

Direct Benefit Transfer Readiness Index

NCAER,
November 2016

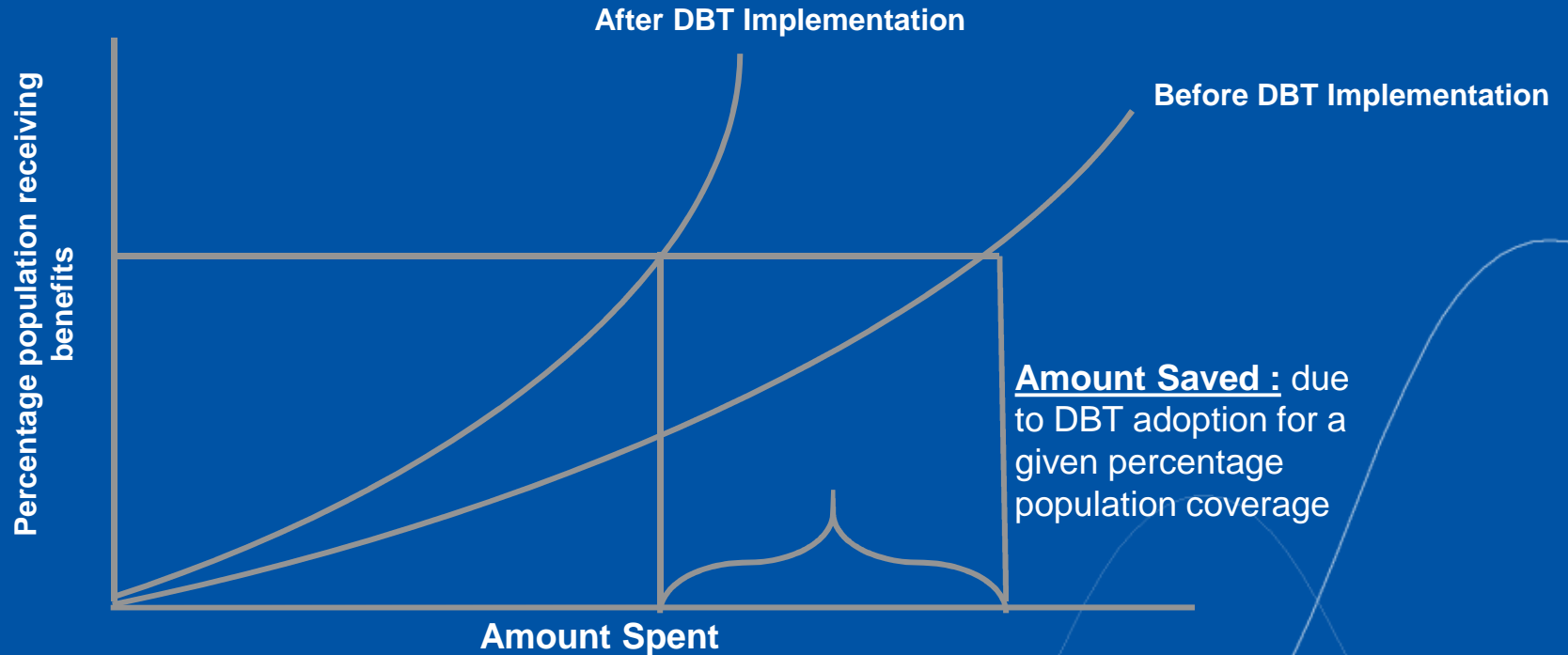




DBT Readiness: Strategic Focus



- Fixed cost of subsidies Rs. 3.78 trillion or 4.4% GDP (Economics Survey 2014-15)
- Elimination or phasing out of subsidies neither feasible nor desirable
- Poor need affordable food, fuel services & other commodities



- Accurate targeting of beneficiaries due to Aadhar and biometric verification.
- Avoidance of leakages on account of ghost beneficiaries & effecting de-duplication





