored regularly. The reporting of special projects, house site component, etc, needs to be made separately under the corresponding provision in AwaasSoft and this should be ensured at the state level.

At the district level dedicated staff should be identified in order to manage data entry. They would continuously interact with the state Nodal Officer. The targets and allocation for the Blocks/Gram Panchayats need to be entered by them. The pendency status and exception reports generated from AwaasSoft should form the basis for monitoring. In states where the Zilla Parishad/ implements the scheme, the registration of beneficiaries on AwaasSoft, and authentication of their Bank/Post Office accounts also needs to be done by them. Where the implementation is done by Blocks/Gram Panchayats the Bank/Post Office account details should be cross checked by the district level officers. Data entry operations should be planned to ensure timely entry of information.

Regarding the uploading of photographs the operation may be carried out by the officers concerned or may be out sourced preferably to SHGs under NRLM in order to ensure that the photographs of all houses are taken and uploaded every three months, regardless of whether the inspection is done.

The process of data entry starts with the registration of the beneficiaries for the year. The profiles need to be complete including information on Bank accounts. The list of beneficiaries should be consolidated at the Zilla Parishad/Block/Gram Panchayat, whichever is the ultimate fund dispersing agency.

The hiring of the required staff can be charged on the 4% allowed for administrative expenses. It should be ensured that the man power hired is IT trained and are utilized efficiently.

9.5.3 Fund flow through AwaasSoft

- i. The selected beneficiaries should be released first instalments through the ordersheets generated from the MIS.
- ii. All transactions by the disbursing agency should be consolidated and verified at the next higher level and authenticated.
- iii. The disbursing agencies should also identify two signatories for the digital signatures that would be issued in order to approve electronic generation of Fund Transfer Orders and transfer of funds to beneficiary accounts.
- iv. The physical transactions of funds should follow the transactions on AwaasSoft. The entries should be made and kept updated to ensure that there is no lag between transaction on the system and the physical transaction.

The proposal for release of second instalments would be examined based on the utilization reflected in the MIS. Hence a lag in updating financial transactions would reflect as poor utilization of funds on the MIS thereby hindering further releases.

9.6 Monitoring through MIS

A number of reports are generated by the MIS which can be used for monitoring and reporting purposes. These can be drilled down to the implementing agency level. The pendency reports and exception reports generated from AwaasSoft should be used for monitoring purposes.

- i. The date of sanctions would be taken as the date for start of the monitoring process.

- ii. The inspections would have to be done before release of further instalments. The timeline for inspection should be as in para 4.12.
- iii. Each inspection should be used to capture photographs of the house under construction and ensure the same is uploaded.
- iv. The following parameters would be monitored in the relevant quarter of the year to ensure timely release of funds and timely completion –

Quarter	Parameters
1 st and 2 nd quarter	Number of completed beneficiary profiles Number of beneficiaries from ordersheets generated
3 rd quarter	Number of beneficiaries in ordersheet of 2 nd instalment Number of houses inspected
4 th quarter	Number of houses inspected Number of houses completed
Later	Number of houses completed

To start with the minimum level of achievement the above parameters would be set by the Ministry of Rural Development and then progressively raised to full level. These would be linked to the allocation and release of funds

9.7 Training on AwaasSoft

All manpower at all levels have to be trained in data entry and management. Master trainers would be trained by the NIC and they would be responsible to train the district and block level operators. The people using digital signatures shall be trained and enlightened about the security aspects of using them. The use of emails for communication between the state nodal officer and district officers concerned may be emphasized in order to make it faster and efficient. The detailed user manual for AwaasSoft is also available on the portal.

SCHEDULE

Sl. No.	Item	Unit cost	Central and State Share
1.	Construction of new house (i) Plain areas (ii) Hilly States and difficult areas & IAP districts	Rs.70,000 Rs. 75,000	90:10 for NE States and Sikkim 100:00 for UTs 75:25 in other cases
2.	Upgradation of dilapidated kutcha house	Rs. 15,000	As in (1) above
3.	House sites for eligible landless	Rs. 20,000	100:00 for UTs 50:50 in other cases
4.	Administrative Expense	4% of funds released	As in (1) above

Note: Details of admissible expenditure under administrative expense in para 3.6

CHECK LIST FOR RELEASE OF SECOND INSTALMENT

1. Whether the following conditions have been fulfilled:

- (i) Utilisation of atleast 60% of total available funds (equal to opening balance plus central and state release during the year, interest accrued and other miscellaneous receipts).
- (ii) Observance of conditionalities indicated during earlier releases.
- (iii) Completion of 100% of sanctioned houses more than 3 years old and 75% of houses sanctioned 2 to 3 years ago.
- (iv) Data entry in AwaasSoft reflecting utilisation of funds and completion of houses.
- (v) The proposal has been signed by the designated representative of the State Government.

