

**URGENT**

**Important**

No.G.24011/6/2014-UPA (FTS 10625)  
Government of India  
Ministry of Housing & Urban Poverty Alleviation  
(UPA Division)

Room No.215-B, Nirman Bhavan,  
New Delhi, Dated 3<sup>rd</sup> January, 2017

To

Mission Directors (SULM)  
All States/UTs

Subject: Use of Aadhar based DBT in DAY-NULM - regarding.  
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I am directed to refer to this Ministry's letters of even number dated 18.3.2016 and 23.6.2016, (copies enclosed) on the subject mentioned above vide which all States/UTs were requested to take the following courses of action on priority basis:-

- i) Creation of an internal DBT Cell in State/UT (latest by 30.6.2016);
- ii) Adoption of DBT measures for DAY-NULM for last leg transfer of funds through electronic means by state implementing agencies to an Institution/Organization or a beneficiary by following the procedures prescribed in the Concept Note circulated vide this Ministry's O.M. dated 18.3.2016. Scope of DBT may be enhanced by including the transfers made in the form of salary, honorarium, incentives, etc. paid to the various enablers of DAY-NULM like Community Organizers and other contractual staff engaged by SMMUs and CMMUs (latest by 15.7.2016);
- iii) Seeding of beneficiaries list with Aadhaar or any other bio-metric identification (latest by 15.12.2016)
- iv) Developing an IT application to capture real time information about the DBT status of various schemes and uploading of details of beneficiaries on MIS portal by the implementing agencies which can be accessed by the Ministry, State/UT Governments and other stake holders (latest by 15.12.2016);

2. It is requested that the progress achieved by your State/UT in digitizing the beneficiary database and Aadhaar seeding of the digitized beneficiary database, may be intimated to the Ministry. If the process has not been completed so far, the specific time-frame by which Aadhaar seeding of the digitized beneficiary database, may kindly be indicated.

3. It may kindly be ensured that all payments to implementing agencies/institutions, training providers and end beneficiaries may be made through electronic means only and cheque/cash payments may be discarded. Further, all

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bank accounts of beneficiaries need to be Aadhaar linked to ensure Aadhaar based DBT disbursement. A revised Concept Note on adoption of DBT initiatives, has also been prepared by incorporating the measures to be adopted under the components like 'Innovative & Special Projects' and 'Support to Urban Street Vendors'. A copy of the same is enclosed.

4. All States/UTs are requested to send an Action Taken Report on adoption of DBT measures for DAY-NULM like digitization of beneficiary database, Aadhar seeding of beneficiary data base, Aadhaar linking of bank accounts and transfer of funds through electronic means, to the Ministry at the earliest.

Encl: as above.

Yours faithfully,



(Archana Mittal)  
Director(UPA-1)  
Tele # 2306 2127

## CONCEPT NOTE ON ADOPTION OF DBT INITIATIVES UNDER NULM

### Guidelines for Direct Benefit Transfer

To meet the socio-developmental objectives of poverty elimination and inclusive growth, a number of Government programmes and schemes have been introduced. However, optimal efficient and effectiveness have not been achieved due to leakages, etc. Direct Benefit Transfer (DBT) Scheme aims to reduce leakages, cut down corruption, eliminate middlemen, target beneficiaries better, speed up transfer of benefits to eligible beneficiaries.

To streamline implementation of DBT, the Ministry of Finance has issued guidelines from time to time. Ministry of Finance has directed vide their Office Memorandum No.I-11011/58/2013-DBT dated 27.8.2015, that DBT Mission prescribed framework is to be implemented by all Ministries/Departments for all Central Sector Schemes and Centrally Sponsored Schemes where component of transfer of cash benefits to beneficiaries is involved. Ministry of Finance further directed that in cases where sanction is made through State Government under Centrally Sponsored Scheme, with or without matching grant by State, the DBT initiative is to transfer funds electronically through Public Financial Management System (PFMS) platform to the respective state Government and ensure that state Government releases funds directly to the beneficiaries electronically.