e- PDS savings: Krishna District

Month	Rice (kg)	Sugar (kg)	Wheat (kg)	Wheat Atta (kg)	K.Oil (ltr)	R.G.Dal (kg)	Subsidy saved (Cr.)
May, 2015	2089601	67671	67130	76276	525779	-	8.18
June, 2015	1682285	72349	34866	35619	451733	-	6.16
July, 2015	1848148	339718	33480	32280	410438	-	7.48
August, 2015	1555540	102423	23.216	25399	395340	31389	6.42
September, 2015	1446331	63209	54165	24954	329190	45488	5.84
October, 2015	1450414	62265	26217	29913	297116	82800	5.97
November, 2015	1321196	111926	14618	23057	290044	236802	6.78
December, 2015	1071193	68500	15271	29288	293614	20423	4.51
January, 2016	1160876	54365	12119	21509	284824	13041	4.62
February, 2016	1465814	58086	8399	28645	406620	5878	5.97
March, 2016	1310192	56344	6346	47781	177340	5007	4.47
April, 2016	1301709	54732	20390	34265	212174	3947	4.60
May, 2016	1276693	54531	19985	33012	260727	4066	4.76
June, 2016	1272532	52157	19216	20370	179949	3366	4.36
July, 2016	1120388	48268	15931	16062	234683	3552	4.20
August, 2016	1149993	50050	10141	20287	262823	589	4.39
TOTAL	2,25,22,905	13,16,594	358297.2	498717	5012394	456348	88.71



NCAER's Experience: 2003-2012 e-Readiness & e-Governance



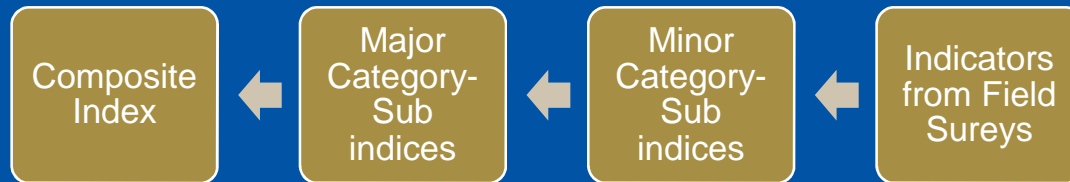
- e-Readiness- Ability of state to pursue value creation opportunities, facilitated by ICT for inclusive development.
- e-Governance- Includes Government to Citizens, Government to Businesses, Government to Government Solutions facilitated by ICT.
- 4 phases of e-Governance: Information, Interactive, Transactive and Transformative.





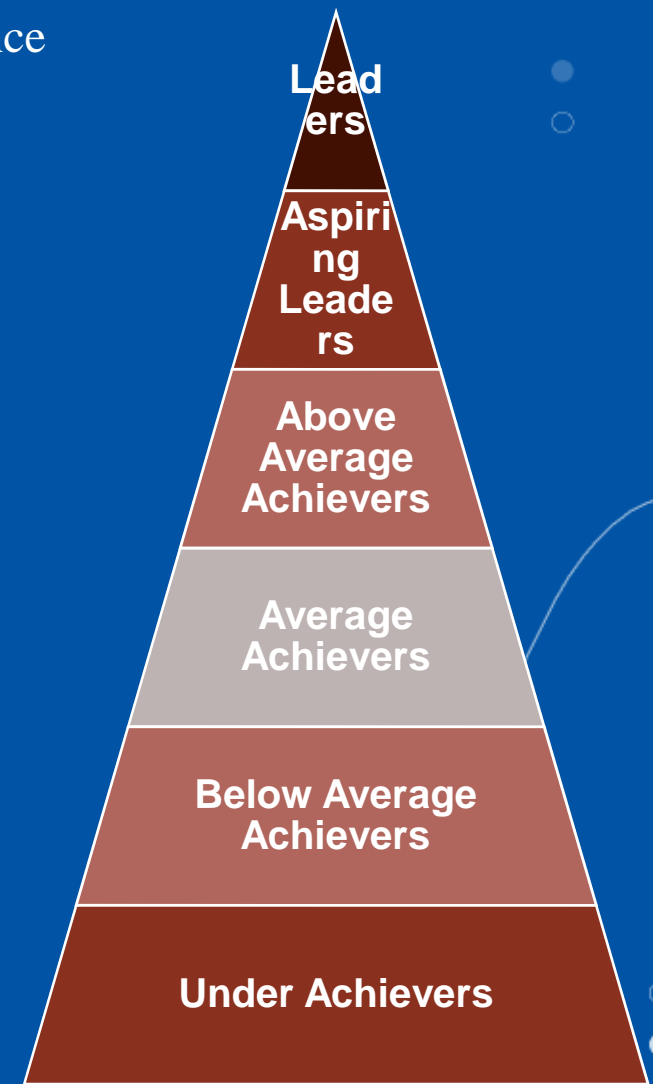
Direct Policy Competition among States and Union Territories

E-Readiness and E-Governance



Technique – Principal Component Analysis

- Compresses data by reducing the number of dimensions without much loss of information.
- Explains the variance in original data by a set of small number of variables called principal components or linear relation of original data.
- Selects these components such that it preserves a high amount of cumulative variance of the original data.





