

DBT Readiness Assessment

- Assessing readiness for direct transfers

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What is DBT?

Direct Benefit Transfer or DBT is a way to pass on the benefits intended for a target beneficiary by crediting their bank accounts / wallets directly. This model of transferring benefits directly to the intended beneficiary reduces costs, cuts down on leakages and eliminates middlemen from the system.

Making DBT Happen

Digitisation



- Scheme wise identification of Integration of district, state and central payment engines
- beneficiaries
- Digitisation of list of beneficiaries
- De-duplication

Integration with Service Delivery Mechanism



- Functional Bank Account
- Bank Account

Payment Transfer



- Integration of district, state and central payment engines
- Payment Transfer Process

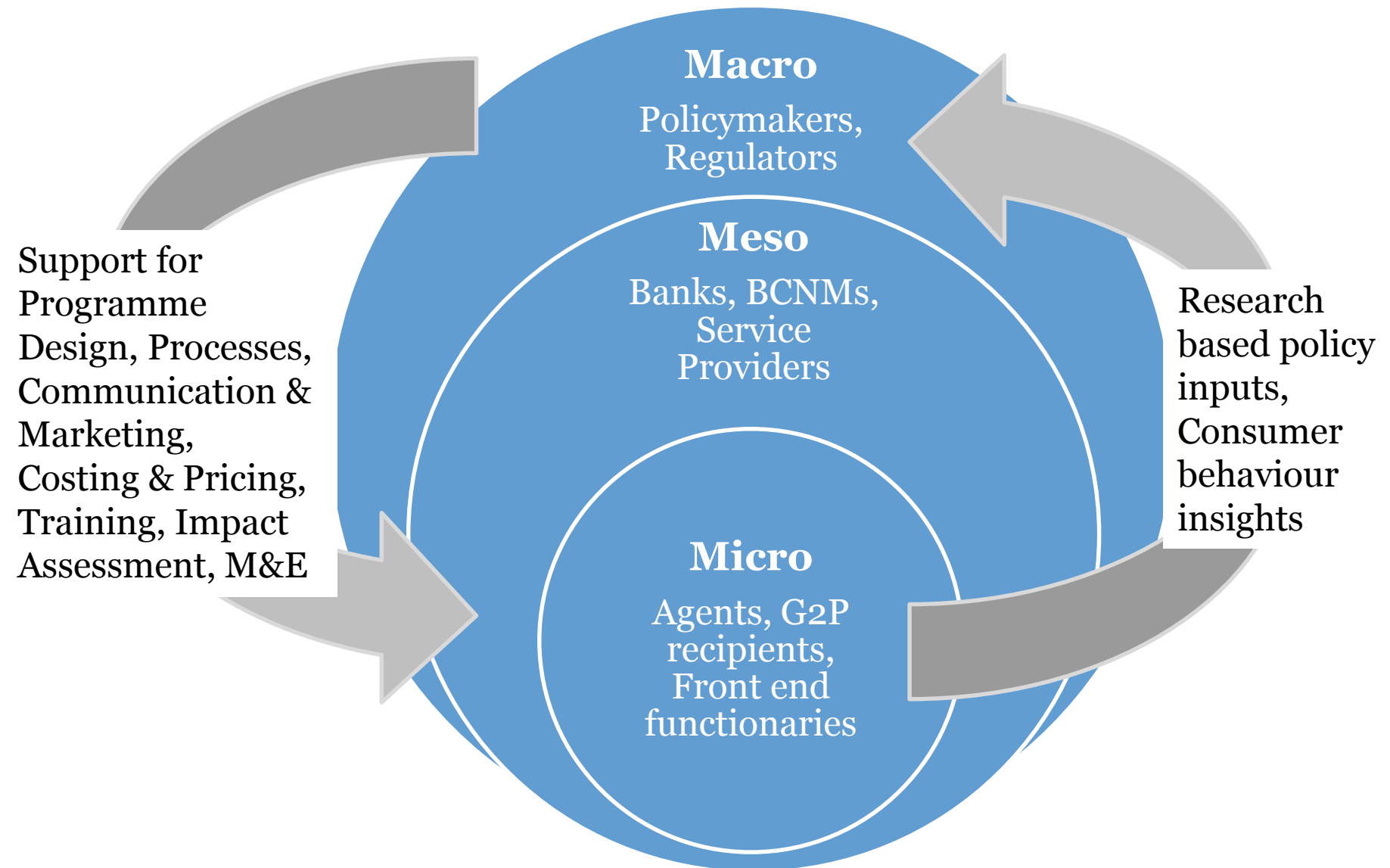
Withdrawal



- Authentication (*Aadhaar*) at the point of transaction
- Withdrawal by beneficiary (door-step)

Grievance Redress System

MicroSave's Scope of Activities



MicroSave's Approach to G2P

Baseline

Scheme Assessment

No. of Beneficiaries, mode of disbursement, current agent network etc.

