



# *Aadhaar Enabled Direct Benefits Transfer*

## *- A Case Study of Aurangabad District*

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# Acronyms & Definitions

## Acronyms

AePS	<i>Aadhaar</i> enabled Payment System
AoF	Account Opening Form
APB	<i>Aadhaar</i> Payment Bridge
BFD	Best Finger Detection
BOI	Bank of India
CSC	Customer Service Centers
DSJSA	Department of Social Justice and Special Assistance
EID	( <i>Aadhaar</i> )Enrolment Number
GoM	Government of Maharashtra
IGNDPS	Indira Gandhi National Disabled Pension scheme
IGNOAPA	Indira Gandhi National Old Age Pension Scheme
IGNWPS	Indira Gandhi National Widow Pension Scheme
KYC	Know Your Customer
MNREGA	<i>Mahatma Gandhi</i> National Rural Employment Guarantee Act
MoU	Memorandum of Understanding
NIC	National Informatics Centre
SBOAPS	<i>Shravan Bal</i> Old Age Pension Scheme
SGNAY	Sanjay Gandhi <i>Niradhar Anudan Yojna</i>
SOP	Standard Operating Procedure
UID	Unique Identification
UIDAI	Unique Identification Authority of India

## Definitions

- 1. Seeding:** It is the process of one-to-one mapping of the beneficiary *Aadhaar* number with his/her record in the scheme database and approval of the same by an appropriate authority.
- 2. Sanction Letter:** Authorisation letter issued to the beneficiary following inclusion under a social security scheme.
- 3. Best Finger Detection:** Best finger detection test is the process to identify the best quality finger print, which when selected for *Aadhaar* authentication, provides the best chance for a successful authentication.

# Fact File – Project *Dilasa*

**Project *Dilasa*** was initiated under the guidance and leadership of the District Collector of *Aurangabad* district to disburse payments under select social assistance programmes, leveraging the *Aadhaar* identity of the beneficiaries, to ensure effective targeting, increase transparency and accountability and to stop leakages.

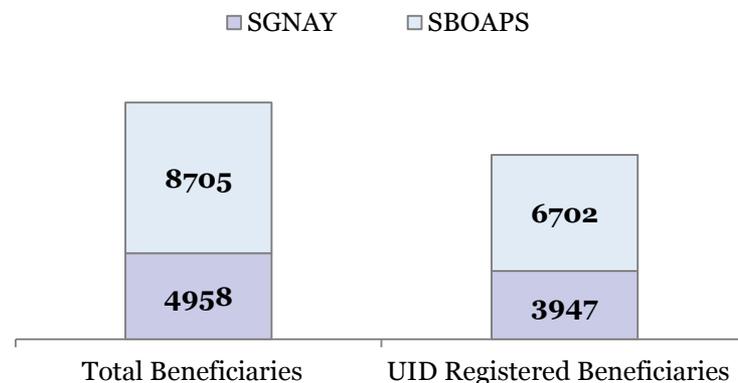
## Project *Dilasa*– Fact File

- ✓ Project *Dilasa* currently covers the urban areas of *Aurangabad* district
- ✓ Disbursements amounting up to Rs. 120 million through AePS
- ✓ Realised savings by the district administration Rs.77 million/annum<sup>1</sup>
- ✓ Bank of India is the banking partner for *Dilasa*, with **TranServ** as the corporate BC (BCNM)
- ✓ There are 15 BCNM outlets spread across *Aurangabad* that disburse payments to the beneficiaries

## G2P\* schemes under Project *Dilasa*

- Sanjay Gandhi *Niradhar Anudan Yojna* (SGNAY)
- *Shravan Bal* Old Age Pension Scheme (SBOAPS)
- Indira Gandhi National Old Age Pension Scheme (IGNOAPS)
- Indira Gandhi National Widow Pension Scheme (IGNWPS)
- Indira Gandhi National Disable Pension scheme (IGNDPS)

## Universe of beneficiaries



<sup>1</sup> Refer Annexure 1 for the calculation of savings. [According to the District Collector of \*Aurangabad\*, the project has a potential of saving Rs.5,000 million, when extended to all schemes and expanded to the entire district.](#)

<sup>2</sup>In SBOAPS, Rs.400 is contributed by the State Government and Rs.200 by the Central Government from funds under the Indira Gandhi National Old Age Pension Scheme. The beneficiary list is the same for both the schemes

<sup>3</sup>G2P means Government to people

# Executive Summary

## About the Dilasa Project

- Project *Dilasa* involving direct cash transfer of subsidies into the bank account of beneficiaries has met with tremendous success in Aurangabad. To this end, the District Collector was awarded with the *Aadhaar* Governance Award 2012 by the Prime Minister.

## Aim of the case study

- This case study aims to highlight the factors that made the programme achieve significant success; identifying the lessons learned and handpicking the best practices adapted by the local administration.

## Key Findings

### Project Dilasa- Success Factors

- Ownership of the programme by the District Collector and deep commitment and involvement of the *Tehsil* officers, Bank of India (BoI) officials and of TranServ (the corporate BC or BCNM) in driving the project.
- Process innovations, re-engineering and automation enabling greater speed, accuracy and security.
- Digitization of the scheme databases preceding AEPS.
- Effectively leveraging partnership with Bank of India and TranServ.
- Thrust on building awareness and trust amongst beneficiaries through branding of CSP outlets and intense marketing and communication efforts undertaken by BoI and TranServ.
- Knowledge management and training delivery, with superior monitoring and controls.

*“One of the most important reasons for the success of AEPS is the excellent work done by the stakeholders – the bank, the banking correspondent, the technology service provider, the local administration and the State Government” - Mr. Kisan Lawande, Additional Collector, Aurangabad.*

## Best Practices

1. Motivated, committed and inspirational leadership
2. Innovations in process re-engineering and optimisation
3. Extensively using technology and developing a web-based application before the inception of the programme
4. Leveraging business correspondents extensively
5. Creating awareness and building trust with the beneficiaries
6. Knowledge capture and dissemination
7. Enabling customer service centers to issue *Aadhaar* letter



# Best Practices (1/6)

## 1. Motivated, committed and inspirational leadership

- The programme has been successful due to the motivation, commitment and inspirational leadership; and ownership demonstrated by several government officials who were empowered and could make a difference.
- The District Collector conceptualised, inspired and initiated the programme in 2011 and was personally involved at each step to drive, guide and monitor it. He closely monitored and reviewed the progress of all stake holders; and resolved the barriers and roadblocks that the programme faced at various stages.
- Other officials such as the Additional Collector, the *Tehsildars* in-charge and the NIC officials played an equally critical role in implementing the programme, overcoming hurdles and adopting innovative approaches.
- Department of Social Justice and Special Assistance (DSJSA), Government of Maharashtra (GoM) facilitated by entering into an agreement with Bank of India as the banking partner to deliver the payments through AePS and leveraging their corporate BC partner TranServ.

