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**MINISTRY OF PANCHAYATI RAJ**

**REVISED**

**MEMORANDUM FOR EXPENDITURE FINANCE COMMITTEE FOR THE  
CENTRALLY SPONSORED SCHEME**

**ON**

***“E-GOVERNANCE FOR PANCHAYATI RAJ INSTITUTIONS (e-PRI)”***

**KRISHI BHAWAN**

**NEW DELHI.**

**27<sup>th</sup> January 2009.**

**REVISED MEMORANDUM FOR EXPENDITURE FINANCE COMMITTEE FOR CENTRALLY SPONSORED SCHEME ON e-GOVERNANCE FOR PANCHAYATI RAJ INSTITUTIONS (e-PRI).**

**1. SPONSORING MINISTRY /DEPARTMENT**

Ministry of Panchayati Raj.

**2. STATEMENT OF PROPOSALS:-**

**2(A) Whether Central Sector Scheme or Centrally Sponsored? In case of new CSS or CSS with changed parameters, funding pattern etc., whether approval of full Planning Commission has been obtained.**

This has been formulated as a new Centrally Sponsored Scheme and infact revised based on the comments of Planning Commission, Department of Expenditure, Department of Information Technology with reference to the earlier EFC Memo. In the Cabinet meeting held on 18th May 2006, e-Governance in Panchayati Raj Institutions (e-PRI) has been approved as a Mission Mode Project (MMP) under National e-Governance Plan (NeGP). MoPR has formulated the scheme accordingly. Approval of the full Planning Commission will be taken in due course.

**2(B) Whether there are schemes with overlapping objectives and coverage in other Ministries and States? If so, details of such schemes and the scope for integration.**

The scope of the Scheme is to ensure e-Governance at all levels of Panchayats, namely, District, Block and Village levels, referred to as Panchayats from hereon. There are currently no Central schemes to address this objective. However, some work on creating ICT infrastructure in Panchayats has been done, in piecemeal manner, by some states.

**2(C) New Proposal/Modified/ Revised Cost Estimate.**

It is a new proposal.

**2(D) Reasons and justification for proposal, including historical background, circumstances in which the need has arisen, whether other alternatives have been considered and what detailed studies have been made in regard to the proposal for establishing its need, its economics and other relevant aspects.**

- i. Between July and December 2004, MoPR had organized Seven Round Tables of State Ministers of Panchayati Raj in order to arrive at a set of action points

through consensus to operationalize the implementation of Part IX of the Constitution and PESA in letter and spirit. The Seventh Round Table at Jaipur discussed the issue of Information Technology for Panchayats and in its conclusions, positioned IT as

- a. a decision making support system for Panchayats,
- b. a tool for transparency, disclosure of information to citizens and social audit,
- c. a means for better and convergent delivery of services to citizens,
- d. a means for improving internal management and efficiency of Panchayats,
- e. a means for capacity building of representatives and officials of the Panchayats and
- f. an e-Procurement medium.

The Round Table further recommended that the National Panchayat Portal (NPP) developed by the NIC for MoPR should become the information hub that links up Panchayats, the State Government and the Central Government for sharing of information, experiences and best practices. As a first step, all State governments may immediately link and port the content of their existing Panchayati Raj websites or portals to NPP and all Panchayats be enabled and facilitated to link up with the portal. The content can be regularly updated by the respective stakeholders.

- ii. The National Common Minimum Programme (NCMP) has recommended that there must be no delay and diversion of funds meant for Panchayats and that there shall be strict monitoring. e-PRI would ensure this as well.
- iii. The National Advisory Council (NAC) had, in April 2005, suggested to the Government to take up a "National IT for Panchayati Raj Programme", which would include setting up a nationally networked/computerised system including Treasuries to monitor fund flows/facilitate devolution. It had recommended that the Union Government ought to launch a Fund for this and operationalise this recommendation in one year. It had also urged providing back-end support at all levels of PRIs/ PR Departments for operationalising the computerization of services. Recommendations of the NAC are at Annex- 1.
- iv. DIT has included e-Governance for Panchayats as a MMP under NeGP and had requested MoPR to make a presentation before the Apex Committee on NeGP. In the meeting of the Apex Committee held on 24th June 2005, MoPR presented an outline of the project "Panchayat e-Governance", The Apex Committee approved the approach of MoPR in principle and suggested that

