
COMPUTERIZATION OF TARGETED PUBLIC DISTRIBUTION SYSTEM

Presentation to NeGP
Round Table

30th July 09

PROJECT OBJECTIVES

TPDS

Objectives

Efficiency

Transparency

Effectiveness

Accountability

Sub Objectives

Efficiency

- Ensure real-time Management Information System (MIS)
- Improve internal administrative efficiency

Transparency

- Establish an effective system for redressal of public grievances
- Make all important information available to citizens through citizen interface

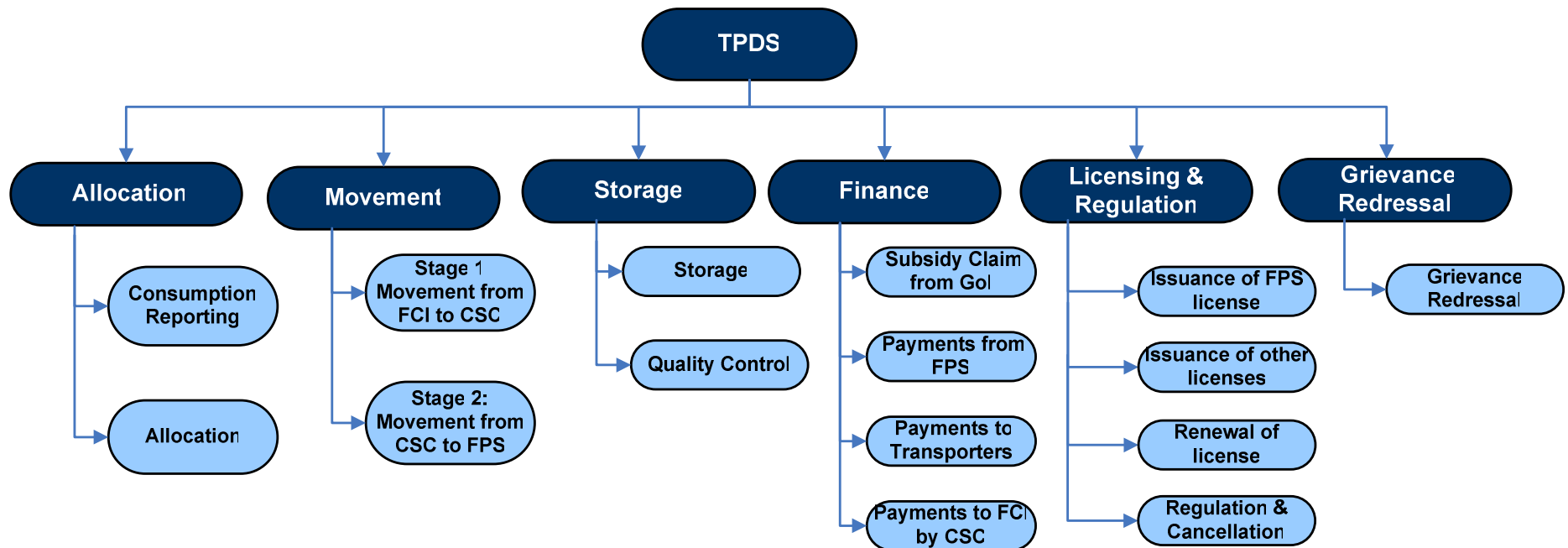
Effectiveness

- Ensure correct amount of commodities reach the intended FPS dealers
- Minimize transit losses and pilferages
- Enable effective licensing & regulation of FPSs
- Ensure timely availability of commodities at FPS

