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Mobilization of Funds Under DRI Loans for the Construction of House Under IAY : Problems and Prospects

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Indira Awaas Yojana (IAY) is an important programme of housing primarily for Below Poverty Line (BPL) families which is being implemented since 1985 by the MoRD, GoI. The total shortage of housing is estimated at about 35 Million as per the 2001 Census, while the Working Group for 11th Five Year Plan (2007-12) estimates at 43 Million. One of the major reasons for continued shelterlessness in India is shortage of financial resources. One of the major reasons for continued shelterlessness in India is shortage of financial resources. According to the NSSO, about 66 per cent financing of new construction in rural areas in the last one year was done by rural families with their own resources; about 27 per cent constructions had some amount financed from non institutional agencies such as money lenders, family and friends while 9 per cent of new constructions were financed by institutional channels such as government schemes, banks etc. Thus it can be argued that rural families invariably end up using their own resources for construction irrespective of when those resources become available for the purpose. Recent studies reviewed that based on the midterm review of IAY during the XI Plan, the Planning Commission noted, "although 'high user satisfaction' is reported under IAY, leaving the construction incomplete because of inadequate finance have been reported." This paper evaluates the mean cost of construction per one square feet of plinth area and share from different sources of credit facilities available for the beneficiary. The present study is based on the following objectives: 1) To identify the sources of funds available for the beneficiaries of different states in the study area; 2) To analyze the problems and constraints in getting the credit facilities in the study area; 3) To suggest suitable solutions to mobilize the resources for the construction of IAY house. The present study is based on both primary and secondary sources. Therefore, multipronged approach has been adopted in selection of study districts i.e., a) expert opinions, b) geographical considerations, c) IAY performance and d) good governance. Accordingly the study would be conducted in two districts in each state. Ten households from each village and four Villages from each district have been selected for the study. Thus, in all a sample of 960 were covered in addition to collecting the data from secondary sources of information at different levels.

State wise distribution of Average Construction Cost per one sq.ft. of Plinth Area:

It is important to note that housing needs vary between families based on their size, socio-cultural norms, livelihoods and eco-climatic context. Thus uniform assistance to eligible families by the government can best be described as "unit assistance' towards house construction rather than 'per unit cost' of a house which may vary between families and between different geographical conditions.

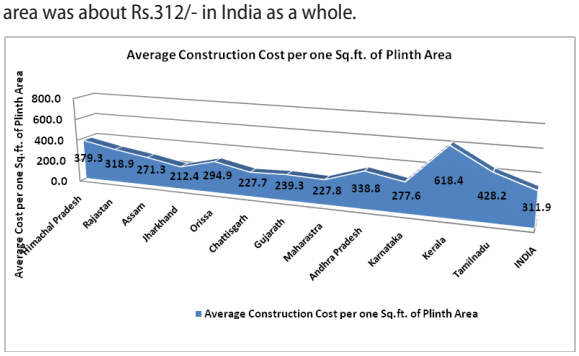
Table - 1
State Wise Distribution of Average Construction Cost per Sq.ft. of Plinth Area

	Name of the State	Average Plinth Area (in Sq.ft.)	Average Construction Cost of the House (In Rs.)	Average Construction Cost per one Sq.ft. of Plinth Area (in Rs.)
1	Himachal Pradesh	451.2	170872	379
2	Rajasthan	241.4	76974	319
3	Assam	251.4	68200	271
4	Jharkhand	427.2	90718	212
5	Orissa	230.3	67917	295
6	Chhattisgarh	317.2	72217	228
7	Gujarat	243.0	58156	239
8	Maharashtra	380.1	86601	228
9	Andhra Pradesh	272.5	92312	339
10	Karnataka	322.6	89560	278
11	Kerala	363.2	224610	618
12	Tamil Nadu	211.8	90684	428
	INDIA	317.7	99068	312

Source: Primary Data

The average plinth area using the beneficiaries for the construction of IAY house is observed 317.7 sq.ft in India as a whole. Due to the less availability of funds, non availability of land, higher poverty conditions etc. least plinth area below the national average was being used for the construction of house under IAY in the states like Tamil Nadu with 211.8 sq.fts. As against this, due to the cultural aspect of life, Himachal Pradesh state is using the highest plinth area of about 451.2 sq.ft for the construction of house under IAY, vide Table – 1.