Clients' need assessment

Current understanding, expectations about withdrawal systems

CICO readiness assessment

Network strength, capacity assessment

DBT Readiness Assessment

Process Re-engineering

Process mapping

Identify process bottle necks, inefficiencies & risks.

Process description in user friendly maps

Process enhancement

Re-engineered process recommendations with risk mitigation measures, reducing delays, improving efficiency

Pilot Test

Pilot plan

Lay down pilot objectives, along with required resources, pilot duration, team, and deliverables.

Project management

Pilot implementation with periodic reviews and data collection for indicators.

Evaluation

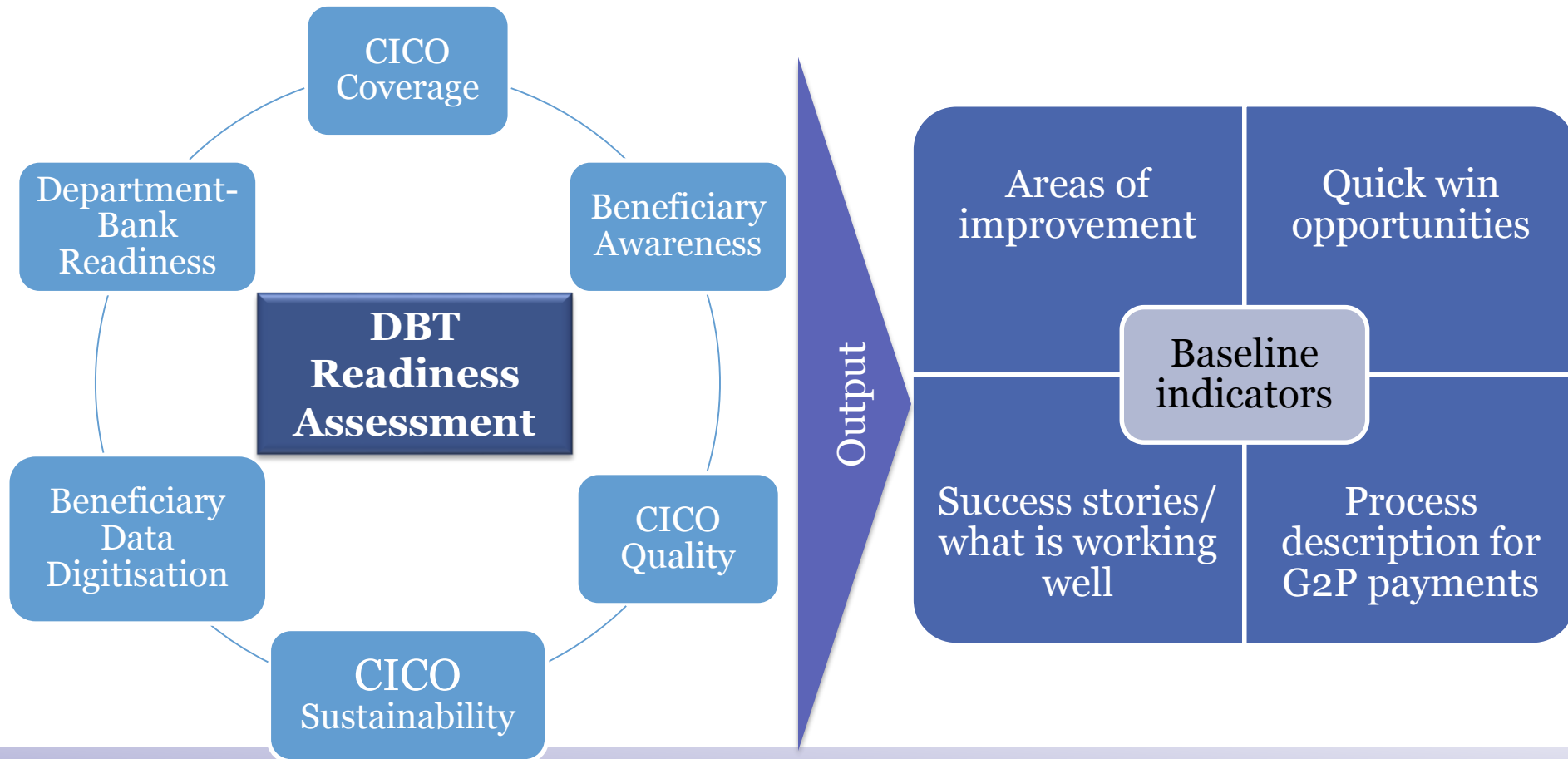
Assessment

Report on improvement in TAT, and other pre-identified indicators.

Beneficiary and agent satisfaction score

DRA – The DBT Readiness Assessment Tool

Assessment of indicators provides a status report of a geographic area. Indicates **how quickly and efficiently** G2P payments can be rolled out. It is also a **prescriptive tool** to improve on indicators for smooth roll out.



Objectives and Approach to DRA

Objectives

Analyse key features of DBT scheme in target geography

Assess beneficiary awareness, readiness, other prerequisites in the context of scheme features

Assess existing CICO network on defined parameters

Comprehensive analysis along with practical recommendations

Approach

Selection of target geography and scheme

Data Collection - Secondary and primary research to populate data about geography and scheme

Populate DRA indicators through tools

Analysis and presentation of results

What is Covered in a DRA

Assessment scores for readiness indicators provide snapshot of level of preparedness for DBT roll out in target geography



Data Source	Methodology
Beneficiaries, BC agents, Government officials	Individual interviews
Beneficiaries, BC agents	Quantitative survey

Readiness Assessment Indicators

CICO Coverage

- Actual presence of CICO network vis-à-vis reported. Also captures and compares distance to be travelled by beneficiaries to bank branches and/or agents.

Beneficiary Awareness

- Awareness about bank / CICO agent network and their role in G2P payments; also assess banking services being used by beneficiary.

CICO Quality

- Score service quality of CICO agents.

CICO Sustainability

- Indicates ability or motivation of CICO agents to continue serving in long run. Defined in terms of meeting their financial expectation.

Beneficiary Data Digitisation

- Measures level of digitisation of beneficiary data at bank and government. Pre-requisite to any electronic transfers.

Department - Bank Readiness

- Involves mapping of beneficiary accounts, seeding of authentication data, TAT for opening of bank account and quality control mechanism at district / geographic unit.

