

How the 'game' has changed

It's been called a game-changer, a nationwide technology-backed initiative that promises to change the way the government delivers entitlement to citizens. But a month after the Direct Benefits Transfer (DBT) scheme was officially rolled out across 20 districts, a look at the ground realities reveals a yawning gap between intent and implementation. Of the five districts *Business Standard* visited, there are those where not a single transfer has been made. The challenge of simultaneously enrolling and opening bank accounts of millions of beneficiaries must be quickly surmounted, before the efficacy of the ambitious DBT scheme can be adjudged. Phase-II of the scheme starts on February 1

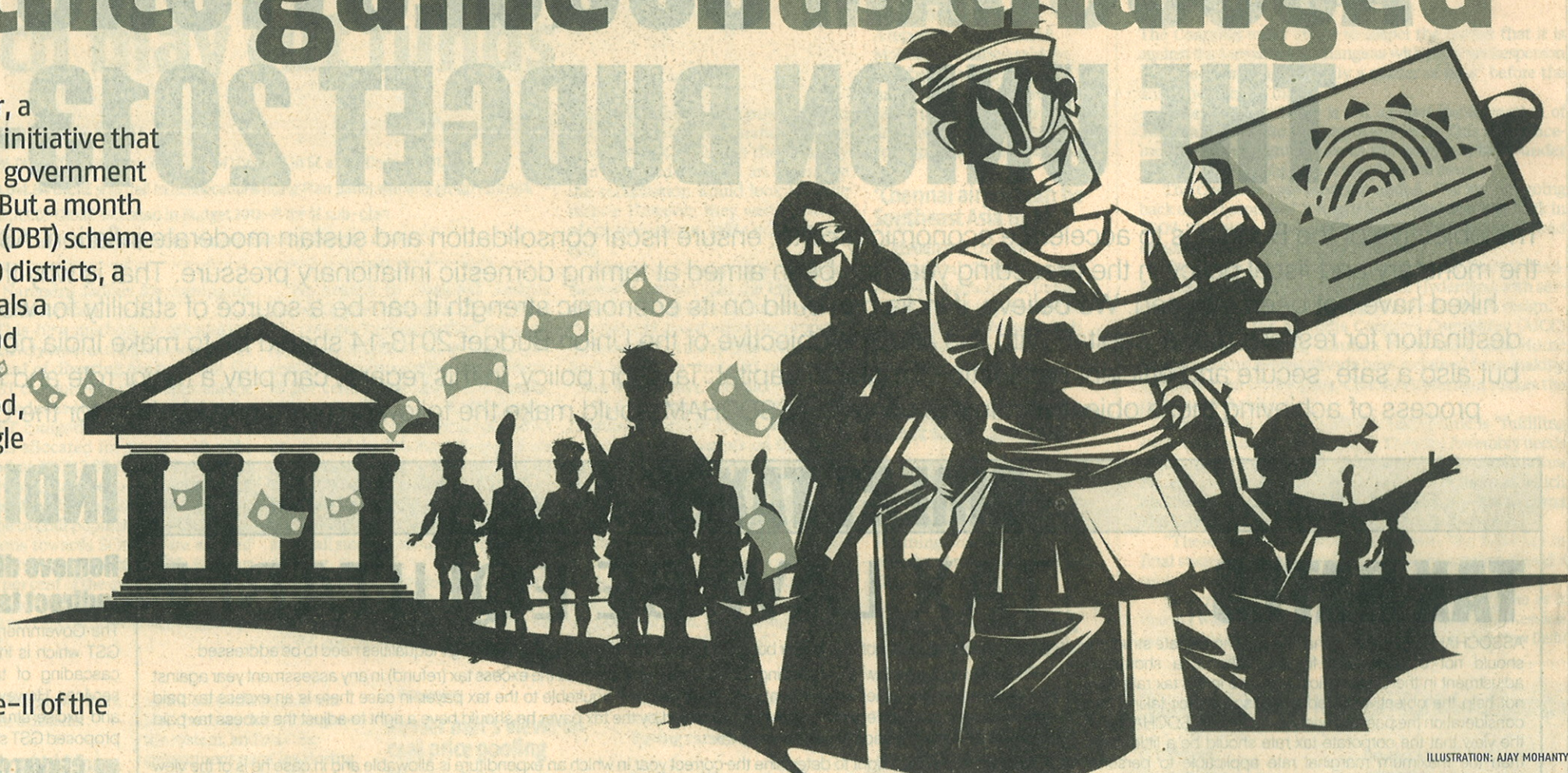


ILLUSTRATION: AJAY MOHANTY

In the scheme of things, students see path to a bright future

SANJAY JOG

Tejaswini, a Class X student in the Amravati municipal school, wants to become a police inspector. She says she wouldn't allow her parents to withdraw the Aadhaar-based Direct Benefits Transfer funds from the bank account for any other purpose but her education. Sayyed Rehan, studying in the zilla parishad school under the National Child Labour Project, is trying to convince his family his education alone would improve their finances. "The cash transfer scheme would be quite handy in meeting my objective," he says.

For Mangla, mother of five-month-old Dharni, cash transfers of ₹4,000 in three instalments under the Indira Gandhi Matritva Sahyog would ensure access to medicines. Till recently, Dharni was in the news for a high malnutrition rate; Mangla claims the cash transfer scheme would change the situation.

These are a few of the 0.11 million beneficiaries of 11 schemes in Amravati. Jintendra Paphalkar, Amravati's additional collector, says 33,000 have received Aadhaar cards. They also have bank accounts. Seeding of these beneficiaries is yet to be completed, he says.

In Amravati, Aadhaar-based transfers are applicable only to the National Child Labour Project and Indira Gandhi Matritva Sahyog Yojana for now.

"The district administration is working hard to complete the enrolment. Simultaneously, they are being guided to open bank accounts, as some of them have accounts only in post offices," says Paphalkar. He admits complete coverage of the cash transfers in the district would take time. Various departments are working round the clock to tackle teething problems, he says.

Of the 957 beneficiaries under the National Child Labour Project, a large number are yet to



