

# Action Plan for linking Aadhaar with MGNREGA

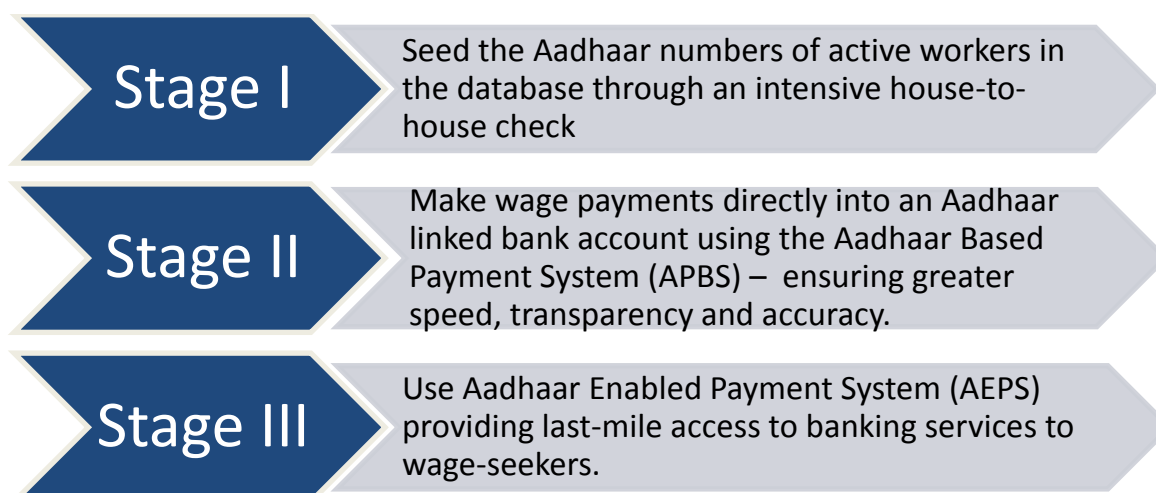
Strategy for Aadhaar seeding in the 300 DBT  
districts  
as a first step for introducing  
Aadhaar Enabled Payment System (AEPS) in  
MGNREGA

## 1. Background

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is one of the flagship schemes of the Ministry of Rural Development (MoRD) which guarantees 100 days of wage employment, in a financial year, to every rural household whose adult members volunteer to do unskilled manual work.

In January 2013, the Government of India rolled out Direct Benefits Transfer (DBT) in select districts and schemes across the country, under which benefit payments for social welfare schemes are to be paid directly into Aadhaar linked bank accounts of beneficiaries. Additionally, Aadhaar number issued by Unique Identity Authority of India (UIDAI) is being used as a tool for de-duplication of beneficiary records so as to eliminate fake/ 'ghost' beneficiaries from government databases.

The Ministry of Rural Development intends to use Aadhaar in stages for improving the delivery of services to the wage-seekers:



**This action plan is for achieving the Stage- I before 31<sup>st</sup> Dec 2014, by which at least 2 Crore more MGNREGA worker's accounts would be linked to Aadhaar numbers.**

## 2. The need for moving on to Aadhaar

The Aadhaar ecosystem is designed to eliminate duplicate identities and allow residents to establish their identity anywhere in India thereby enabling greater access to services. The key benefits that Aadhaar provides in enabling public service delivery through various Government ministries and departments are as below:

- ▶ **De-duplication of beneficiary databases:** Since uniqueness is established, Aadhaar number can be used to eliminate ghost and duplicate beneficiaries, thereby toning up the delivery system.
- ▶ **Enabling paperless, electronic identity verification platform** which allows a resident to establish his/ her identity at a service provider (e.g.: bank/ telecom operator) location using only Aadhaar number and a biometric parameter (such as fingerprint).
- ▶ **Enabling direct benefit payments to beneficiary accounts:** UIDAI and the National Payments Corporation of India (NPCI) have developed a payment platform – Aadhaar Payment Bridge System (APBS) – which allows benefit payments to be

credited directly to the beneficiary's account using Aadhaar number as a 'financial address'.

