

**❖ INTRODUCTION:**

A committee consisting of the following members has been constituted to consider the use of Biometrics, ICT devices and UID to improve the delivery system in the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) at the grass-roots level, including bio-metric attendance on site:

- |                                  |          |
|----------------------------------|----------|
| 1. AS&FA, MoRD                   | Chairman |
| 2. JS(MGNREGA)                   | Convenor |
| 3. Chief Economic Advisor (MoRD) | Member   |
| 4. JS(DoIT)                      | Member   |
| 5. Representative of UID         | Member   |

**❖ ACTION TAKEN:**

1. First meeting of the group was held on 10<sup>th</sup> May, 2010 in the office chamber of AS & FA.
2. Following up on the meeting held under the chairmanship of AS & FA, UIDAI had a meeting with the Minister of Rural Development who directed the JS (MGNREGA) to discuss the matter further with the UIDAI to roll out biometric based transaction of NREGA processes from 20<sup>th</sup> August, 2010 onwards. Another meeting was held by JS (MGNREGA) with DDG, UID on 21<sup>st</sup> May, 2010 to further discuss the issues.

Second meeting of the Committee was held on 7<sup>th</sup> June, 2010 in the office chamber of AS&FA. The meeting was attended by AS&FA, JS(NREGA), JS(DoIT), DDG (UID), Technical Director (NIC), representative of the Punjab National Bank and Director (OneWorld South Asia). A presentation was made by the UID official. Another presentation was made by OneWorld South Asia to demonstrate the use of ICT devices for capturing MGNREGA processes.

**❖ OBJECTIVE:**

The objective is to use ICT devices, Biometrics and integration with UIDAI to introduce bio-metric attendance on site and to improve the overall delivery system in the implementation of

the MGNREGA by capturing all the processes right from registration, demand of work, issue of dated receipt, allocation of work, attendance at worksite with GPS coordinates, measurement of work and wage payments.

It has been observed that manual attendance of workers on site has led to complaints of widespread existence of ghost workers, discrimination in awarding work and delays in the preparations of muster rolls resulting in delayed payments. Bio-metric attendance on site would eliminate to a large extent these problems. It is also felt that as MGNREGA has a comprehensive web based MIS which captures all the process of programme, with the use of ICT devices and Biometrics the MIS can lead to real time capturing of the processes. This will bring in transparency and accountability and help in reducing the delays in measurement and payments. In addition, it would also ensure public money is used prudently and would greatly improve the delivery system. In addition, the data so created could also be used by the banks for the purpose of servicing MNREGA accounts through the Business Correspondent model.

❖ **ISSUES:**

1. The introduction of UID enabled bio-metric database for attendance and the use of ICT for improving the over-all delivery system the following two objectives would be achieved:

i. Primary objective of ensuring biometric attendance on work-sites to eliminate largely ghost workers and the problem of the local leadership appropriating the job cards. This would requires the following processes to be put in place:

- i. Collect bio-metric data of all MNREGA workers and create a State Data Warehouse
- ii. Put in place a system of taking biometric attendance on site everyday through hand-held devices and transmit this data through mobile phone or nearest Internet connectivity to the Data Warehouse for authentication

The following two processes would easily fall in place along with the main processes enumerated above:

- i. GPS enabled lat-long coordinates of the work for which bio-metric attendance is being taken to ensure attendance is on site
- ii. Electronic creation of muster-rolls without manual process

- iii. Long term objective of integrating MIS with the bio-metric data with the purpose of setting up an integrated process of capturing demand in real time, generating date receipt, allocation of work, opening of works and reducing the delays in measurement and payments.

Whereas, the process for achieving both the objectives should be pursued through this exercise, the attempt would be to quickly put the bio-metric attendance, relatively simpler of the two, on ground as quickly as possible.

2. It should be ensured that that as the final outcome, ICT devices are not only used for taking attendance at the worksite but should capture all the processes of MGNREGA right from registration, demand of work, issue of dated receipt, allocation of work, measurement of work and wage payments.
3. This is possible because (a) MIS database is operational (b) ICT enabled processes have been field tested and (c) The operational equipment is now cost-effective.
4. The use of these devices should be based on the existing frame work of the MIS which is work flow based and must be integrated with the MIS.
5. The MGNREGA has a comprehensive web based MIS which captures all the process of programme; however with the use of ICT devices the MIS can lead to real time capturing of the processes. Current MIS has an interface for the workers which can be linked to the Biometric for authentication. These will enabling workers direct interactive use of ICT for their rights. This has been amply demonstrated by some of the pilot project and by one of the technology provider (OneWorld South Asia) in the meeting on 7<sup>th</sup> June, 2010.
6. The use of latest ICT with Biometric for an integrated process of capturing demand in real time, generating date receipt, allocation of work, opening of works, authentic attendance, preparation of the muster rolls, and will also help in reducing delays in measurement and payments would greatly improve the delivery system. In addition, it would also ensure public monies are used prudently.
7. The implications of such an exercise will be:
  - a) Developing a comprehensive concept note for rolling out the programme, which would include the process mapping, with the assistance of external consultants
  - b) Developing service level standards for the service provides
  - c) Developing Service procurement parameters
  - d) Taking State Governments on board to evolve a rollout plan