In accordance with the directions of the Ministry of Finance contained in their Office Memorandum No.I-11011/58/2013-DBT dated 13.2.2015 and 19.2.2015, for Centrally Sponsored Schemes where funds are transferred to State Governments, each Ministry/Department will work with the respective State Governments to ensure that the cash component of each scheme is transferred electronically to each beneficiary(individual or institution). In case funds are being transferred to any institution that institution shall transfer cash component of those funds to each beneficiary electronically.

### Present system of fund flow in NULM

- i. The funds are devolved/transferred by the Ministry to the Government of State/UT.
- ii. Funds are further released by the State Government to the State Urban Livelihoods Mission Unit (SULM) which is deposited in their bank accounts.
- iii. The SULM transfers money to the Urban Local Body (ULB) which is deposited in bank accounts of ULBs.

- iv. ULBs releases the funds to training providers, banks, individuals or institutions as the case may be through cheque/cash or direct transfer to bank accounts.

#### Proposed system of fund flow in NULM

- i) All steps of the present system of fund flow will remain the same except that funds which are to be transferred directly to beneficiaries(individuals or institutions), will be released by ULBs directly to the accounts of beneficiaries (individuals or institutions) through the PFMS system of CGA or NEFT/RTGS or Aadhar based system of NPCI.

The sub components under NULM where DBT is possible and the procedure for implementing the DBT, are as follows:

- I. Self-Employment Programme (SEP)
  - i) Under the SEP component, interest subsidy over and above 7% rate of interest is available on a bank loan for setting up of individual or group enterprises. At present, the difference between 7% per annum and the prevailing rate of interest, is being provided to banks under the SEP component.
  - ii) Under the DBT initiatives, the interest subsidy can be credited to the bank account of the beneficiary(individual or group). For this purpose, ULBs will maintain a list of all beneficiaries/groups and their accounts which have been verified. Banks will calculate the amount of interest subsidy and additional interest subvention and intimate the details to ULBs. Thereafter, the ULBs will make an invoice of accounts against which the cash benefits will be transferred directly to the accounts of beneficiaries/groups.
  - iii) An additional 3 percent interest subvention is provided to all Women SHGs (WSHGs) who repay their loan in time. The interest subvention can be directly credited to the bank account of WSHGs after obtaining a certification from the bank regarding timely repayment of the loan by the WSHGs.
  - iv) The transfers made through DBT may also be updated in the NULM MIS portal.
- II. Employment Through Skills Training And Placement (EST&P)
  - As per the Common Norms which are applicable to the Employment

Through Skill Training and Placement(EST&P) component of NULM, the Transport costs, boarding and lodging expenses, post placement support, etc. are admissible to certain candidates as prescribed in the guidelines.

- Under the DBT initiatives, the Training Providers will maintain a list of all beneficiaries/groups and their accounts which have been verified.
- If the training provides for reimbursement of transport costs, boarding and lodging expenses, etc. which are to be given to the beneficiaries along with their account details, will be sent by the Training Providers to ULBs.
- After due verification, the ULBs will make an invoice of accounts against which the cash benefits will be transferred directly to the accounts of beneficiaries, preferably through PFMS System of CGA. However, the ULBs may also use the NEFT/RTGS or the Aadhar based NPCI.
- The transfers made through DBT may also be updated in the NULM MIS portal.

### III. Social Mobilisation and Institution Development (SM & ID)

- Under the SM&ID component, a onetime Revolving Fund support of Rs.10,000/- is provided to urban poor SHGs which have not availed such support earlier. Similarly, a onetime Revolving Fund support of Rs.50,000/- is available to registered Area Level Federations of SHGs.
- Under the DBT initiatives, Urban Local Bodies(ULBs) will maintain a list of SHGs and ALFs and their accounts which have been verified.
- Thereafter, the ULBs will make an invoice of accounts against which the Revolving Fund support will be transferred directly to the accounts of beneficiaries preferably through PFMS System of CGA. However, the ULBs may also use the NEFT/RTGS or the Aadhar based NPCI.
- The transfers made through DBT may also be updated in the NULM MIS portal.

### IV. Support to Urban Street Vendors(SUSV)

- Street vendors who undergo a training programme/workshop will

be paid a daily amount as stipend for number of days attended, and calculated based upon opportunity cost of livelihood.