## Aurangabad District, Maharashtra



*“The positive attitude exhibited by the government officials played a significant role in the success of the programme” – Mr. Kisan Lawande, Additional Collector*

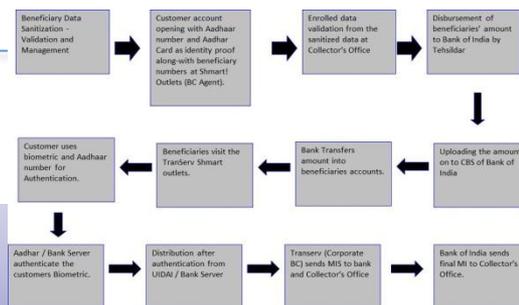
# Best Practices (2/6)

## 2. Process re-engineering and optimisation

The district administration adopted several innovative approaches around process re-engineering and redesign to ensure *Aadhaar* enabled Direct Benefits Transfer programme could be implemented seamlessly.

Some of the good practices and approaches followed included:

- Digitising the scheme/beneficiary database concurrently with *Aadhaar* enrolments.
  - Leveraging the BC in the intense manual efforts involved in digitising the scheme records.
- Establishing a single window for all beneficiary interface activities
  - viz. *Aadhaar* seeding to benefit scheme database, approval by the authorised officer, create tracking tag and initiating bank account opening
  - Organising camps at the District Collector's (DC) office every month for 5-7 days, wherein sequential activities and approvals involving district /*Tehsil* office, BoI and TranServ were executed in one go
- The district administration took ownership for authentication and sign-off of *Aadhaar* number seeding to the scheme databases, while proactively taking assistance from UIDAI at various stages.
- Ensuring rapid and concurrent approvals and fewer inter-entity hand-offs.
  - All pre-processing for bank account opening is carried out at the camp at the DC office and documents forwarded to the bank for account opening and storage.
  - There are very few hand-offs and no back and forth exchange of documents between different entities involved, reducing errors and lead times substantially



## Best Practices (3/6)

### 3. Extensive use of technology and development of a web-based application before the inception of the programme

- The district administration co-opted [National Informatics Centre \(NIC\)](#) and made the most of their technical competence and co-location with the DC offices.
- A web based application was developed for simultaneously viewing and verifying the beneficiary details (primarily name) - as per the scheme records and UIDAI's *Aadhaar* records.
  - This made the verification process for seeding *Aadhaar* number very efficient and reliable
  - UIDAI provided extensive support in enabling beneficiary details to be made available to NIC for populating the local database
- The web application
  - Generates a unique reference number that is used for tracking status of the process and to prevent duplication of the process for the same beneficiary more than once
  - Enables initiation of the bank account opening process
  - Provides several handy MIS reports for tracking and monitoring
- Bank of India's technology also played a vital role.
  - BoI has a well integrated and interoperable front-end that allows seamless operations across all channels (branches, kiosks/USBs and microATMs)
  - The bank has a back-end application that enables seamless updation of EID to UID from the kiosk banking application to the micro ATM, thereby making it very convenient for beneficiaries who enroll with an EID and receive the UID subsequently

*“Development of the web based application automated the main business logic and process and enabled the smooth operation of the system”*

*- Mr. Ganjewar, NIC officer, Project Dilasa*

# Best Practices (4/6)

## 4. Leveraging business correspondents extensively

The district administration leveraged the manpower and capabilities of the business correspondents very optimally.

- The BCNM staff were actively involved (and separately compensated) during the digitisation of the beneficiary scheme records.
  - Government departments do not often have the resources or skills needed and hence agencies such as the business correspondents can play a vital role
- BCNM staff with support from UIDAI also conducted the Best Finger Detection (BFD) process covering a large number of the beneficiaries in the city.
  - This allows faster recognition of biometrics by AePS during the disbursement process, making it efficient
- De-duplication was done with help from the BCNM to ensure that only one account is set up for each *Aadhaar* number.

*“TranServ has gone the extra mile to ensure the success of AePS in Aurangabad by getting deeply involved and supporting various processes to deliver Aadhaar enabled payments”*

– Mr. Anand, Head Sales and Distribution, TranServ

## Aurangabad BCNM Map



Location of BCNM

Source: Dilasa Website



# Best Practices (5/6)

## 5. Creating awareness and building trust with the beneficiaries

- TranServ has consciously followed a strategy with intense efforts on effective communication and building connect with the beneficiaries, eliciting their trust overtime.
- Following are some elements of the branding and communication strategy that has been adopted:
  - All the kiosks operate under the 'Shmart' Brand.
  - All the kiosks have a sign-board, with BOI and TranServ branding to create trust in the local community.
  - Information leaflets and benefits are regularly shared with the community members.
  - With BC agents operating from a static location, and the joint BOI and TranServ branding, has created a good connect with the beneficiaries.
  - Nearly the entire withdrawal of the pension payments by the beneficiaries is now managed by the TranServ agents.
  - Beneficiaries are well aware of TranServ agents role and find this more convenient than going to branches for withdrawal.
  - TranServ agents have been innovative in managing queues by assigning tokens to the beneficiaries, making withdrawals quick and convenient; and preventing long queues

**अब पाइये अपना 'शमार्ट' बैंक खाता!**  
बैंक ऑफ इंडिया के गौरवशाली खाताधारक बनें और बनाएँ अपना जीवन सुरक्षित, सुविधाजनक और फलदायी! श्मार्ट बनें!

**बैंक खाता क्यों खोलें ?**  
बैंक खाता खोलें, बैंक से जुड़ें और अपने बैंक खाते को सुरक्षित रखें।

1. लॉन्ग और खोयाझूट पाएँ और जल्द ही,
2. बिरकारंट्स पर प्रॉब्लम खरीदें
3. दवाई, रेल और बस टिकटें खरीदें
4. अपने सभी बिलों का भुगतान करें
5. मोबाइल फोन टॉप अप करें और भी बहुत कुछ करें!