Accountability

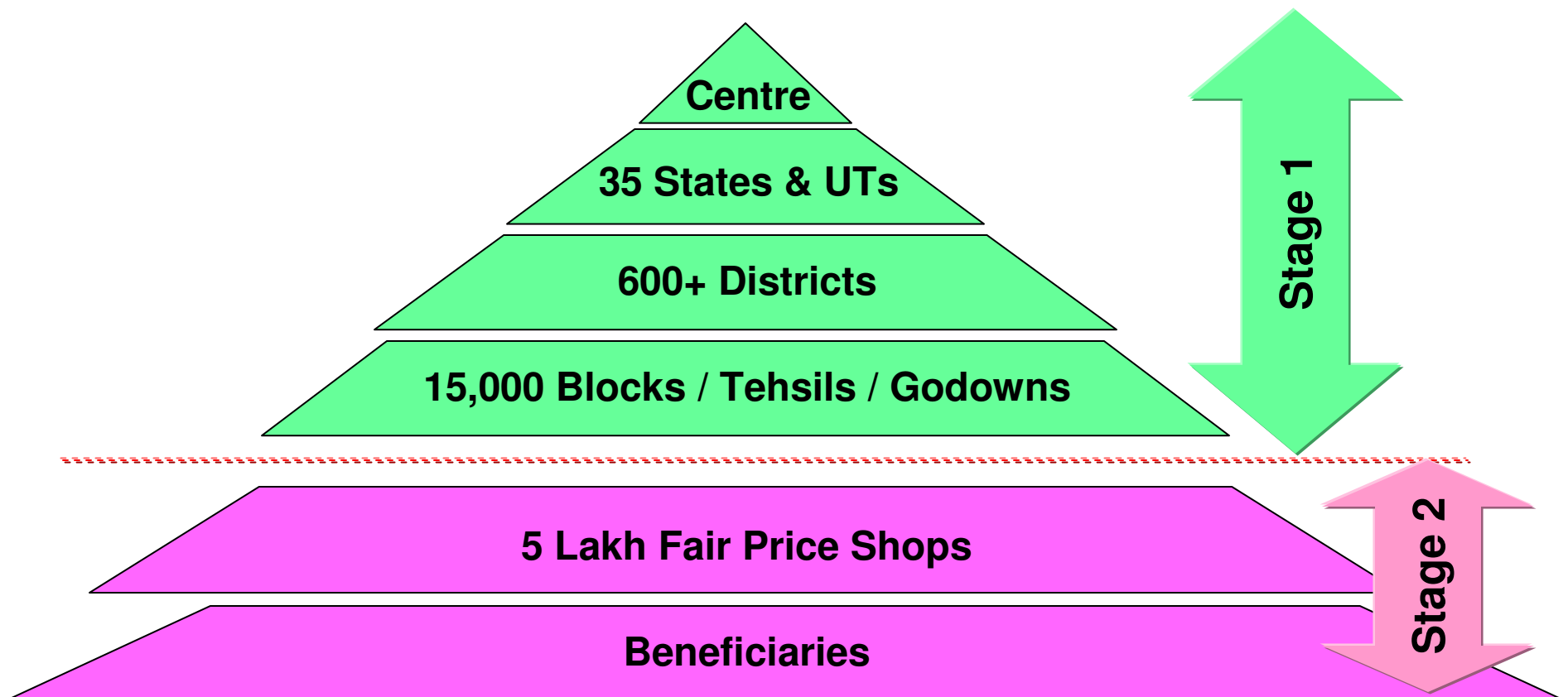
- Ensure traceability of decisions
- Ensure adherence to service levels

KEY FUNCTIONS OF TPDS



- From Centre to Block level (in 4 states – Assam, AP, Chhattisgarh & Delhi)
- Interaction of Center and States with FCI in TPDS (excluding FCI's internal operations)

TPDS IS A 6-TIER DISTRIBUTION SYSTEM



NISG'S ENGAGEMENT

- Assessment of As-Is situation
- Best Practice Study
- Design To-Be Solution
- Project Management Unit (PMU) Design
- Design Change Management Strategy
- Prepare DPR
- Prepare RFP

ASSESSMENT OF TPDS – KEY FINDINGS (1/2)

- Assessment carried out in 2 districts in each of the 4 pilot states - AP, Assam, Chhattisgarh & Delhi
- **Key Problem Areas across TPDS**
 - Information not available on time for decision making and monitoring
 - Leakages and diversion of grains

Function-specific Problems..