The average construction cost of the house under IAY was observed about Rs.99,068/- in India as a whole. Except in two states like Kerala and Himachal Pradesh, where the average cost was very high with Rs.2,24,610/- and Rs.1,70,872/- respectively due to the reasons of (1) The cost of labour was high because of lack of availability of skilled masonries, less availability of labour due to higher income level, multiple employment opportunities, less willingness to work in the other individual work fields etc. Ex: Kerala; (2) Due to scattered houses, the houses are being constructed in the valley regions and less accessibility of transport facilities to the respective IAY houses, the cost of labour for the construction of the house under IAY was high Ex: Himachal Pradesh. While in the rest of the states the cost of construction for the IAY house was observed very low due to availability and maximum utilization of locally available low cost material. By taking into consideration of mean plinth area and average construction cost of the house under IAY, we can calculate the mean cost of construction in one sq.ft. of plinth area. The average construction cost per one sq.ft. of plinth area was about Rs.312/- in India as a whole.



According to the Focus Group Discussions (FGD) made in different parts of the study area with many stakeholders, it is concluded that the mean construction cost per one square feet of plinth area should be taken into consideration while providing the unit cost for the construction of IAY house in India as a whole.

Variations in the provision of Unit Cost among different states:

According to guidelines of IAY, the ceiling on grant of assistance per unit cost under the Indira Awaas Yojana for construction of a new house was Rs.45,000/- for plain areas and Rs.48,500/- for Hilly / Difficult areas and up-gradation of an unserviceable kutcha house was Rs.15,000/-. Table – 2 reveals the following aspects of variations in the provision of unit cost among different study states:

Additional Unit cost provided by the State Governments:

Unit cost assistance provided by the Central and State Governments was shared in the ratio of 75:25. It is observed from the table that the highest amount of Rs.75,000/- had been provided by the Tamil Nadu and Kerala. Most of the states like Gujarat, Assam, Himachal Pradesh, Chhattisgarh and Jharkhand were not providing any additional amount more than what they are providing at present. Maharashtra was providing Rs.70,000/- for the construction of IAY house. Andhra Pradesh was providing Rs.52,500/- and Karnataka was providing Rs.50,000/- by providing Rs.5,000/- additional unit cost and Rajasthan was providing Rs.50,000/- by getting beneficiary contribution of Rs.5,000/-.

Table - 2
Variations in the provision of Unit Cost among different study states

Category	A.P.	Tamilnadu	Maharashtra	Kerala	Karnataka	Rajasthan	Gujarat	Assam	H.P.	Orissa	Chhattisgarh	Jharkhand
Total No. of Installments	6	5	3	4	4	3	3	3	3	3	3	3
Beneficiary Contribution	2500	-	1500	-		5000		-	0		0	-
1.Advance	1500	-	-	30.00%		15000	21000	-	20%	20000	20000	-
2. Basement / Plinth	8300	12364	25000	40.00%	12500	-	0	20000	0			20000
3. Lintel Level	-	13351	25000	-	12500	15000	14000	20000	0			-
4. Lintel Laid	6000	23894	-	-		-	0	-	0			-
5. Roof	10400	-	-	-	12500	-	0	-	30%	20000	20000	20000
6. Roof Laid	13800	17891	-	20.00%		-	0	-	0%			-
7. Completion	5000	7500	18500	10.00%	12500	15000	10000	8500	20%	5000	8500	8500
Total Amount	52500	75000	70000	100.00%	50000	50000	45000	48500	48500	45000	48500	48500
Additional Amount from State Govt.	5000	30000	25000	Table	5000	-	0	-	0		0	-

Source : Secondary sources collected from Officials from respective states Primary Data from beneficiaries.

