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Ajay Chhibber, Director General of the Independent Evaluation Office (IEO) & a former assistant secretary general of the UNDP interviewed by Sanjeeb Mukherjee

-The Business Standard

Interview with Director General, Independent Evaluation Office, Planning Commission

The Independent Evaluation Office (IEO) was created at the Planning Commission in August 2013 to monitor the outcome and effectiveness of various social sector initiatives taken by the UPA government. It began with an evaluation of the Public Distribution System (PDS). Ajay Chhibber, Director General of the IEO, a former assistant secretary general of the UN Development Programme, tells Sanjeeb Mukherjee his initial findings indicate almost 40 per cent of the foodgrain allocated under PDS do not reach the intended beneficiary. The final report is expected around June. Edited excerpts:

** What was your initial finding on the PDS? Has the leakage gone down from the 2005 level of almost 40 per cent?*

It is hard to say, as some of it is plain diversion, while some of it is due to outdated data (beneficiary list). But, I can't see anything that could have changed it from the 2005 estimate of around 40 per cent diversion, quite frankly.

** How big is the whole talk of corruption in the PDS system? Is the entire 40 per cent leakage due to corruption?*

My initial hypothesis was that a lot of this was only due to corruption. But, it is not like that; some is surely corruption and some are systemic issues. So, this 40 per cent is a combination of all that; it (split between genuine leakages and pilferage, etc) can be 50-50. I have also found where the PDS has been made universal, there is less corruption, as in Tamil Nadu.

** Are you saying the targeted approach is wrong?*

No, if you have to target, do it in a different way. You can't be saying these people are included and those are excluded and then say there will be no corruption at all. Of course, there are cost issues involved in universalisation.

** Have you also evaluated the efficacy of giving cash in place of foodgrain to check leakages? If yes, what have been your findings?*

We are looking into that. In 30-40 per cent of India, primarily in urban centres, cash transfer could be considered as an option because people these days are more interested in nutritional

security, not only food security. Indexation of this cash can be done to the food inflation indexes like the consumer price index, etc.

** The food security law is now in place. It does not provide for cash transfer in the first place and relies heavily on the existing PDS system. Where will your finding stand?*

The final decision rests with the new government to decide; our job is to give the recommendations. I don't feel the need to be constrained by the feeling that there is a new law and so you can't say anything about it.

** Apart from PDS, what are the other programmes you have started evaluating? When can we expect the reports?*

Apart from PDS, we are going to look at the whole issue of movement of grain from the purchase centre to the consumer. Eventually, we will also look at the Food Corporation of India and its operations, as well as the open-ended grain procurement policy. The second big study we are doing is on the Maternal Mortality Rate, a good indicator of how the health system is working. We are also going to do a major evaluation of the national rural job guarantee scheme, MGNREGS, which will start from April. Any study we do will take at least a year to complete.

** How is IEO evaluating the programmes?*

For PDS, the National Council of Applied Economic Research is doing a very large survey for us. They did it in 2005 as well. The second part of this work, tracking of money and grain, will be done by somebody else. We are doing some focused studies in Rajasthan, Himachal Pradesh and few more states for meta-analysis. For MGNREGS, we are still looking for an agency to conduct the studies. We are also working on a cross-state index on public service delivery and the ability to deliver services.

The Business Standard, 3 February, 2014, http://www.business-standard.com/article/economy-policy/there-seems-to-be-at-least-40-leakage-in-our-targeted-pds-system-ajay-chhibber-114020200447_1.html

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