

No. K-14012/ 119 /09 -NURM I
Government of India
Ministry of Urban Development
JNNURM Directorate

The 17th Dec., 2009

Office Memorandum

Sub: Implementation of “NMMP on eGovernance in Municipalities as part of JNNURM”

The undersigned is directed to forward the minutes of the meeting held under the chairmanship of the Secretary, Ministry of Urban Development on 3rd December 2009 to discuss implementation of “NMMP on eGovernance in Municipalities as part of JNNURM”, for kind information and necessary action.

SD/-
(Rajesh Kumar)
Under Secretary
Tel 2306 2951

1. Dr. S.R.Rao, Additional Secretary, Department of Information Technology, Electronic Niketan, CGO Complex, New Delhi
2. Shri P.L.Sonkar, Advisor, Planning Commission, New Delhi
3. Ms. Anjuly Chib Duggal, Joint Secretary, Department of Expenditure, North Block, New Delhi
4. Principal Secretary/ Secretary (Urban Development) of Delhi, Maharashtra, Gujarat, Karnataka, Tamil Nadu, West Bengal, Andhra Pradesh, Bihar, Haryana, Madhya Pradesh, Punjab, Rajashtan, Uttar Pradesh, Kerala, Jharkhand
5. The Principal Secretary/ Secretary (Information Technology) of Delhi, Maharashtra, Gujarat, Karnataka, Tamil Nadu, West Bengal, Andhra Pradesh, Bihar, Haryana, Madhya Pradesh, Punjab, Rajashtan, Uttar Pradesh, Kerala, Jharkhand

Copy for information to:

1. PPS to Secretary (Urban Development)
2. PS to Joint Secretary & Mission Director (JNNURM), M/o Urban Development
3. Programme Management Unit- NMMP, M/o Urban Development

Copy to NIC/Ministry of Urban Development for uploading on website of JNNURM under caption “governance in municipalities in Mission cities”

Proceedings of the meeting held on 3rd Dec 09 at CPWD conference hall under the chairmanship of Secretary (Urban Development) to discuss implementation strategy of National Mission Mode Project on e-Governance in Municipalities as part of JNNURM

A meeting was held under the chairmanship of Secretary (Urban Development) to discuss implementation strategy of National Mission Mode Project on e-Governance in Municipalities as part of JNNURM. The list of participants is enclosed as Annexure-I.

2. Joint Secretary (Mission) gave a brief background on the issues relating to implementation of the project.
3. A presentation was made by PMU covering the following key issues relating to implementation strategy, Institutional Support, Fund Administration and Sustainability. (Presentation attached as Annexure-II)
4. Following is the details of the discussion of the points:

I. Implementation Strategy:

- a. A State Level Software Solution would be developed and deployed, instead of discrete software solution by each ULB and all ULBs in 35 Mission Cities will be utilizing the same.(The ULBs in 7 mega cities may be an exception to it – they may elect to pursue or continue with their own independent solution). At a later date, when remaining ULBs within the State are to be covered for e-gov in municipalities they may also plug into the State Level Solution.
- b. The solution will cater to the Municipal Acts of the State and will have provision to customize for each ULB as per their by-laws.
- c. The State Level Software Solution would be provisioned in the DPR submitted by 1st ULB in the State from a Mission City. The DPR would cover the design, development, implementation, operation and post implementation support for 2 years of application software at the State Level in addition to the ULB's IT requirements.

