

Chapter I

Introduction

The Pradhan Mantri Awas Yojana – Housing for All (Urban) [PMAY (U)] launched during June 2015 envisaged provision of houses for all urban poor over a period of seven years. The Government of Karnataka (GoK) notified (May 2016) Karnataka Affordable Housing Policy (KAHP), 2016 in alignment with PMAY(U) and dovetailed the existing state sector housing schemes¹ with PMAY(U). The scheme has following four verticals:

- In Situ Slum Redevelopment (ISSR) – rehabilitation of slum dwellers with participation of private developers using land as resource
- Credit Linked Subsidy Scheme (CLSS) – promotion of affordable housing for Economically Weaker Section (EWS)/Low Income Group/Middle Income Group through credit linked subsidy.
- Affordable Housing in Partnership (AHP) – supply side intervention with Central assistance of ₹ 1.50 lakh per EWS house in participation with public or private sector.
- Beneficiary Led individual house Construction (BLC) – Central assistance of ₹ 1.50 lakh per EWS house for construction of new house or enhancement.

The Performance Audit was taken up for AHP and BLC verticals of the scheme which were implemented by the Housing Department, GoK.

1.1 Administration and Implementation Structure

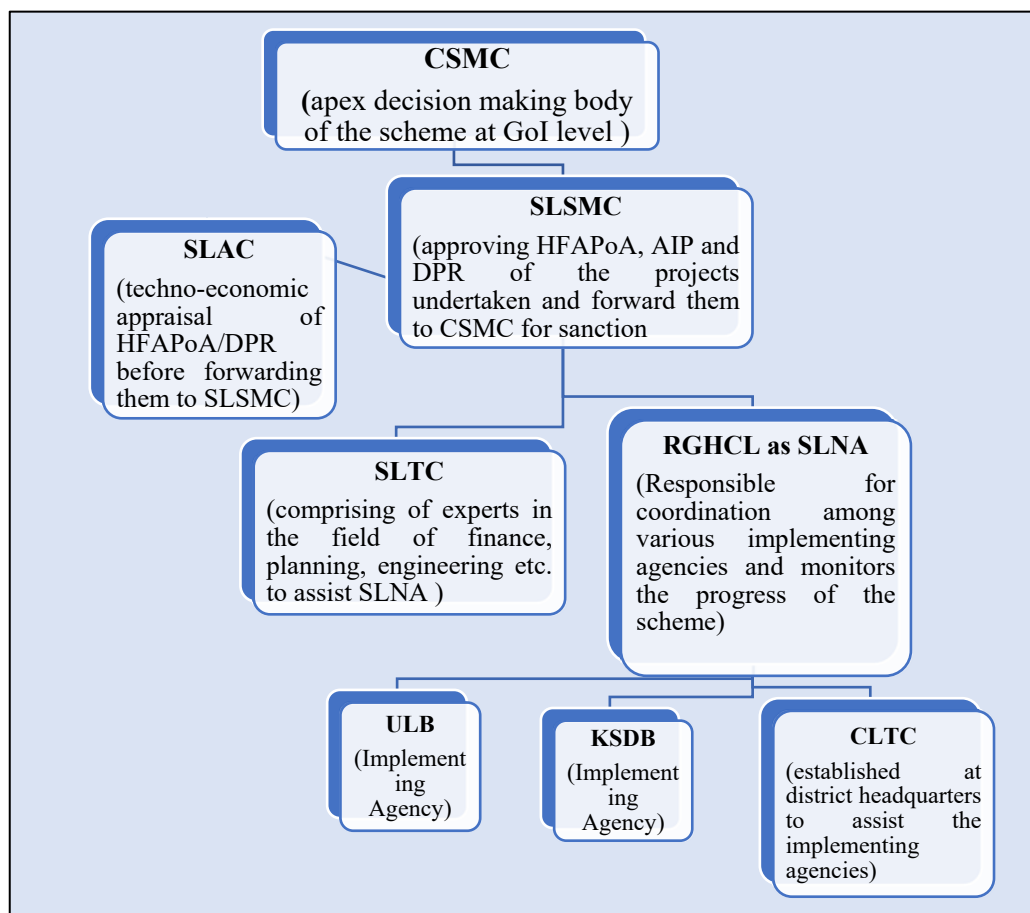
Central Sanctioning and Monitoring Committee (CSMC) under the chairmanship of Secretary, Ministry of Housing and Urban Affairs (MoHUA)² is the apex decision making body of the scheme at Government of India (GoI) level. GoK constituted (January 2016) State Level Sanctioning and Monitoring Committee (SLSMC) and State Level Appraisal Committee (SLAC) under the chairmanship of Chief Secretary & Secretary, Housing Department, GoK respectively and appointed Rajiv Gandhi Housing Corporation Limited (RGHCL) as the State Level Nodal Agency (SLNA) for implementation of the AHP and BLC verticals under the scheme.