A beneficiary of the Indira Gandhi Matritva Sahyog Yojana shows her Aadhaar card at an Anganwadi in Amravati district

receive Aadhaar cards. Sachin Inzalkar, project director, National Child Labour Project, says: "Searching for beneficiaries may take time even if they are

registered as they may have migrated. In several cases, registration is again taking place due to wrong inputs into the system."

The government needs to

address issues such as lack of machinery, lack of uninterrupted power supply, low per day enrolment and the time taken to transport beneficiaries from remote

Population	2.88mn	Schemes	11
Enrolment	1.5mn	Beneficiaries	1.1mn

Problems: Deployment of 200 machines for enrolment inadequate; erratic power supply; technical errors; transportation of beneficiaries from remote areas to open bank accounts

areas to banks, he adds.

Sanjay Kharkar, a zilla parishad official, says: "We are convincing beneficiaries that though Aadhaar cards are necessary, credit transfers would take place even if they haven't received Aadhaar cards."

The State Bank of India branch at the heart of Amravati city is crowded with beneficiaries as well as non-governmental organisation and government officials, who help expedite account opening. "Two counters have been opened for this job alone," says a bank official.

PHOTO: SURYAKANT NIWATE

Innovation drives enrolment

DEVJYOT GHOSHAL

Ashutosh A T Pednekar, the collector of Alwar, sits in a magnificent office in the city's erstwhile palace, the same chamber from where Michael Francis O'Dwyer, the British administrator notorious for endorsing the Jallianwala Bagh massacre, once governed Rajasthan's northern regions. Quite unlike his Irish predecessor's legacy, this Goan civil servant is likely to be better known for an administrative innovation that could well turn out to be the blueprint for implementing the DBT scheme launched on January 1.

In a little more than two weeks, after the government announced its intention to rollout the DBT scheme in Alwar last December, Pednekar managed to achieve 100 per cent Aadhaar penetration among the 84,000 beneficiaries of 14 government schemes in his district. "On December 15, about 22 per cent of the 84,000 beneficiaries in Alwar had Aadhaar cards," says Pednekar. "So, to get to 100 per cent penetration, we broke the entire enrolment programme down to the panchayat level and planned the entire operation accordingly."

Each of Alwar's 472 panchayats has between 150 and 300 people entitled to benefits under four broad schemes — elementary education, secondary education, social justice, and medical and health-related benefits.