Stages for the Installments:

It is observed from the field study that construction of house is being influenced / delayed by the factors such as (1) Number of installments to be provided to the beneficiaries, (2) Percentage of amount provided in each stage of installment as required for the beneficiary and (3) Stage at which the amount is required for the beneficiary. Considering all of these issues as seen in the above table, it is concluded that Kerala is the model for addressing these issues. It is also observed from the field study that advance payment and payment at completion stage is also getting conflict between the officials and beneficiaries. According to the officials point of view that if the government provides the installment at advance stage then there is a chance to the beneficiary that he will not construct the house as against this if government could not provide the same how we as a poor can construction the house. On the other hand, according to officials point of view payment at completion stage is compulsory as against this as per beneficiaries point of view amount is required more at initial stages rather than completion stage. It is also observed from the field study that stages of installments and amount provided in each installment in the state of Kerala was more or less based on some scientific reason / technical categorization. Hence, it is advisable that with some modifications number of installments, percentage of amount given in each installment and stages of payment should be applied in the line of Kerala across the states in India.

Additional Support from the District Authorities:

In Tamil Nadu, district authorities had been giving the helping hand in getting the material like sand, cement, steel, doors and windows. Likewise, the state government of Andhra Pradesh had been supplying cement for the construction of the IAY house to the beneficiary. In Tamil Nadu, cement had been supplied in three different stages for smooth construction of the house. At basement level, state government was providing the cement worth of Rs.3,000/- followed by Lintel stage worth of Rs.2,000/- and at roof level again worth of Rs.2,000/- cement had been provided by the district authorities for smooth construction of the house. It is also noted that about Rs.5,995/- worth of steel had also been supplied by the district authorities at Roof Laid stage. Last but not least, state government had been also giving the additional support by providing the two numbers of doors (one for front door of the house and another for bath room) and two numbers of windows are being supplied by the district authorities. It is observed from the field study that from supply of material beneficiaries were benefitting by the following ways:

It is concluded from the above that according to the FGD with beneficiaries, the supply of material by the district authorities is compulsory and it is very helpful for them if they should have taken into consideration of demand forecasting, price estimation, cultural values, quality of the material etc.

Sources of Funds:

Samples were collected from the beneficiaries who constructed their houses sanctioned under IAY during the period from 2008-09 to 2010-11. In this, most of the respondents have not yet received the balance amount hence we could not able to incorporate those amount.

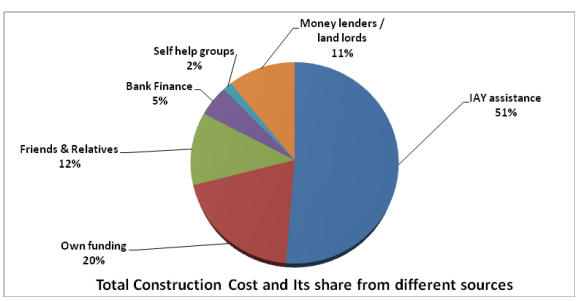
Table - 32
Cost of Construction and its share from different sources

	Name of the State	IAY assistance	Own funding	Friends & Relatives	Bank Finance	Self help groups	Money lenders / land lords	Total amount in Rs.
1	Himachal Pradesh	48500	66147.5	33982.5	1375	750	20117	170872
		28.38%	38.71%	19.89%	0.80%	0.44%	11.77%	100%
2	Rajasthan	44562.5	13726.5	10551.5	7475	0	658	76973.5
		57.89%	17.83%	13.71%	9.71%	0.00%	0.85%	100%
3	Assam	48500	7738	7575	0	1200	3187	68200
		71.11%	11.35%	11.11%	0.00%	1.76%	4.67%	100%

