3. **Indira Awas Yojana (IAY)**

The scheme is designed to provide shelter to house-less people living in rural areas with special thrust on scheduled caste, scheduled tribe communities, freed bonded labourers and non-SC/ST families living below poverty line. An amount of Rs.25,000/- in plain areas and Rs.27,500/- in hilly areas is provided by way of cash assistance in two installments to the beneficiaries. The funding pattern of the scheme between Centre and State is 75:25

The scheme is implemented through BPL beneficiaries themselves without the involvement of intermediaries. 3% of funds under the scheme are earmarked for physically challenged persons. The guidelines of IAY programme also permit upgradation upto an amount of Rs.12,500/- of Kacha Houses in the rural areas.

1. **Introduction**

Housing is one of the basic requirements for human survival. For a normal citizen owning a house provides significant economic security and status in society. For a shelterless person, a house brings about a profound social change in his existence, endowing him with an identity, thus integrating him with his immediate social milieu.

For the first 25 years after independence, the problem of rural housing did not receive any serious attention from the Government. A housing programme for the rehabilitation of refugees was taken up immediately after partition by the Ministry of Refugee Rehabilitation and lasted till around 1960 under which approximately 5 lakh families were housed in various centres mainly located in Northern India. A Village Housing Scheme was also launched as part of the Community Development Movement in 1957, in which loans to individuals and cooperative were provided up to a maximum of Rs.5000/-per house. However only 67000 houses were built under this scheme by the end of the Fifth plan (1980). In 1972-73, the Estimates Committee of the Lok Sabha in its 37th Report pointed out that "the Committee are distressed to note that although 83% of India’s population live in villages and about 73% of the rural population reside in unsatisfactory kutchha structure, the problem of rural housing has not received the close attention of the Government.” Following this, certain initiatives were undertaken by Government including the launching of the House Sites cum Construction Assistance Scheme which began as Central Scheme in the 4th Plan and was transferred to the State Sector with effect from 1.4.74 on the recommendation of the NDC.

The genesis of the Indira Awas Yojana can be traced to the programmes of rural employment which began in the early 1980s. Construction of houses was one of the major activities under the National Rural Employment Programme (NREP) which began in 1980 and the Rural Landless Employment Guarantee Programme (RLEGP) which began in 1983. There was, however, no uniform policy for rural housing in the states.
instance some states permitted only part of the construction cost to be borne from NREP/ RLEGP funds and the balance was to be met by beneficiaries from their savings or loans obtained by them. On the other hand others permitted the entire expenditure to be borne from NREP/ RLEGP funds. While some states allowed construction of only new dwelling others permitted renovation of existing houses of beneficiaries.

As per announcement made by Government in June 1985, a part of RLEGP fund was earmarked for the construction of SCs/ STs and freed bonded labourers. As a result, Indira Awaas Jojana (IAY) was launched during 1985-96 as a sub-scheme of RLEGP. IAY thereafter continued as a sub-scheme of Jawahar Rozgar Yojana (JRY) since its launching in April, 1989. 6% of the total JRY funds were allocated for implementation of IAY. From the year 1993-94 the scope of IAY was extended to cover Non Scheduled Castes/ Scheduled Tribes below the poverty line families in the rural areas. Simultaneously, the allocation of funds for implementing the scheme was raised from 6% to 10% of the total resources available under JRY at national level, subject to the condition that the benefits to Non-Scheduled Castes/ Scheduled Tribes poor should not exceed 4% of the total JRY allocation. IAY has now been de-linked from JRY and has been made an independent scheme with effect from 1st January 1996.

**Objective:**

The objective of Indira Awaas Yojana is primarily to help construction of dwelling units by members of Scheduled Castes/ Schedule Tribes, freed bonded labourers and also non-SC/ST rural poor below the poverty line by providing them with grant-in-aid.

**Target Group:**

The target group for houses under Indira Awaas Yojana is people below poverty line living in rural areas belonging to Scheduled Castes/ Scheduled Tribes, freed bonded labourers and non-SC/ST Categories. A maximum of 40% of the total IAY allocation during a financial year can be utilised for construction of dwelling units for non-SC/ST BPL categories.