- Allocation and Utilization reporting
 - Duplication in allocation process
 - Allocation not linked to utilization
 - Delay in utilization reporting
 - Tedium in data consolidation and sharing

- Storage and Movement
 - Absence of commodity / truck tracking
 - Unavailability of stock position across various levels
 - Leakages and diversions
 - Unscientific storage in state godowns

ASSESSMENT OF TPDS – KEY FINDINGS (2/2)

..Function-specific Problems

• Finance

- Unavailability of FPS wise transaction details
- Time and cost spent on preparation of multiple DDs by FPS dealer

• Licensing and Regulation

- Lack of transparency in licensing and monitoring process
- Non-availability / delay in information across levels
- Absence of renewal tracking system

• Grievance Redressal

- Difficulty in tracking grievances
- Lack of proper mechanism to inform applicant about action taken

TPDS SOLUTION – SALIENT FEATURES

- Significantly re-engineered processes in 6 KFAs
- Computerized system for all TPDS related processes
- Barcode system to track each and every gunny bag in TPDS
- Automatic generation of online MIS / dashboard views at all levels
- Alternate payment channels for FPS dealers
- Call centers and web-enabled interfaces to register and track grievances
- Use of SMS and alerts to enhance vigilance

SOLUTION – SALIENT FEATURES

ALLOCATION & UTILIZATION REPORTING

- Draft allocation by IT application based on multiple parameters
- **Single stage allocation** from State level to FPS level
- One-time entry of FPS wise utilization – **Form B & C to be system generated**
- **Allocation, compulsorily, linked to utilization**
- Timelines to ensure **delivery of commodities by 7th** of allocation month
- SMS on food grains movement to FPS owners, officials and registered citizens

SOLUTION – SALIENT FEATURES

STORAGE & MOVEMENT

■ Bag level identification & tracking

- Barcode generation and stitching at FCI godowns – before dispatch
- Scanning by FCI officials before dispatch
- Scanning at Intermediary godown during receipt and before dispatch to FPS

■ Inventory management system at State's intermediary godowns

■ Recommendations on godown infrastructure enhancements

- Ramps, turbo ventilators, digital weighing machines, planks / dunnages etc.

■ Significant reduction in leakage of food grains due to tracking of gunny bags.

- Estimate with a very conservative assumption of 5% reduction of leakage, could result in savings of approximately 654.39 crores in a year **

** Considering the leakage and diversion level of 36.38% as reported by Planning Commission in its 2005 report “Performance Evaluation of TPDS”

SOLUTION – SALIENT FEATURES FINANCE

- All transactions to be captured in IT system at time of issue and receipt
- Maintenance of **FPS wise ledger** in electronic form
- **Alternate payment channels** for payment by FPS
 - Direct deposit at specified banks and proof of payment instead of DDs (*wherever feasible*)
 - Payment through Citizen Service Centers (*wherever present*)
 - Web-enabled / mobile banking (*in subsequent phases*)
- **Reduction in transaction cost incurred by FPS dealers**
 - Cost for preparation of DDs which ranged upto Rs. 200 can be reduced to Rs. 10 - 20

SOLUTION – SALIENT FEATURES LICENSING AND GRIEVANCE REDRESSAL

■ Licensing & Regulation

- Computerization of licensing and renewal process
- Information and alerts to officers for monitoring

■ Grievance Redressal

- Multiple channels for citizens for registering grievances
 - Call center, website, in-person
- Unique identification for each grievance
- Computerized workflow management
- Status information accessibility to complainants

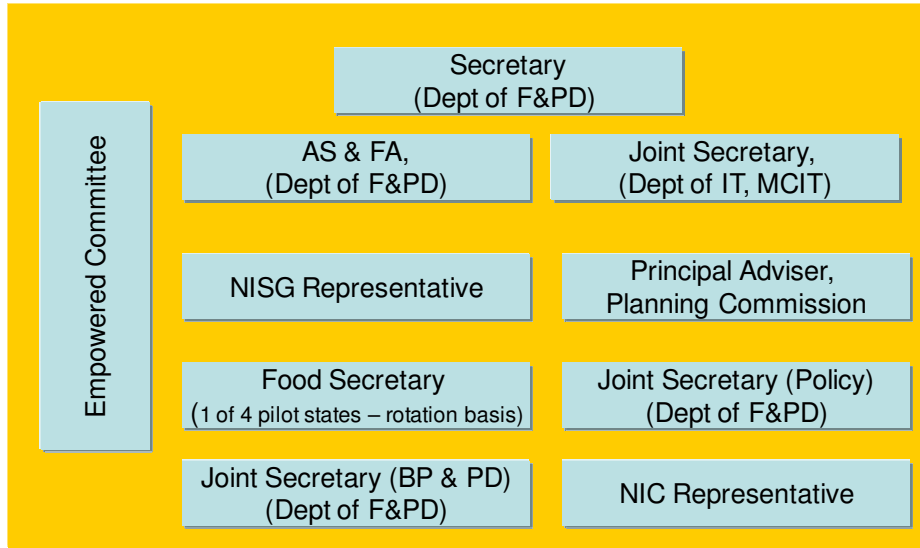
PROJECT APPROACH & IMPLEMENTATION MODEL (1/2)