EFC/Cabinet approval for the scheme should be obtained. Relevant extracts from the minutes of the meeting of Apex Committee are at Annexure-H. Subsequently, Cabinet in a meeting held on 18th May 2006 approved the NeGP comprising of 27 MMPs, the MMP on Panchayats being one of them. Decision of the Cabinet is given at Annexure- III.

(To be added)

## **PROPOSED SCHEME**

### **Objectives**

e-PRI aims to progressively support all Panchayats in the country to make effective use of IT in various activities as described below. In fact e-PRI would be extensively used by both States and Union Ministries for a whole range of activities & schemes:

- i) They are able to better participate in the District Planning process and bring in an element of felt needs to the plans.
- ii) They can comply with the financial accounting as well as reporting guidelines vis-a-vis Panchayat Funds and all schemes and functions being implemented through PRIs.
- iii) They can offer to citizens, services that have been devolved to them with a provision for adding more services as they get devolved.
- iv) Enhance their ability to generate, manage and collect local revenue.
- v) Provide external linkages for speedy and transparent transfer of funds, communication with state and central government departments etc.
- vi) They are able to automate their own functioning.
- vii) They are able to create, generate and own an integrated database relating to diverse fields including poverty, land, health, education, irrigation, agriculture, unique codes to individuals, utilities and assets etc.
- viii) They are able to provide external visibility for all the above mentioned areas for enhanced public participation such that there is transparency and social audits are facilitated, thereby strengthening the Panchayati Raj based delivery systems.
- ix) As a mechanism for capacity building of the office bearers of the Gram Panchayat, including Computer Based self learning tools.
- x) As a linkage to the external world of knowledge and markets xi) As a mechanism for offering financial services
- xi) As a mechanism for offering financial services.

### **Mission Strategy:**

In order to achieve these objectives, e-PRI is designed with the following seven components:

**(i) Information and Service Needs Assessment (ISNA), and Detailed Project Report (DPR).** The ISNA is an important exercise that will **help in identifying and prioritizing the information and service needs and expected service levels of citizens, State Govts, Central Ministries and other stakeholders** and would form the bedrock for introducing e-PRI. People's capacity to pay for JCT based services may also be assessed as part of the needs assessment survey. Consultancy for this exercise will be undertaken through NICSII or organizations working in this field. INSA survey under the Common Service Centre (CSC), e-District and other MMPs will also be referred to.

**(ii) Process (Re)engineering** - Process (Re)-engineering would be essential in order to achieve the desired service levels. Consultancy for this will also be undertaken through NICSII or other organizations in this field.

**(iii) IT Infrastructure** - Provision of good IT infrastructure in PRIs is an essential requirement of the e-PRI MMP. IT Infrastructure may be further divided into the following sub-components:

a. **Computing Facility** - As far as provision of computing facility (computers, printers, scanners, UPS, webcam etc) is concerned, three variations are emerging:

i. PRIs with no computing facility

ii. PRIs having some form of computing facility

iii. PRIs which are in some way, utilizing the infrastructure provided by CSCs on the basis of an agreement, as is the case with Gujarat.

As per information available with the Ministry, only about 35,922 PRIs have some form of computing facility. This constitutes only about 11th of the total number of PRIs. However, in view of the fact that this number is changing dynamically, it is difficult to estimate the exact number of Panchayats that have some form of computing facility available. Moreover, much of this would have become obsolete and would be incapable of supporting applications proposed under e-PRI. Thus, cost estimation for providing computing facility has been done taking into account, all the PRIs at Intermediate and Village level. In order to ensure that there is no duplication of efforts through this Programme, it is proposed to advise the state governments to explicitly specify in the DPR, details of computing facility already established through various sources. Based on the DPRs, MoPR will

decide the quantum of funding for the state. The DPRs would help in determining what exactly is required to be done to meet specified objectives.