Step Wise Illustration

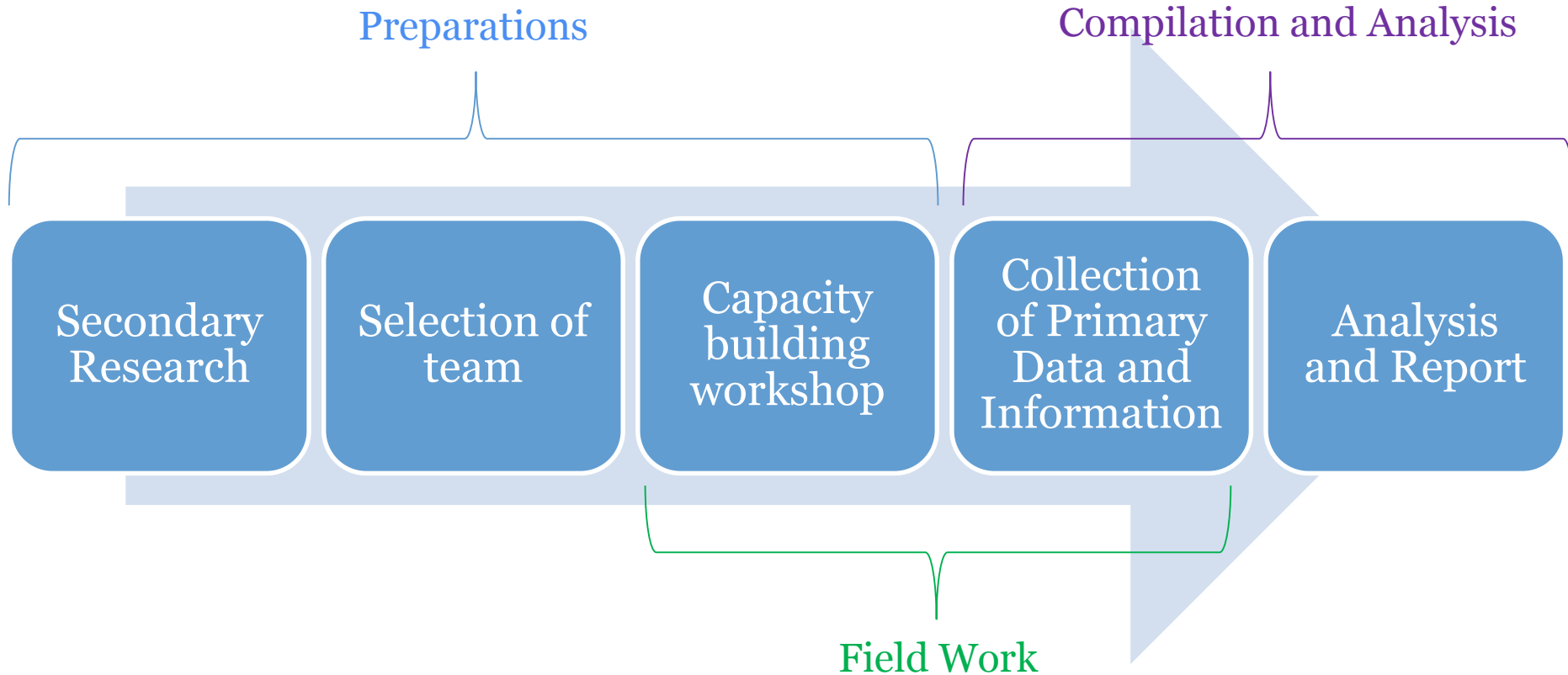
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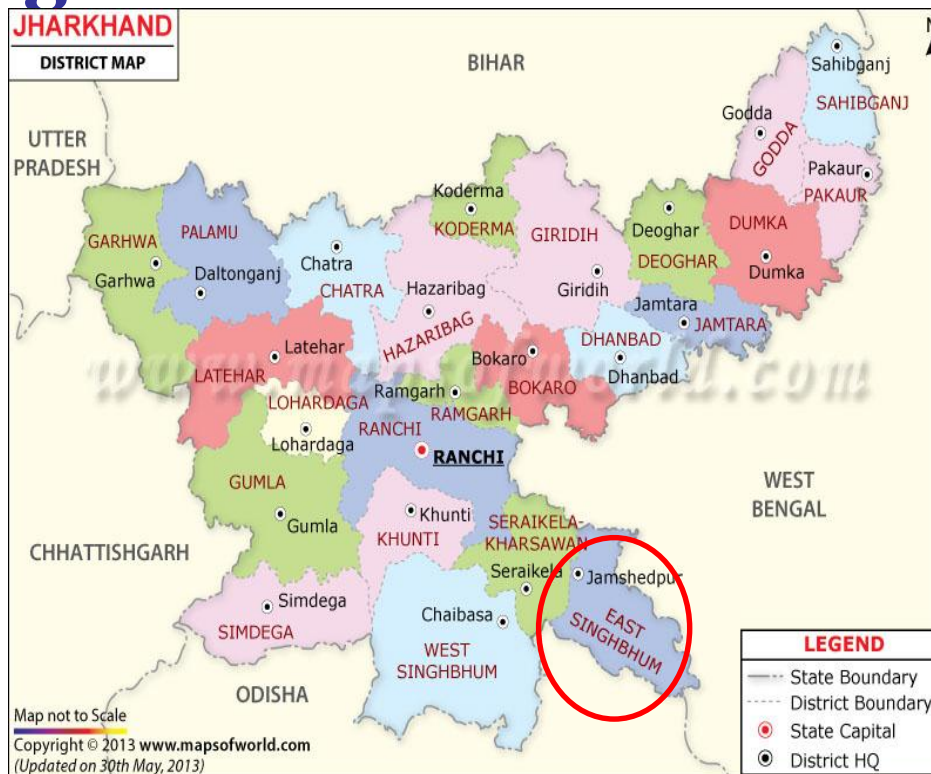
Steps to DRA



