

CASE STUDY:

DBT (Direct-Benefit-Transfer) for various Agriculture related sectors in the state of Uttar Pradesh (India)

Overview:

DBT or Direct-Benefit-Transfer is an attempt to change the mechanism of transferring subsidies launched by the Government of India on 01st January 2013. The National Committee on DBT decided to start the DBT rollout in 26 identified schemes in 43 districts from 01st January 2013 in a phase-wise manner. The successful implementation of DBT rests on the twin pillars of Aadhaar (UIDAI) generation and financial inclusion of the beneficiaries. DBT envisages a switch from the present electronic transfer of benefits to bank accounts of the beneficiary to the transfer of benefits directly to Aadhaar seeded bank accounts of Beneficiaries.

This system will help cut down the leakages, bring millions of people into the financial system and lead to better targeting of beneficiaries. DBT would enable Government sponsored benefits such as scholarships, machinery, solar pumps, pensions, maternity benefits etc. to flow directly into the accounts of beneficiaries, who can access them using their Aadhaar number.

Challenges:

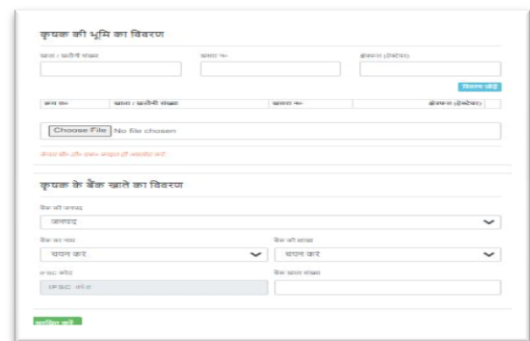
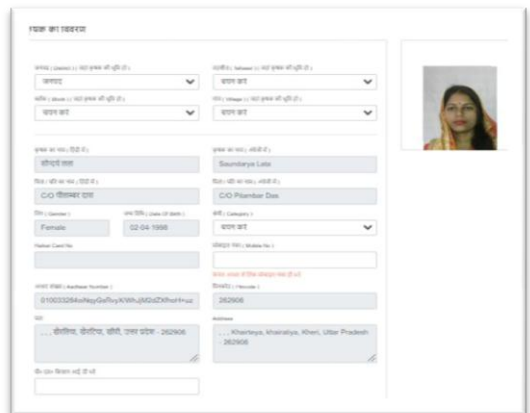
Challenges for the execution of successful DBT:

- Digitization of the database of Beneficiary with Aadhaar Number
- Management and implementation of e-KYC API
- Opening of Bank Accounts of Beneficiaries
- Enrolment of Beneficiaries for the generation of Aadhaar Numbers
- Huge amounts of data have to be managed
- Digitized database to be seeded with Aadhaar Number
- Bank Accounts to be seeded with Aadhaar Number
- Perform e-KYC and provide e-KYC equipments to authorities
- Coverage of inner parts of the state for better awareness of the scheme
- Verification at various levels by authorized officer(s)
- Create and manage numerous login IDs and Passwords
- Prepare and manage huge fund transfer details
- Complete implementation in the entire state level
- Strengthen IT support for ongoing projects at various levels

The information in the database were used only for authentication purpose only. Team used e-KYC API service to verify the identity of the person.

DBT proposes to ensure:

- Accurate Targeting
- De-Duplication of Beneficiaries
- Identify REAL Beneficiary via e-KYC
- Eliminate human interference
- Reduction of fraud and corruption
- Process Re-Engineering of Schemes for a simpler flow of information and funds
- Greater Accountability
- Elimination of wastes in subsidy transfer
- Identify real beneficiaries via e-KYC
- Subsidy transfer to a real beneficiary bank account



Approach:

Our team and organizational officers prepared strategies for the successful execution of DBT. Below are the key points:

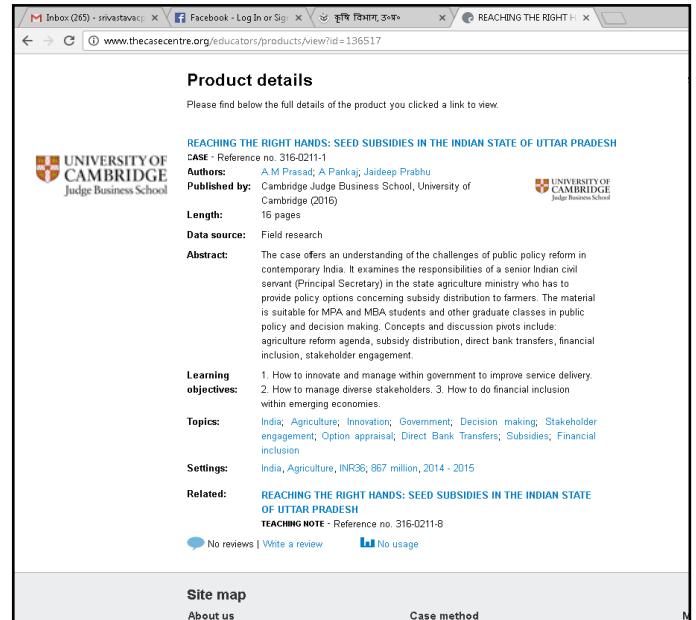
- Public Awareness about the DBT scheme
- Setup various campaigns at Village & Gram Panchayat levels
- Public Awareness program about the opening of Bank Accounts
- Usage of SMS, News Paper, Local Officials etc. for awareness
- For development methodology, the team worked in a phase-wise manner & created sequencing for a road map.
- Conducted several meetings, sessions etc. to analyze the best possible practices and prepared development plans.
- Developed DB strategies for managing huge data sets & secured server configuration for data security.
- Implement e-KYC API and devices for various block/village – level
- Identify gaps for fraud and corruption at various levels & develop strategies to block them with lesser human interference.
- Develop techniques for document verification, vendor billings, vendor registrations, item details, fund transfers, implement GIS techniques and many more.
- Rigorous testing of software code, SQL code & server testing was performed at regular intervals of times to ensure the performance was high & accurate.

Technologies:

MS.NET, MS-SQL Server, ASP.NET, JQuery, Angular, Selenium, UIDAI API, AWS, Security Audit etc.

Benefits Achieved:

- Total Registered Beneficiaries: 30 Million (approx.)
- Removal of redundancy at various organization & authority levels
- Removal and identification of duplicate Beneficiary
- Fully clean and realistic data captured via e-KYC API
- Only genuine & verified Beneficiaries were registered to the portal
- Reduction of fraud and corruption at various authorization levels
- Entire Beneficiary verification process set off paper-less
- Usage of e-KYC API helps in identifying REAL Beneficiary
- With reduced human interference & corruption subsidy funds are transferred directly to Beneficiary's registered Bank account.



Product details
Please find below the full details of the product you clicked a link to view.

REACHING THE RIGHT HANDS: SEED SUBSIDIES IN THE INDIAN STATE OF UTTAR PRADESH
CASE - Reference no. 316-0211-1

Authors: A.M Prasad; A Pankaj; Jaideep Prabhu
Published by: Cambridge Judge Business School, University of Cambridge (2016)

Length: 16 pages
Data source: Field research

Abstract: The case offers an understanding of the challenges of public policy reform in contemporary India. It examines the responsibilities of a senior Indian civil servant (Principal Secretary) in the state agriculture ministry who has to provide policy options concerning subsidy distribution to farmers. The material is suitable for MPA and MBA students and other graduate classes in public policy and decision making. Concepts and discussion points include: agriculture reform agenda, subsidy distribution, direct bank transfers, financial inclusion, stakeholder engagement.

Learning objectives: 1. How to innovate and manage within government to improve service delivery within emerging economies. 2. How to manage diverse stakeholders. 3. How to do financial inclusion within emerging economies.

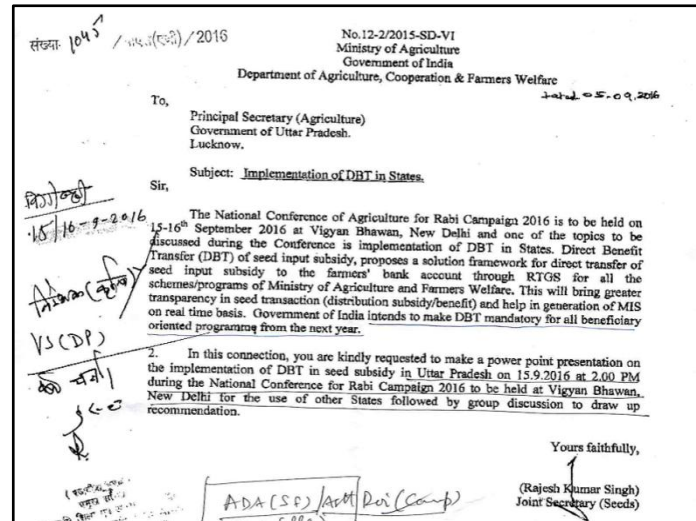
Topics: India, Agriculture; Innovation; Government; Decision making; Stakeholder engagement; Option appraisal; Direct Bank Transfers; Subsidies; Financial inclusion

Settings: India, Agriculture, INR36; 867 million, 2014 - 2015

Related: REACHING THE RIGHT HANDS: SEED SUBSIDIES IN THE INDIAN STATE OF UTTAR PRADESH
TEACHING NOTE - Reference no. 316-0211-8

No reviews | Write a review | No usage

Site map
About us | Case method



संख्या: 1043 / 15.09.2016 / 12-2/2015-SD-VI
No.12-2/2015-SD-VI
Ministry of Agriculture
Government of India
Department of Agriculture, Cooperation & Farmers Welfare

To,
Principal Secretary (Agriculture)
Government of Uttar Pradesh,
Lucknow.

