



## Targeted Public distribution system

### What is the issue?

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From providing minute digital records to seeding out fake claims, the targeted public distribution system is visibly reforming.

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### How is the PDS reforming?

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- With 2011-12 National Sample Survey (NSS) data, two-thirds of the population (75 per cent rural, 50 per cent urban) is entitled to subsidised foodgrain through the Antodaya Anna Yojana (AAY) and Priority Households (PHH) schemes.

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- There are other provisions on the Integrated Child Development Services, ICDS, Mid Day Meal Scheme, MDMS, and maternity benefits.

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- Though the NFSA came into force on July 5, 2013, because states needed to evolve criteria and identify beneficiaries, its adoption by states was staggered, with Nagaland, Kerala and Tamil Nadu the last to join, in 2016.

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- All states and/or Union Territories (UTs) are now part of the NFSA.

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- The reforms in NFSA include doorstep delivery of foodgrains to the Targeted Public Distribution System outlets.

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- Application of information and communication technology tools including end-to-end computerisation in order to ensure transparent recording of transactions at all levels, and to prevent diversion.

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- Leveraging “Aadhaar” for unique identification, with biometric information of

entitled beneficiaries for proper targeting of benefits under this Act.

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- Full transparency of records.

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- Preference to public institutions or public bodies such as panchayats, self-help groups, co-operatives, in licensing of fair price shops and management of fair price shops by women or their collectives.

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- Diversification of commodities distributed under the Public Distribution System over a period of time.

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- Support to local public distribution models and grains banks.

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- Introducing schemes, such as cash transfer, food coupons, or other schemes, to the targeted beneficiaries in order to ensure their foodgrain entitlements.

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### **How the reforms help in better targeted approach?**

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- For subsidised grain, there are 186.6 million ration cards, 23 million AAY and 163.5 million PHH.

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- If these are digitised and seeded with Aadhaar numbers, duplication is reduced.

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- Ghost ration cards are eliminated.

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- All 36 states and UTs have digitised ration cards now.

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- For some states, there are live links or reports on digitisation.

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- As of March 31, 2017, 77.04 per cent of ration cards (178.2 million) have been seeded with Aadhaar numbers.

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- Between 2013 and 2016, 23.3 million bogus ration cards were identified and removed.

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- Once records and databases have been fixed, one moves to the online allocation of foodgrains, down to the FPS (fair price shop) level — 30 states/UTs have done this.

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- Since Chandigarh and Puducherry (and partly Dadra and Nagar Haveli, in urban areas) opted for direct benefit transfers (DBTs), with an equivalent cash transfer into seeded bank accounts.  
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- Now, 2,33,520 households are covered by such cash transfers, the bulk in Puducherry.  
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- The “equivalence” is worked out by multiplying the minimum support price (MSP) by a factor of 1.25 and subtracting the central issue price (CIP).  
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## **What is the way forward?**

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- The next step is the automation of the supply chain management (delivery orders, release orders, truck chalans, gate passes, receipts and issuance of foodgrains, monitoring of stock positions, payments and SMS alerts when opted for).  
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- As of now, 20 states and/or UTs have done this, some featuring live links.  
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- All have transparency portals and toll-free helplines.  
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- Except for Arunachal Pradesh and J&K, all have online grievance registration facilities.  
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- The last step in this end-to-end computerisation of the TPDS which is the most difficult task.  
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- This is the automation of fair price shops, through handheld devices or computers like EPOS (electronic point of sale) devices.  
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**Source: Indian Express**

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