DBT Learning till date: Social Protection System

Productivity Enhancing Safety Nets

- Targeted at economically active people
- Subsidised inputs or correction for market failures
- E.g. PDS, MGNREGS, PAHAL, Kerosene subsidies, Fertiliser subsidies, JSY

Direct Welfare Transfers

- Address livelihood shocks (floods, drought)
- Non emergency - future economically active population (students) or economically non - active population
- E.g. Mid day meals, old age pensions

Market Interventions

- Open market operations to maintain price bands; attractive for farmers and affordable for consumers
- E.g. Buffer stocks of foodgrain, Agricultural market interventions programmes like NAFED, Tribal market intervention programmes like TRIFED



DBT Learning till date: Classification by DBT Mission

Cash Transfers to Beneficiaries

- eg: PAHAL, MGNREGS, Scholarships, Pensions (NSAP)

In Kind Transfers to Beneficiaries

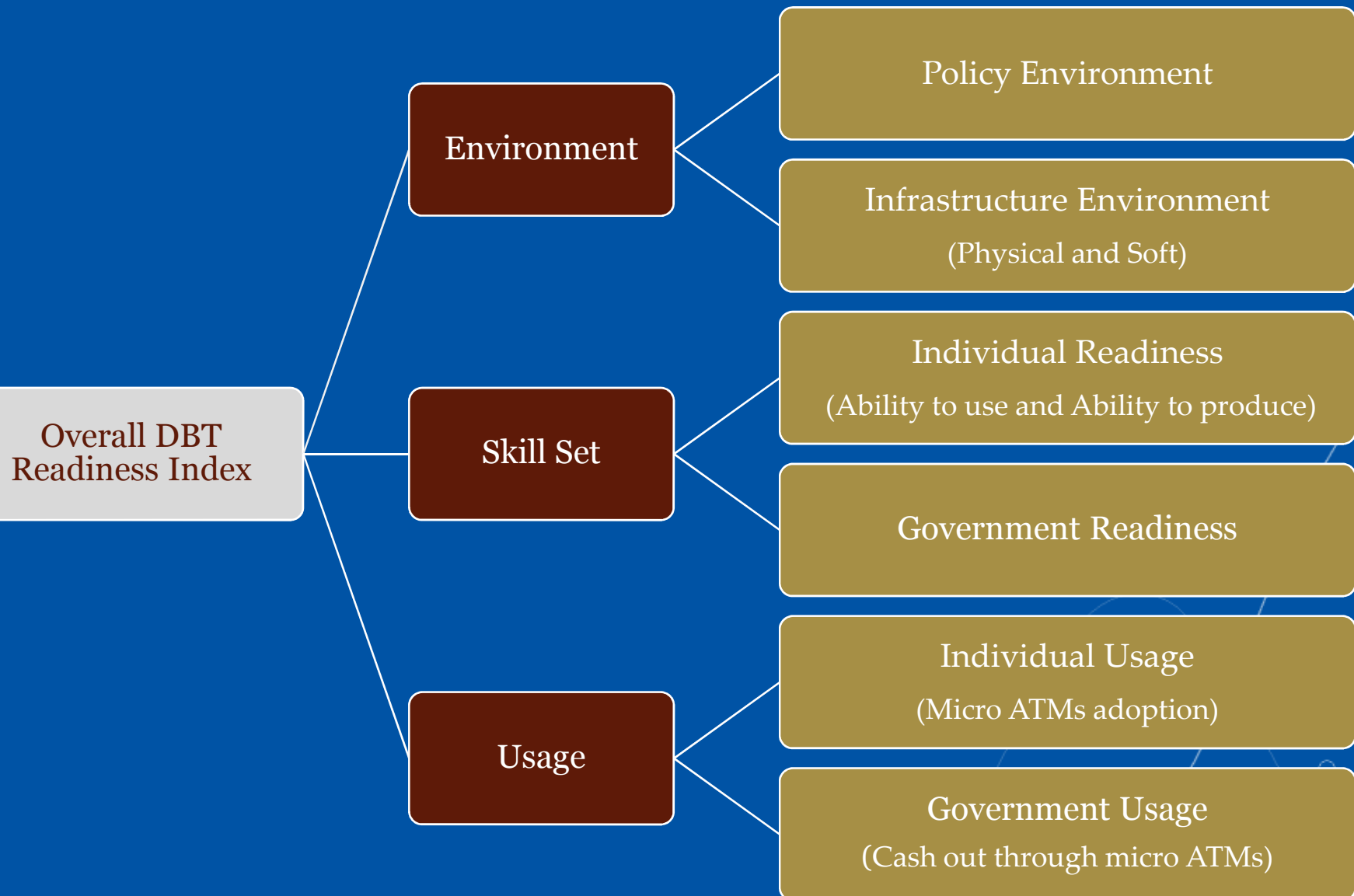
- eg: PDS, Mid Day Meal

Other Transfers process

- eg: Asha, Aanganwadi workers, NGOs



DBT Readiness Index Analytical Framework





Indicators: Infrastructure Environment

Physical infrastructure

- No. of FPS
- No. of Aadhar enrolment centres
- No. of Anganwadi centres
- Common Service Centres (CSCs)
- Total No. of Mobile/Internet towers
- Towers with GPRS facilities
- Towers with GPRS facilities operating with diesel input
- Broadband connectivity to villages/ blocks
- No. of Post offices
- No. of banks

Soft infrastructure

- Bank mitras (total)
- Bank mitras with micro ATMs
- Micro ATMs
- Beneficiaries with Aadhar numbers
- **Beneficiaries databases**
 - Scheme wise digitisation process
 - Citizen charter
 - Districts connected with SWAN connectivity
 - Dedicated servers scheme wise



Indicators: Policy Environment

1. Presence of DBT cell

- Multi-disciplinary
- Multi-departments
- With authority
- With financial powers
- Access to CM
- If cell is not in operation, by when it would be initiated

2. Nodal department for Aadhar enrolment



Indicators: Skill Set - Readiness

1. **Adoption of PFMS**
2. **Data bases evolution, scheme wise**
3. **Skill set of policy planners/users/beneficiaries:**
 - Training on DBT readiness
 - Training on creation of database
 - Policy planners with software expertise to carry out database evolution
 - Awareness for users, scheme wise