4	Jharkhand	48500	25075	5710	1250	928	9255	90718
		53.46%	27.64%	6.29%	1.38%	1.02%	10.20%	100%
5	Orissa	32434.34	10064.1	11060.2	1200	0	13158.25	67916.9
		47.76%	14.82%	16.28%	1.77%	0.00%	19.37%	100%
6	Chhattisgarh	36700.9	18504.6	8093.8	527.385	389.91	8000	72216.6
		50.82%	25.62%	11.21%	0.73%	0.54%	11.08%	100%
7	Gujarat	43256.25	4000	2150	8750	0	0	58156.3
		74.38%	6.88%	3.70%	15.05%	0.00%	0.00%	100%
8	Maharashtra	59625.41	13250.9	5125	2250	1041	5309	86601.31
		68.85%	15.30%	5.92%	2.60%	1.20%	6.13%	100%
9	Andhra Pradesh	52000	15474	6879	2385	4807	10767	92312
		56.33%	16.76%	7.45%	2.58%	5.21%	11.66%	100%
10	Karnataka	45000	9598	11010	1985	5125	16842	89560
		50.25%	10.72%	12.29%	2.22%	5.72%	18.81%	100%
11	Kerala	98373	40731.27	21261.01	26412	2689.66	35142.86	224609.8
		43.80%	18.13%	9.47%	11.76%	1.20%	15.65%	100%
12	Tamil Nadu	52042	10150	15297	5924	667	6604	90684
		57.39%	11.19%	16.87%	6.53%	0.74%	7.28%	100%
INDIA 51.3%		50791	19538	11558	4961	1467	10753	99068
		19.7%	11.7%	5%	1.5%	10.8%	100%	

Source: Primary Data

The present diagram depicts the percentage of different sources of income / credit in the total construction cost under IAY.



Total Construction Cost and Its share from different sources

It is observed from the table that the total construction cost of the house calculated in India as a whole was about Rs. 99,068/-. Of this, about half of the percentage of amount was being provided by the Government as IAY assistance. About 19.7 per cent in the construction cost of house under IAY was being spent from the beneficiaries' pockets and about 11.7 per cent of amount had been able to mobilize from their friends and relatives as an exchange of money without interest payment. Banks were not playing pivotal role as we observe from the table that only five percent in the total construction cost had been able to mobilize from the banks under this IAY programme as against this still 10.8 per cent of the beneficiaries were getting the loans from private moneylenders / landlords with an interest rate of 36 per cent to 60 per cent per month.

Share of Institutional Finance:

According to sources available for the IAY beneficiaries it is noted that Bank Finance, Loans from Self Help Groups (SHGs) and Loans from Housing Cooperative Societies come under this category. For getting the loans under DRI from the Banks one should submit a) IAY work order b) Ration Card c) Photos d) certificate from Talati and e) Election Proof for indicating the residence proof. Diagram shows the share of Institutional Finance in the total construction cost of the house under IAY.

Table – 4
Share of Institutional Finance

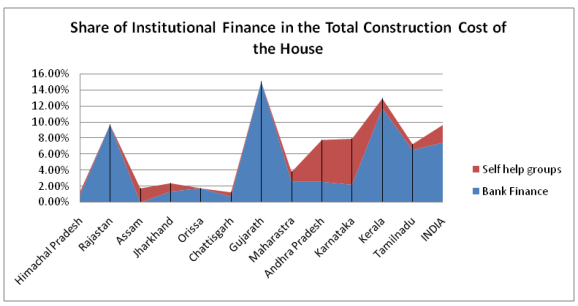
Name of the State	Table - 33		
	No. of Persons Availed Loans		
	Yes	No	Total
H.P.	10	70	80
	12.50%	87.50%	100.00%
Rajastan	3	77	80
	3.75%	96.25%	100.00%
Assam	0	80	80
	0.00%	100.00%	100.00%
Jharkhand	5	75	80
	6.25%	93.75%	100.00%
Orissa	8	72	80
	10.00%	90.00%	100.00%
Chattisgarh	4	76	80
	5.00%	95.00%	100.00%
Gujarath	41	39	80
	51.25%	48.75%	100.00%
Maharastra	5	75	80
	6.25%	93.75%	100.00%
A.P.	17	63	80
	21.25%	78.75%	100.00%
Karnataka	19	61	80
	23.75%	76.25%	100.00%
Kerala	18	62	80
	22.50%	77.50%	100.00%
Tamilnadu	19	61	80
	23.75%	76.25%	100.00%
INDIA	149	811	960
	15.52%	84.48%	100.00%