**क्यों जाएँ श्मार्ट शॉप में ?**  
बैंक खाता खोलें, बैंक से जुड़ें और अपने बैंक खाते को सुरक्षित रखें।

1. रकम जमा करना
2. रकम निकालना (अब से कम र. 10 से लेकर र. 5,000)
3. रकम ट्रांसफर करना
4. लोन के लिए आवेदन देना

आप बैंक की पूरी माले दिन भी अपनी सुविधा के अनुसार किसी भी समय बैंक खाता कर सकते हैं और वो भी एकदम जैसाजाना माहौल में

**आज ही श्मार्ट के साथ खाता खोलिये, और ये सभी लाभ पाइये**

- ★ ₹.50,000 का मुफ्त एक्सीटेंटन इश्योरेंस\*
- ★ ₹.500 की खोबरडान्ट सुविधा\*
- ★ जीरो क्लैम बनाए रखें
- ★ रेमिटेन्स (संशुद्ध) सुविधाएँ

**Bank of India Shmart!**  
Relationship beyond banking

**Certificate of Engagement as Business Correspondent**

It is hereby notified that Mr/Ms. Prashant Patel has been engaged as Business Correspondent for Bank of India. He/She is authorised to source and market banking services and products including authorised third party products from BC outlets in Gurgaon, Karnal, Ahmedabad for Bank of India.

Mr/Ms. Prashant Patel has been engaged pursuant to the agreement executed on June 16, 2011 between Bank of India and TranServ Private Limited

Signature: Prashant Patel  
Branch Manager (B.O.I.)

Bank of India Head Office Star House C-5G Block 4th Floor Bandra Kurla Complex Bandra East Mumbai 400019

# Best Practices (6/6)

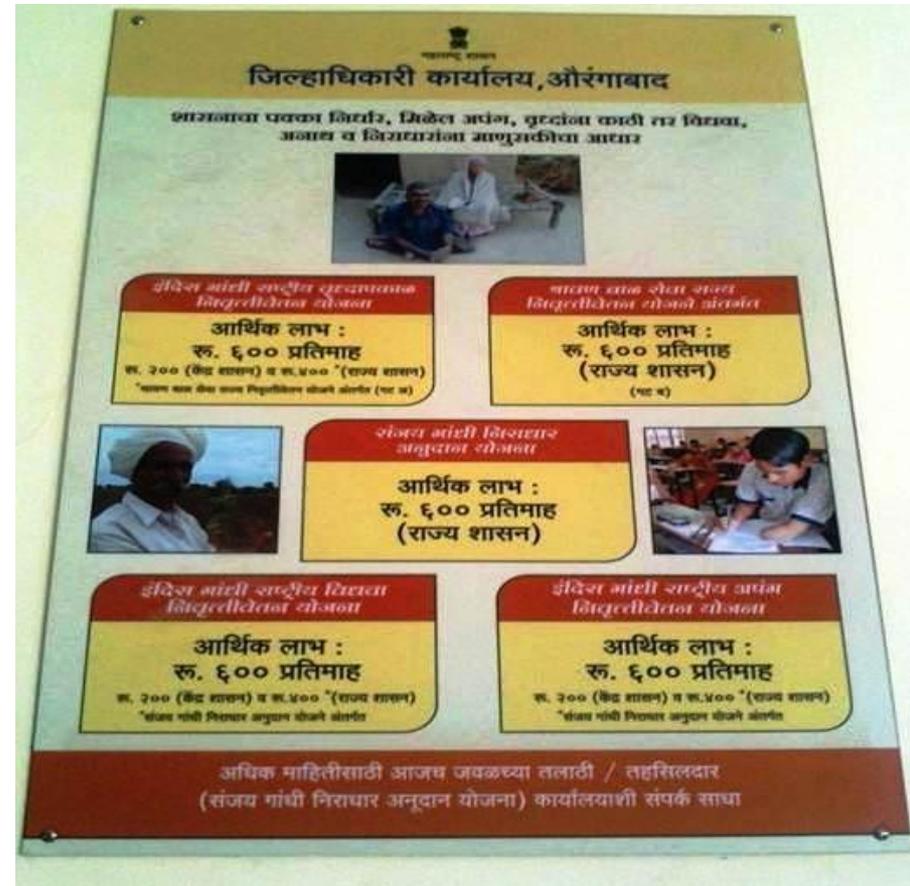
## 6. Knowledge capture and dissemination

Aurangabad district administration adopted several excellent practices around knowledge capture and dissemination.

- Based on the lessons learned and refined processes, a detailed Standard Operating Procedure (SOP) and process guide has been prepared.
  - It is a very handy tool to initiate new staff and participants into the programme, as it is scaled or as new people are associated
- A website\* for Project Dilasa has been developed and provides details about the schemes, process flow, list of beneficiaries, the BC centers where disbursements are made, contacts of key officials and so on

## 7. Enabling Customer Service Centers (CSC) to issue Aadhaar letters

In order to accelerate the issue of Aadhaar numbers CSCs have been authorised to issue Aadhaar letters to the beneficiaries (for a token fee of Rs. 2.) that have enrolled for Aadhaar but have not yet received their numbers.



➤ Brochure taken from the District Collector's office, Aurangabad

# Impact on Beneficiaries

## BOX I: Impact of the Best Practices : Interview with a beneficiary

- *Savithri*\* has been a beneficiary of SGNAY that offers financial aid to destitutes including widows. Introduction of AePS has made it much easier to receive funds.
- Before implementation of AePS, she was receiving funds through her postal savings account which had a complex multi-step process and involvement of middle men.
  - Upon providing the necessary documents - that include establishing her identity, certifying the death of her husband, proving her age, address and domicile - financial help is awarded to her.
  - The process, she complains, was time taking, bureaucratic and tedious. Once she lost these documents and getting them back involved numerous visits to several government offices.
- With AePS, one *Aadhaar* card substituted for all the above documents and likewise she gets the full amount in hand without tipping any functionaries in the government office.