From 1995-96, the IAY benefits have been extended to widows or next-of-kin of defence personnel and para military forces killed in action irrespective of the income criteria subject to the condition that (i) they reside in rural areas; (ii) they have not been covered under any other scheme of shelter rehabilitation; and (iii) they are houseless or in need of shelter or shelter upgradation. Benefits have also been extended to ex-servicemen and retired members of the paramilitary forces as long as they fulfill the normal eligibility conditions of the Indira Awaas Yojana and have not been covered under any other shelter rehabilitation scheme. The priority in the matter of allotment of houses to the ex-serviceman and paramilitary forces and their dependents will be out of 40% of the houses set apart for allotment among the non-SC/ST categories of beneficiaries.

Funds to the tune of 3% is earmarked for the benefit of disabled persons below poverty line. This reservation of 3% under IAY for disabled persons below the poverty line would
be horizontal reservation i.e., disabled persons belonging to sections like SCs, STs and Others would fall in their respective categories.

**Identification of Beneficiaries:**

District Rural Development Agencies (DRDAs) / Zilla Parishads on the basis of allocations made and targets fixed shall decide the number of houses to be constructed Panchayat wise under IAY during a particular financial year. The same shall be intimated to the Gram Panchayat. Thereafter, the Gram Sabha will select the beneficiaries from the list of eligible households according to IAY guidelines and as per priorities fixed, restricting this number to the target allotted. No approval of the Panchayat Samiti is required. The Panchayat Samiti should however, be sent a list of selected beneficiaries for their information.

**Priority in Selection of Beneficiaries:**

Prioritisation of beneficiaries is as follows:

(i) Freed bonded labourers.

(ii) SC/ST Households

- SC/ST households who are victims of atrocity.
- SC/ST households, headed by widows and unmarried woman.
- SC/ST households affected by flood, fire, earthquake, cyclone and similar natural calamities.
- Other SC/ST households.

(iii) Non- SC/ST households

(iv) Physically handicapped

(v) Families and Widows of personnel from defence services/ para-military forces, killed in action, ex-servicemen and retired members of the paramilitary forces.

(vi) Displaced persons on account of developmental projects, nomadic, semi-nomadic and de-notified tribal and families with disabled members, subject to the condition that these households belong to below poverty line category.

**Allotment of Houses:**

Allotment of dwelling units should be in the name of female member of the beneficiary household. Alternatively, it can be allotted in the name of both husband and wife.

**Location of Indira Awaas Yojana:**
Indira Awaas Yojana dwelling units should normally be built on individual plots in the main habitation of the village. The houses can also be built in a cluster within a habitation, so as to facilitate the development of infrastructure, such as, internal roads, drainage, drinking water supply etc., and other common facilities. Care should always be taken to see that the houses under IAY are located close to the village and not far away so as to ensure safety and security, nearness to work place and social communication.

**Upper limit for construction assistance:**

Ceiling on construction of assistance under Indira Awaas Yojana is as given below:

<table>
<thead>
<tr>
<th>Hilly/ Difficult Areas (In Rupees)</th>
<th>Construction of house including Sanitary Latrine and Smokeless Chulla</th>
<th>Cost of providing infrastructure and common facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs. 17,500</td>
<td>Rs. 2,500</td>
</tr>
<tr>
<td></td>
<td>Rs. 19,500</td>
<td>Rs. 2,500</td>
</tr>
</tbody>
</table>

In case the houses are not built in cluster/ micro-habit approach, Rs. 2,500/- provided for infrastructure and common facilities should be given to the beneficiary for construction of his house.

**Involvement of beneficiaries:**

The beneficiary should be involved in the construction of the house. To this end, the beneficiaries may make their own arrangements for construction material, engage skilled workmen and also contribute family labour. The beneficiaries will have complete freedom as to the manner of construction of the house. This will result in economy in cost, ensure quality of construction, lead to greater satisfaction and acceptance of the house by the beneficiary. The responsibility for the construction of the house will thus be on the beneficiary himself/ herself. A Committee of the beneficiaries may be formed, if so desired, to coordinate the work.