- 3 districts in four states – AP, Assam, Chhattisgarh & Delhi – have been selected for the pilot.
- Pilot is expected to take 18 months
- Based on the success of this pilot Centrally Sponsored Scheme guidelines will be formulated for nation-wide roll-out

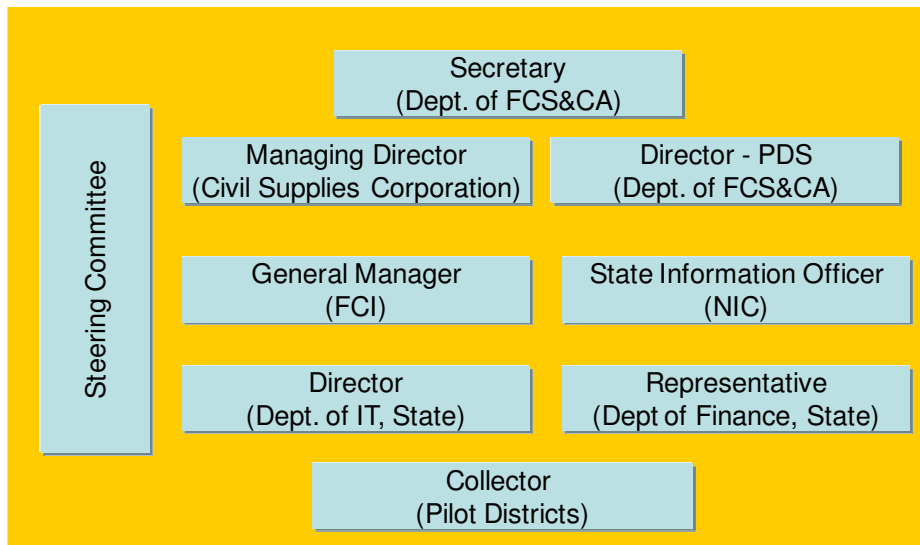
PROJECT APPROACH & IMPLEMENTATION MODEL (2/2)

- Implementation will be done in 3 phases based on the readiness of the state.
 - Phase I – Pilot in 4 States
 - Phase II – Rollout in 15 States
 - Phase III – Rollout in 16 States
- DoFPD will draw up a panel of 4-6 agencies (through EoI) to select a Central IA as well as for selection of state IAs.
- Each State has to select an agency from the empanelled list or engage NIC to implement State specific Modules
- Central IA will define the data exchange policy for seamless data exchange between Centre and State.
- State IA has to design state-specific modules conforming to the data exchange policy defined by Central IA.

GOVERNANCE STRUCTURE



- Empowered Committee at Centre
 - Strategic direction and guidance
 - Addressing policy level issues
 - Final authority to approve all project deliverables



- Steering Committee at State
 - Operational guidance
 - Monitor progress of project
 - Vetting of deliverables

PROJECT MANAGEMENT UNIT (Central)

Program Management

Central PMU



- Project Manager
- Monitoring & Evaluation Expert
- Solution Architect
- IT Infrastructure Expert
- Change Management Expert
- Procurement Expert

Roles & Responsibility

- Project Management
- Monitoring & Evaluation
- Technical suggestions & evaluations
- Problem solving
- Documentation

State PMUs would also be set-up for each State

CURRENT STATUS

- DPR has been approved by Empowered Finance Committee
- EoI submitted to Ministry
- RFP preparation under progress
- Central PMU selection process in progress

THANK YOU

ALTERNATIVES CONSIDERED