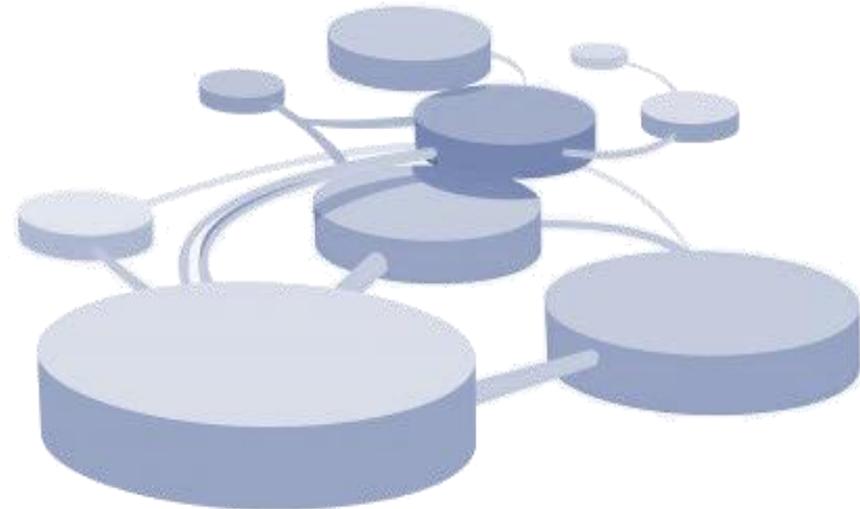


➤ Interaction with a beneficiary at the BC agent office in *Aurangabad*

\* - Name Changed

# Process Mapping and Learning's Thereof

The processes adopted in each step of the project has been captured and detailed as Pre-Seeding, *Aadhaar* Seeding and Post Seeding



# Process Map – Pre Seeding

## 1. Digitisation of the schemes



BC helped *Tehsil office* digitize scheme details providing a unique reference number to each sanction letter.



*Tehsil office* reconciled electronic data with details of beneficiaries



Sanction letters which did not carry a competent authority's signature were rejected..



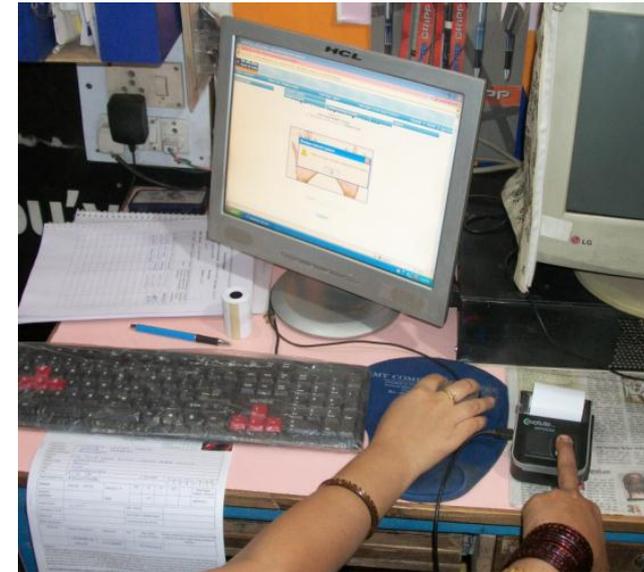
NIC helped in data conversion from local language into Unicode for textual digitisation



NIC also created a web portal to feed updated data

## Learning's

- Digitisation of the scheme details right upfront and centralising reconciliation with the physical records.
- Development of a web based application to feed data, compare with UIDAI details and approve the mapped data.



# Process Map – Aadhaar Seeding (1/2)

## 1. Aadhaar mapping with State Dept. data base



Beneficiary visits BC counter to open bank a/c along with the documents



BC collects photocopy of scheme sanction letter and Aadhaar /enrollment receipt with 2 photographs



BC fills AoF and takes beneficiary's bio-metric details and shares with bank



BC forwards beneficiary's details to Tehsildar office

### 1st step verification



Tehsildar matches sanction letter details with digitized data on web portal



UIDAI feeds Aadhaar against EID; and shares it with State dept. which is later matched with database



If beneficiary provides only EID, then it is shared with UIDAI to obtain Aadhaar details



If they match, Tehsildar provides authorisation letter to open beneficiary's a/c with BoI

### 2nd step verification



Tehsildar matches Aadhaar details with the details on State database



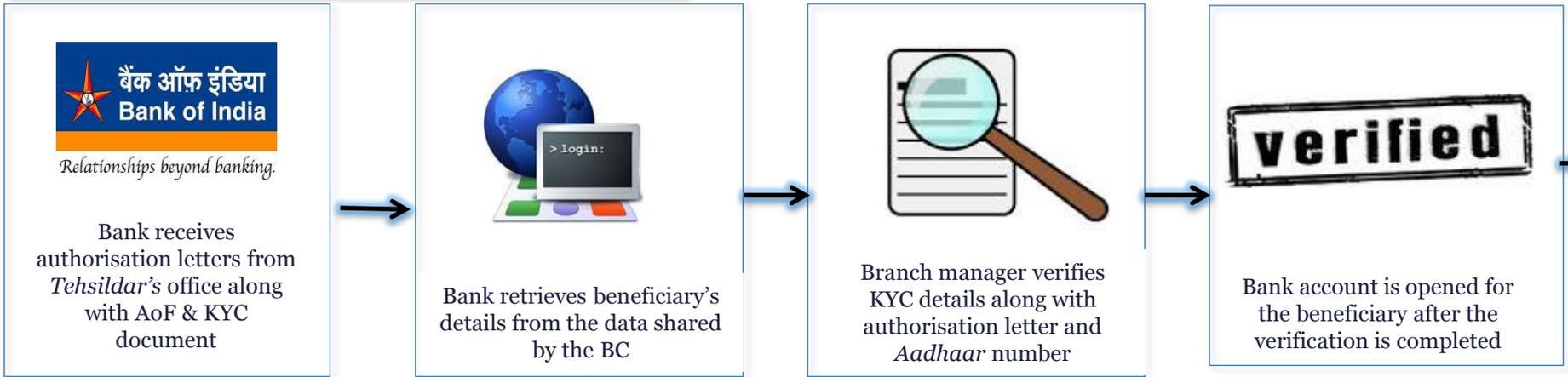
If both details match, EID/ Aadhaar details are updated, else rejected.