- d. The solution will be implemented at the State Data Centre and existing infrastructure created as part of other NMMP projects like SWAN and SDC will be used and considered as available for the project.
- e. The remaining ULBs in the Mission Cities will prepare and submit their own DPR for IT infrastructure and services (such as capacity building, customisation etc.), taking into account the State Level Solution already setup. The SLSC while recommending such projects (s) would confirm that it has ensured that State Level Solution has been taken into account in the detailed project report and duplication is absolutely avoided.
- f. Secretary (UD), Maharashtra and Director (e-Gov) Gujarat agreed with re-worked State Level implementation approach and stated that approach will provide scalability, will be cost-effective and will help in overcoming the capacity constraints in the ULBs. DIT also strongly recommended the State Level Implementation with use of common infrastructure in the State being created as a part of other NMMPs
- g. Answering to the query raised by the Secretary (UD), Maharashtra on the availability of State Data Centre (SDC) for hosting the State Level Solution, it was stated that till the time SDC is available States may opt for other facility such as NIC etc.
- h. On the specific query from Director (e-Gov),Gujarat it was confirmed that cost required for capacity building at the ULB may be included as part of the forthcoming DPRs from the ULBs.

II. Institutional Support:

- a. The State level solution would be implemented by SLNA.
- b. **Strengthening of State Level Agency:** The strengthening of SLNA may be achieved through the appointment of State Implementation Consultants (SIC) besides internal identified resources (from within SLNA or ULBs) for the process standardization in the State. The role and funding for the same is already covered in the guidelines in the provision of State Implementation Consultant. This would also be included in the 1st DPR from the State.

III. Fund Administration:

- a. All the DPR's including from first ULB and from subsequent ULB's within the State will follow the funding pattern as per NMMP Guidelines.
- b. On the specific query, Director (PF-1), Ministry of Finance, Department of Expenditure confirmed that the assignment of the implementation for State Level Solution to SLNA by the first ULB is permissible as per the JNNURM guidelines on NMMP. Accordingly, first ULB may engage SLNA for the solution development and the subsequent operations.

IV. Sustainability:

- a. JS (Mission) stated that DPRs should indicate how operations will be sustained beyond the 2 years period. In case the project is implemented in Public Private Partnership (PPP) mode as envisaged in DPR, the funding will be limited to viability gap for admissible components, including first two years of O&M as per financial pattern in the guidelines. In cases where State Government decides to adopt PPP model subsequent to the project approval, the approved DPR shall be funded as per the financing pattern of the scheme and, released funds will be adjusted subsequently.
- b. Secretary (UD), Maharashtra suggested that levying user charges for the service delivery through PPP is an already established practice and may be utilized for the sustainability.

V. Memorandum of Agreement:

- a. The MoA among SLNA/State, ULB (1st ULB with State Level Solution) and MoUD will formalize the above arrangement towards implementation and operations of the State Level Solution.
- b. The MoAs with the other ULBs of the Mission Cities within the State take into account the existence of State Level Solution after the 1st MoA.

VI. Operations:

- a. State level solution would be implemented by SLNA. If SLNA is a participant in the SPV formed for facilitating the implementation or SLNA is one of the constituents of JV, SLNA shall monitor the project

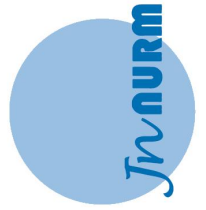
directly. However, Tripartite agreement will be signed amongst the State, ULB and the service provider for this purpose.

- b. As the Service Level Agreements (SLAs) will have to be monitored by each participating ULb/SLNA individually, suitable monitoring tool will be provided by the service provider so that ULB/SLNA is able to monitor the respective SLAs. The common SLAs across multiple ULB's may be monitored by SLNA.
5. On the specific query of JS (Mission) all the participants concurred on the re-worked implementation strategy including the fund administration. In order to facilitate the process of DPR preparation, MoUD-PMU will make available two Model Guidelines for the preparation of e-Governance DPR by mid Dec-09. The 6 e-Governance projects approved at MoUD so far may join the centralised solution at a later date in consultation with the respective SLNA.
6. In the concluding address Secretary (UD), MoUD desired that now, with the finalisation of the re-worked implementation approach the States should expedite the preparation of the first DPR to move forward in the overall implementation of NMMP on e-Governance in Municipalities as part of JNNURM. The e-Governance DPR submitted to MoUD by the ULBs under Mission Cites (which are not appraised) are deemed as "Returned" and States may take necessary action as per re-worked implementation strategy.
7. The meeting ended with a vote of thanks to the Chair.