Pednekar got a detailed list of beneficiaries drawn up in each panchayat under these schemes and instructed panchayat officials to ensure those in their areas were enrolled. For beneficiaries under the elementary education benefit scheme, for instance, the school principal was made responsible for enrolments. That apart, some 44 machines were pressed into service for enrolments during this period, with each machine averaging 72 enrolments a day.

"We created clusters, where four or five panchayats could be serviced by four to six machines, and the time-table was handled at the SDO (sub-divisional officer) level. At any college that had more than 100 students, we took a machine for enrolment. During this period, we completely stopped general population enrolment. Otherwise, we would have been washed away."

The focused enrolment of beneficiaries meant the larger challenge of Aadhaar penetration was dealt with within weeks. But Pednekar was still left to contend with some 30,000 beneficiaries without bank accounts.

Instead of going through the lengthy know-your-customer (KYC) forms, Pednekar says he asked banks to provide the district administration with bank account numbers.

"We mandated that the KYC forms would follow within a week. This helped us to seed the bank account numbers with the Aadhaar numbers quickly. But if the KYC form wasn't completed, the account wouldn't become operational." Pednekar also ensured manual checking of the beneficiary bank accounts.

Since January 1, as a result, the district has transferred ₹5.05 crore to 20,400 beneficiaries.

Suresh Chand Sharma, headmaster of the state-run Gandhi National School in Alwar's old city, says a couple of his students were even invited to withdraw money via fingerprint authentication some weeks ago. "At the end of the month, we will ask for their bank passbooks and then we'll know exactly what has happened."

Nonetheless, the advantages of the DBT system are clear. For scholarships, the previous process involved the money travelling through six administrative layers. Now, it's been reduced to a two-step process.

Population

3.9mn

Enrolment

179,685

(January 2013)

Schemes

14

Beneficiaries

84,000

Problems: Manual matching of bank accounts with name/Aadhaar number of beneficiaries undertaken; accelerated enrolment could impact data quality; similar process of enrolment for larger groups may be difficult and more error-prone

NORTHEAST DELHI, NATIONAL CAPITAL TERRITORY

Banks blamed for tardy progress

SREELATHA MENON

"Pado mat, pado mat, sarkar bachao abhiyan chal raha hai (It's a case of don't study, don't teach, focus on the government bailing out scheme)," says an exasperated official of the district's school education department.

Chief Minister Sheila Dikshit has declared that Delhi will take the lead in the central government's drive to directly wire all subsidies to the beneficiaries of Direct Benefits Transfer. DBT now covers two schemes: The Janani Suraksha Yojana for pregnant or lactating mothers and scholarship schemes for school-goers — post-matric for Scheduled Castes and backward community students, an incentive scholarship for girls and means-cum-merit payment.

In Delhi, the northeast was chosen in the first phase, and coverage would be only for a small part — 60 of its 127 schools and 2,060 students of the 300,000 in the district. (Of the 2.2 million people in the northeast, enrolment for the Aadhaar card has been completed for 1.2 million.

Only 450 women and 2,060 students are to be covered. But not a single transfer has been done so far.

Education department officials, school authorities, teachers and students are engaged in the project.

The banks say they will not transfer money till all those on the list of beneficiaries have Aadhaar numbers and bank accounts.

Till a week ago, according to the banks, hundreds of students didn't have accounts and several more didn't have Unique Identification Numbers.

R N Sharma, nodal officer for Unique Identification Number (UID) and education in the district, told *Business Standard* last week:

"Almost 2,000 students have neither UIDs nor accounts. The card takes two or more months to come. Where UID is not there, we are making do with the receipts given by UID authorities."

Population
2.2mn

Enrolment
1.2mn

Schemes
4

Beneficiaries (in pilot project group)
2,510

Problems: School authorities struggle to open bank accounts, blame banks for charging fee; cash transfer can be done only when Aadhaar and accounts are ready

He says the delay is not so much on the part of the UID people as that of the banks.

The lenders deny this. "UID and account has to be there for the transfer to take place. UID receipts would not do. If it takes two months, then the process can start only after that," says a senior official of State Bank of India.

The banks blame the schools for the state of affairs. "They don't want to do the job," says a senior SBI official of the education department people. "It is a one-time job of getting beneficiaries together and getting them to open accounts or getting them enrolled for UID. Children come to school every day. Why can't the officials and the school prin-

cipals get this done?"