**Modalities for implementing e-PRI were comprehensively discussed in the meeting of National Programme Committee (NPC) consisting of relevant Union Ministries, States etc. held on 25th September, 2008. In the meeting of NPC, it was inter-alia recommended that the service procurement model would be optimal given that procurement & maintenance of assets, sanction & recruitment of manpower and efficiency of services (which would increase with time) in the public domain are complex & time taking. Accordingly, it has been decided to implement the e-PRI project as per the CSC model. Minutes of the meeting of NPC are at Annexure-IV.**

The States/UTs will select the Service Center Agencies (SCA) on BOO model for procurement of specified services, through competitive bidding process. At places where CSCs already exist, Swiss Challenge Model may be used for selection of SCA. These SCA shall be responsible for providing the services of e-PRI including through CSCs which will include IT infrastructure setup, arrangement for connectivity and consumables, etc. as per agreed Service Levels. Payments will be made to the SCA on a monthly / quarterly basis. The funding arrangements to CSC is to focus on calibrated revenue support for operational expenditure (apex) of the CSCs rather than providing financial support for the initial capital expenditure required to set up the physical infrastructure. A monthly revenue support of Rs. 3,185 per GP has been estimated for a period of three years where CSCs are already present. This amount would be Rs. 5052 per GP per months where CSCs are not located. The monthly revenue support for BPs would be around Rs. 5,219 per BP. However, the exact payouts will finally depend upon the bids received.

**b. Data Centres** - As e-Governance gains momentum in PRJs, large volumes of data on PRJ functioning, assets and citizen related data would be generated. Such data need to be maintained and secured in a central repository where sufficient infrastructure and manpower is available. Even if PRJs are operating in a stand-alone mode to begin with, it would be absolutely necessary that such data is regularly uploaded by PRIs to the central repository. Later, in the near future when connectivity becomes available, such uploading could be automated. This clearly suggests a need to establish data centers to cater to the security and maintenance needs of these data. In order to meet this requirement, it is proposed to provide a

one time grant of Rs. 50 lakhs to each state to augment the existing data center facilities at center or state level.

**c. Connectivity** - In the context of Panchayats, connectivity plays a particularly important role for the following reasons:

- i. Connectivity would be required if PRIs' information and services are to be made available to citizens, State Govt., Union Ministries and other stakeholders on any-time, any-where basis.
- ii. Installing software locally at Panchayat level would pose problems in terms of maintenance of both software as well as data entered through the software due to the lack of technical support to PRIs. Web-based software applications reduce these problems by requiring maintenance at the State level or at any place where sufficient technical support is available. No assistance is being provided for installing network connectivity at Gram Panchayat and Block Panchayat as this cost will be borne by the SCA.

#### **(iv) Software**

**(a) System Software** - As per the recommendations of the Expert Group on IT Programmes for MoPR and also the decision of NPC, taken in its meeting held on 25th September 2008, it is proposed to use Open Source software which is freely available. Accordingly, no funding is proposed for this. However, States/ UTs would have the freedom to adopt any System software. No financial support will be provided for this purpose by the Central Govt.

**(b) Application Software** - Panchayats require application software that cater to the requirements of all the stakeholders viz: Central Govt, State Govt, Citizens and Panchayats/ Gram Sabhas themselves. Delivery of services to citizens as a group is a unique requirement of PRIs and forms the bedrock of grass root democracy. A suite of applications would need to be built to cater to the e-Governance requirements of PRIs. Under e-PRI, it is proposed to provide funding for two categories of software applications viz., (a) Core Common Applications to be built centrally and (b) State-specific applications to be built by states. The Core Common software applications would address functions such as planning, accounting, scheme execution and monitoring/ reporting, Citizen Centric services, financial services, unique codes to individuals/ assets/ utilities and other requirements such as sharing all necessary information in the public domain through the websites of PRIs. Such applications would be built centrally and implemented across the country.

