WFP Innovating with India

WFP draws from more than 50 years of experience in India to support the Government in finding solutions to strengthen the country’s food safety nets in order to address existing levels of malnutrition and food insecurity in the country. Over the last few years, WFP has transitioned from direct provision of food aid, into delivering advice and technical support to the Government of India to improve delivery of subsidised food through the TPDS.

State Governments are free to adapt TPDs to their local contexts allowing food aid, into delivering advice and technical support to the Government of India to support the Government of Odisha, in Rayagada district where WFP understands the real complexities of running the TPDS. WFP has several years of first-hand experience working with the Government of Odisha - The Rayagada Experience

WFP’s experience in Rayagada has demonstrated how impact can be achieved by improving the targeting of the most vulnerable people, reducing leakages of food from the system and giving people more convenience when they access their right to subsidised food. The TPDS 3S model is based on the Rayagada experience as well as 6-months comparative study of TPDS models across the country, which WFP undertook with the Department of Food and Public Distribution. The proposed TPD 3S model addresses all major implementation issues to improve TPDS efficiency. This requires a focused effort from State Governments and all stakeholders to ensure food entitlements reach the most vulnerable.

How WFP Can Offer Support

The TPDS 3S model is guided by the principle that genuine beneficiaries should not be denied service and that technology can make delivery of food rations more efficient. WFP uses its extensive ground level experience to support State Governments across the country, offering support, advice and on-going technical assistance. Depending on what is a regionally urgent need, the support can be implemented nationally. This requires a focused effort from State Governments and all stakeholders to ensure food entitlements reach the most vulnerable.

WFP support can come in the form of:
• Customising TPDS 3S model Solutions Packages - working alongside State Governments with practical support (this consists among others of tailored TPDS 3S model designs, standard operating procedures, implementation plan, costs, timelines and best practices, contingency plans for system malfunctions and glitches).
• WFP can support State Governments with its expertise, advice and analytical support. There is the option to have WFP staff embedded within Government structures, as a way to give more direct support in the day-to-day monitoring of how the system is working in specific contexts.
• WFP can also act as a repository for learning and best practice for TPDS. Working closely with State Governments on TPDS reform allows WFP to share lessons learned through its field experience.

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WFP in Odisha - The Rayagada Experience

WFP Innovating with India

WFP understands the real complexities of running the TPDS. WFP has several years of first-hand experience working with the Government of Odisha - The Rayagada Experience

WFP undertakes TPDS reforms using various Information and Communication Technologies including mass of biometric led TPDS system. The TPDS 3S model is based on the Rayagada experience as well as 6-months comparative study of TPDS models across the country, which WFP undertook with the Department of Food and Public Distribution.

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WFP works closely with State Governments to tailor and customise best practices. WFP plans a coordinated large-scale engagement with the TPDS 3S model proposes three-levels of intervention that range from full engagement in State TPDS implementation efforts through State Project Management Units, to an advisory and advocacy focused role.

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WFP’s experience in Rayagada has demonstrated how impact can be achieved by improving the targeting of the most vulnerable people, reducing leakages of food from the system and giving people more convenience when they access their right to subsidised food. Transformation of TPDS based on a model developed from tried and tested processes is most likely to succeed. For TPDS to run efficiently, WFP advocates State Governments to consider the TPDS 3S model.
The proposed TPDS 3S model is flexible and can be scaled-up across States; and would cost an estimated Rs. 3000-3600 crores ($500-600 million) to be implemented nationally. This is proposed to result in savings in the tune of Rs. 6000 crores ($1-2 billion)

WFP estimates that about Rs. 12-15 crores ($2-2.5 million) can be saved per district per year through adoption of the TPDS 3S model. Nationally these savings could total 6-10% of the current food subsidy - representing a return on investment within less than one year. Financial savings are crucial for the investment needed to improve the nutritional content of the food rations provided.

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Safety Net, the Targeted Public Distribution System

WFP's TPDS 3S Model Strengthens the World's Largest Social Safety Net

The Targeted Public Distribution System (TPDS) - the world's largest social safety net - currently serves around 65 million of the country's most vulnerable people in India, delivering wheat, rice, sugar and kerosene oil to them. The TPDS 3S model, which serves as a default, technology-led, policy-oriented approach, will be covered by the legal right to access subsidised food. The TPDS 3S model is the evidence-based solution that pays off for everyone.

The TPDS 3S model is based on WFP's work in Odisha, as well as with multiple States by developing the skills and capacity of governments to effectively implement the TPDS 3S model in their own States. The TPDS 3S model, built together with the Boston Consulting Group, aims to transform the TPDS system in India. A recent initiative to expand the TPDS 3S model is taken up.

The TPDS 3S model advocates a market mechanism where people are free to choose which shop they purchase from any type of Fair Price Shop. There is no disincentive to provide bad service and likewise there is no incentive to provide good service. Despite being central to the process few Fair Price Shops are actually financially viable and this is a significant cause of pilfering. Support and collaboration of shop owners is critical for the success of the TPDS 3S model.

The TPDS 3S model is explained as follows:

1. **Delivery**: This will not only better serve those in need but it will also help authenticate the right beneficiaries. The TPDS 3S model recommends end-to-end automated systems that can authenticate beneficiaries in real-time for some 31 different welfare programmes. Over 400 million Indians have already enrolled under Aadhaar; the entire Indian population is expected to be covered by the end of 2014. Full Aadhaar enrollment provides a huge opportunity and a cornerstone for the WFP-led TPDS 3S model.

