

**Broad Guidelines/ Methodology for assessing benefits due to Aadhaar based DBT - Extract of Important Recommendations of the Committee Chaired by Secretary, School Education & Literacy**

**1. Background**

Aadhaar based DBT is a significant governance reform to ensure greater transparency and accountability in public service delivery through effective use of technology. Aadhaar as an identity proof ensures correct identification of intended beneficiaries and eliminates fake/ non-existent beneficiaries through de-duplication of beneficiary database. The process of de-duplication which seeks to delete a beneficiary's name appearing multiple times in the database, and deletion of non-existent (ghost) beneficiaries from the database will lead to tangible savings for the government and other benefits to Government, beneficiaries and other stakeholders.

Quantification of gains accruing from Aadhaar-based DBT would ensure acceptability and credibility of DBT initiatives, resulting in wider adoption of DBT in welfare programs. Use of Aadhaar in DBT has demonstrated definite benefits for Government and beneficiaries. Several Ministries have been able to deliver benefits directly to the identified beneficiaries, saving huge resources in the process. Cumulative savings since inception till 31<sup>st</sup> March 2017 due to implementation of Aadhaar based DBT are Rs. 57,029 crore, as reported by Ministries (Appendix I). For beneficiaries, Aadhaar based DBT has cut down rent seeking behavior of middlemen, thus bringing down corruption, and has improved timeliness of payments. Given the current and potential benefits of Aadhaar, it is highly desirable that the system should be continued and strengthened.

**2. Methodology for Assessing Benefits accruing from Aadhaar based DBT in various Schemes/ Programs of Government**

**2.1 Broad Principles/ Norms for assessing Benefits/ Savings (applicable for all Schemes):**

- (i) Both tangible and intangible gains/ savings due to Aadhaar-based DBT may be captured and reported. Tangible savings reflect the monetary benefit that is saved by the implementing Ministry/ Department through processes of de-duplication and removal of fake/non-existent beneficiaries.
- (ii) There may be no reportable data on tangible savings in case: a) New schemes starting with Aadhaar-based beneficiary database; b) Schemes with one-time benefit and; c) New beneficiaries who have been verified through Aadhaar, for an existing scheme. However, such cases will have many other benefits in terms of reduction of time, process simplification, greater inclusion and accessibility of services, cost to

Government of providing such benefits, whether in cash as kind, to the beneficiaries etc., which should be suitably assessed/ captured and reported with qualitative details.

- (iii) In case of schemes where benefits are of recurring nature, for the first year the savings on account of removal of duplicate/ fake/ non-existent beneficiaries due to introduction of Aadhaar based DBT would be on basis of actuals, in terms of amount saved for such removed beneficiaries. However, for subsequent years, savings on account of removal of such beneficiaries may be classified as notional. This principle would also be applicable for the schemes brought under Aadhaar based DBT in a phased manner in which savings would be counted on actual basis incrementally for the portion covered under DBT in successive years. Savings amount would be the actual amount that was payable to a beneficiary in case of cash schemes and/or the cost to Government of items supplied in-kind schemes, like PDS, Mid-day meals etc. For schemes having both cash & in kind components, savings would be the sum total of both components.
- (iv) In cases where the active or current beneficiaries receiving benefits is less than the total number of eligible or approved beneficiaries, data on savings may be calculated for beneficiary records deleted/ de-duplicated/ removed against the active or current beneficiaries in a fiscal year, rather than the larger list of total eligible beneficiaries.
- (v) In certain cases a beneficiary may become ineligible for certain benefits by virtue of benefitting under some other scheme. Such cases, however, may not be noticed due to segregated beneficiary databases. To undertake de-duplication in such cases Departments may, subject to provisions of Aadhaar Act 2016, develop a comprehensive database of all the schemes under the Ministry's purview to correctly identify beneficiaries who may become ineligible due to scheme guidelines or program rules that prohibit beneficiaries from receiving multiple government benefits of complementary nature.
- (vi) Reduction in beneficiary list due to reasons such as death, migration, changes in eligibility requirements may not to be counted as savings.
- (vii) For, open-ended schemes where there is no defined beneficiary list (such as Fertilizers or Health care schemes), other factors remaining the same, savings could be computed based on the total spending in the pre-DBT scenario compared to total spending in the post-DBT scenario.
- (viii) Periodicity: Data on savings should be reported to DBT Mission on Monthly basis, except in case of schemes like Scholarships etc, where releases are made on quarterly basis, in which case it can be reported on quarterly basis. If any Ministry/ Department proposes to deviate from this periodicity, they should refer the matter to DBT Mission with full justification.