**Ban on contractors or departmental construction:**
No contractor is to be engaged for the construction of dwelling units under IAY, by the DRDA/ ZP. If any case of construction through contractor comes to notice, Government of India will have a right to recover the allocation made to the State for those IAY houses. The house should also not be constructed by any Government Department. Government departments or organisations can, however, give technical assistance or arrange for coordinated supply of raw materials such as cement, steel or bricks if the beneficiaries so desire. The spirit of IAY is that the house is not to be constructed and delivered by any external agency. On the other hand, the house is to be constructed by the beneficiary himself/ herself.

**Appropriate Construction Technology and local materials:**

Effort should be made to utilise, to the maximum possible extent, local materials and cost effective technologies developed by various institutions. The implementing agency should contact various organisations/ institutions for seeking expertise and information and information on innovative technologies, materials, designs and methods to help beneficiaries in the construction of durable and cost effective houses. The State Government may also arrange to make available information on cost effective environment friendly technologies, materials, designs etc., at block/ district level. Technologies using bricks, cement and steel on large scale should be discouraged. As far as possible, cement should be substituted by lime and lime surkhi manufactured locally. Brick manufactured by beneficiaries themselves instead of its purchase may also be undertaken to reduce costs and increase opportunities for wage employment.

**Type Design:**

No type design should be prescribed for IAY dwelling units, except that the plinth area of the houses should not be less than 20 sq. Mts. The layout, size and type design of IAY dwelling units should depend on the local conditions and the preference of the beneficiary. The houses, should be designed in accordance with the desire of the beneficiaries keeping in view the climatic conditions and the need to provide simple space, kitchen, ventilation, sanitary facilities, smokeless chulha etc., and the community perceptions, preferences and cultural attitude.

The barrier free concept may be incorporated in the construction of houses meant for the disabled with a view to facilitate his smooth and free movement in the house. In areas frequented by natural calamities such as fire, flood, cyclones, earthquake etc., incorporation of disaster resistant feature in the design should be encouraged.

**Fuel Efficient Chulhas:**

It should be ensured that all Indira Awaas Yojana dwelling units are provided with a smokeless chulha which are fuel efficient and being smoke free are healthy and more convenient to use.
Drinking Water Supply:

The availability of drinking water supply should be ensured by the agencies responsible for the implementation of the Indira Awaas Yojana. Where necessary, a hand-pump should be installed on the site before the work is started, from the funds available under Rural Water Supply or other similar programmes.

Sanitation and Sanitary latrines:

Construction of sanitary latrine forms an integral part of Indira Awaas Yojana dwelling unit. It has, however, been observed that in a large number of cases, that the sanitary latrine in these houses is not constructed. The Government of India attaches considerable importance to the construction of sanitary latrines as a sanitation measure and therefore, sanitary latrines should be ensured. A system of drainage from the house should also be provided to avoid overflow from the kitchen, bathroom etc.

Environmental Improvement and Social Forestry:

Plantation of trees in the entire habitat or around the individual house should be taken up simultaneously. Trees may be planted near the housing clusters so that, in due course, enough trees are available nearby, to enable the beneficiaries to get fuel/ fodder/ small timber. Such plantations can be taken up under the social forestry programme. Some of the popular indigenous species whose plantation can be undertaken include Neem (Azadirachta indica); Mahuva (Madhuca indica); Amla (Emblica officianlis); coconut (cocos nucifera); Deodar (Credrees deadora); Mango (Magnifera indica); Oak (Quercus & Spp); Rose wood( Dalbergia latifolia); Chandan (Santalum album); Pipal (Fiscus neligiosa) etc. This list is merely illustrative and not exhaustive. Species vary region-location wise and geo-agro-climatic conditions and this may be kept in view while identifying species for propagation.

Involvement of Non-Governmental Organisations:

Suitable local voluntary agencies with proven good track record wherever available may be associated indirectly with the construction of Indira Awaas Yojana dwelling units. The supervision guidance and the monitoring of construction can be entrusted to these non-governmental organisations.