## Learning's

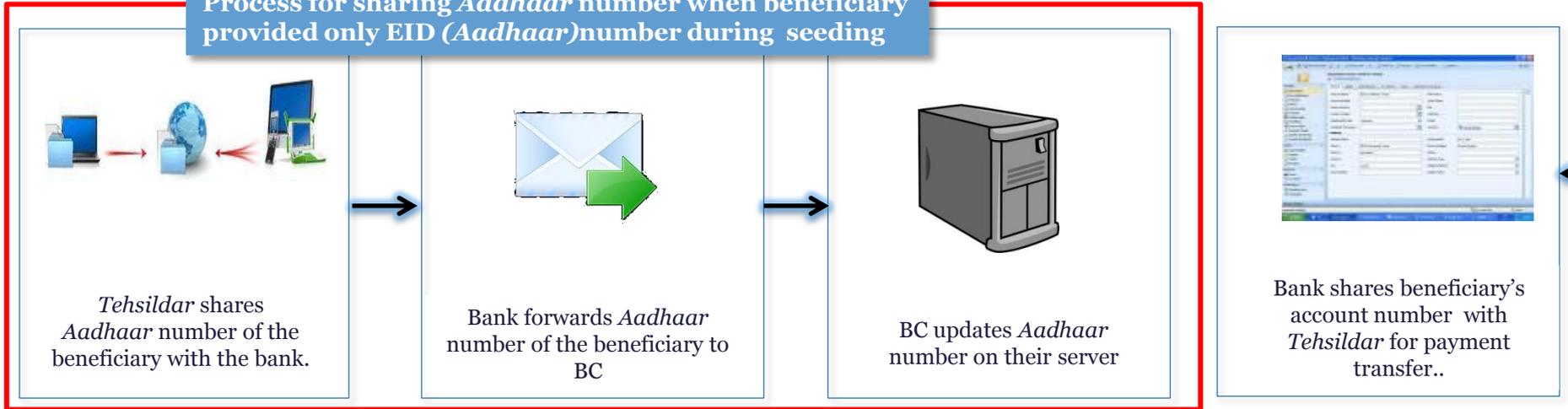
- A two step verification process for validating the beneficiary before the approval to open a bank account.
- Assistance from UIDAI in obtaining Aadhaar details from EID (Aadhaar) enrolment number of beneficiaries'.

# Process Map – Aadhaar Seeding (2/2)

## 2. Aadhaar seeding with bank account



### Process for sharing Aadhaar number when beneficiary provided only EID (*Aadhaar*) number during seeding

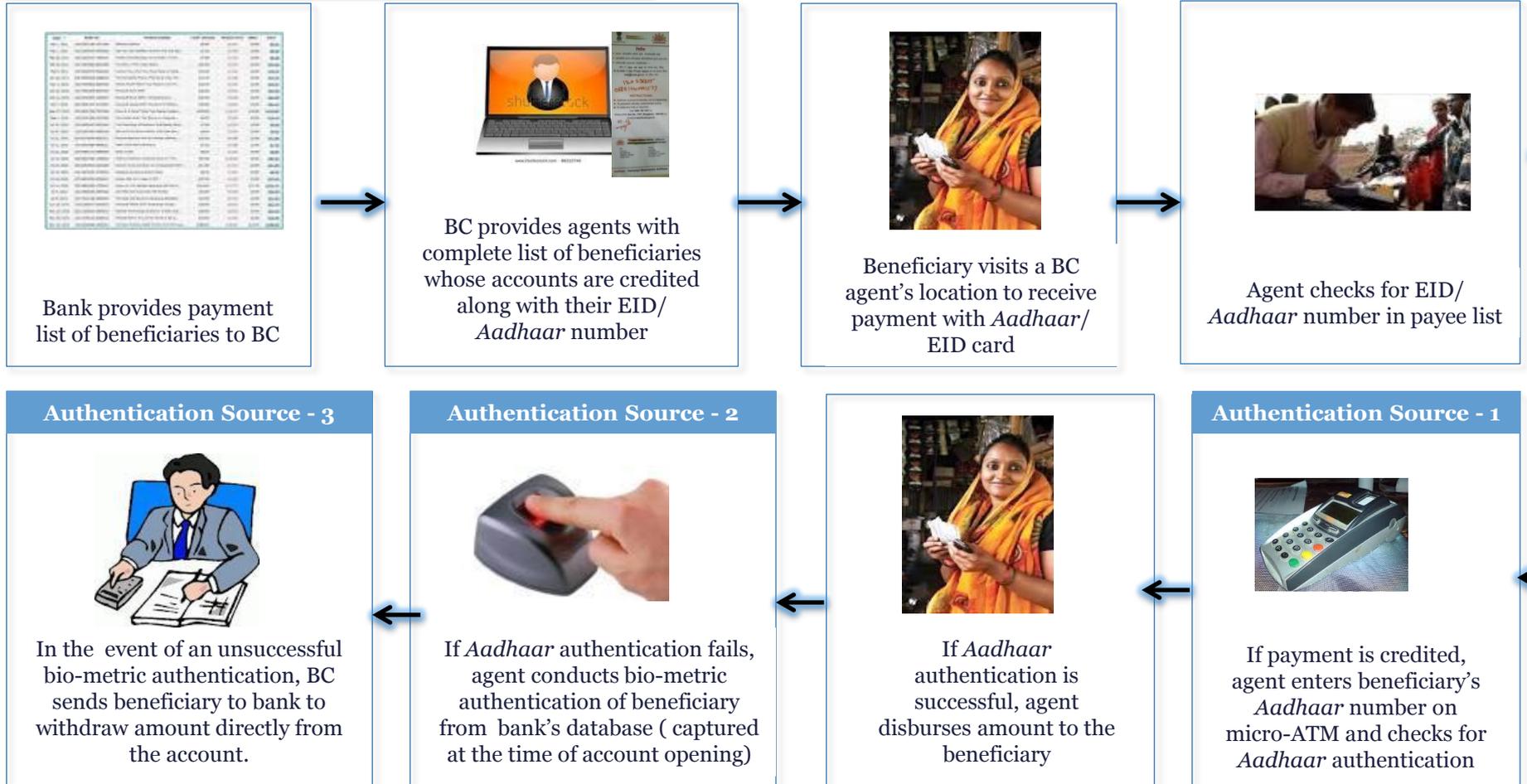


## Learning's

- Seamless updation and sharing of information between BC and the bank
- Opening up of the beneficiary's bank account only after receiving the authorisation from the *Tehsildar*.