- ▶ **Last mile connectivity to banking services through Aadhaar Enabled Payment System:** Banks and Business Correspondents (BCs) can use Aadhaar Enabled Payment System (AEPS), developed by NPCI, to authorize financial transactions (withdrawal/ deposit/ balance enquiry) in rural areas. AEPS uses UIDAI's online authentication services to verify resident identity and authorize transactions using an Aadhaar enabled micro-ATM.

### 3. Work done so far

#### a) Seeding

Since September 2013, the Ministry of Rural Development (MoRD) has been actively working towards collecting Aadhaar data of its beneficiaries, seeding the data in NREGASoft and in beneficiary bank accounts and thereafter making payments through Aadhaar Payment Bridge System (APBS).

Some of the Ministry's key achievements in enabling DBT are as below:

**Table 1: Status of Aadhaar enrolment and seeding as on 21<sup>st</sup> Oct 2014**

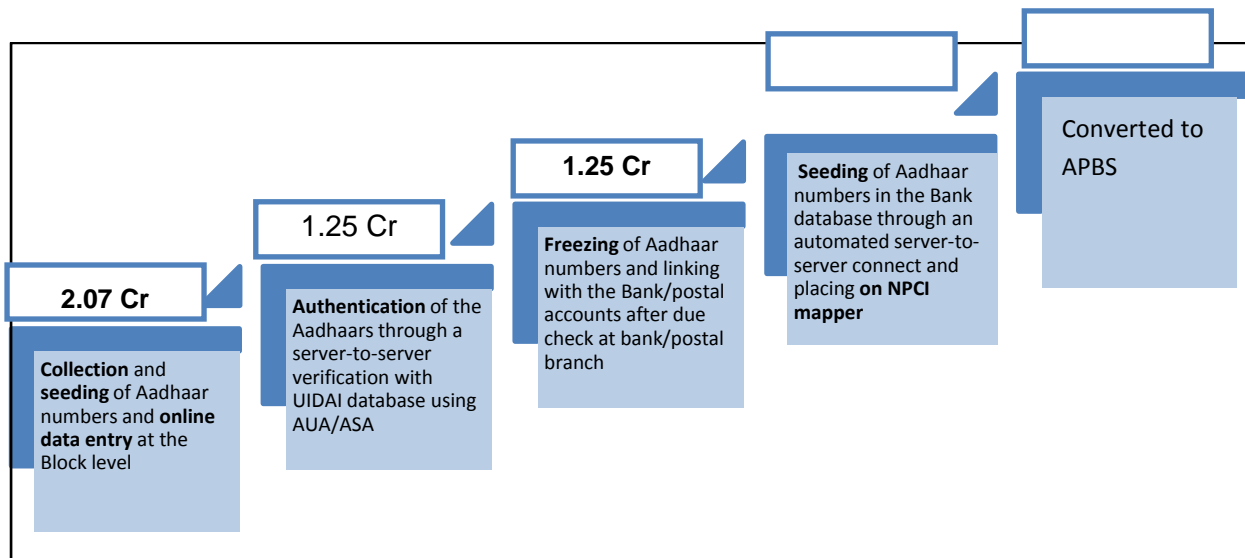
Parameter	Data
<b>All Districts</b>	
Total Number of Active beneficiaries in MGNREGS	10,54,62,926
Number of Aadhaar seeded in the database	2,06,76,478
<b>300 DBT districts</b>	
Number of active workers	5,54,59,454
Projected number of workers with Aadhaar number ( <i>projected based on Aadhaar penetration in the districts</i> )	4,38,75,275 (79%)
Potential number of workers yet to be enrolled by UIDAI/NPR ( <i>projected based on Aadhaar penetration in the districts</i> )	1,15,84,179 (21%)
Database seeded with Aadhaar numbers (as % of the workers with Aadhaar numbers)	1,97,85,429 (45%)
Aadhaar numbers yet to be seeded ( as % of the workers with Aadhaar numbers)	2,40,89,846 (55%)

#### b) Aadhaar Payment Bridge System (APBS)

The APBS works only with the bank accounts which are on CBS platform. Under this system, all transfers into accounts are electronic and near real time. As and when a pay order is released, the NPCI electronically processes these payments, debits the sender's account and credits the beneficiary account and sends a response file within 24 hours. It has capacities to eliminate delays and bring transparency into the payment process.