2. **Strengthen**: The increased coverage of the NPSA therefore provides an opportunity to strengthen the TPDS. The political commitment has been backed with financial provision by the Government of India at $1.4 billion (1165 million) in the first phase of TPDS transformation. This phase focuses on digitisation of beneficiaries' records, supply chain automation and effective ways through which the public can raise complaints or concerns about the delivery of their subsidised food.

3. **Secure**: Other significant factors in the supporting environment include an expansion in rural infrastructure with electricity and data connectivity to more than 90% of India's villages. India's biometric-linked unique ID, Aadhaar, which uses cutting edge technology and fingerprint recognition is also being used everywhere as a façade. Aadhaar can authenticate beneficiaries in real-time for some 31 different welfare schemes. Over 400 million Indians have already enrolled under Aadhaar; the entire Indian population is expected to be covered by the end of 2014. Full Aadhaar enrollment provides a huge opportunity and a cornerstone for the WFP-led TPDS 3S model.

The TPDS 3S model is also needed to meet the strict timelines outlined in the NPSA. WFP believes that the time is right for a coordinated, large-scale effort across multiple States to ensure that every entitled individual can authenticate beneficiaries in real-time for some 31 different welfare programmes. Over 400 million Indians have already enrolled under Aadhaar; the entire Indian population is expected to be covered by the end of 2014. Full Aadhaar enrollment provides a huge opportunity and a cornerstone for the WFP-led TPDS 3S model.

The urgency

Despite India's economic growth trajectory over the last two decades, agriculture has not kept pace with other sectors. Although India grows enough food to feed itself, in 2013 it is still amongst the world's undernourished countries. The Government around 43% of children under the age of five are malnourished and more than half of all women of childbearing age are anaemic. Given the scale of the problem there is an urgent need to ensure TPDS serves vulnerable people.

Various pilots designed to offer solutions have had varying degrees of success but none has been shown to be scalable across the country.

The opportunity

The TPDS 3S model is even more critical with the recently passed National Food Security Act (NPSA), which increases the population entitled to subsidised grains.

The NPSA also means State Governments are now legally responsible for any failure to provide food entitlements to citizens.

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The system

India's subsidised food distribution system, the Targeted Public Distribution System (TPDS), currently serves around 65 million of the country's most vulnerable people in India, delivering wheat, rice, sugar and kerosene oil to them. The TPDS is one of the world's largest food distribution systems with a long and complex supply chain: from procurement, transportation, storage and distribution through 50,000 dedicated Fair Price Shops across the country.

In an overview of some of the options for what is possible with the TPDS 3S model:

- **Digital verification**: At WFP key flagship events, beneficiary kits can have duplicate, cryptographically signed, biometric fingerprints and a unique ID code that can be read and verified on a mobile phone. Depending on the quality of implementation, budget and budget there are various options for State Governments to undertake HIC (from replacing analogues with digital systems) or expensive biometric verifications in the release of entitlements. Secure and methodical Governments can leverage Aadhaar ID coverage, which can be mapped to the mobile phone, to create a biometric-verified system.

- **Automated food stock monitoring systems**: Currently State Governments are struggling to maintain accurate data - given change in stocks, various pilots that have been run to improve accuracy have not provided the expected benefits. Biometric ID can help authenticate the right beneficiaries. The TPDS 3S model can serve as a robust and reliable data management system. Beneficiaries can help support easy modification to data. This can be managed at block level, technically, which can then be transferred to other management solutions too, including a walk-in complaint and reissue system.

- **Automated SMS distribution reporting**: Existing paper-based procedures mean there is scope for manipulation of stocks allocated to sales reports and many stock reports have a mix of stock allocated and sales recorded. This can lead to incorrect reports and miscalculations. The TPDS 3S model can serve as the backbone for the distribution system and to make it easier to manage the system it can be linked to a mobile phone technology, this is a real possibility even in remote areas.

- **Full sale of grain at any retailer**: Under the current TPDS there is potential for manipulating stocks, selling below sale price and making all the actual sales were more accurate and not lost anywhere. Shop owners need to understand and operate new tools, technologies and processes. Further incentives need to be incorporated to help make the shops viable.

- **Effective validation of Fair Price Shops**: The TPDS 3S model advocates a market mechanism where people are free to choose which shop they purchase from any type of Fair Price Shop. There is no disincentive to provide bad service and likewise there is no incentive to provide good service. Despite being central to the process few Fair Price Shops are actually financially viable and this is a significant cause of pilfering. Support and collaboration of shop owners is critical for the success of the TPDS 3S model.

- **Improved visibility of Fair Price Shops**: The TPDS 3S model advocates a market mechanism where people are free to choose which shop they purchase from any type of Fair Price Shop. There is no disincentive to provide bad service and likewise there is no incentive to provide good service. Despite being central to the process few Fair Price Shops are actually financially viable and this is a significant cause of pilfering. Support and collaboration of shop owners is critical for the success of the TPDS 3S model.

- **Accessible, effective complaints system**: Currently there is no accountability to file a case in the State. The National Food Security Act makes monitoring procedures using HIC to TPDS. An effective system needs to link and integrate data from different sources. The TPDS 3S model may include an expansion in rural infrastructure with electricity and de-duplicated access reports on the TPDS 3S model via a public transparency portal. Stakeholders can be informed. All stakeholders need to be able to access information to improve the performance of the TPDS across the country. The NFSA also means State Governments are now legally responsible for any failure to provide food entitlements to citizens.