

# Direct Benefit Transfer : Seeds of a Revolution

– N.Nawin Sona

*It has been called a game-changer, a nation wide technology backed initiative that promises to change the way government delivers entitlement to citizens. In its first phase, the Direct Benefit Transfer Scheme was rolled out across 20 districts and the second phase began in February. The following article looks at the launch of DBT in Wardha (Maharashtra)*

**W**ardha district's brush with history started with none other than Mahatma Gandhi deciding to establish Sevagram Ashram in a small village. It may be difficult to fathom that Quit India Movement decision were taken here in amongst serene grove of Sewagram - in a bamboo hut started the small and humble beginnings of a revolution that shook the world , taught humility to the empire and granted dignity and freedom to a whole nation. These seeds of revolution are once again growing root in Wardha. The revolution is in the form of Aadhar based Direct Benefit Transfers (DBT), which has been successfully launched from 1st January, 2013. For a nation the size of India, to call DBT as a paradigm shift would be only part of the truth - indeed it is a confluence of three different paradigms 1) **Financial Inclusion** 2) **Direct Cash/Benefit/ Subsidy transfer** and 3) **UID**.

## Wardha - an introduction

Wardha district 75 km away from Nagpur has a population of 12.99 Lakhs, primarily agro economic region

with rainfed Cotton, soya and tur as main crops. The district has 8 talukas, includes Sewagram, Bor Tiger reserve as prominently.

Wardha is on the Pilot for DCT/DBT , one of the 43 districts selected by the Prime Minister and the Planning Commission. But it is notable that prior to the announcement of the DBT Wardha was already in the pioneering pilots for many schemes namely i) one of the 10 districts in National Pilot for DCT in fertilizer "mFMS" mobile Fertilizer Monitoring System , implemented by the Department of Fertilizer , ii) initially called Direct Transfer of Cash for Kerosene ( DTCK ) , from the Ministry of Petroleum and Natural Gas iii) NSAP National Social Assistance Program of the Ministry of Rural Development and by own initiative in other Aadhar based schemes

## Aadhar

The district has more than 87% UID coverage. The District administration through the State Registrar Agencies enrolled in Phase I and Phase II ,

including special camps. The enthusiasm generated by the public resulted in going ahead with the Aadhar seeding of various databases in the district.

First to begin was the PDS Ration Card digitization through the NIC developed ERCMS software. As part of the deduplication drive the Aadhar numbers were Seeded into the database. The pioneering effort came in the form of "Inorganic Seeding" through a special software. Through this rapid probability matching was possible with great accuracy. Other databases followed : NSAP ( Sanjay Gandhi Niradhar Yojana - A Govt. of Maharashtra pension scheme 22 thousand beneficiary with UID ), MGNREGA job card holders, LPG connection holders database . With these digitized lists were generated and Seeded with field verification as necessary.

## Financial Inclusion

Wardha is also a leading Financial Inclusion ( FI ) district , which was initiated by the RBI, and later institutionalized by

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the 2011 Swabhimaan scheme implemented by the Ministry of Finance and the Indian Banking Association ( IBA ). The initiative is to bring "the bottom of the pyramid" into the Banking ambit and proactively provide "branchless banking services" through Kiosk Banking, Ultra Small Branches ( USB ) and importantly through the doorstep delivery of Banking Correspondents ( BC ). This is in addition to expanding the footprint and density of the Brick and Mortar Branches ( B&M ) and ATMs ( both on site, within Bank and offsite , independent of Bank ). The FI initiative brings together efforts to 2000-5000 population villages where BCs are deployed by the banks, who open bank accounts, credit and debit at the doorstep, and also serve as loan recovery agents , working on salary with performance based incentives.

In Wardha lot of effort had been put into the FI activities, resulting in more than 10 Lakh Bank Accounts out of 13 lakh population, making it a truly Financially inclusive district. The BCs include enterprising women, some of whom have opened more than 2000 accounts in 6 months single handedly. In November - December 2012 alone nearly 40,000 new zero balance savings accounts were opened . This was possible through the innovation of inclusive methods of account opening - by involving the ANMs, ASHA workers, all the field staff of various departments and by giving them incentives of Rs10/account by the bank .

Hence the lead bank, Bank of India and 16 other banks , by there proactive steps, and by an active service area approach made the district more Financially inclusive.

Wardha was chosen because of the strong FI base, extensive UID coverage, digitised databases and tech savvy

administration who forged support of banks and IT sector together on a war footing in the district.

Hence when DBT was announced by the Planning Commission , Wardha district had already done the Direct Cash Transfer through the Aadhar Payment Bridge into the Aadhar Enabled Bank Accounts of 369 beneficiaries in Sanjay Gandhi Niradhaar Yojana.

**Challenges** were enormous 1) the first step being digitizing the beneficiary data 2) data cleaning 3) standardizing of data 4) UID enrolment drives for target group 5) bank account seeding to get Aadhar Enabled Bank Accounts ( AEBAs ) 6 ) establishing BC network 7) getting the Aadhar Based Micro ATM machines. Initially in November Seloo Tahsil became the first where Aadhar based transfers were done in the NSAP- Sanjay Gandhi Pension scheme of Maharashtra Govt. It was a great leap forward in reaching out to the beneficiaries - old women, men , living alone and truly on government pensions alone. Special drives were taken to open their accounts and give benefits right at the door step. Meanwhile the important decision of DBT was announced and 6 schemes were launched by the district.

**First end to end DBT in India**

As a result, on 28th November 2012, Wardha did the first end to end CPSMS based DBT in the country , wherein in the same day the beneficiary payment order was uploaded into the CPSMS ( Central Plan Scheme Monitoring System portal of the Planning Commission and CGA , Ministry of Finance ), and transferred to the beneficiaries account by afternoon and subsequently and most importantly the money was withdrawn on the same day by the beneficiary through a BC Micro ATM at the bed of the Civil Hospital, Wardha. Smt.Farzana Pathan become India's first

JSY beneficiary to withdraw the benefit on same day.

Now Wardha has already launched 6 schemes including Scholarships for SC, ST, OBC students and pre matric Scholarship for children JSY and National Means cum Merit Scheme of Ministry of HRD. Also Wardha is in the process of implementing mFMS , the fertilizer sub-

will be possible for farmers. On the LPG front, the OMC dealers databases are being seeded with the UID numbers. Other innovation is that IT Department authorized Citizen Service Centers in villages offering online services will be operating as BCs for Aadhar based services.

Wardha by its seeding exercise of UID



sidy pilot , to be launched shortly after which the fertilizers will be available in Wardha only at market price, and on logging of the transaction through as PoS device , the AEBA will receive the subsidy. 2 lakh farmers accounts are being Aadhar seeded now and more than 80 thousand KCC Rupay Cards are being issued, where cashless credit transaction

numbers into beneficiaries has opened the way to innovation in IT and in FI. In all more than 3 lakh beneficiaries will come under DBT by April 2013.

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