 - Incentives/recognition for bringing users to DBT



Indicators: Usage

- Beneficiaries with Aadhar seeding as a percentage of total beneficiaries
- Beneficiaries receiving benefits using AEPS or APB as a percentage of total beneficiaries
- Efficiency gains due to adoption of DBT process scheme wise
- Beneficiaries with Aadhar seeded bank accounts
- Beneficiaries receiving benefits through BAPU
- Beneficiaries receiving benefits through Cash-Transfers



Enhancing Collective Impact

- With DBT implementation, DBT Mission may have to evolve scheme of sharing economic benefits with states
 - To encourage direct policy competition amongst states.
- NCAER and DBT Mission to identify state-wise strengths and weaknesses to enhance DBT Readiness.
 - Relative and Absolute Indices
 - State-wise DBT Profiles
- Collaborative efforts of NCAER, DBT Mission, Microsave, CDFI
- Pilot Projects
 - DBT-fertilisers in Krishna district etc.



THANK YOU





Public Distribution Systems (PDS)

- Various types of schemes under PDS (like BPL, APL, Antodaya, ETC)
- Designated person in the DBT cell to carry out DBT in PDS

Policy environment:

- NFSA is adopted
- DBT BAPU mode adopted
- Database digitised
- No. of households per FPS, intra state variation
- No. of FPS, district wise
- No. of towers with GPRS facility

Soft infrastructure:

- Digitisation of PDS consumers
- FPSs with e-pos
- Aadhar seeding of PDS beneficiaries
- Supply Chain Management
- Monitoring from software
- Exception report
- Real time/time lag



PDS-Contd

Economic benefits following DBT implementation

- Bogus cards deleted and deduplication of beneficiaries following digitisation of data base and Aadhar seeding of data base
- Tonnes of commodities (Rice, Wheat, Sugar, Kerosene) saved following the above exercise
- Price of commodities per tonne (MSP + Transportation cost + Dealers' margin)
- Additional PDS beneficiaries included and increase in quotas following NFSA implementation.
- When was DBT introduced, current customer base (of various types) and entitlements for each category of beneficiaries

Skill sets:

- E- pos adopted
- Awareness of e pos amongst PDS beneficiaries if e pos is adopted
- Supply chain optimisation software developed
- Stock position communicated through SMS
- Data base for FPS operators
- Mode of payment settlement for FPS operations
- Mode of payment for customers
- If BAPU model adopted?