The second category of software application would be driven by services for the citizens in Panchayats and other levels in view of State specific needs borne out of State specificities. They will also depend upon the extent of devolution to the PRIs. Such application S/Ws may be built by the states, for which financial support would be provided under e-PRI.

An amount of Rs. 40 cr has been provided for both these types of applications. Besides this one-time requirement, it is also proposed to provide 10% maintenance per year for three years, both at central as well as state level.

In order to encourage re-use and replication of application software across the country, all application software would be built in a platform independent manner.

**(v) Capacity Building** - Building the capacities of PRIs to absorb and internalize the technology interventions proposed to be undertaken through this Programme is of crucial importance for the success of the project. Hence, sufficient attention has been paid to this aspect. The capacity building component itself has been divided into two sub-components as follows:

**a) Training to staff of PRIs on the usage of various e-Governance applications**

- Training would be provided on basic computer operations, Internet browsing, email and other application software developed exclusively for internal automation of PRIs.

**b) Awareness generation among elected representatives about e-PRI Project and e-Governance in PRIs**

It is proposed to provide funding for all sub-components of capacity building.

**(vi) Data Digitisation** - The PRIs maintain registers, household data etc. some of which needs to be digitized and entered into the system so that the system is streamlined. The data digitization activities can be carried out at each PRI and shall be one time activity at the commencement of project for which an amount of Rs 5000 per BP/GP is proposed. Subsequent updation will be done by the SCA as per the requirements of the user organization.

**(vii) Program and Project Management** - Recognizing the importance of effective management and monitoring of a Programme of this magnitude, it is proposed to set up strong Programme and Project Management units at Centre, State and District level. These units will assist the Ministry at the Central level (National Programme Management Unit, NPMU), State PR Department at State level (State Project



Management Unit, SPMU) and Zilla Parishad at District level (District Project Management Unit, DPMU) in executing the project smoothly and ensuring its effective operation & maintenance.

To assist MoPR in managing this project, it is proposed to set up a National Level Service Agency (NLSA). The agency would be selected through a competitive bidding process with clear deliverables. Illustrative list of roles, responsibilities and deliverables for the agency are given at **Annexure-V**.

The estimated cost of NLSA is Rs 50 cr for three years period . This has been estimated on the basis of provisions in the MMP for CSCs in which IL & FS had been engaged by DIT for an amount of Rs. 63.03 cr. The work involved in rolling out e-PRI is similar to the CSC project, though of much larger dimension.

### **Service Deliverables**

One of the important requirements of Mission Mode projects is to identify and prioritize services and identify measurable service goals. **Although, the exact expected services and service levels would emerge only after Information and Service Needs Assessment study is completed,** MoPR has identified, by way of illustration, a set of core information and services that may be delivered by PRIs as part of the e-PRI project.(**Annexure-VI**). For some of the services, associated service levels may vary from state to state based on the prevailing laws & rules and status of devolution to PRIs. Accordingly, states may adopt the list given as it is or modify it.

The States would be required to indicate, in column 4 of Annexure VI, the tier of Panchayat which will deliver the information/service, as defined in the State's activity mapping document.

### **Monitoring Mechanism**

The following committees will be responsible for overseeing, design, implementation & monitoring of e-PRI :

**1. A National Programme Committee (NPC)** under the Chairmanship of Secretary, MoPR with Financial Advisor as a member and Joint Secretary/Mission Leader of the Ministry as Member-Secretary has already been set up. Other members include Secretaries in the DIT, RD, Representative of Planning Commission, DG NIC, Principal Secretary, Local Self Government, Kerala, Principal Secretaries, Panchayati Raj, Orissa, Gujarat, W.Bengal, Karnataka and Bihar. NPC is responsible for setting the mission and vision of the project, approving projects under the e-PRI Mission Mode Project, putting in place

suitable instruments and mechanisms to monitor and evaluate the projects at periodic intervals and reviewing the implementation of the projects. Member-Secretary of NPC who is the Mission Leader will be the Head of the **National level Programme Management Unit (NPMU)**. NPMU will be responsible for over all programme management and coordination as per directions of the NPC. NPC will periodically seek advice/suggestions from others. The NIC unit working for MoPR will be an integral part of NPMU.

