

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB1334

Project Name	e-Bharat ¹
Region	SOUTH ASIA
Sector	Information technology (40%); Sub-national government administration (30%); Central government administration (30%)
Project ID	P091383
Borrower(s)	GOVERNMENT OF INDIA (GoI)
Implementing Agency	Department of Information Technology (DIT), Ministry of Information Technology, GoI
Environment Category	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input checked="" type="checkbox"/> TBD (to be determined)
Safeguard Classification	<input type="checkbox"/> S ₁ <input type="checkbox"/> S ₂ <input type="checkbox"/> S ₃ <input type="checkbox"/> S _F <input checked="" type="checkbox"/> TBD (to be determined)
Date PID Prepared	January 18, 2005
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1. Key development issues and rationale for Bank involvement

India has both the urgent need and the clear opportunity to improve governance and the welfare of its rural population through Information and Communication Technology (ICT)-enabled reengineering of government processes and by engaging the private sector in provision of innovative service delivery, communication and information technologies. Facilitating this process is the main rationale of this project.

Government's program. The Government of India's National e-Governance Action Plan (NEGAP) is a major component of the Tenth Plan and has received consistent positive endorsement by the Prime Minister's Office since it was conceived in 2003. In its current form, NEGAP envisages implementation of 19 Mission Mode Projects (MMPs)² and 10 program support activities at the central and state Government levels (e.g. core policies, infrastructure, TA, training and program management). The MMPs comprise projects in a number of sectors which are to be implemented either by the line ministries/departments at the central government or by state governments, as well as integrated projects spanning across multiple ministries/departments/agencies. In addition, there are a number of other e-governance initiatives being undertaken by various ministries and states, with many more are still on the planning board. NEGAP provides a comprehensive framework for assisting these projects, to the extent that they fall under designated MMPs, with a central pool of support resources, to generate cross-project and cross-state synergies, avoid inefficient overlaps, and take advantage of comparative benchmarking based on common monitoring and evaluation.

¹ e-Bharat, based on the Hindi name for India, refers to the proposed Bank project to distinguish it from the Government's NEGAP (National e-Governance Action Plan) program.

² Officially NEGAP comprises 25 MMPs. However, because (i) the concepts for 3 MMPs are still at an early stage (pensions, e-Court, employment exchange); (ii) 1 MMP may not be included (Treasury); and (iii) 2 MMPs are entirely industry led (Banking, Insurance), the number has been reduced to 19.

Bank's intervention to support Government's program. The proposed Bank project, e-Bharat, will support the implementation of the NEGAP. The Bank's financing would have an equity-based focus on those MMPs that have a special impact on the poor and on rural communities, particularly in the less advanced states – in addition to providing support to all program support activities. NEGAP could serve as a vehicle to reduce poverty through improved service delivery to citizens, including both the urban and rural poor, while engaging the private sector in deployment of MMPs. Through NEGAP all citizens, particularly those in rural settings, could be empowered to make demands on the government.

Linkage to CAS This pro-poor orientation of NEGAP which the Bank would seek to support through the proposed e-Bharat operation reflects key priorities identified by the latest World Bank India Country Strategy (CAS), discussed by the Board on August 26, 2004, in particular (a) to help improve government effectiveness; (b) to support investments in people and empowering communities; and (c) to promote private sector-led growth. NEGAP also would address the challenge set forth in the CAS of dramatically scaling up the Bank's impact in the country to help improve the quality of life of all citizens.

2. Proposed objective(s)

The development objective of the proposed operation is to improve the quality, accessibility and effectiveness of government services to citizens and businesses particularly among the poor and rural communities, through the use of ICT.

The expected benefits from this operation are:

- reduction in cost and increase in access to public services by citizens and businesses across the country;
- re-orientation of civil service from a traditional “command & control” focus on inputs to output-based “meeting citizen needs” through business process re-engineering, freeing up public resources to overcome remaining market failures;
- increase in efficiency, transparency and accountability of the revenue collection and public procurement functions;
- improvement in the decision-making ability of farmers and rural suppliers through timely access to market prices; and
- deployment of electronic networking infrastructure for technology-enabled economic growth and social equity, enabling better targeting of government programs to meet basic needs and empowering monitoring by citizens and advocacy groups.

3. Preliminary description

A. Bank's lending instrument. The total NEGAP program cost is estimated to be approximately US\$ 3.2 billion (Rs. 142.62 billion to be confirmed over preparation) over a period of four years. The proposed Bank lending would be US\$ 500 million over that period, provided through a specific investment loan (SIL).