Inventory of Houses:

The implementing agencies should have a complete inventory of houses constructed under IAY, giving details of the date of start and the date of completion of construction of dwelling unit, name of the village and Block in which the house is located; name, address, occupation and category of beneficiaries and other relevant particulars.

Display of Indira Awaas Yojana Board and Logo:
On completion of an IAY dwelling unit, the DRDA 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.

**Monitoring:**

Officers dealing with IAY at the State headquarters should visit districts regularly and ascertain through field visits whether the programme is being implemented satisfactorily and whether construction of houses is in accordance with the prescribed procedure. Likewise, officers at the district, sub-division and block levels must closely monitor all aspects of IAY through visits to work sites. A schedule of inspection which prescribes a minimum number of field visits for each supervisory level from the State level to the block level should be drawn up and strictly adhered to.

The State Government should prescribe the periodical reports/returns through which it should monitor the performance of IAY in the districts and also get appropriate reports and returns prescribed, to be called by the DRDA/ZPs. The monitoring of the programme at the State level will be the responsibility of the State Level Coordination Committee (SLCC) for Rural Development Programmes. A representative or nominee of the Ministry of Rural Areas & Environment, Government of India should invariably be invited to participate in the meetings of the Committee.

The following reports and returns should be submitted to the Government of India by the States/UTs separately in respect of the Indira Awaas Yojana.

(i) A monthly progress report to be furnished by Telex/Fax/E-mail/Nicnet in Proforma-I, on or before 10th of every succeeding month.

(ii) A detailed Annual Progress Report to be submitted on or before 25th April of the succeeding financial year in proforma-II.

**Evaluation Studies:**

The States/UTs should conduct periodic evaluation studies on the implementation of Indira Awaas Yojana. Evaluation studies may be conducted by reputed institutions and organisations on issues thrown up by the concurrent evaluation, detailed studies by the States/UTs as well as the Government of India. Copies of the reports of these evaluation studies conducted by the States/UTs should be furnished to the Government of India. Remedial action should be taken by the States/UTs on the basis of the observations made in these evaluation studies and also in the concurrent evaluation conducted by or on behalf of Government of India.

**Transparency in Implementation of Indira Awaas Yojana:**
It is not utmost importance that Centrally Sponsored Schemes are properly implemented and misutilisation and other irregularities are minimised. This requires greater transparency in the implementation of IAY at various levels and hinges on the assumption that people should have access to information about implementation of these programmes in all their aspects. The disclosure of information should be the rule and withholding of information an exception.

List of items (illustrative not exhaustive) on which information should invariably be made available to people to bring about greater transparency at village, block and district level is given below.

**Village Level:**

(i) List of people below poverty line in the village.
(ii) List of beneficiaries identified during preceding year and current year including details of SC/ST, women beneficiaries and disabled persons under Indira Awaas Yojana.
(iii) Allocation made to the village under Indira Awaas Yojana.
(iv) Guidelines of Indira Awaas Yojana/ criteria of selecting beneficiaries
(v) Display of Indira Awaas Yojana sign board on the allotted houses.

**Block Level:**

(i) Details of houses taken up at Block Level with cost, sources of funds, implementing agency.
(ii) Access to muster rolls.
(iii) Distribution of funds village-wise for the scheme.
(iv) Allocation/ Availability of funds and progress in implementation of Indira Awaas Yojana.

**District Level:**

(i) Distribution of IAY funds block-wise/ village-wise for the scheme.
(ii) Criteria for distribution of funds to blocks/ villages including norms for its selection under Indira Awaas Yojana

**Pattern of Funding:**

Indira Awaas Yojana is a Centrally Sponsored Scheme funded on cost-sharing basis between the Government of India and the States in the ration of 80:20. In the case of Union Territories, the entire resources under this scheme are provided by the Government of India.

**Criteria for Allocation of Resources:**

Central assistance under Indira Awaas Yojana will be allocated to the States/ UTs on the basis of proportion of rural poor in State/ UTs to the total poor in the country. The
poverty ratio as approved by the Planning Commission in this regard are used for this purpose. The proportion of rural SC/ST population in a district to the total rural SC/ST population in the State/ UT is the criteria of inter-district allocation of Indira Awaas Yojana funds within a State/UT. Diversion of resources from one district to another is strictly prohibited.