Annexure-I

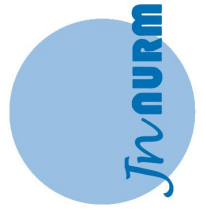
List of participants for the meeting to discuss implementation of “NMMP on e-Governance in Municipalities as part of JNNURM” held on 3rd Dec, 09 at 1630hrs in room no.-123, CPWD conference room, Nirman Bhawan, New Delhi

S.No.	Name of the Officers	Designation	State
1	Dr. M.Ramachandran	Secretary-UD	MoUD, GoI
2	Sh.P.K.Srivastava	JS (MD)	MoUD, GoI
3	Sh.M.K.Srivastava	Secretary - UD	Govt of Maharashtra
4	Sh.A.K.Singh	Secretary -UD	Govt of Jharkhand
5	Sh.Chandra Prakash	Principal Secretary-IT& Election	Uttar Pradesh
6	Sh.Ankur Gupta	Special Secretary, IT	Haryana
7	Sh.P.K.Monga	Director,PF-I	Ministry of Finance, Dept of Expenditure
8	Dr.Neeta Shah	Director (eGov)	Gujarat
9	Sh.Abhishek Singh	Director (eGov-IT)	DIT, GoI
10	Sh.Anurag Goyal	Director (eGov)	DIT, GoI
11	Sh.Y.S.Gupta	Jt. Commissioner Municipal Corporation	Gurgaon, Haryana
12	Sh.Gajanand Ram	Associate Town Planner	UDD Jharkhand
13	Sh.P.N.Dhyani	Sr. General Manager (F&A)	Madhya Pradesh
14	Sh.Mukesh Bajaj	A.G.M.(SeMT)	HARTRON, Chandigarh
15	Sh.T.R.Kulkarni	General Manager- Keonics, IT	Govt of Karnataka
16	Sh.M.K.Sardana	IT, Gurgaon	Haryana
17	Sh.Tanmay Prasad	IT-Advisor, DIT-Haryana	Haryana
18	Sh.Wazid Sheikh	Municipal Corporation	Gurgaon, Haryana
19	Dr. V.Ranga Rao	Programmer	Dept of IT, Delhi Govt.
20	Sh.G.S.Bansal	SIO, NIC	Haryana
21	Sh.Srinath Chakravarthy	Vice President- NISG	Delhi
22	Sh.Rakesh Malik	General Manager-NISG	Delhi
23	Sh.Navin Agrawal	Executive Director	KPMG
24	Sh.Dinesh Harode	PMU-eGov-JNNURM	KPMG
25	Sh.Ashish Jaiswal	PMU-eGov-JNNURM	KPMG
26	Sh.Sharad Nigam	PMU-eGov-JNNURM	KPMG
27	Sh.Arun Sharma	PMU-eGov-JNNURM	KPMG



NMMP on e-Governance in Municipalities as part of JNNURM

3rd December, 2009



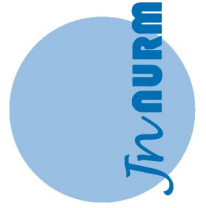
Background

Discussion of the workshop of 20th August 09

- Scaling up of the project
- Integration across the State
- Usage of Common Infrastructure
- PPP feasibility
- Role of SLNA/ SeMT
- Change Management / Capacity Building
IT Skills availability v/s requirement

Implementation of State level Solution to address the issues

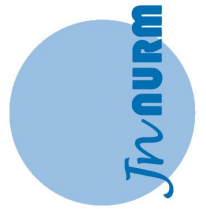
Agenda



Implementation of State Level solution within JNNURM NMMP guidelines

- Implementation Strategy
- Institutional Support
- Fund administration
- Operation
- Sustainability
- Memorandum of Agreements (MoAs)
- Discussions

Implementation Strategy



A State Level Software Solution would be developed and deployed, instead of discrete software solution by each ULB; to cater to the requirement of all ULBs in 35 Mission Cities immediately and for remaining ULBs within the State in due course in a phased manner. (The ULBs in 7 mega cities may be an exception to it).