Education department officials blame the banks. Account opening is a troublesome affair, says at least one school principal.

Teething troubles refuse to go away

KOMAL AMIT GERA

On January 1, direct benefits transfers were made to beneficiaries of nine schemes, including pre-and post-metric scholarships, in the Union territory (UT) of Chandigarh, one of the 20 districts selected for the rollout of the programme.

On the day of launch, ₹46.65 crore was electronically transferred to 1,384 beneficiaries. Since then, though official data has not been compiled, an official close to the development said more than 1,500 beneficiaries have been covered under the scheme. The education department of Chandigarh has a target to enroll 2,031 beneficiaries by March 31 under the scheme.

Chandigarh will launch the direct transfer of health benefits under Indira Gandhi Matritva Sahyog Yojna and Janani Suraksha Yojna from February 1. Under this, pregnant women (self or spouse of anyone engaged in non-government sector) will get cash benefit of ₹5,000: Two instalments of ₹1,500 each and one instalment of ₹1,000 will be transferred to the Aadhaar-linked account of the beneficiary.

Rajesh Jogpal, director-social welfare, says 1,000 people have been enrolled under the health benefits transfer. The beneficiaries say this would enhance their credit-worthiness for greater access to bank credit.

Others, such as Prabhjot Singh, a Chandigarh-based student at the Indian Institute of Management-Rohtak, have already received ₹1.6 lakh, transferred directly into his bank account in January. "Personal visits to receive the amount or cheque of the scholarship takes time and energy. Electronic transfer of scholarships is useful."

The government machinery is under some stress as it has to mobilise data collection of the eligible candidates and co-ordinate with stakeholders, including banks and agencies.

says Bikram Rana, state liaison officer, department of higher education, Chandigarh: "Even a small error needs the repetition of the entire exercise. But these are teething troubles. Thing will get streamlined after a couple of months, and this would save a lot of time for the employees. We would also be able to transfer the funds at regular intervals. Manual transfers are cumbersome."

The seeding of data — matching of Aadhaar numbers and bank accounts — for the schemes to be covered from February 1 has been completed for 1,000 beneficiaries.

The opening of bank accounts is also picking up pace, but officials at Punjab National Bank, lead bank of the Chandigarh district, say those living in the suburbs of Chandigarh need to get on board.

Population
1.054mn
Enrolment
0.85mn
Schemes
10
Beneficiaries
2,031

Problems: Data compilation for Indira Gandhi Matritva Sahyog Yojana to be launched on February 1 as beneficiaries not enrolled for Aadhaar; lack of awareness

MYSORE, KARNATAKA

A head start, but still a long way to go

Population

3mn

Enrolment

2.8mn

Schemes

16

Beneficiaries

37,783

Problems:

Sanctioning authorities at taluk, district and state levels said to be delaying the transfer of cash to beneficiaries; about 10% of the beneficiaries do not have bank account as they are holding accounts in post offices

MAHESH KULKARNI

In Karnataka, Direct Benefits Transfer pilot projects were launched in Mysore, Dharwad and Tumkur. Since the launch on January 1, the district administration has started transferring the benefits in 16 of 31 schemes.

About 41 per cent of the population in the district have Aadhaar-linked bank accounts. The district administration has identified 37,783 beneficiaries for 16 schemes. Bank accounts have been opened for 33,986; 31,188 accounts have been Aadhaar seeded.

Between January 1 and January 21, banks have transferred ₹45.45 lakh to 1,458 beneficiaries.

"We are adding new names to the list of beneficiaries everyday," Ajay Nagabhushan M N, deputy commissioner of Mysore, says. "For the first time in the country, we have also successfully transferred money to the beneficiary accounts under the National



Tasmiya Banu cannot hide her excitement as she shows her bank passbook.

The eight-year-old wants to use the money for education PHOTO: SAGGERE RADHAKRISHNA

Rural Employment Guarantee programme last week."

The district administration has transferred ₹30,000 to each of the 29 workers under the employment guarantee scheme on January 19.

DBT has come as a big relief to the

beneficiaries such as Tasmiya Banu, an eight-year-old student of Shreekantheshwara. "My mother is no more and my father spends all the money that we get on alcohol. Now, I am getting ₹150 in my account and I will use the money for my education," she says.