**2. State and District Level Committees.** In view of the synergy between CSCs and e-PRI, the existing Committees for CSC project, with additional representation of Panchayats, will oversee e-PRI.

**Besides the above, MoPR will put in place other suitable instruments and mechanisms to monitor and evaluate the project initiatives at periodic intervals.**

**2(E) If it is location specific, basis for selection of location?**

It is not a location specific scheme. The Scheme is intended to cover over 2.35 lakh Gram Panchayats, 6094 Block Panchayats and 633 Zilla Panchayats in States/UTs.

**2(F) Has the proposal been included in the Five Year Plan and what are the provisions in the Five Year Plan and in the current Annual Plan? Is any modification proposed?**

A token provision of Rs. 5 crore has been provided for the Scheme in the current Annual Plan 2008-09.

**2(G) What is the estimated yield from the Project and what are the economic implications?**

e-PRI, being a MMP under NeGP, is aimed at (a) improving the quality of governance in all three tiers of Panchayats, (b) providing improved services to the citizens and (c) facilitating Union Ministries & States to run their programmes. It will result in better implementation & monitoring of schemes. The project, through improvement in internal efficiency and service delivery, is expected to result in efficient and transparent utilization of funds flowing to Panchayats and also increase the capacities of the Panchayats in raising revenues through improved delivery of services to citizens. Thus, economic yield will be enormous. Given the fact that over Rs 1 lakh cr. is being spent annually by way of CSSs and ACAs, an improvement of even 10% in efficiency by better targeting, implementing and effective monitoring, will result in a payback period of less than a year.

Induction of ICT at the Panchayats level on such a large scale will provide, for the first time, access to ICT interface at grass roots level. This will eventually result in building ICT culture at the level of masses. **In the times to come, ICT will gain control of every aspect of social life and therefore, from the point of "inclusive growth" agenda of the Government, this MMP has far reaching implications.**

**2(H) In case of ongoing scheme/project, present status and benefits already accrued to the beneficiaries may also be furnished.**

It is not an ongoing scheme.

**2(1) Have other concerned Ministries and Planning Commission been consulted and if so, with what results?**

The earlier draft EFC note was circulated to the concerned Ministries and Planning Commission. Comments and response of MoPR are given at Annexure- VII. The e-PRI MMP has been revised keeping in view these valuable comments.

**2(J) whether any evaluation had been done? If so, broad findings of such evaluation studies may be given.**

Since it is a new scheme, no evaluation has been done. However, gist of the recommendations of the Expert Group on IT Programmes for MoPR, (AnnexureVIII) provides assessment of some of the ongoing programs.

**2(K)Has the proposal or its variant been gone into by any committee, Departmental or Parliamentary? If so, what result and what decisions have been taken?**

In the meeting held on 24th June, 2005, the Apex Committee on NeGP under the Chairmanship of Cabinet Secretary had considered this MMP and has given in principle approval for the project. In fact, it wanted MoPR to obtain EFC/Cabinet approval by 15<sup>th</sup> August, 05. The comments of the Apex Committee on NeGP and the replies of the Ministry of Panchayati Raj are given in Annexure -IX.