- Under the DBT initiatives, the Training Providers/Resource Agencies will maintain a list of all beneficiaries and their accounts which have been verified.
- Claims for stipend to be given to the beneficiaries along with their account details, will be sent by the Training Providers/Resource Agencies to ULBs.
- After due verification, the ULBs will make an invoice of accounts against which the cash benefits will be transferred directly to the accounts of beneficiaries, preferably through PFMS System of CGA. However, the ULBs may also use the NEFT/RTGS or the Aadhar based NPCI.
- The transfers made through DBT may also be updated in the NULM MIS portal.

V. Innovative & Special Projects(I&SP)

- Under the DBT initiatives, all payments to the Institution/NGO or the Training Providers/Resource Agencies will be transferred directly to the concerned organization, preferably through PFMS System of CGA. However, the ULBs may also use the NEFT/RTGS or the Aadhar based NPCI.
- Any Project having a cash component for the beneficiaries will have to ensure Aadhar seeding of the beneficiaries.
- Under the DBT initiatives, the Institution/NGO will maintain a list of all beneficiaries and their accounts which have been verified.
- Claims for cash benefit to be given to the beneficiaries along with their account details, will be sent by the Institution/NGO to State Implementing Agency/ULBs.
- After due verification, the State Implementing Agency/ULB will make the invoice of accounts against which the cash benefits will be transferred directly to the accounts of beneficiaries, preferably through PFMS System of CGA. However, the ULBs may also use the NEFT/RTGS or the Aadhar based NPCI.
- If the Project envisages provision of training for the beneficiaries, the Institution/NGO will maintain a list of all beneficiaries and their accounts which have been verified. Aadhar seeding of all beneficiaries will also be done.
- If the training provides for reimbursement of transport costs, boarding and lodging expenses, etc. which are to be given to the



- beneficiaries along with their account details, will be sent by the Training Providers to the State Implementing Agency/ULBs.
- After due verification, the State Implementing Agency/ULB will make the invoice of accounts against which the cash benefits will be transferred directly to the accounts of beneficiaries, preferably through PFMS System of CGA. However, the ULBs may also use the NEFT/RTGS or the Aadhar based NPCI.
  - The transfers made through DBT may also be updated in the NULM MIS portal.

#### VI. Capacity Building & Training (CB&T)

- Under the CB&T component, remuneration, TA, DA, etc. are provided to staff including Experts in SMMU and CMMUs, Community Organisers and support staff.
- Under the DBT initiatives, All State Level Implementing Agencies and Urban Local Bodies(ULBs) will maintain a list of staff along with their Aadhaar number and bank accounts which have been verified. All payments made to staff on account of their remuneration, TA, DA, etc. would be made directly to their bank accounts preferably through PFMS System of CGA. However, the NEFT/RTGS or the Aadhar based NPCI may also be used.
- In case the manpower support at SMMU and CMMUs, is hired through an agency, the agency will maintain their Aadhaar number and bank accounts which have been verified. All payments made to the agency, will be transferred to its bank account electronically preferably through PFMS System of CGA. However, the NEFT/RTGS or the Aadhar based NPCI may also be used.
- The transfers made through DBT may also be updated in the NULM MIS portal.

#### Integration of DBT details with MIS

Details of beneficiaries including Aadhaar number, bank account numbers, mobile number, amount transferred to each account through DBT, transaction details, etc. should be entered in the MIS regularly.

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No.G-24011/6/2014-UPA (FTS - 10625)  
Government of India  
Ministry of Housing and Urban Poverty Alleviation  
(UPA Division)


Nirman Bhawan, New Delhi,  
Dated the 15<sup>th</sup> March, 2016

Office Memorandum

Subject: Adoption of DBT initiatives under DAY-NULM - regarding.

I am directed to state that as per the extant instructions of the Ministry of Finance, Direct Benefit Transfer (DBT) Mission prescribed framework is to be implemented by all Ministries/Departments for all Central Sector Schemes and Centrally Sponsored Schemes where component of transfer of cash benefits to beneficiaries is involved. Accordingly, it has been decided to adopt the DBT initiatives under various components of DAY-NULM wherever possible.