2. Whether the following documents have been submitted along with the proposal:

- (i) Utilisation Certificate for the funds received during the previous financial year based on similar certificates received from the districts.
- (ii) Audit report on previous financial year along with Bank Reconciliation Statement based on audited accounts of the districts including Action Taken Report on audit observations, if any.
- (iii) Utilisation Certificate for the current financial year.
- (iv) A certificate that UC/Audit Report for the previous financial year have been received from all the districts and these have been examined and found to be in order. The certificate will specifically mention that the Audit Report does not refer to any irregularities on which ATR is required or the ATR on the observations have been received and they are in order.
- (v) Statement indicating the district wise financial position as required under para 5.4(v) of the IAY guidelines.
- (vi) A certificate that the administrative expenses have been incurred on permissible items within the approved ceiling.
- (vii) A certificate that the five years priority list and annual select list have been prepared and uploaded onAwaasSoft.

- (viii) A certificate that funds have been transferred to the beneficiaries as per provisions of the guidelines.
- (ix) Copies of sanction orders releasing the state share for the previous and current financial year.
- (x) Non-diversion and non-embezzlement certificate.
- (xi) Certificate that the IAY funds have been kept in a separate Savings Bank Account.
- (xii) Bank details in prescribed format.

Signature _____
(full name with designation & official seal)
Date: _____

INDIRA AWAAS YOJANA**PROFORMA FOR RELEASE OF SECOND INSTALMENT**

1. YEAR : _____
2. Name of State : _____

3. List of Districts claiming 2nd instalment

- a) Address : _____
: _____
: _____
- b) Tele. No. : _____
- c) Fax No.(if any) : _____
: _____
- d) E-mail address : _____

4. Central Allocation for the current year : _____

5. Funds received are as under:

(Amount ` in lakh)

	Releases	Current Year (i.e.)	Previous Year (i.e.....)
A.	Central Release		
B.	State Release		
	TOTAL		

6. Funds available :

Sl. No.	Items	Current Year (i.e.)	Previous Year (i.e.....)
1.	(a) Carryover funds from the previous year.....		
	(b) Amount of uncashed cheques with the agencies/Cheques in transit		

2.	Releases under IAY received by the State		
	(a) Centre	(i) of Current year (i.e.....)	
		(ii) of previous year (i.e.....)	
	(b) State	(i) of Current year (i.e.....)	
		(ii) of previous year (i.e.....)	
3.	Unadjusted advances with the Implementing Agencies, if any. (As per the Audit Report).		
4.	Miscellaneous Receipt, if any.		
5.	Total available funds		
6.	Expenditure as on date (Actual expenditure on the basis of the reports received from the Districts/Blocks/implementing agencies.)		
7.	Percentage (%) of expenditure		
8.	Percentage of expenditure on SC/ST components of (5) above.		

7. Utilization Certificate for the previous year (.....) is enclosed in the prescribed proforma (Form GFR-19A)
8. Audit report of the previous year (.....) with the relevant certificates duly recorded by the Auditor is enclosed.
9. It is certified that :
- (i) no major irregularities such as embezzlement, diversion of funds etc., have been noticed in the audit report for the previous year in respect of any implementing agency under Indira Awaas Yojana;
 - (ii) necessary action has already been initiated to rectify the defects pointed out in the Audit Report for the previous year and earlier years and compliance would be sent/ has been sent to the Ministry shortly;

- (iii) all the funds under the scheme have been kept in the Savings Bank Account. No fund has been withdrawn from Saving Bank Account and deposited in the Treasury even temporarily.
- (iv) all conditions laid down in the IAY guidelines are being fulfilled while implementing the scheme.