The role of various agencies involved in implementation of the scheme is illustrated in **Chart 1.1** below:

¹ Dr.B.R. Ambedkar Nivas Scheme, Devraj Urs Housing Scheme and Vajpayee Urban Housing Scheme

² Formed by merging Ministry of Urban Development and Ministry of Housing and Urban Poverty Alleviation on 06-07-2017

Chart 1.1: Implementation structure of PMAY(U) scheme



SLTC – State Level Technical Committee
 HFAPoA – Housing For All Plan of Action
 AIP – Annual Implementation Plan
 DPR – Detailed Project Report
 CLTC – City Level Technical Committee
 KSDB – Karnataka Slum Development Board
 ULB – Urban Local Body

1.2 Audit Objectives

The objectives of the Performance Audit were to assess whether

- the system for identifying targeted beneficiaries under AHP and BLC verticals were adequate, effective and ensured inclusion of all eligible population and exclusion of non-eligible beneficiaries.
- projects under the AHP and BLC verticals were comprehensively planned and executed to provide housing to all urban poor by 2022.
- the inbuilt monitoring and evaluation mechanism were working effectively.

1.3 Audit Criteria

The criteria for evaluating Performance Audit were:

- Pradhan Mantri Awas Yojana (Urban) Guidelines
- Karnataka Affordable Housing Policy, 2016, Karnataka Slum Areas Development Policy, 2016 and Guidelines of the State Sector Urban Housing Schemes
- PMAY Management Information System (MIS) User Manual, 2016

1.4 Scope of Audit

The Performance Audit was carried out during October 2020 to July 2021 and covered implementation of AHP and BLC verticals of PMAY (U) scheme in Karnataka during 2015-21. It involved examination of records in Secretariat, RGHCL, KSDB, District Urban Development Cell and 36 ULBs selected by adopting multistage stratified sampling. Further, 803 beneficiaries (minimum four per project with proportionate representation of SC/ST/General) were randomly selected for conducting beneficiary survey. Details of selected districts, ULBs and sampled projects is provided in **Appendix 1.1**.

1.5 Audit Methodology

An entry conference was held on 09 October 2020 with the Secretary, Housing Department in which the audit methodology, scope, objectives and criteria were explained. The audit methodology involved document analysis, responses to audit queries, joint physical verification with KSDB/ULB officials, collection of photographic evidence and beneficiary surveys. The results of the performance audit were discussed with the Secretary, Housing Department in the exit conference held on 16 September 2021. Replies of the State Government were received on 16 September 2021 and have been suitably incorporated.

1.6 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the State Government, RGHCL, KSDB and all the ULBs in conducting the performance audit.

1.7 Audit Findings

Audit findings are organised into four chapters - Selection of Beneficiaries and Planning, Affordable Housing in Partnership, Beneficiary Led Individual House Construction, Monitoring and Evaluation