Table – 4 depicts that state wise number of persons availed the loans from Banks under DRI. Highest percentage of beneficiaries availed loans under DRI found in Gujarat with 51.25 per cent where bank officials were willing to provide the loans very positively on the other hand according to Bank Officials point of view it is very significant to note that defaulters were very low when compared to other states. The main reason behind this success is that according to state commissioner for IAY, our voices were being raised at the bottom level bankers meetings to the state levels bankers meetings under each programme. In rest of the states, according to the FGD with beneficiaries, it is very difficult to get the loans from the banks when one of their far-off relative was defaulter, who took the loan for any purpose. According to the GP, bankers were sanctioning the loans under DRI at the lintel stage after giving the certificates by the Engineer at Taluk level. It is also significant to say that number of banks available in the tribal areas were very less hence it was very difficult to meet the financial requirements. Some banks are asking the security deposit for giving the loans under IAY. As against this, no one respondent benefitted under DRI loans es-

pecially in Assam. It is concluded from the above table and field study that where the local level officials, local representatives and community were strong there only they could able to mobilize the loans from the Banks under DRI.

Share of Institutional Finance

The graph presents the share of institutional finance in the total construction cost of the house constructed under IAY across the states in India.



Source: Based on Primary Data

It is observed from the table that about 1.5 per cent of the total construction cost had been gathered from Self Help Groups (SHGs) and about five per cent of the total construction cost had been mobilized from Banks in India as a whole.

Due to lack of existence of Self Help Groups in three states namely Rajasthan, Orissa and Gujarat the beneficiaries couldn't benefit the loan amount from the same, as against this, in only two states Karnataka (5.72%) and Andhra Pradesh (5.21%) the beneficiaries could able to mobilize the credit facility from the SHGs and SHG federations. It is observed from the field study that the SHGs were not providing the loans directly to the IAY purpose but the beneficiaries had able to get the loans for other purposes and utilizing the same for the construction of IAY house in almost of all the states.

About five per cent in the total construction cost had been mobilized from the Banks in India as a whole. It is significant to note that about 15.05 per cent in the total construction cost had been mobilized in Gujarat. According to the FGD with GP members, it was very difficult to get the loans from Banks where the managers were enjoying discretionary powers for issuing the loans. It is found from the table that Kerala occupied the second place in mobilizing the Bank finance among the study states. It is noted that in Kerala, a large amount had been able to mobilize by the beneficiaries from the housing cooperative societies but the state was not able to mobilize the loans from housing cooperative societies to more number of beneficiaries in the state. It is observed from the field study that only 12 to 15 per cent of beneficiaries were getting loans from the same in the states like Kerala and Tamil Nadu. It is noted that in Kerala and Tamil Nadu, Housing cooperative societies were playing pivotal role for issuing credit to the IAY beneficiaries. Due to lack of convergence with these cooperative societies and due to lack of awareness on repayment and no clear guidelines had been received from RBI, housing cooperative societies had not been able to provide the loans to more number of IAY beneficiaries in the state. Hence, very few beneficiaries had been getting loans from housing cooperative societies.