Signature _____
(full name with designation & official seal)
Authorized signatory of the State Government
Date: _____

**INDIRA AWAAS YOJANA (Consolidated
Utilization Certificate) (Utilization
Certificate in Form GFR, 19-A)**

Utilization Certificate for the Financial Year_____

1. Certified that a sum of `_____lakh (rupees _____only) was received by _____(Name of State) as Grants-in-Aid during the year _____ as per details given below, from the Centre and `_____ lakh (rupees _____only) from the state government. Further, a sum of `_____lakh (rupees _____only) being the unspent balance of the previous year _____was allowed to be brought forward for utilization during the current year. The misc. receipt of the Agency during the year was `_____lakh (rupees _____only).

a) Unspent Balance from Previous Year (.....)

(i) Funds lying in State Account : `_____ (ii)

Funds lying with the Districts : `_____

(iii) Funds lying with the Blocks/Implementing Agencies : `_____

(iv) Amount of uncashed cheque as per : `_____

Bank Reconciliation Statement TOTAL : `_____

b) Fund of the previous year..... received during this year `_____ lakhs

Letter No./Date	Central Govt.	State Govt.	TOTAL
TOTAL			

c) Grants received during this year..... : `_____ lakhs

Letter No./Date	Central Govt.	State Govt.	TOTAL
TOTAL			

d) Misc. receipts of the Agency, if any :

e) Interest receipts :

f) Total Funds Available (a + b + c + d + e) :

- g) Total Expenditure incurred (as per BES) :
- h) Unencashed Cheques (as per BRS during the year) :
- i) Closing balance (including uncashed cheques of the current year):

2. It is certified that out of the above mentioned total funds of `_____lakh (rupees_____only) available with the State/districts/blocks, a sum of `_____lakh (rupees _____only) has been utilized by State/districts/blocks during the year for the purpose for which it was sanctioned. Out of the total expenditure, the administrative expenditure during the year was `_____(rupees_____). It is further certified that the unspent balance of `_____lakh (rupees _____only) remaining at the end of the financial year would be utilized for the programme next year including `_____lakh (rupees _____only) of uncashed cheque.

3. Certified that I have satisfied myself that the conditions on which Grants–in-Aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money has been actually utilized for the purpose for which it was sanctioned.

4. The utilization of the aforesaid fund resulted into the following :-

(a)Outcomes :

- (i) Target fixed during the year
- (ii) Number of Houses constructed / completed (iii)
Number of Houses under construction
- (iv) Number of Houses yet to be taken up.....

(b)Physical outcomes (Number of houses allotted to):

Category	Female	Joint	Male	Total
SC				
ST				
Minority				
PH				
Others				

Kinds of checks exercised

- I. The Agency's Statement of accounts for the year _____duly audited by the Chartered Accountant have been obtained and sanctioned.

- II. The Utilization Certificates and Audit / inspection Reports for the year of the districts have been obtained and duly scrutinized. It has been ensured that the physical and financial performance under IAY has been according to the requirement as prescribed in the guidelines issued by Government of India / State Government.
- III. The Payment has been made to the beneficiaries through Cheques/DD/ Account's Transfer/Cash directly through Block/Gram Panchayat **(strike out whichever is not applicable).**

Encl: copies of sanction orders of the State share issued by the State Govt.

Signature _____
(full name with official seal)
Authorized signatory of State Government
Date: _____

DOCUMENTS ATTACHED WITH THE PROPOSAL

S.No.	Documents	At pages
1.	List of Districts claiming second installment	
2.	Utilisation Certificate for the current year	
3.	Utilisation Certificate for the previous year (in original)	
4.	Check List (as in Annexe IV)	
5.	Audit Report for the previous year (in original)	
	Auditors observation	
	Action Taken Report on observations of the Auditor, if any/nil observation.	
	Receipt & Payment statement	
	Income & expenditure statement	
	Balance sheet	
	Bank Reconciliation Statement	
	District wise expenditure statement	
6.	A certificate stating that the Five Year priority list and Annual selection list has been prepared and uploaded on AwaasSoft	
7.	Bank Details in prescribed format	
8.	Copies of release of State matching share for the current and previous years	
9.	Certificate from C.A. in respect of auditing the current and previous year	
10.	All other documents/ clarifications sought by the Ministry (while previous instalments was released conditionally)	

Signature _____
(full name with designation & official seal)
Date: _____