East Singhbhum District – A Snapshot

Demographics

Population	22.93 Lakh
Urban	12.74 Lakh
Rural	10.19 Lakh
Population Density	644 persons / Sqkm.
No. of Villages	1,801



Transaction Points

Bank Branches	216
ATMs	171
Pragya Kendras (Common Service Centers)	168
Post Offices	180

Banking Outreach Per 100,000 Population

	East Singhbhum	National Average
Bank branches	10.08	8.3
ATMs	7.8	12.5
CICO agents	7.7	18.5
Post Office	7.9	12.9

No. of bank branches in villages is 40,837 (March 2013); BC outlets in villages are 2,21,341 (March 2013)
Banking Outreach figures are approximations

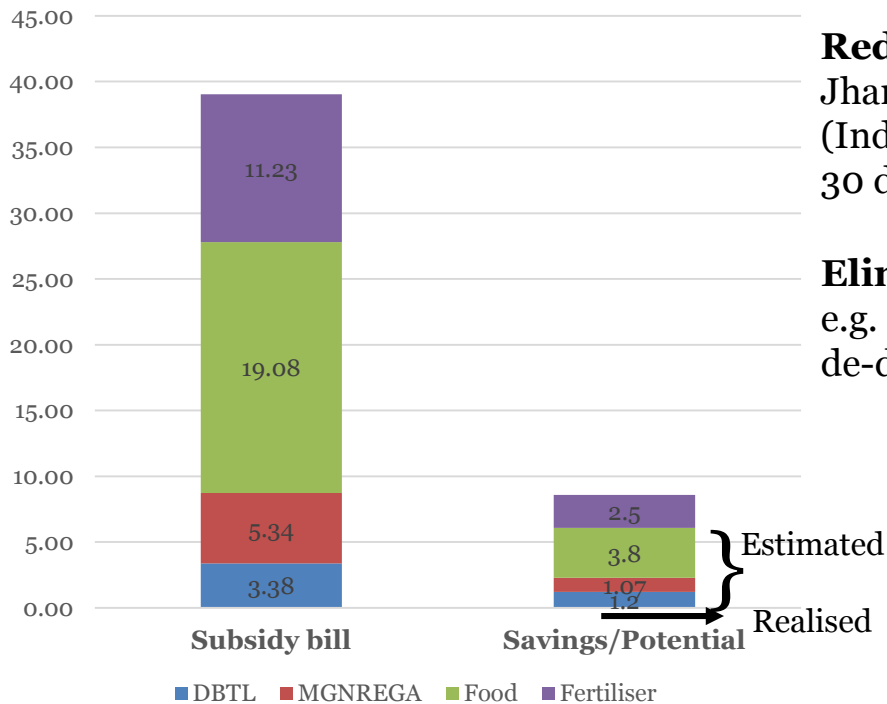
Indicator Dashboard- East Singhbhum

Category	Indicator	Particular	Threshold	Individual Parameter	Overall Assessment
CICO Coverage	Available	9%	100%	☹️	☹️
	Median distance to agent	9 Km	4 Km	☹️	
Beneficiary Awareness	About bank-CICO linkage	6%	100%	☹️	☹️
	Awareness of G2P by CICO	2%	100%	☹️	
	Bank products (ex. Savings)	5%	100%	☹️	
CICO Quality Index					☹️
CICO Sustainability Index					☹️
Digitisation	Digitisation of beneficiary database	100%	100%	😊	☹️
	Beneficiaries with bank accounts	26%	100%	☹️	
Department-Bank Readiness	% of beneficiary account mapped	100%	100%	😊	😊
	% beneficiary with <i>Aadhaar</i> seeded	NA	100%	☹️	
	TAT for beneficiary account opening	7-15 Days	15 days	😊	

*Account opening takes less time at Post Office because of involvement of panchayat officials and relaxed KYC. Opening an account in a bank takes more time because of distance, KYC and documentation.

Status of Banking / G2P schemes

Subsidy bill and savings(US\$ bn.)



Arresting leakages e.g. DBTL (already realized US\$ 1.2 billion) , MGNREGA

Reducing delays in payment: Jharkhand MGNREGA payments (India Post). Time reduced from up to 30 days to 3-4 days

Eliminating ghost beneficiaries e.g. DBTL, MGNREGA, PDS, etc. by de-duplication through *Aadhaar*

Doorstep payment to beneficiaries business correspondent (bank) agents serving

Enabling financial Inclusion





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