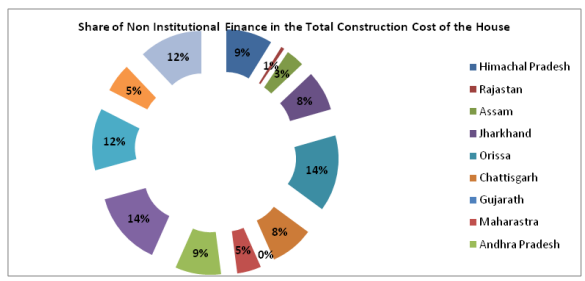
It is found from the table that no one beneficiary was getting loan from banks especially in Assam whereas in some other states like Chhattisgarh (0.73%), Himachal Pradesh (0.8%) were able to mobilize only meager percentage of share in the total construction cost. Causes for not able to get the loans from the banks were discussed as follows:

Causes for not able to get DRI loans from the Banks:

1. Lengthy procedure of documentation
2. Asking high security value deposit from the beneficiaries in some areas
3. Lack of sufficient staff at Banks – No separate field officer for Credit Schemes
4. Lack of pressure from the local representatives and officials
5. RBI rules on DRI loans are not applicable for the housing cooperative societies
6. No close monitoring on the repayments
7. Lack of awareness on repayment
8. Bank officials are enjoying the discretionary powers
9. More number of installments and less installment payment

Share of Non Institutional Finance:

Since ancient days non institutional finance had been playing pivotal role to provide the loans to the individual and it is continuing till today. Money lenders and land lords are playing vital role to provide the petty loans and squeeze more interest from the poor. The present table shows the share of Non Institutional finance in the construction cost of the house in the study area.



Source: based on Primary Data

It is found from the table that about 16.17 per cent of the amount in the total construction cost had been mobilized from non institutional finance in India as a whole. It is significant to note that the share from non institutional finance was absent in Gujarat state and it was found very negligible with 0.85 per cent in Rajasthan state. It is also observed from the table that share from the same was found higher than the national average (10.8 per cent) in only two states namely, Orissa with 19.37% and Karnataka with 18.81%. Due to non availability of institutional finance in the study area beneficiaries were getting the loans from local land lords / money lenders and paying 36 per cent to 60 per cent interest rates per month to them.

Share of Friendly Loan:

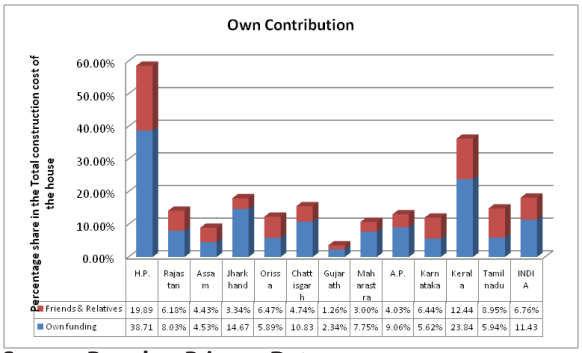
Here, friendly loan means loans without interest rate. As per the definition of Investopedia – friendly loans are the most common type of loan agreement, whether it may be among friends, family or associates. In many circumstances, failure to repay such loans cannot be legally challenged, as most friendly loans are made in good faith between closely associated parties.

It is observed from the table that about 11.7 per cent in the total construction cost had been getting from their friends and relatives without interest. There was no restriction to repay this amount also but at any cost they have to repay as far as their values are concerned. Beneficiaries from Himachal Pradesh were getting highest percentage of friendly loans (about 19.89 per cent in the total construction cost) among study states because they had to spend more money to construct a house under IAY. As against this, in some states like Assam, Jharkhand, Chattisgarh, Gujarat, Maharashtra, where construction cost was very low, share of friendly loans in the total construction cost was observed very low. In the state like Kerala, as beneficiaries generally those who were living independently these were not taking friendly loans as much.

It is concluded from the table that friendly loans were playing more pivotal role than Bank finance, community based organizations, non institutional finance etc. It is concluded from the field study that it is very difficult to get the friendly loans unless one of their close relative is in abroad or rich employee.

Own Contribution in terms of Monetary Value:

According to the guidelines of IAY, government is providing Rs.45,000/- to each beneficiary in plain areas and Rs.48,500/- in hilly areas. Along with this, each beneficiary can avail the loan of Rs.20,000/- from banks under Differential Rate of Interest (DRI). Only some states are providing the additional amount for the construction of IAY house.



