

Minutes of the Meeting of the Executive Committee on Direct Cash Transfers
held in PMO on 28.12.2012

The list of the participants is annexed.

2. The meeting was chaired by the Principal Secretary to PM. Prior to the meeting, a compiled statement on preparedness of districts for rolling out Direct Benefits Transfers had been circulated. This statement was based on the field reports of officers visiting districts. Principal Secretary asked Secretaries implementing schemes which are scheduled to be moved to the Direct Benefits Transfer platform to comment on the status of their schemes and their readiness for rollout. He specifically wanted to know the number of districts for each scheme where Direct Benefits Transfer will take place on 1.1.2013 and where it would take place subsequently.

3. Based on the responses of individual Secretaries, a Rollout schedule was finalised. The detailed district-wise Rollout Schedule is Annexed in the Table. The Rollout would be as follows:

- i. For the rollout beginning on 1.1.2013, **43 districts** in 16 States have been identified for the first round of Direct Benefits Transfer under **26 selected schemes**. The selection of 43 districts has been done on the basis of coverage of bank accounts and Aadhaar.
- ii. The rollout has been phased based on:
 - (a) The next instalment being due either on 1.1.2013 or at a later date.
 - (b) The list of beneficiaries being digitized in the concerned district.
 - (c) The opening of bank accounts for beneficiaries in the concerned district.
 - (d) Enrolment for Aadhaar numbers in the concerned district.
 - (e) Seeding of bank accounts with Aadhaar numbers in the concerned district.
 - (f) Availability of funds.
- iii. Based on the level of preparedness and the ongoing nature of the rollout, Direct Benefits Transfer will begin to take place from 1st January, 2013 as follows:
 - (a) **There will be a Direct Benefit Transfer on 1.1.2013 through a cash transfer into beneficiaries' bank accounts in 7 schemes.** These schemes are:
 - (i) Post-matric scholarship for SC students - 7 districts; 48,000 beneficiaries (Puducherry, Nawanshahr, Fatehgarh Sahib, Gurdaspur, Anantpur, East Godavari, Diu)
 - (ii) Pre-matric scholarship for SC students - 1 district; 24,000 beneficiaries (East Godavari)

- (iii) Post-matric scholarship for OBC students - 6 districts; 105,000 beneficiaries (Puducherry, Alwar, Anantpur, East Godavari, Daman, North Goa)
- (iv) Post-matric scholarship for ST students - 3 districts; 4,800 beneficiaries (Tumkur, Waynad, Harda)
- (v) Indira Gandhi Matrutva Sahyog Yojana - 6 districts; 55,000 beneficiaries (Dharwar, Puducherry, NW Delhi, Diu, North Goa, Amaravati)
- (vi) Dhanalakshmi Scheme - 1 district; 8,000 beneficiaries (Fatehgarh Sahib)
- (vii) Stipend to trainees under the scheme of welfare of SC/ST job seekers through Coaching-cum-Guidance and Vocational Training - 10 states, 650 beneficiaries (Karnataka, Kerala, Haryana, Punjab, Delhi, MP, Rajasthan, AP, Maharashtra, Jharkhand)

On 1.1.2013, over 2 lakh beneficiaries will start receiving benefits through Direct Benefits Transfer.

- (b) **In 20 of the 43 districts, all future benefits transfers under all the 26 schemes, whenever they are due after 1.1.2013 as per their cycle, will be through Direct Benefits Transfer. The 20 districts and the schemes are shown in the Annexed table. There will be some phased rollout in a few schemes in some of these districts and these are indicated in boxes under each district column. In a sense, these 20 districts go "live" for Direct Benefits Transfer from 1.1.2013.**
 - (c) **In 11 of the 43 districts, all future benefits transfers under all the 26 schemes, whenever they are due after 1.2.2013 as per their cycle, will be through Direct Benefits Transfer. The 11 districts are shown in the Annexed table. In a sense, these 11 districts go "live" for Direct Benefits Transfer from 1.2.2013.**
 - (d) **In the remaining 12 of the 43 districts, all future benefits transfers under all the 26 schemes, whenever they are due after 1.3.2013 as per their cycle, will be through Direct Benefits Transfer. The 12 districts are shown in the Annexed table. In a sense, these 12 districts go "live" for Direct Benefits Transfer from 1.3.2013.**
- iv. **By 1.3.2013, Phase 1 of Direct benefits Transfer would have rolled out in all 43 districts** and all benefits would be flowing electronically to beneficiaries accounts in the 43 districts as and when their payments become due.

- v. It may be the case that not all 26 schemes may be present in all the 43 districts. Further, under some of the 26 schemes, the next installment will be due only next financial year.

4. In addition to the rollout schedule, it was decided that **individual Ministries will take action to ensure that rollout takes place by issuing consequential orders and instructions** and making any necessary changes to their guidelines and financial arrangements with appropriate approvals. These would include:

- i. **Ministries issuing clear, unambiguous instructions** about the rollout of their schemes in the 43 districts as per the schedule.
- ii. **The aim should be to move towards an Aadhaar enabled payments arrangement**, even if Aadhaar enrolment is low now. Instructions should be issued to ensure that Direct Benefit Transfers take place to bank accounts even where Aadhaar enrolment is not yet 70% but would target a complete a complete switchover to an Aadhaar enabled payment system through the Aadhaar Payment Bridge by 1.3.2013, as decided by the Finance Minister. Therefore, efforts for speeding up Aadhaar enrolment, in conjunction with UIDFAI and district administrations, should be continued and there should be no slackening in this regard.
- iii. Secretary, Planning Commission has already issued consolidated instructions superseding earlier instructions on data collection formats. Similar circular will be issued on **payment instruction formats** which should be used by all Ministries.
- iv. Changes and amendments will have to be made to **payments advice orders** which Ministries should issue for all districts in the rollout.
- v. States through whom funds are released, will be requested to release funds to the beneficiaries in a timely manner in all schemes.
- vi. D/o Expenditure will need to assist Ministries in reworking their payment instructions, payment systems, reporting structures and authentication procedures. They would work to issue necessary circulars to this effect.
- vii. Secretary, Higher Education will hold a meeting with other concerned Secretaries and UGC to clean up the funds flow arrangement process for schemes operated through UGC.
- viii. **UIDAI will own up responsibility for the functioning of the Aadhaar Payments Bridge** and do the needful in consultation with D/o Financial services and NPCIL.

- ix. **All Ministries will work towards ensuring, possibly by the next payment cycle, Direct Benefits Transfer from the Centre directly to the account of the beneficiary for those schemes** wherever the Central Share is 100%. Modalities will be worked out individually for each scheme so that the entire process is smooth and direct which is the intention of this exercise.

- x. D/o Financial services will **strengthen withdrawal arrangements** from their own bank branches or ATMs or Business Correspondents (BCs) wherever they exist. The Common Service Centers set up by the D/o IT will be engaged to serve as a BC in Gram Panchayats where BCs are not functional today. Banks have also been asked to expand their reach to provide banking services. Banks will ensure that any POS terminals or Micro-ATMs they procure are inter-operable and have facility for biometric scanning and Aadhaar authentication.

The meeting ended with a Vote of Thanks to the chair.