# Process Map – Post Seeding

## Disbursement of Payments

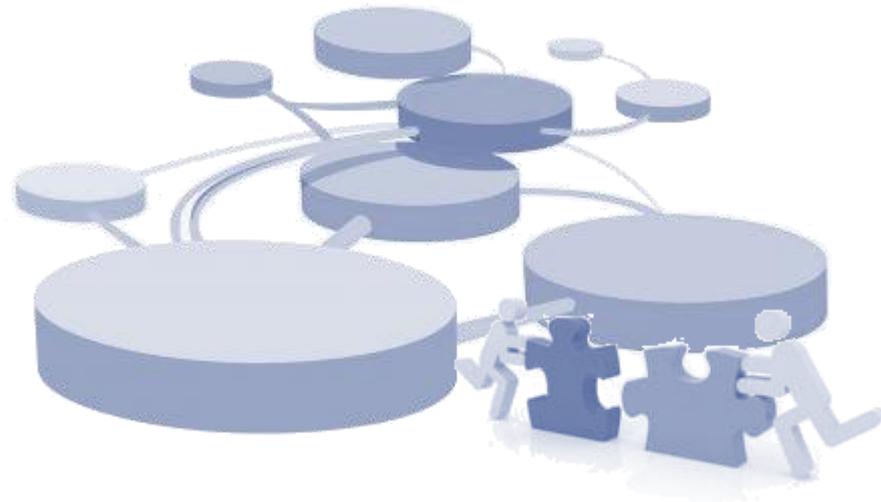


## Learning's

- Beneficiaries can withdraw money with both *Aadhaar* as well as the EID number.
- Multiple authentication sources ensure that beneficiaries receive payment in case where *Aadhaar* authentication fails.

## ***Advantage Aurangabad***

There were certain factors that aided the success of the programme at *Aurangabad*. These catalysts or enablers might not exist in other districts where the Direct Benefits Transfer programmes are being expanded.



# Advantage Aurangabad (1/2)

*Dilasa* covered only five schemes bracing the administration to channalise resouces solely into these schemes.

**Fewer schemes**

**Committed and diligent corporate BC partner**

TranServ as the corporate BC partner was one of the key players in the project, demonstrating commitment, and ownership and following a very proactive approach of supporting BoI & the local administration in every possible way.

One central location for all the stake holders led to:

- Better Control
- Better Supervision and monitoring of the project

**Centrally located stake holders**

**Excellent bank partner**

As a pioneer in delivery of financial services and commitment to AePS, BoI ushered in the right people, technology and processes, that enabled the programme to be successful

AePS is limited to *Aurangabad* urban only. Expansion into rural areas would bring along other challenges like poor branch network, difficulties in access and so on.

**Urban territory**

**Extensive support from UIDAI**

*Aurangabad* received handsome support from the UIDAI in:

- Undertaking BFD
- Providing database reconciliation
- Organizing extensive *Aadhaar* enrolment camps

## Advantage Aurangabad (2/2)

### BOX II: Interview with Shri Kisan Lawande - Additional Collector , Aurangabad

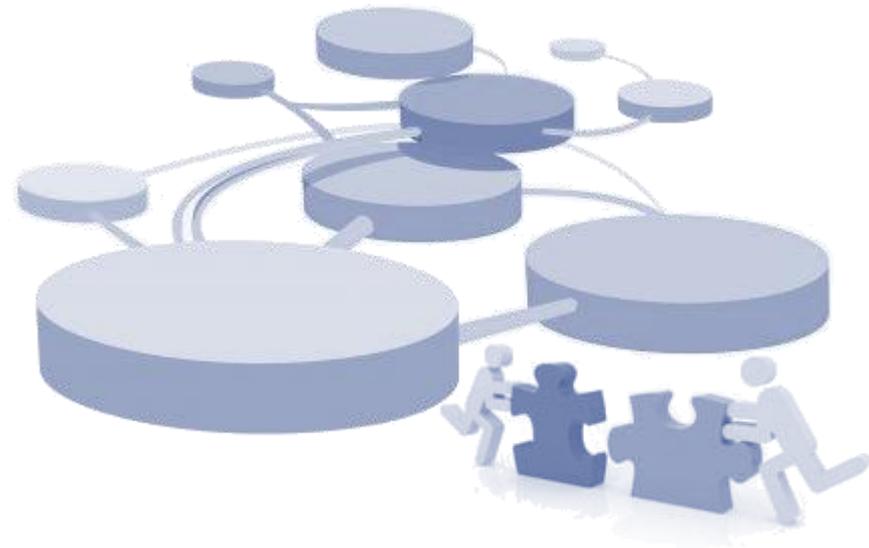
- In *Aurangabad*, a significant proportion of the population derives benefits from the welfare schemes and yet several ghost beneficiaries exist, who have been illegally profiteering utilising these schemes. To wipe them out and also to eliminate the middlemen, the local administration posited to improve the disbursement process.
- The main aim was to have a  
**“targeted delivery to the real beneficiaries in real time with the full amount”**
- During the same time, the UIDAI’s *Aadhaar* programme for unique identity gained momentum. This was seen as an opportunity and it was then conceived that *Aadhaar* would be utilised for making disbursements.
- A much needed amendment to the process was first made in SGNAY, after which an agreement was signed between the GoM and BoI to rollout AePS.
- The disbursement process was highly successful because of the collective efforts of the bank, the BC, the technology service provider and the administration.
- Recognising the success, GoM has announced that in two years’ time, SGNAY will be provided only through UIDAI.
- Currently, AePS runs over six different schemes in the *Aurangabad* and it is being planned to cover more schemes as well as expand into new territories.



- *Aadhaar* Governance Award, 2012, District Collector’s office, *Aurangabad*

# Enhancement Opportunities

Though the programme is running quite efficiently, a few opportunities for improvement are highlighted in this section.



# Suggestions on Enhancements Possible (1/2)

## Enhancing compensation to the bank and the BC

The business case for the bank, the BCNM and their agents is not viable with the current compensation metrics.

- For successful and viable replication, compensation needs to be raised substantially.

- **Case of the BCNM** – TranServ and their agents/CSPs have continued to play an important role in supporting the direct benefits transfer programme initially and for on-going disbursements. The agents are engaged full time, however their compensation is far too low. The current compensation of **0.5%** (of the total disbursement, with **0.4%** being passed on to the agents) does not meet their income expectations and is not sustainable.
  - A task force led by Nandan Nilekani, Chairperson, UIDAI, had recommended a fee of **3.14%** of the transaction value (with a cap of Rs. 20 per transaction) for government payments handled by banks and BCs. Unless adequate compensation is ensured, it will be difficult to ensure third party participation.
  - The compensation is far too low, even when a comparison of the accrued direct cash savings is made to the cost incurred. The district administration saved Rs. 77 million in a year,\* whereas BCNM and agents together received around Rs. 350,000 as compensation for the disbursements made (@ 0.5%). This is less than 0.45% of the direct savings realised by the district in one year.
- **Case of the bank** – BoI has an intense focus on financial inclusion and has, so far demonstrated a willingness to absorb the costs incurred. This, however, is not a sustainable if the programmes have to expand across the district or into other districts. Currently only 2 branches of BoI are involved in the programme. As many more branches have to take on the additional load of account opening, maintenance and cash disbursement, the additional costs need to be covered and viability ensured.