Source: Based on Primary Data

According to the Table – 25 the average cost for the construction of the same was calculated about Rs.99,000/- across the states in India. Hence, no other option is available for the beneficiaries to get the loans as these are very poor and rest of the amount should be bear by the beneficiary himself. It is found from the table that about 19.7 per cent of the amount had been spent from the beneficiaries' own pockets in India as a whole. It was found very low in Gujarat (6.88%) very high in Himachal Pradesh (38.71%) where average size of the family was very high in the study area.

Own Contribution In terms of Labour:

It is calculated from the field study that in the states like Himachal Pradesh and Kerala the proportion of Labour cost and Material Cost is 1:4 whereas in rest of the states it was calculated that 1:6.3, it was due to the high labour cost prevailing in the state, lack of skilled man power, due to availability of multiple employment opportunities, due to states located in hilly and valley regions, due to scattered location of houses. The present table depicts about the three important things:

1. Self labour contribution from the beneficiary household along with engaging hired labour
2. Community help along with engaging self labour contribution and hired labour
3. Only hired labour were engaged for the construction of the house under IAY.

Table - 33
Labour Contribution for the Construction of IAY House in the study area

S. No.	Name of the State	Self Labour	Community Help	Hired Labour
1	Himachal Pradesh	48	16	16
		60.00%	20.00%	20.00%
2	Rajastan	40	24	16
		50.00%	30.00%	20.00%
3	Assam	10	30	40
		12.50%	37.50%	50.00%
4	Jharkhand	48	28	4
		60.00%	35.00%	5.00%
5	Orissa	27	3	50
		33.75%	3.75%	62.50%
6	Chattisgarh	14	47	19
		17.50%	58.75%	23.75%
7	Gujarath	15	55	10
		18.75%	68.75%	12.50%
8	Maharastra	50	1	29
		62.50%	1.25%	36.25%
9	Andhra Pradesh	54	6	20
		67.50%	7.50%	25.00%
10	Karnataka	18	15	47
		22.50%	18.75%	58.75%
11	Kerala	27	3	50
		33.75%	3.75%	62.50%
12	Tamilnadu	12	6	62
		15%	7%	78%
	INDIA	30	20	30
		37.81%	24.38%	37.81%

Source: Primary Data

It is observed from the table that only hired labour engaged in the construction process of IAY house was found highest in Kerala and Orissa states with 62.5 per cent. Due to lack of availability of skilled labour in the state of Kerala, multiple employment opportunities prevailing in the state, due to high literacy rate the cost of labour for the construction of IAY was very high. Labour cost for one helper was about Rs. 400/- to 450/- and for masonry it was about Rs.500/- to 650/- per day. In Kerala it is also found that self labour contribution to the construction of house under IAY was calculated about 33.75 per cent, vide table -33.

Community help along with hired labour and self labour contribution was observed highest in Gujarat with 68.75 per cent. At-least four members in a family for 15 days were engaging in the construction work and two others from neighbors were engaged in the construction of the house sanctioned under IAY. Hence, it is clear that about Rs.10,000/- each beneficiary household would have been saving by engaging the self labour contribution and labour help from neighbors. On the other hand, Community help was observed very least in Maharashtra where the beneficiaries were engaged their self labour was very high with 62.5 per cent.

It is concluded from the table that according to FGD with beneficiaries they are suggesting that it is better to provide the bunding construction and some other watershed related construction works while taking up the NREGS works so that every person will have some idea to build their own house to engage more labour contribution to construct their own house.

In Maharashtra, in some villages of Thane district, it was practicing that the bricks were made by the beneficiaries themselves (collective action with 4 to 5 members) with locally available mud hence the cost was very less and these bricks were being supplied to other beneficiaries with low rate. Where as in Solapur district, the bricks were purchased collectively in some areas and hence about Rs.200/- will be saving on purchasing 1,000 bricks. It is also observed that in rainy season the cost of bricks will be high because the making of bricks was very low.