**2(L) Outcomes and outputs of the scheme:**

**Outcomes and outputs-** The scheme will provide computing facility with broadband connectivity at each GP and BP level in the country. The outcomes through successful implementation of the e-PRI MMP are expected to be far-reaching, both in terms of developmental impact and also in terms

of more effective governance in the rural areas. In particular, the following outcomes are expected to be achieved through this project:

- (i) Increased transparency and disclosure of information to citizens
- (ii) Better and convergent delivery of services to citizens
- (iii) Improvement in the internal management and efficiency of panchayats
- (iv) Increased participation of PRIs in the planning process, thereby bringing in felt needs of the rural citizens
- (v) Improved and more transparent handling of the accounting functions of PRIs
- (vi) Transparent utilization of funds flowing to panchayats under various developmental schemes thereby making the PRIs more accountable.
- (vii) Improved implementation & monitoring systems for the Central Ministries and State Governments
- (viii) Establishing linkages with the external world of knowledge and markets.

**3. PROGRAMME SCHEDULE :**

**3(A) Has the project/scheme been worked out and scrutinized in all its details?**

Yes

**3(B) What is the schedule for construction, indicating the position separately relating to plant and machinery and civil works, raw materials, manpower etc. together with year wise phasing.**

No civil work construction is envisaged in this project. The Service kiosks are proposed to be located in Panchayat Ghars or any other place available within the panchayat area. This decision will rest with the District Level Committees that would be set up to oversee implementation of the project.

**3 (C) Whether physical and financial targets match with each other?**

Yes. Physical targets will be defined as part of the state-specific proposals and they will be aligned with the financial targets.

**3(D) What is the target date for completion and when will the expected benefits commence?**

Within a year of all requisite approvals. Expected benefits will start to accrue from that time.

**3(E) If the project involves dislocation of human settlement, the resettlement costs should be included fully in the project cost. The resettlement plan**

should also be indicated in the project implementation schedule. The resettlement cost may be worked out on the following basis:-

- i) the cost of land acquired to resettlement would be as indicated by the Districts/State Authorities;
- ii) the compensation to be paid to the displaced persons. This compensation cost is dependent on the rates indicated by District/State Authorities. Thus the total compensation cost may be worked out on the basis of these rates. [1(5)/PF.II/96 dated 06.08.97].

Not applicable.

#### 4. EXPENDITURE INVOLVED:

- 4(A) What is the total expenditure (non-recurring and recurring):- Indicate the position year wise and also whether any budget provision has been made and if not, how it is proposed to be arranged? Has any expenditure been incurred already?

Year wise estimated expenditure is given below:

( Amount Rs. in Cr.)

	Total cost over three years period	Year 1	Year 2	Year 3
PROJECT COST	4240.6	1528.12	1366.24	1346.24

Component wise estimated cost is given in **Annexure X A**.

Component-wise explanation of costing is given in **Annexure X B**

90 % of the expenditure is to be borne by the Central Government and balance by the State Governments. The financial conditions of Panchayats justify this ratio.

- 4 (B) **How finances are proposed to be arranged?**

A provision of Rs 5 cr has been made in the current year's allocation. Planning Commission has been requested for additional allocation.

- 4(C) **Details of the scheme of financing clearly bringing out the financial obligation undertaken by PSU Ministry with or without the proposal under consideration. In other words, details of commitment on account of ongoing projects to be funded from interest resources of the PSU may be given in the EFC Note along with the requirement and availability of funds for the project under consideration. In case of schemes/ programmes, Five Year Plan outlay for the Ministry and the**

**commitment on on-going schemes/programmes along with the requirement and availability of funds for the scheme/programme may be furnished. [1(7) PF.II/92 dated 23.6.92].**

Outlay for the schemes of MoPR in the 11 th five year plan is Rs. 876.37 Cr., of which an amount of Rs 5 cr has been earmarked for e-PRI MMP in 2008-09. The proposal under consideration is proposed to be funded from additional allocation to be made available by Planning Commission.

**4(D) What is the foreign exchange component (specially for non recurring and recurring expenditure)? What are the items of expenditure involving foreign exchange and expenditure on foreign experts? Has clearance of E.A.D. been obtained and has availability of credit facilities been explored and if so, with what results?**

There is no foreign exchange component

**4(E) Phasing of Expenditure (Non - recurring and Recurring):-**

i) on constant prices;

ii) on completion cost[I(5)/PF.II/96 dated 06.08.97].