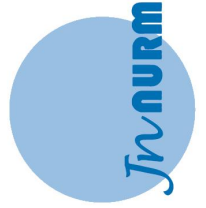
The solution will cater to the Municipal Acts of the State and will have provision to customize by each ULB for supporting their by-laws. It would be provisioned in the DPR submitted by 1st ULB in the State from a Mission City.

DPR would cover the design, development, implementation, operation and post implementation support for 2 years of application software at the State Level in addition to the ULB's IT requirements.

The solution will be implemented at the State Data Centre and existing infrastructure created as part of other NMMP projects like SWAN and SDC will be used and considered as available for the project.

The remaining ULBs in the Mission Cities will prepare and submit their own DPR for IT infrastructure and services, considering the availability of the State Level Solution for their use.

Institutional Support



SLNA would undertake

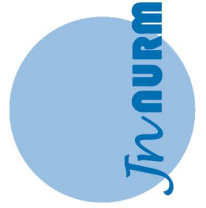
- DPR preparation
- Project Management for design, development, implementation, rollout and operations (O&M)
- Capacity Building

SLNA strengthening through the State Implementation Consultants (SIC)

besides identification of internal resources

- Technology- Primarily through SIC
- Process- Internal resources (from within SLNA or ULBs)
- Capacity Building- Internal (for co-ordination with ULBs)

Fund Administration



All the DPR's including from first ULB and from subsequent ULB's within the State will follow the funding pattern as per NMMP Guidelines.

As the solution so implemented can be used by all ULBs in the State, a suitable mechanism may also be worked out separately by the State.

The administration of the fund for State Level solution as well as e-Governance implementation in first ULB may be managed at the SLNA or concerned ULB, as the case may be decided between SLNA and the ULB.

Sustainability



SLNA/State would have to indicate sustainability beyond 2 years of operation either through

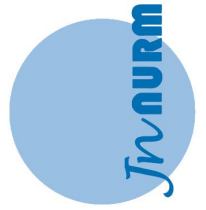
- State budgetary support or
- Sharing by participating ULBs or
- PPP mode (ASP on Transaction-based Cost Model)

Participating states to indicate phased roll-out and corresponding transaction volume in case of PPP feasibility and arriving at the optimal Transaction-based Model.

PPP may be explored both for service provisioning (Software Solutions) and service delivery (CFCs/Kiosks etc) either separately or jointly by SLNA in line with JNNURM guidelines.

Viability gap (if any) may be funded under JNNURM and to be included as part of DPR from 1st ULB.

Operations



State level solution would be implemented by SLNA considering the role of a service provider.

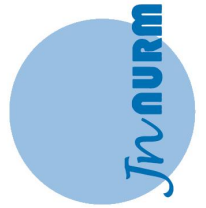
The service provider may be a selected organization through tendering process for the purpose or it may be an already existing Special Purpose Vehicle (SPV) or one created for the purpose.

Each of the participating ULB's will enter into an agreement with the identified Service Provider with facilitation from SLNA.

The service provider will make suitable arrangement by deploying monitoring tool to measure the Service Level Agreements (SLA's) as per these agreements by each of the participating ULB's. The common SLA's across multiple ULB's may be monitored by SLNA.

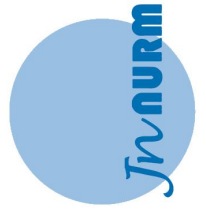
The support infrastructure through a system based help desk supporting multiple delivery channels would be considered.

Memorandum of Agreement (MOA)



The arrangement will be formalized among SLNA/State, ULB (1st ULB with State Level Solution) and MoUD through the MOA as required under NMMP Guidelines.

The subsequent ULB's from the Mission Cities will have to enter into the MOA considering existence of State Level Solution after the 1st MOA.



Discussions