- e) Training on the use of ICT devices for the end users
- 8. MGNREGA should proceed to develop UIDAI/core-banking compliant biometric database of the workers as there is an urgent need to enhance transparency, reduce leakages and expedite wage payments.

There should be a universal roll out of bio metrics enabled MGNREGA process from 20, August, 2010 onwards.

**❖ RECOMMENDATIONS:**

- a. **The roll out of the project should ensure that the objective of bio-metric attendance on site commences within a period of twelve months from the date of award of the concession. Simultaneously, all the other processes should also be integrated through MNREGA MIS.**
- b. **As the operations would be in the states, the selection process could have been left to them. However, as the process needs to be integrated with the Central Government's MIS for improving the overall delivery of MNREGA. It would be prudent if the technical qualifications, financial bid and the selection of a panel of the private partners are done by the DRD in partnership with the respective state governments. The service level standards, model concession agreement (MCA) etc. would be prepared by the DRD and be used as standard templates by the DRD/state governments. This will also bring a degree of uniformity in the operations in different states. The experience with the roll out of the CSCs programme has amply demonstrated that if the system is to be in place within 12 months, part of the process would have to be managed by the Department of RD, GoI.**
- c. **A Transaction Advisor should be appointed to assist in managing the transaction process which includes developing detailed concept note, service level standards, RFQ, technical qualifications, evaluation criteria etc. for the consideration of DRD. These would be shared by the Programme Division with the state governments.**
- d. **It was agreed that end to end solution should be provided and while preparing the DPR this would be fully factored in.**
- e. **Under MGNREGA two types of transactions will be carried out: one will be onetime biometric data collection, its updating from time to time and maintenance of State MNREGA Data-warehouse. The second will be ongoing field operations like**

registration, demand of work, issue of dated receipt, allocation of work, bio-metric attendance at worksite with GPS coordinates measurement of work with GPS coordinates and wage payments. Private service-providers should be selected and appointed under PPP mode to undertake both the sets of operation.

f. To achieve optimum results and enforce quality, it would be prudent to appoint a single large agency for a state to undertake both the operations. However, the state agency would be permitted to franchise the field operations to other agencies provided the performance guarantee is still provided by them.

g. For launching the programme quickly, it was decided that Transaction Advisor should be selected from the panel of Transaction Advisor approved by Ministry of Finance.

h. Transaction Advisor should study MGNREGA requirements & available solutions in detail and propose the process and solution for managing the services related to MGNREGA operations. The Transaction Advisor would work under the supervision of the Steering Committee.

i. Transaction Advisor will assist in managing the transaction process which includes developing detailed concept note, service level standards, RFQ, technical qualifications, evaluation criteria etc. for the consideration of DRD.

j. To ensure timely implementation of the project the committee constituted to give recommendation may be converted into Steering Committee. In Addition to the members of the existing committee, representative of the DFS and the principal secretaries of some of the major MGNREGA user States may also be appointed to the Steering Committee. However the number of the State representatives should be limited to four to keep the Steering Committee nimble and effective.

l. Even though there are many projects for capturing bio-metric data, the needs of MGNREGA are very different and to ensure the process is completed in a time bound manner MGNREGA should undertake this exercise independently. However, the biometric data so collected may be used by the UIDAI for generating UID number for MGNREGA beneficiaries and by the banks for payment of wages. For this the technical qualifications for both the service provider and the devices used for capturing and validating the data should be UID and core banking compliant.

- m. MGNREGA will enter into partnership with UIDAI/Department of IT (DIT)/Department of Financial Services (DFS): MNREGA will sign MOU for becoming Registrar of the UIDA. In addition, some work has been done by UIDA for creating a panel of service providers and identifying secure hand-held device technologies. Similarly, DIT has also prepared technical specifications for such services. For the DFS, the Indian Banking Association has similarly developed specifications for the use of bio-metric for core banking functions. While finalizing the technical qualifications etc. the in-puts from these would be fully used.**