2. A concept note on adoption of DBT initiatives under DAY-NULM, has been prepared and the same is sent herewith. It is requested that the consent of the State/UT along with suggestions, if any, for further improvement/fine-tuning of the proposal may be sent to the Ministry at the earliest so that the DBT framework can be implemented for DAY-NULM.

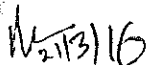
  
(Archana Mittal)  
Director (UPA-1)  
Tele # 2306 2127

Mission Directors,  
SULM,  
All States/UTs

Copy to i) PPS to Secretary(HUPA)  
ii) PPS to JS&FA









No.G-24011/6/2-14-UPA (FTS - 10625)  
Government of India  
Ministry of Housing and Urban Poverty Alleviation  
(UPA Division)

Nirman Bhawan, New Delhi,  
Dated the 23<sup>rd</sup> June, 2016

To  
The Principal Secretary/Secretary(UD/Municipal Administration),  
All States/UTs

Subject: Adoption of DBT initiatives under DAY-NULM - regarding.

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I am directed to refer to this Ministry's Office Memorandum of even number dated 18.3.2016(copy enclosed) vide which a Concept Note on adoption of DBT initiatives under DAY-NULM, was forwarded. Thereafter, Cabinet Secretariat has informed vide their O.M. dated 31.3.2016(copy enclosed) the scope of DBT is expanded to include all welfare/subsidy schemes operated by all Ministries/Departments of Government of India directly or through implementing agencies, which involve cash/kind benefits' transfers to individuals. It is specified that the scope of DBT is expanded to include cash transfer to individual beneficiaries, in-kind transfer to individual beneficiaries as in the case of Public Distribution System and other transfers within the programme design comprising transfers made to the various enablers of government schemes like community workers, NGOs, in the form of honorarium, incentives, etc, for successful implementation of the schemes. Further, all States/UTs are required to establish internal DBT Cell to take advantage of ICT technology to improve Government to People interface and develop IT application to capture real time information about the DBT status of various schemes.

2. Stiff time-lines for implementation of DBT have been laid down by the Government and these includes setting up of internal DBT Cell in all States/UTs by 30.6.2016, all DBT disbursal to be Aadhar linked by 31.12.2016 and all subsidies and welfares schemes to be brought under DBT by 31.3. 2017.

3. In view of the facts mentioned in the preceding paras, all States/UTs are requested to take the following courses of action on priority basis:-

- i) Creation of an internal DBT Cell in State/UT (latest by 30.6.2016);

- ii) Adoption of DBT measures for DAY-NULM for last leg transfer of funds through electronic means by state implementing agencies to an Institution/Organization or a beneficiary by following the procedures prescribed in the Concept Note circulated vide this Ministry's O.M. dated 18.3.2016. Scope of DBT may be enhanced by including the transfers made in the form of salary, honorarium, incentives, etc. paid to the various enablers of DAY-NULM like Community Organizers and other contractual staff engaged by SMMUs and CMMUs (latest by 15.7.2016);
- iii) Seeding of beneficiaries list with Aadhar or any other bio-metric identification(latest by 15.12.2016)
- iv) Developing an IT application to capture real time information about the DBT status of various schemes and uploading of details of beneficiaries on MIS portal by the implementing agencies which can be accessed by the Ministry, State/UT Governments and other stake holders(latest by 15.12.2016);

3. Cabinet Secretariat has informed that implementation of DBT in all Schemes involving transfer of cash and in-kind benefits to individual beneficiaries has gained prime importance and its implementation is being monitored at the highest level. As such, you are requested to take necessary action and intimate the details of Internal DBT Cell constituted in your State and the measures taken for rolling out of DBT measures for DAY-NULM, by return communication.

Yours faithfully,

  
(Y.S. Awana)

Deputy Secretary(UPA-II)

Tele # 2306 2127

- Copy to
- i) Mission Directors, SULM, All States/UTs
  - ii) PPS to Secretary(HUPA)
  - iii) PPS to JS&FA, iv) PPS to HS(UPA)