Already mentioned in section 4(A)

**4(F) Reference date and basis of cost estimate of various components.**

Please refer to reply to 4 (A) for this part.

**5. RELIABILITY OF COST ESTIMATES AND OTHER PARAMETERS:**

**5(A) Has pre project investigations been arrived out in detail and details of area where changes in project parameters could be anticipated?**

Consultations have been held with various stakeholders including the State Governments on the scope and approach of the Project. While changes in the project parameters are not anticipated, cost components could vary, depending upon the bids received.

**5(B) To what extent cost estimates are firmed up?**

Cost estimates have been worked in substantial details (Annex. XA&XB) assuming that e-Governance would be introduced in all Panchayats across the country. Actual cost would be known only after bids are received and proposals submitted by States. 90% of the project cost will given by the Central Government while the States would arrange the rest.

**6. OPERATIONAL CAPABILITIES:**

**6(A) Operational capability of PSUI Department Implementing Agency Ministry to undertake the tasks required for the implementation of the proposal under consideration. For this purpose track record of the PSU in respect of the projects already implemented/under implementation may be highlighted and also steps proposed for ensuring timely execution of the project under consideration.**

Ministry of Panchayati Raj is the Ministry responsible for undertaking this project. For effective implementation, monitoring and evaluation of the program/projects at national, state and district level, Project Management Units are proposed to be set up.

**6(B) In case of REC proposal, variance analysis of cost increase due to price escalation in exchange rates/custom and other statutory duties and levies, change in scope, under estimation, addition/alteration, etc. is to be given. [11(5) PF 11/96 dated 6.8.97].**

Not applicable.

**6(C) In case of continuing Social Sector Schemes of: \_**

- i) Estimate of committed liabilities at the end of previous plan;**
- ii) Whether this has been transferred to States/non-plan head.**

Not Applicable.

## **7. ADD STATEMENT SHOWING:**

**7(i) The number of posts required and the pay scales, together with the basis adopted for staffing, both in current year and future years; (A separate proposal for creation of posts may be sent to JS (Pers.), Department of Expenditure at least two weeks before circulation of EFC Note).**

To handle the work of e-PRI within the Ministry including Parliament questions/ assurances, Parliamentary Committees, audit paras etc. and all other post roll out work, a bare minimum contingent of 5 additional posts ( One Director, one US, one Assistant, Two Stenographers Gr. "D") are proposed to be created at the Ministry. The anticipated work load emanating out of a project of this magnitude in fact justify creation of much larger number of posts. MoPR does not have any surplus staff that can be deployed/ spared for this work.

<i>Post</i>	<i>Pay Scale</i>	<i>Required no. Of officials</i>
1. Director	37400-67000+ 8700 ( Grade Pay)	1
Under Secretary	Rs. 15600-39100+ 6600 (Grade Pay)	1
Assistants	Rs. 9300-34800+ 4200(Grade Pay)	1
Stenographers Grade “D”	Rs. 5200-20,200+ 2400 (Grade pay)	2

**7(ii) Expenditure on building and other works and its basis and phasing;**

The existing PRJ premises will be utilized for this project. Civil work, if any would be funded by the state governments/ panchayats from their own resources.

**7 (iii) Expenditure on stores and equipment**

No expenditure has been contemplated on stores & equipments.

**8. VIABILITY**

Information to be given if benefits accruable from the projects/schemes are quantifiable and can be translated in monetary term [(5)/PF.II/96 dated 06.08.97].