Ministry has established a fully automated system through the central server to bring in APBS that completes the following tasks.

- Once the Aadhaar number is seeded the database, the server automatically checks it with UID database within a period of 7 days, and segregates the confirmed records and the rejected records.
- Rejected records are sent to the PO automatically with a request to re-check the details on the field.
- All confirmed records are sent to Banks after digital authentication to banks for seeding in the bank records.
- Banks seed and place the data on NPCI mapper.
- After a Mapper check, the accounts which are mapped with Aadhaar in Bank database are converted automatically to APB system.



### c) Aadhaar Enabled Payment System (AEPS)

Under this, all bank/postal accounts which are linked with Aadhaar numbers operated at the Gram Panchayat level through a Business Correspondent (BC) appointed by the Banker or Post Office. The BC is equipped with an Aadhaar enabled Micro-ATM. There are two parts of the transaction done through the Micro-ATM:

- Biometric Authentication:** Where the biometrics of the workers are authenticated online with the UID database, thereby eliminating impersonation in disbursement; and
- Bank Authorization:** All authenticated records are electronically re-directed to the Bank server for authorizing withdrawal. Once it is authorised, BC disburses payment to the beneficiary.

So far, AEPS system is working in 20,000 Gram Panchayats of Andhra Pradesh and Telengana States operated either by the Banks or the Department of Posts. Using the AEPS system, 3.5 Crore transactions have been generated in the last one year (Sept 2013- Sept 2014).

It will be the endeavor of the Ministry to move to this stage wherever the BC system has become functional as a part of the PMJDY Scheme.

## 4. Action Plan for seeding Aadhaar numbers

Under this action plan, the following tasks would be accomplished:

- Seeding of Aadhaar numbers for all active workers in the 300 DBT districts
- Manual verification of all Aadhaar numbers that failed demographic authentication with the UID data
- Verification and confirmation of the accounts of all the active workers by referring them to the Bank/Post Office concerned.
- Seeding of the verified Aadhaar number in the Bank/Post Office accounts and placing them on NPCI Mapper.

### 4.1. Seeding of Aadhaars

As per the data given in Table 2, the Aadhaar numbers of 2.4 Crore workers are to be seeded in the database.

**Table:2 Aadhaar numbers yet to be seeded**

Sr	State	No. of Districts	No. of Active Workers	Active workers with Aadhaar numbers (projected)	Aadhaar already seeded	Seeding %	Yet to be seeded
1	Puducherry	2	49,275	47,118	47,315	100.42	-
2	AP	13	75,77,696	72,06,301	64,88,512	90.04%	7,17,789
3	Telangana	9	40,42,815	35,19,330	33,88,069	96.27%	1,31,261
4	Himachal	12	8,91,052	8,37,070	7,28,540	87.03%	1,08,530
5	Kerala	14	20,44,027	18,77,613	15,35,441	81.78%	3,42,172
6	Sikkim	4	97,609	89,605	65,391	72.98%	24,214
7	Punjab	19	5,75,874	5,16,041	3,67,649	71.24%	1,48,392
8	Jharkhand	24	29,30,744	23,90,825	15,33,285	64.13%	8,57,540
9	Tripura	5	7,65,172	6,29,362	3,74,241	59.46%	2,55,121
10	Goa	1	2,635	2,365	1,051	44.45%	1,314
11	Haryana	20	7,37,981	5,74,973	2,59,166	45.07%	3,15,807
12	Karnataka	27	56,67,137	42,58,829	16,93,606	39.77%	25,65,223
13	Maharashtra	32	43,20,368	40,66,498	10,51,414	25.86%	30,15,084
14	Rajasthan	14	31,09,983	21,18,053	6,45,366	30.47%	14,72,687
15	Chhattisgarh	2	4,27,126	3,06,975	66,496	21.66%	2,40,479
16	Tamil Nadu	27	1,01,30,963	68,07,593	10,40,153	15.28%	57,67,440
17	Madhya	37	82,79,566	59,42,157	4,15,479	6.99%	55,26,678
18	Odisha	8	8,97,833	6,02,542	31,934	5.30%	5,70,608
19	Lakshadweep	1	2,321	1,998	55	2.75%	1,943
20	Gujarat	10	5,09,324	3,57,970	11,767	3.29%	3,46,203
21	West Bengal	4	23,81,964	17,04,065	40,499	2.38%	16,63,566
22	Andaman	1	17,988	17,988	-	0.00%	17,988
23	Dadra & Nagar	1	1	1	-	0.00%	1
	<b>TOTAL</b>	<b>287</b>	<b>5,54,59,454</b>	<b>4,38,75,274</b>	<b>1,97,85,429</b>	<b>45.09%</b>	<b>2,40,89,845</b>