Major findings:

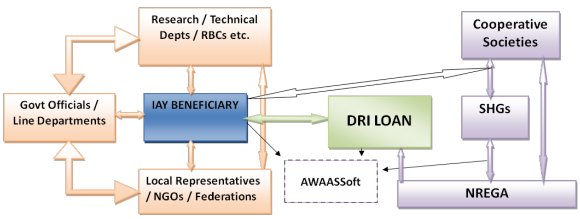
1. The average plinth area observed in India as a whole is 317.7 sq.ft. Due to less availability of land the same is observed 211.8 sq.ft in Tamil Nadu state and as against this highest plinth is 451.2 sq.ft. in Himachal Pradesh.
2. The average construction cost of the house under IAY was observed about Rs.99,068/- in India as a whole. Except in two states like Kerala and Himachal Pradesh, where the average cost was very high with Rs.2,24,610/- and Rs.1,70,872/- respectively.
3. Construction of house is being influenced / delayed by the factors such as (1) Number of installments to be provided to the beneficiaries, (2) Percentage of amount provided in each stage of installment as required for the beneficiary and (3) Stage at which the amount is required for the beneficiary. It varies state to state and due to these reasons beneficiaries were not able to complete their house in time.
4. Highest percentage of beneficiaries' availed loans (51.25 per cent) under DRI and 15.05 per cent in the total construction cost had been mobilized from DRI Loans in Gujarat. As against this, 1.5 per cent of the total construction cost had been gathered from Self Help Groups (SHGs) and about five per cent of the total construction cost had been mobilized from Banks in India as a whole.

Diagrammatic Solution for Effective Mobilization of DRI Loans :

Stage – 1: Development Triangle
Stage – 2: Mobilization of DRI Loans
Stage – 3: Connect with Awaassoft

Stage – 1: Major defect in the implementation of IAY programme is lack of awareness among the beneficiaries regarding DRI Loans, Cost effecting Technologies / techniques, convergence with other RD pro-

grammes, Awaassoft, Unit Cost etc. Unless there is a strong coordination among these three sections of people - 1. Government Officials 2. Research / Technical Departments / Rural Building Centers etc. and 3. Local Representatives / NGOs / Community Based Organizations / Federations and lack of frequent interactions with the IAY beneficiaries, there is no awareness among the IAY beneficiaries. These three sections of people should work together in the presence of IAY beneficiaries. These three sections of people can able to create the awareness among the beneficiaries on cost effective housing technologies / techniques, get benefitted with convergence with other RD Programmes and such type of activities can be easily facilitated the bankers to provide the loans to the IAY beneficiaries under DRI when the beneficiary households should have the membership into SHGs, Cooperative Societies, NREGA etc.



Stage – 2: All the beneficiaries should be pooled into Self Help Groups, Cooperative Societies and every IAY beneficiary household should have NREGA wage card. All the stage-1 functionaries should create awareness among the IAY beneficiaries on DRI Loans and its process for getting loans. All the members of the SHGs, Cooperative Societies and NREGA workers should work together with stage-1 functionaries and facilitate the bankers to provide the DRI Loans to the IAY beneficiaries by giving repayment assurance.

Stage – 3: Every IAY beneficiary should have one unique ID and all details regarding membership in the SHG, Cooperative Society, wage card in the MGNREGA and other facilitators' names should also be included in the Awaassoft. Bank Code should also be added to the Awaassoft linked with beneficiary unique ID. With this link, we can identify how many members are getting DRI Loans.

Conclusion:

The objective of IAY is to assist the poor families in realizing their dream of having own house to fulfill their desire of comfortable living. Mobilization of DRI loans is possible when the officials, people representatives, members of SHGs, Cooperative societies and NREGA wage seekers have to take initiations and for this, Government has to announce awards and rewards. Unless loans provided compulsorily to each and every beneficiary, the programme will not be successful. The whole process of mobilization of DRI Loans should be linked with Awaassoft will be more accountable and transparent.