\* Refer Annexure 2 for details

# Suggestions on Enhancements Possible (2/2)

## Process Optimization

As the programme expands, new and complex situations would arise needing solutions

- **Beneficiary's bank account is already opened:**

- If the beneficiary's account has already been opened under financial inclusion scheme, seeding needs to be done with that account instead of opening a new account altogether.
- Cases in which there is an uncertainty about the existence of an account of the beneficiary need to adequately addressed.

- **Joint / multiple beneficiaries on a single account:**

- In the current set up, bank cannot not support more than one beneficiary per account.
- When the programme is extended over other schemes, viz. *Mahatma Gandhi* National Rural Employment Guarantee Act (MNREGA), where a single job card has around 3-4 beneficiaries linked to a single account, an optimal approach for seeding would need to be determined.

- ***Aadhaar* is allotted but not linked to the scheme database:**

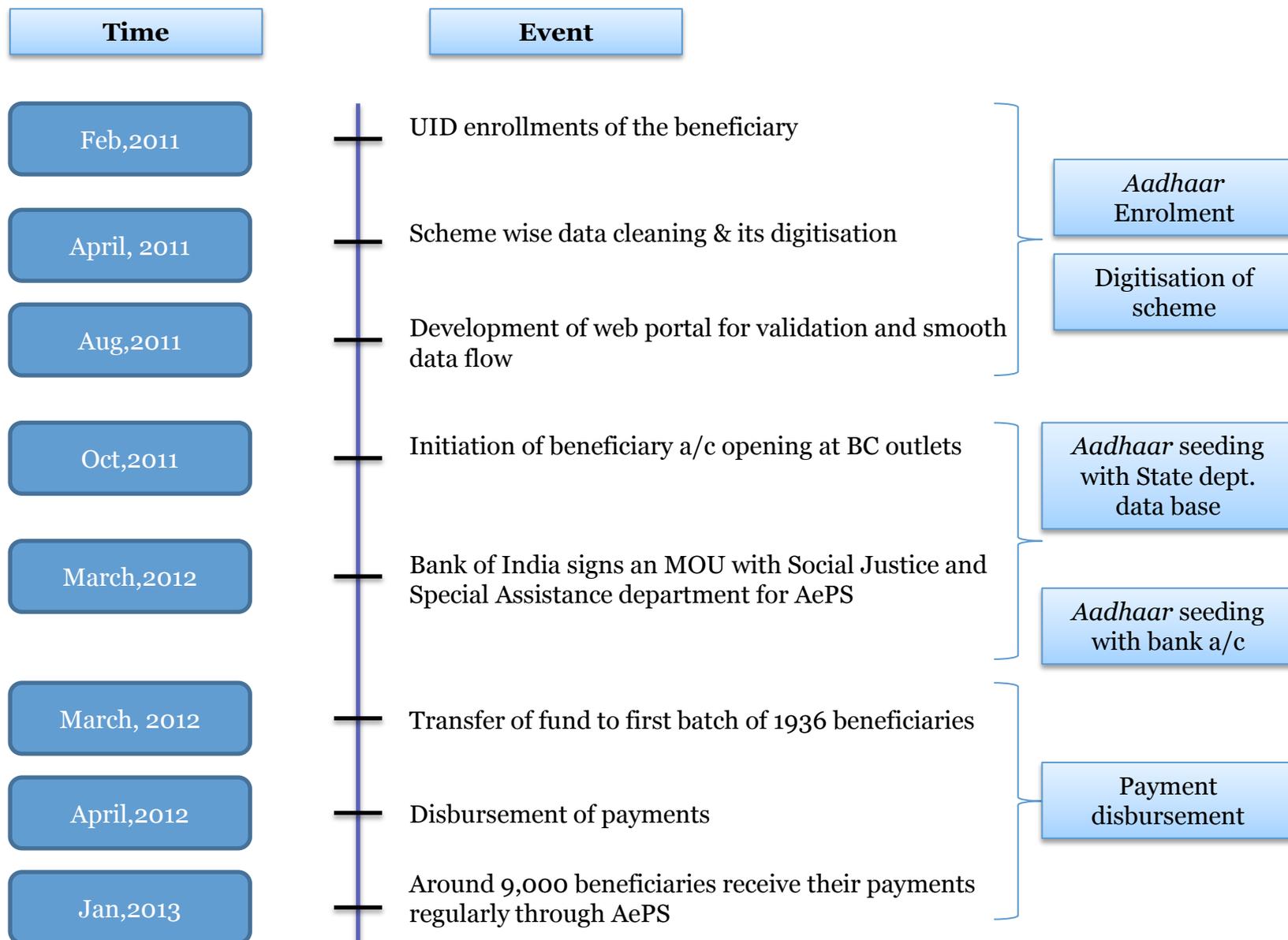
- Process would need to developed for a new scheme that is brought under AePS but the *Aadhaar* details of the beneficiary are not linked with the database.

# Annexures

1. Time line of events for AePS
2. Savings with Project *Dilasa*
3. Interview and Award
4. Why *Aurangabad* has done better



# Annexure 1 – Time line of events for AePS



## Annexure 2 – Savings with Project Dilasa

### The savings of Government funds in Aurangabad city

A	No. of beneficiaries in Aurangabad urban area (registered previously)	20221
B	No. of beneficiaries appearing for Aadhaar registration	11579
C	No. of beneficiaries opening Aadhaar linked account (with Bank of India, as prescribed by district administration)	9524
A-C	Eliminated beneficiaries	10697
D	Savings to district administration due to elimination of fake beneficiaries (per annum)	Rs.77 million* (approx)

*\*Calculation*

*Eliminated beneficiaries – 10697*

*Monthly payment – Rs.600*

*Total savings – Rs.600\*12\*10697 = Rs.77,018,400*

# Annexure 3 – Interview and Award

➤ Media interview with the outgoing District Collector of Aurangabad



Aadhar Governance Award, 2012 – Aurangabad District





THE TIMES OF INDIA, AURANGABAD | THURSDAY, JANUARY 3, 2013



NEW YEAR SAW THE COOKING GAS PRICE GO UP BY ₹ 4 PER CYLINDER FOLLOWING GOVT'S DECISION | 3

MUNICIPAL CO FUNDS FOR RO

## Project Dilasa can save ₹500cr, says outgoing district collector

Kunal Kumar had initiated the scheme in 2011 and had saved Rs 7.7 crore

Mohammed Akhef | TNN

**Aurangabad:** Project Dilasa would help save at least Rs 500 crore in Maharashtra, said outgoing district collector Kunal Kumar before leaving for his official study tour in Singapore and the US.