Of these, more than 90% are in 178 districts in (8) States as per the details given in table 3:

**Table 3: 178 focus districts for the seeding drive**

S No	State	No. of Districts	No. of Active Workers	Active workers with Aadhaar numbers (projected)	Aadhaar already seeded	Seeding %	Yet to be seeded
1	Tamil Nadu	27	1,01,30,963	68,07,593	10,40,153	15.28%	57,67,440
2	MP	37	82,79,566	59,42,157	4,15,479	6.99%	55,26,678
3	Maharashtra	32	43,20,368	40,66,498	10,51,414	25.86%	30,15,084
4	Karnataka	27	56,67,137	42,58,829	16,93,606	39.77%	25,65,223
5	West Bengal	4	23,81,964	17,04,065	40,499	2.38%	16,63,566
6	Rajasthan	14	31,09,983	21,18,053	6,45,366	30.47%	14,72,687
7	Jharkhand	24	29,30,744	23,90,825	15,33,285	64.13%	8,57,540
8	AP	13	75,77,696	72,06,301	64,88,512	90.04%	7,17,789
		178	4,43,98,421	3,44,94,321	1,29,08,314	37.42%	2,15,86,007

#### 4.2. Strategy

In order to meet this seeding target MoRD will adopt the following principles as part of its approach:

- i) Focus on 175 districts with high enrolment and low seeding: Focus on seeding of records for active workers in the 175 districts in these 8 focus States. As detailed above, the potential for seeding is ~2 Cr.
- ii) **Campaign approach:** A drive should be undertaken by the States to collect all the Aadhaar numbers of active workers within a two-month period.
  - a. District level: The campaign shall be led by the DPCs at the district level. The State Govt shall hold an orientation session with all the DPCs before 31<sup>st</sup> October to explain to them the task.
  - b. At the Block level, the BDOs will be the Charge Officers for this campaign. The DPC will be responsible for training the BDOs in conducting the operation.
    - i. BDOs and POs shall entrust the work of collection of Aadhaar numbers to the GRS concerned.
    - ii. A report will be made available on NREGASoft listing the names of active workers whose Aadhaar number has not been captured in the database – village wise. BDOs will ensure that this is printed and kept ready before 7<sup>th</sup> November.
  - c. GP level: The GRS shall be the person to collect the Aadhaar numbers. There shall be an orientation and training workshop for the GRSs at the

Block level on 8<sup>th</sup> Nov 2014 to take up this work on a campaign mode. During the workshop, GRSs shall be explained the task and shall also be provided with the list of the active workers whose Aadhaar numbers are not available in the database.