Usage:

- No. of FPS shops with e-pos machine/ total number of FPS shops
- District wise information
- PDS transactions through BAPU to total transactions
- Grievance redressal



MGNREGS

Background information:

- Rural labour force
- Rural work force
- Rural unemployment
- No. of households in rural areas
- No. of households applying for job card
- No. of households registered for job card
- No. of Gram Panchayats with internet access

Policy environment:

- DBT implemented across all districts/ selected districts
- State level laws complementing Central law (yes/no)
- Designated officials for MGNREGS at various levels
- Average no. of days jobs offered per card against MGNREGS
- Average no. of days jobs offered per card against State schemes
- DBT for MGNREGS (yes/no)
- DBT action plan for MGNREGS (yes/no)



MGNREGS-Contd

Skill sets:

- Training programmes held to implement DBT in MGNREGS
- At what level (State/district/block/GP)
- Execution of works, involvement of non-governmental bodies like NGOs, Self Help Groups/ Co-operative societies
- Social Audits done, if yes, frequency
- Awareness programmes for users, various modes used

Process:

- Application for job cards available online/ others
- Beneficiaries data base digitisation, Aadhar seeding, bank account seeded with Aadhar
- Adoption of Aadhar payment Bridge (APB)
- Total number of beneficiaries/job card
- Average number of days availed per job card



DBTL (PAHAL)

- Accent is on cost-benefit analysis and not on DBT readiness of the Ministry of Petroleum and Natural Gas.
- No. of LPG connections before and after DBTL. (percentage reduction state wise)
- No. of LPG cylinders consumed before and after DBTL.
- Cylinders per LPG connection and percentage reduction
- Market price of LPG cylinder and subsidy on each cylinder
- Total subsidy payment before and after DBTL.



Fertilizer Subsidies

- Fertilizers consumed (Urea, DAP, MoP and Complex fertilizer) in tonnes in 2015-16 and 2016-17 Q1
- Land owning cultivators and Tenant farmers/Share croppers, total numbers and area cultivated
- Krishna district pilot study with BAPU implementation
- Fertilizers consumption before and after pilot study
- Urea tonnes reduction
- DAP tonnes reduction
- MoP tonnes reduction
- Complex fertilizer tonnes reduction
- Projection at all India level
- Possible economic benefits calculation based on subsidies provided per tonnes of various fertilizers and capital cost to install POS machine at Retail shops.



JSY

Background information:

- Institutional births/total births
- Institutional births + births conducted by skilled health professionals /total births

Policy environment:

- District wise penetration- total districts where JSY in operation /total number of districts in the state
- Mandate/instruction/direction to implement DBT (yes/no)
- Nodal officers present (yes/no)
- Benefits offered to mothers and ASHA workers in rural and urban areas.
- Total number of beneficiaries in JSY
- Digitisation of JSY beneficiaries
- Beneficiaries seeded with Aadhar and bank accounts
- Magnitude of benefits given per mother and ASHA workers
- Number of beneficiaries (mothers+ ASHA workers before and after digitisation and Aadhar seeding of beneficiaries)
- Saving potential State wise (total beneficiaries reduced following deduplication and elimination of bogus ones due to digitisation and Aadhar seeding * amount of benefits given to each beneficiary)



Details of Subsidies (Rs in Crore)

Subsidy	2012-13	2013-14	2014-15	2015-16*
Food	85000	92000	117671	139419
Fertilizer	65613	67339	71076	72438
Petroleum	96880	85378	60269	30000
Other	9586	9915	9242	15944
Total	257079	254632	258258	257801

*Revised Estimates

Source: PIB Release



Schemes Outlay

Schemes	Ministries/Department	Outlay (2015-16, in Rs Cr)
PDS (Food)	Ministry of Consumer Affairs, Food, and Public Distribution	139419
Fertilisers	Ministry of Chemicals and Fertilizers	73000
MGNREGS	Ministry of Rural Development	34700
SSA(Sarva Shiksha Abhiyan)	Ministry of Human Resource Development	22015
DBTL(PAHAL)	Ministry of Petroleum and Natural Gas	21340
ICDS(Integrated Child Development Scheme)	Ministry of Women and Child Development	15393
MDMS(Mid day Meal Scheme)	Ministry of Human Resource Development	9236
NSAP(National Social Assistance Programme)	Ministry of Rural Development	9074
Scholarships	Minority, MHRD, Tribal Affairs, Labor and Employment, North Eastern Council, Home Affairs	Less than 4000
JSY(Janani Surakshya Yojana)	Ministry of Health and Family Welfare	4568
IGMSY (Indira Gandhi Matritva Sahyog Yojana)	Ministry of Women and Child Development	231

Source: Central Budget