**2.2 Suggested / Proposed Methodology for Calculating Savings/ assessing benefits in Major Schemes (subject to broad norms stated in para 2.1 above):**

<b>Scheme</b>	<b>Existing Practice / Methodology</b>	<b>Suggested / Proposed Methodology</b>
<b>PAHAL</b> (DBTL) – M/o Petroleum & Natural Gas	[No. of LPG beneficiary records blocked/ deleted] * [average subsidy per cylinder] * [no. of entitled cylinders per beneficiary]	Same approach may continue
<b>PDS</b> – D/o Food & Public Distribution	[No. of ration cards deleted due to detection of ghost/ fraudulent cards, ineligible beneficiaries, migration/ deaths, etc. as reported by States/UT] * [Subsidy entitlement per beneficiary]	<p><b>a) On account of digitisation and Aadhaar seeding of PDS beneficiary database:</b></p> <p>No. of ration cards deleted due to fake/ non-existent/ duplicate/ ineligible beneficiaries * amount of subsidy entitlement per beneficiary</p> <p><b>b) On account of automation of FP Shops, requiring biometric authentication:</b></p> <p>Difference in the cost of PDS Ration (subsidy element) distributed in pre and post DBT scenario.</p> <p>Total Savings (a) + (b)</p>
<b>MGNREGS</b> – M/o Rural Development	As per a Study, saving of 10% of the expenditure on wages incurred in a fiscal year has been assumed due to sanitization of beneficiary database by linking to Aadhaar.	<p><b>a) On account of digitisation and Aadhaar seeding of Job cards beneficiary database:</b></p> <p>No. of Job cards deleted due to fake / non-existent/ duplicate/ ineligible beneficiaries * NREGA wage entitlement per beneficiary.</p> <p><b>b) On account of biometric authentication at the time of payment of wages (as &amp; when introduced)</b></p> <p>Difference in the wage bill in pre &amp; post biometric authentication scenario.</p> <p>Total Savings (a) + (b)</p>

<b>Fertilizers –</b> D/o Fertilizers	Not calculated / reported	<b>On account of biometric authentication of purchasers:</b>  Difference in cost of fertilizer off-take (subsidy element) in pre and post DBT scenario
<b>Scholarships–</b> M/o Minority Affairs, M/o Social Justice and Empowerment, M/o Labour & Employment	Reported from some States on adhoc basis	<b>On account of digitization and Aadhaar seeding of beneficiary database and direct credit in beneficiary's bank account:</b>  Difference in total amount of scholarships disbursed in pre and post DBT scenario
<b>NSAP (pension) –</b> M/o Rural Development	[No. of dead, ineligible, migrated, duplicate and stopped beneficiaries] * [Pension entitlement]	<b>On account of digitisation and Aadhaar seeding of pension database, and direct credit in beneficiary's bank account:</b>  No. of pension records deleted due to fake/non-existent/ duplicate/ ineligible beneficiaries * pension entitlement per beneficiary

**Note:** Savings for schemes not mentioned above may be calculated on similar lines, duly keeping in view the broad norms/methodology stated in para 2.1 above. In case of difficulty or deviations, respective Ministries may finalise appropriate method to calculate savings in consultation with DBT Mission, Cabinet Secretariat.

Table 1: Scheme wise Reported Savings till 2016-17 (in ₹ Crore)

Ministry/ Dept	Scheme	Cumulative Up to FY 2015-16	Cumulative Up to FY 2016-17
Petroleum & Natural Gas	PAHAL	21,584	29,769
Food & Public Distribution	PDS	10,191	14,000
Rural Development	MGNREGS	3,000	11,741
	NSAP	249	399
Others		1,120	1,120
Total		36,144	57,029