- i. GRS shall collect the Aadhaar number along with a Xerox copy of the Aadhaar letter or Aadhaar card for comparing at the Block level before data entry.
- ii. The Gram Rozgar Sahayaks (GRS) shall be mandated to do this task and the salary of GRSs for the month of November and December shall be disbursed only if they complete the task given satisfactorily.
- iii. Every Saturday, the GRSs shall report back to the Block office along with the list of Aadhaar numbers collected during the week. These meetings shall be held on 15<sup>th</sup>, 22<sup>nd</sup>, 29<sup>th</sup> November and on 6<sup>th</sup> December. It is expected that all the households are covered in these 4 weeks by the GRS.

d. Computerisation: The Computer Operators in the Block Office shall be mandated to do the data entry after due verification of the accompanying details. The progress of data entry will be displayed on daily basis in the website and also communicated to the DPCs.

iii) **Manual verification in case of authentication failure by the POs:** MoRD does demographic authentication of the Aadhaar data is seeded in NREGASoft using the Authentication User Agency-Authentication Service Agency appointed by UIDAI and ensures that Aadhaar numbers entered are correct.

Wherever the records seeded with Aadhaar numbers fail the demographic authentication, they need to be manually checked for inaccuracies by the PO or some other senior functionary. This can also be done by physically checking the workers' Aadhaar letters. There are 88.33 lakh such cases waiting for verification. A list of such numbers is provided in each PO's login.

POs shall be mandated to complete this verification before 31<sup>st</sup> Dec 2014.

iv) **Account freezing drive:** All bank accounts where the payments are being made shall be verified with the Banks/Post Offices and confirmed in the online database.

Since no payment can be made to a bank account which has not been verified and confirmed, it is essential that such accounts be checked and confirmed (frozen) in the database by the POs.

The list of all such accounts that need to be confirmed (frozen) will be placed in the PO's log-in. Each PO can take a print of this list Bank/Post office wise.

v) **Bank account seeding at Block level:** Each PO will be mandated to approach the Bank/Post Office concerned along with the list of verified Aadhaar numbers with a request to seed in the Bank/Post office records. The list of these records will be placed in the PO's log-in Bank/Post Office-wise. The PO needs to sign and submit the same with the Bank/Post Office and ensure that they complete seeding of such records both in the banks' Core Banking System and in the NPCI mapper.

## **5. Monitoring**

The Ministry of Rural Development will monitor the progress in this through a weekly video conference with all concerned States, and with the DPCs of districts having bulk of the seeding work left. These VCs will be held on:

- 4<sup>th</sup> November – to monitor the preparations for the drive
- 18<sup>th</sup>, 25<sup>th</sup> November, 2<sup>nd</sup> December and 9<sup>th</sup> December – to monitor progress in seeding

Wherever required, handholding support will be provided to States by deputing resource persons from the Ministry/Other States. These resource persons would be interacting with the respective States on a periodic basis to track progress, address roadblocks, and resolve issues.

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## Abstract of action Items for Stakeholders at State, District & Block levels

Activity	Responsibility
<b>Overall Action Plan</b>	
Kick-off meeting (or video conference) with DPCs to explain the plan and process	State Government
Meeting with BDOs and POs at District level by DPC concerned	DPC
Weekly video conferences with DPCs (every Saturday) to review progress	State Government
<b>Aadhaar Seeding in NREGASoft</b>	
Orientation to GRSs about collecting Aadhaar numbers from each Household	Concerned BDO
Provision of the printed list of active workers whose Aadhaar number is not in database, to the GRS concerned	Computer Operator
Collection and data entry of Aadhaar numbers of active workers through house-to-house visits/ campaign planning	GRSs (at the village level) and Computer Operators (at Block level)
<b>Manual verification of Aadhaar numbers (rejected in demographic authentication)</b>	
Orientation to the Computer Operators at the Block level for correctly verifying the Aadhaar numbers (based on Xerox copy of Aadhaar card) and entering/ editing in the database correctly	BDO/PO concerned
POs checking of the rejected Aadhaar numbers	POs (after a field verification)
<b>Bank account freezing</b>	
Checking of the unconfirmed account numbers of Active workers with bank branches and freezing in the database	Block Office and Computer Operators
<b>Bank account seeding</b>	
Seeding of Aadhaar Numbers in the Bank database	BDOs