

| **Executive Summary**

“There is nothing more powerful than an idea whose time has come”

Victor Hugo

The budgetary allocation for Centrally sponsored and central sector sub-schemes is around 5.2% of the GDP. While such schemes are very desirable, the effectiveness of their delivery leaves much to be desired.

The increased proliferation of the Jan Dhan Bank Accounts, Aadhaar and Mobile provides options that were not available before. The acronym that they together form – JAM - is misleading and contrary to their combined ability to actually unclog delivery pipelines and move service delivery to the doorstep of the resident. This is especially true of direct cash transfers delivered into the bank account of the resident.

A clear understanding of what can be achieved by these systems and the building blocks that come together to create the delivery mechanisms is key to ensuring that the true potential is fully leveraged. These three pillars of service delivery, synchronized well, deliver much more than their individual sums. As always, sound implementation will be the key to success.

Based on an understanding of the debates and discussions around direct cash transfers, an appreciation of the various building blocks of Aadhaar and direct cash transfers, the learning from the case study of the Bhamashah Yojana and the findings of two surveys – one to gauge the perception of the people on welfare spending and direct cash transfers and another to get the views of Subject Matter Experts (SMEs) who have been associated with recent efforts to work on Aadhaar enabled delivery platforms - an attempt is made to present a set of recommendations that could also serve as a roadmap for implementation. A total of fifteen recommendations are made – three pertaining to Policy issues, nine on implementation issues and three regarding possibilities and the way forward. These are briefly presented below.

A Recommendations pertaining to Policy Issues

A 1 Benefit Transfers in Cash or In-Kind? – Let the beneficiary choose.

It is recommended that the beneficiaries should have the *choice* to decide whether they would like to avail a benefit due to them in cash or in kind. The job of the state is to ensure that *both* options are enabled for the beneficiaries.

A 2 YES to Targetted Cash Transfers, NO to a Universal Cash Transfers or UBI

Targetted Cash transfers delivered directly into the bank account of an identified resident is recommended. Equally, succumbing to the temptation of making this a Universal Cash transfer or a Universal Basic Income needs to be guarded against.

A 3 Capping Expenditure on Social Schemes to a Percentage of the GDP

It is recommended that total budget allocation of the central government on centrally sponsored and central sector sub-schemes be capped to a percentage of the GDP. Indicatively, the range could be between 4% and 6% of the GDP.

B Recommendations Pertaining to Implementation Issues

Effective implementation is the key to achieving viable direct cash transfers. Nine recommendations are made in this regard.

B 1 Support from the top Leadership – Political and Executive

Buy in from the top leadership – political and executive – can provide the necessary thrust to ensure availability of resources and manpower, prioritization and sustained support, and cooperation and co-ordination across departments to ensure ease in implementation.

B 2 Continuity of Tenure for the Executive Leading the Project

Any new project requires a clear understanding of its various elements and clarity of vision in implementing the same. Continuity of tenure for the executive leading the project ensures a steady leadership and consistent implementation.

B 3 Support from the UIDAI

A clear understanding of the various building blocks of Aadhaar Enabled Service delivery, together with the need to carry out back-end integration with the Aadhaar authentication and service delivery platforms and the need to leverage Aadhaar eKYC – both for account opening and for collecting consented resident data - requires active support of the UIDAI.

B 4 Adequate Coverage of Aadhaar

To leverage the advantage of Aadhaar enabled cash transfers, the resident needs to have an Aadhaar. Today, with over 110 crore residents having been issued an Aadhaar, this is no longer a serious issue.

B 5 Convergence of Various Stakeholders

The various stakeholders – multiple departments in state governments, UIDAI, Telecom companies and Banks – need to co-ordinate and converge to deliver. This is especially important in the early implementation stage.

B 6 Presence of a Dedicated IT team

The Aadhaar service delivery platform leverages IT in a big way at the back-end, to provide the resident a very simple yet powerful user interface. The presence of a competent and dedicated IT team is hence critical to the implementation process.

B 7 Capacity Building and Awareness of Field Officers

The officers in the field are the face of the project. Their ability to understand the functional elements of the project and address the needs of the residents is key to both the successful implementation of and the perception about the project.

B 8 Wide Presence of Active Citizen Service Centers

The presence of integrated citizen service centers, capable of providing to the resident all related services under a single roof enhances resident convenience. Presence of these in large numbers, evenly distributed across the state enhances accessibility to the services and acceptance of the project.

B 9 Use of eKYC for opening Bank Accounts

This powerful feature of Aadhaar enables an unbanked resident with an Aadhaar, to open a bank account in under three minutes, without the need for any documentation or photograph. A simple microATM type device carried to the doorstep of the resident can enable the entire process.

C Recommendations regarding Possibilities and the Way Forward

Three recommendations are made in this area.

C 1 Consolidation of existing Schemes

The migration of a scheme to an Aadhaar enabled service delivery platform provides for better administration and monitoring of the scheme. There is an opportunity for better administration and consolidation of the balance 940 odd minor schemes whose budget allocation accounts for a sizeable 2.6% of the GDP by migrating them to this platform.

C 2 Informed Design of New Schemes, Immediate Disbursement of Benefits

Accurate information about beneficiaries and existing benefits being disbursed per household will enable better schemes to be designed. Integrating eligibility databases on to the existing umbrella beneficiary databases will allow immediate disbursements of benefits to residents, once the scheme is instituted.

C 3 Re-modelling of Existing Schemes

Digitization and centralization of records and the ability to accurately verify the beneficiary at the point of service open up possibilities for remodeling schemes to further empower the resident and assist the state.

A concluding thought: For ideas in Public Administration to make a tangible difference to the lives of the residents, implementation is the key. The country is at a stage where it can transform the way services are delivered to its residents - especially direct cash transfers. Unfortunately, implementation is often the weakest link in the chain. With this opportunity as well, success or failure will be determined by the quality of implementation.

There is perhaps *something* more powerful than an idea whose time has come - it is the *implementation* of that idea.