**8(A) Financial IRR**

- i) at constant prices;**
- ii) on completion cost basis.**

Not Applicable

**8(B) Economic IRR**

- (i) at constant prices**
- (ii) on completion cost basis.**

Panchayats being the basic unit for planning and implementation of a large number of Central/State schemes and for providing a range of services to people, e-PRI would, in a way, be the umbrella MMP. The benefits would be many times more than the investment. In fact as stated earlier, induction of ICT at the Panchayats level on such a large scale will provide, for the first time, access to ICT interface at grass roots level. This will eventually result in building ICT culture at the level of masses. **In the times to come, ICT will gain control of every aspect of social life and therefore, from the**



point of "inclusive growth" agenda of the Government, this MMP has far reaching implications.

**9. WHETHER NODAL OFFICER (CHIEF EXECUTIVE FOR THE PROJECT) HAS BEEN APPOINTED. IF YES, GIVE DETAILS ABOUT HIS STATUS, PAST EXPERIENCE IN IMPLEMENTING SUCH PROJECTS, NUMBER OF YEARS LEFT FOR SUPERANNUATION ETC. (M -12016/5/97-PAMD DT. 29.12.97).**

Yes. Joint Secretary (P & J), Ministry of Panchayati Raj, Government of India, Shri D.K. Jain is the Nodal Officer for this MMP. He holds a B. Tech degree from IIT Kanpur and has the requisite experience in Project Management. He is superannuating in 2019.

**10. WHETHER ON EFC MEMO FINANCIAL ADVISER'S CONCURRENCE/COMMENTS HAVE BEEN OBTAINED? IF SO, DETAILS THEREOF. [66(14)PF.II/98 DATED 11.08.1998].**

SNo	Observations of Addl. Secretary & Financial Adviser	Reply of the MoPR
1.	Though PD has clarified that Common Service Centres (CSCs) would be entrepreneur driven catering to specific needs, it is nevertheless important to integrate the CSCs with the proposed computerization of PRIs, with a view to utilizing the CSC infrastructure available at the village level.	We agree. EFC memo has been modified accordingly.
2.	PD's claim that one third of PRIs have been excluded for estimating the actual cost of the project with a view to exclude the PRIs who have already been provided with computer and other related facilities has been noted. It needs to be ensured that new hardware is not provided to such PRIs as already have computers. In case upgradation of the existing hardware is felt necessary, the support may be restricted to that.	It is affirmed that cost will be restricted to the extent of additional facilities required to be created consistent with the objective and scope of the Mission Mode Project of e-PRI.
3.	Columns 4(B) & 4(C) of the draft EFC Memo would both need to be replied as per the prescribed format and specific details of funding arrangement along with sources would need to be given. Quantum of World Bank financial assistance that may be	Noted. These columns have been filled up. In the revised proposal no funding from World Bank is considered.

	available and the funds already allocated during the 11 <sup>th</sup> Plan would need to be spelt out clearly, indicating additional budgetary support, if any, that may be required for the scheme, which would require approval of Planning Commission and Ministry of Finance.	
4.	As Project Management Units (PMUs) are being set up under e-Bharat programme of Ministry of Information Technology and the scheme of e-Governance of Urban Local Bodies, efforts should be made to utilize them for e-PRI MMP also. If it is felt that PMUs are also required to be set up under e-PRI scheme, staff at different levels would need to be kept at the bare minimum. Presently, they have proposed 14 at national level 4 at State level and one at District level. There appears to be scope for reduction, particularly at the national level. The remuneration and allowances (TA/DA) of the staff of PMUs would need to be similar to the NIC structure.	To roll out a complex project of this magnitude, it is proposed to engage a National Level Service Agency on the lines of CSC MMP. The ToRs for this agency are given at Annexure- . Additional posts to be created at the Ministry level has been kept to a minimum of 5.

## 11. SUPPLEMENTARY INFORMATION

Expert Group Report is enclosed.

## 12. POINTS ON WHICH DECISIONS/SANCTION ARE REQUIRED.

Approval of the EFC is solicited for:

- (a) Launching e-PRI Mission Mode Project as a Centrally Sponsored Scheme, under the National e-Governance Plan.
- (b) The proposed outlay of Rs. **4240.6** crores out of which 90 % would be borne by the Central Government and the balance by States/ UTs

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