Subject: Implementation of DBT in States.

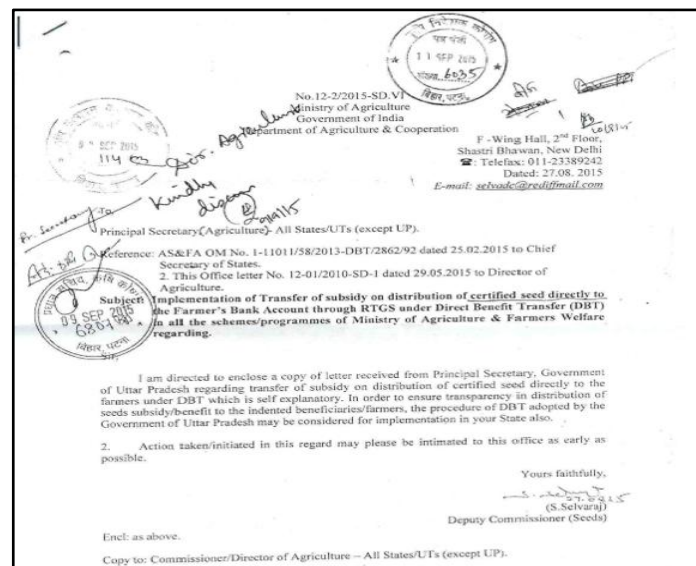
Sir,

The National Conference of Agriculture for Rabi Campaign 2016 is to be held on 15-16th September 2016 at Vigyan Bhawan, New Delhi and one of the topics to be discussed during the Conference is implementation of DBT in States. Direct Benefit Transfer (DBT) of seed input subsidy, proposes a solution framework for direct transfer of seed input subsidy to the farmers' bank account through RTGS for all the schemes/programmes of Ministry of Agriculture and Farmers Welfare. This will bring greater transparency in seed transaction (distribution subsidy/benefit) and help in generation of MIS on real time basis. Government of India intends to make DBT mandatory for all beneficiary oriented programme from the next year.

2. In this connection, you are kindly requested to make a power point presentation on the implementation of DBT in seed subsidy in Uttar Pradesh on 15.9.2016 at 2.00 PM during the National Conference for Rabi Campaign 2016 to be held at Vigyan Bhawan, New Delhi for the use of other States followed by group discussion to draw up recommendation.

Yours faithfully,
(Rajesh Kumar Singh)
Joint Secretary (Seeds)

ADA (SD) / Asst Dir (Comp)



No.12-2/2015-SD-VI
Ministry of Agriculture
Government of India
Department of Agriculture & Cooperation

F-Wing Hall, 2nd Floor,
Shastri Bhawan, New Delhi
☎: Telefax: 011-23389242
Dated: 27.08.2015
E-mail: se@soad@rediffmail.com

Principal Secretary (Agriculture)- All States/UTs (except UP).

Reference: AS&FA OM No. 1-1101/58/2013-DBT/2862/92 dated 25.02.2015 to Chief Secretary of States.
2. This Office letter No. 12-01/2010-SD-1 dated 29.05.2015 to Director of Agriculture.

Implementation of Transfer of subsidy on distribution of certified seed directly to the Farmer's Bank Account through RTGS under Direct Benefit Transfer (DBT) in all the schemes/programmes of Ministry of Agriculture & Farmers Welfare regarding.

I am directed to enclose a copy of letter received from Principal Secretary, Government of Uttar Pradesh regarding transfer of subsidy on distribution of certified seed directly to the farmers under DBT which is self explanatory. In order to ensure transparency in distribution of seeds subsidy/benefit to the intended beneficiaries/farmers, the procedure of DBT adopted by the Government of Uttar Pradesh may be considered for implementation in your State also.

2. Action taken/initiated in this regard may please be intimated to this office as early as possible.

Yours faithfully,
(S. Solvargi)
Deputy Commissioner (Seeds)

Encl: as above.
Copy to: Commissioner/Director of Agriculture – All States/UTs (except UP).