**Release of Central Assistance to DRDA’s:**

Indira Awaas Yojana funds are operated by the DRDAs/ ZPs at the district level. Central assistance will be released every year to the DRDAs, in two installments, subject to the fulfillment of the following conditions:

(a) The first instalment is released in the beginning of the financial year. This is subject to condition that the IIInd Instalment during previous year was claimed and released. However, if any specific conditions had been imposed at the time of release of the last instalment of the previous year, its compliance will be ensured before release of the first instalment.

(b) The second instalment for the districts will be released on the request of the DRDAs as per Proforma III on fulfillment of the following conditions:

i. 60% of total available funds, that is, opening balance for the year and the amount received including the State share should be utilised at the time of applying for the second instalment.

ii. The opening balance in the district i.e. the aggregate of balance with DRDA should not exceed 25% of the district allocation during the previous year. In case the opening balance exceeds this limit, the Central share of the excess will be deducted at the time of release of second instalment.

iii. The State provision for the current year will have to be indicated by the DRDAs. The Central release will be restricted in proportion to the provision made to the DRDAs.

iv. The State Government should have released all its contribution (including those of previous year) due upto the date of the application for the second instalment. In the event of shortfall in State Share, corresponding amount of Central share (i.e. 4 times the State Share) will be deducted from the second instalment.

v. Submission of Audit Report of the DRDA for the previous year.

vi. Submission of Utilization Certificate from the DRDA for the previous year in the prescribed proforma IV which is Annexed.

vii. Annual Plan should have been approved by the Government Body of the DRDA.

viii. Submission of Progress/Monitoring Reports.

ix. Submission of Non-embezzlement certificate.
x. Certificate to the effect that there has been no diversion of resources from one district to another will have to be submitted.

xi. Any other condition imposed from time to time will also have to be complied with.

(c) The quantum of second instalment will be dependent on the time of reporting of utilization. Depending on the receipt of complete proposal for second instalment, the quantum will be governed as follows:

Proposal received in:-

December – 50% of allocated funds

January – 40% of allocated funds

February – 30% of allocated funds

March – 20% of allocated funds

Proposal received after 15th March will not be entertained.

(d) Incase of Districts/ UTs such as Kinnaur, Lahaul and Spiti, Leh, Kargil, Andaman and Nicobar Islands and Lakshadweep and any other areas as decided, which have a limited working season, the entire Central assistance may be released in one instalment. The State shall also release its share in one instalment. In the case of these districts, to which funds are released in one instalment, funds will be released on fulfillment of the conditions laid down.

Maintenance of accounts:

Regarding maintenance of accounts DRDAs will follow the Accounting Procedures prescribed for DRDAs by the Ministry of Rural Areas & Environment. The financial accounts of the previous year shall be got approved from the General Body of the concerned DRDA on or before 30th June and got audited on or before 31st August of the year. Copies of the Audit Report as accepted by the General Body of the concerned DRDA shall be sent to the State Government and Central Government on or before 30th September of the year. The above procedure will be in addition to any other procedures to be followed and required to be fulfilled by the DRDA as per the Articles of Memorandum of the Association.

Release if State share to DRDA's:

The State Government shall release its share to the DRDAs within one month after the release of Central assistance and copy of the same should be endorsed to Ministry of Rural Areas & Employment.
Separate Bank Account for Indira Awaas Yojana:

The IAY funds (Central share as well as State share) shall be kept in a nationalized/scheduled or cooperative bank or a Post Office in an exclusive and separate savings bank account by the DRDAs.

Utilization of Interest Earned on Deposits:

The interest amount accrued on the deposits of the IAY funds shall be treated as part of the IAY resources.

Drawl of funds by the DRDAs:

Drawl of funds from the accounts shall only be made for incurring expenditure under IAY.

Payment to beneficiaries:

Payment should be made to the beneficiary on staggered basis depending on the progress of the work. The entire money should not be paid to the beneficiary in lump sum. Instalments of payment to be linked to the progress of work can be decided by the State Government or at the district level.