Kumar had initiated the scheme in 2011 and had saved Rs 7.7 crore in Aurangabad alone, by tackling bogus accounts under various government schemes meant for the poor.

He told TOI, "Welfare distribution was being managed through multiple non-connected institutions, there was minimal use of technology resulting in lack of control, transparency and thereby existence of ghost beneficiaries. Cash management was being done outside the banking network and the middlemen were exploiting the situation at the cost of poor beneficiaries."

Moreover, he added, the payments were not on time and the administrative cost was very high and in the end the beneficiaries were adversely impacted due to inconsistent payments, involvement of middlemen and lack of transparency. "Project Dilasa is a solution to all these problems which my team and I planned," added Kumar.

About the results post implementation of Dilasa, Kumar said, "Now the beneficiaries are getting timely payments every month and it remains in the bank accounts of those who do not collect their benefit. Apart from it being cost saving, the participation of middlemen has become redundant with the use of biometric verification."

Kumar identified five special assistance schemes either run by state or central government for the poor and needy people and were infamous for allegedly being the most exploited government schemes and included Sanjay Gandhi Niradhar Anudan Yojna (scheme for destitute including wid-



**Dilasa's progress**

- April 2011** - UIDAI Enrolment of Beneficiaries
- August 2011** - Data cleaning and converting to electronic format
- October 2011** - Account opening at 'Smart' outlets
- March 2012** - First funds transferred to 1,936 beneficiaries
- April 2012** - First payment disbursed to beneficiaries

**Key benefits**

- Timely benefits to the beneficiaries every month
- Regular MIS and reports on beneficiaries being paid and those who do not collect their benefit and which remains in their bank accounts, enabling government to keep a check on funds
- Participation of middlemen has been made redundant via biometric verification
- Cost saving through electronic conversion which resulted in removal of ghost beneficiaries – overall list moved down to **10, 721** from the **20, 221** registered earlier
- Direct transfer of funds from treasury to beneficiary
- Real time transaction of funds

**Financial savings**

- Aurangabad municipal area had 20,221 beneficiaries
- 11,579 beneficiaries appeared for Aadhar/UIDAI registration
- 9,524 opened UIDAI-linked zero balance accounts with the Bank of India
- Number of accounts credited 8,647
- Number of beneficiaries withdrawn 6,377
- Amount credited to beneficiaries accounts Rs 3, 99, 82, 721
- Amount disbursed through Smart outlets Rs 2, 91, 18, 600
- The saving of government funds due to elimination of ghost beneficiaries is
- 10,697 beneficiaries
- Rs 600 X 12 months = Rs 7.7 crore

ows, disabled, divorced), Shrawan Bal Old Age pension scheme, Indira Gandhi National Old Age pension scheme, Indira Gandhi National Widow pension scheme and Indira Gandhi National Disable pension scheme.

The district collectorate involved the tehsildar, Sanjay Gandhi Yojna – municipal area, Bank of India (for providing banking services to the beneficiaries), TranServ private limited (for setting up banking correspondent agents with kiosk), Tata Consultancy Services (as technology partner and authentication of customers) and UIDAI for identifying beneficiaries.

Acting district collector Kisanrao Lavande said, "TranServ worked with the collector's office to convert existing data into electronic format, so that it could be used to verify that bank accounts are only being set up for genuine beneficiaries and the verification was also done by our office."

In April 2011, the existing beneficiaries were asked to apply for UIDAI card, following which the data of the existing beneficiaries was converted into electronic data. In October, the district collectorate tied-up with Bank Of India for opening zero balance accounts linked to UIDAI cards of the beneficiaries at Smart outlets and business correspondents were recruited for assisting in disbursement at the final stage, added Lavande.

The district collectorate also col-

lected relevant details of the business correspondents including their biometric details and made it compulsory to identify them for every transaction they do, so that.

The union government awarded Kumar with 'Aadhar Governance Award' for his work in implementing Aadhar enabled payment pilot for various pension schemes run by the centre and the state government.

# Annexure 4 – Why Aurangabad has done better?

## Aurangabad

## Another district under study\*

### Leadership and Governance

- District Collector was personally involved in executing the project *Dilasa* since its inception in 2011.
- At each step he encouraged his team, pooled in the stake holders, monitored their progress and facilitated smooth functioning of the project.

### Lack of an anchor point

- There is no single driving force to take charge of the project. Partners lacked a common platform to discuss concerns and resolve problems.
- There is no distinction among the roles and responsibilities of the stake holders leading to duplication of tasks.

### Digitisation of scheme preceded AePS

- Scheme details were digitised and were made available online to access and seed *Aadhaar* numbers.
- It aided in data security and management and facilitated the smooth flow of information among the stake holders.

### Partial or no digitisation

- The scheme details were not digitised compromising security, and causing massive delays during verification and seeding processes.

### Involvement of BC for digitization and *Aadhaar* seeding

- Extensive efforts were devoted by BC in digitising the data into electronic format.
- BC staff were involved for the collection as well as seeding of *Aadhaar* details into the scheme database.

### Limited role of BC in terms of scope of work

- BC's were utilised only for disbursements of payments
- The local administration undertook the activity of seeding onto itself despite skill, technology and resource constraints.

### Identification of maker and checker at each step

- Clear division of roles and responsibilities among the stake holders involved - including the bank and the BC
- Maker and checker were separated at each step for validation and approval of data or authorisation.
  - e.g. Bank of India verifies *Aadhaar* number of beneficiary as provided by BC before seeding it to their account.

### No clear division of roles and responsibility for authorities

- In several cases, the same person was responsible for keying the data as well for its validation.
- Lack of means in validating the data despite prior allocation of work.
  - e.g. *Aadhaar* numbers provided to the bank by the district could not be checked out due to the lack of means for verification.

\* The name of the district has been masked



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