



# Application Ecosystem for Integration of Procurement Portals

## Why in News

Recently, the **Department of Food and Public Distribution** has developed an **application ecosystem for integration of procurement portals of all state governments.**

## Key Points

### ▪ About:

- The Application Ecosystem will allow the integration of procurement portals of all state governments having **Minimum Threshold Parameters (MTPs)** for monitoring and strategic decision making.
  - The introduction of MTPs in procurement operations are **necessitated to avoid middlemen** in procurement and **ensure that farmers get the best value for their produce.**
  - **MTPs will ensure uniformity and interoperability** among the states.
- The MTPs are five key details which states are required to capture in their procurement portals, which are related **to online registration, farmer data, digitized mandi and procurement, and billing.**
- The integration of state portals with the central portal will go a long way in **expediting the reconciliation of procurement figures with States** and release of funds by the Centre Government to the States.

### ▪ Need:

- **Challenges in Implementing Schemes:**
  - Due to variations in the procurement systems, there emerge both **systemic and implementation challenges** for implementing the schemes of the central government.
- **Delays in Funding:**
  - Reconciliation of the procurement operations with various states is sometimes a **long-drawn exercise, leading to delays in the release of funds to states.**
- **Inefficiencies:**
  - Moreover, the non-standard procurement operations also **lead to avoidable inefficiencies**, which manifest in the form of middlemen in the procurement operations.
- **Standardization:**
  - There is **no pan-India standard procurement ecosystem** for monitoring and strategic decision making.
  - Standardization of the operations are **essential in helping the country achieve**

**greater levels of transparency and efficiency** in procurement operations, which ultimately lead to ensuring food security for the people of the country.

▪ **Benefits:**

- **Farmers:** Will be able to sell their produce at suitable prices and avoid distress sale.
- **Procuring Agencies:** With better management of procurement operations, the State agencies and [Food Corporation of India](#) will be able to procure efficiently with the limited resources at hand.
- **Other Stakeholders:** The automation and standardization of procurement operations shall provide an integrated view of procurement of foodgrains and its storage in godowns.

[Source: PIB](#)

PDF Reference URL: <https://www.drishtias.com/printpdf/application-ecosystem-for-integration-of-procurement-portals>