B. Project components. The Bank’s financing would support the following components as part of the overall NEGAP program. The amount of Bank contribution to each component will be determined during preparation.

Component 1. Scaling up of selected MMPs (approximately 73% of total program costs). NEGAP will provide the platform for scaling up and replicating successful e-governance pilots. In Table 1, the MMPs are divided into services delivered by: central government departments; state/municipal departments; and both central and local departments. They also are classified by type of outputs, namely services to citizens (G2C), businesses (G2B), and others to facilitate service integration. The Bank would support those MMPs that have an emphasis on the poor and rural communities, particularly in the less advanced states, indicated in bold in Table 1.

Table 1. Mission Mode Projects

	Central	State	Integrated
Services to Citizens (G2C)	<input type="checkbox"/> Income tax <input type="checkbox"/> Passport, visa and immigration	<input type="checkbox"/> Land records <input type="checkbox"/> Property registration <input type="checkbox"/> Road transport <input type="checkbox"/> Agriculture <input type="checkbox"/> Municipalities <input type="checkbox"/> Panchayats <input type="checkbox"/> Police	<input type="checkbox"/> Common service centers <input type="checkbox"/> India portal
Services to Business (G2B)	<input type="checkbox"/> Excise <input type="checkbox"/> Company affairs (DCA21)	<input type="checkbox"/> Commercial taxes	<input type="checkbox"/> EDI <input type="checkbox"/> e-Biz <input type="checkbox"/> e-Procurement
Other	<input type="checkbox"/> National ID		<input type="checkbox"/> National e-governance gateway

(MMPs highlighted in **bold** to be supported by proposed Bank operation)

Component 2. Infrastructure (approximately 16% of total program costs). This component caters to the infrastructure needs at state, district, block and village levels. It will include: (a) state wide area networks (SWANs) to provide fiber optic connectivity up to the block level; (b) state data centers (SDCs) to enable aggregation of existing data currently stored in a fragmented manner; and (c) other support networking infrastructure possibly including access points for services and development and deployment of low cost technology solutions.

Component 3. Training, communications & advocacy, and R&D (approximately 7% of total program costs). This component includes (a) a training program at central and state levels for e-government leaders, CIOs (Chief Information Officers), line managers, and civil servants in general; (b) a communications program to create awareness on e-governance and on NEGAP objectives, progress and outcomes; (c) an advocacy program to maintain political support and commitment among stakeholders; (d) an R&D function on areas of interest to e-governance.

DARPG (Department of Administrative Reforms & Public Grievances) would be the implementing agency.

Component 4. Program management, TA and M&E (approximately 4% of total program costs). This component would finance the capital and operational costs of national and state level PMDs (Program Management Directorates) including: (a) overall program management and coordination to avoid duplications and exploit opportunities for synergies utilizing common infrastructure (e.g. databases, technologies, standards); (b) management of the program funding mechanism; (c) supervisory responsibility of core policies including enforcement of standards; (d) allocation and delivery of technical assistance resources; and (e) monitoring and evaluation for effective tracking of key performance indicators and overall program effectiveness.

C. Funding mechanisms. It is important that the funding mechanisms within the program should be project-specific to reflect the economic viability of each MMP (i.e. revenue generating potential through user fees and/or cost-saving possibility to the GOI), the level of fiscal support to be provided either at the central or state level, and the share of Bank financing. In addition, the extent to which these projects can be facilitated through Public Private Partnership (PPP) arrangements would further enhance the available financing options irrespective of the projects' income-generating capacity.

The complementary possible financing options, which could exist as separate funding sources or under more unified mechanisms, include: (a) project financing for MMPs with strong revenue generating potential through user fees, (b) allocation or on-lending of funds from a grant/loan pool to support MMPs that may not generate user-fee income but have the potential for substantial cost savings to the government, (c) grant funding for MMPs with significant social developmental impact but no fee income or cost savings possibilities; and (d) direct program financing to private sector partners under appropriate PPP structures.

D. Co-financing opportunities. The task team is collaborating with IFC to assess the feasibility of their financing of PPP activities under the program, based on their active participation during the project identification mission. GoI also would seek to maximize appropriate co-financing by other donors, and the task team will build on initial contacts with donor agencies during the preparation phase. Preliminary discussions with selected development partners indicate the strong possibility of bilateral grant funding being mobilized to help support NEGAP.

4. Safeguard policies that might apply

The laying of fiber optic cable, which may mostly be dealt with under a complementary rural telecommunications development project, could involve the preparation of a technical standard to ensure no adverse environmental or social impact. This will be clarified during project preparation once the concept has evolved further.

5. Tentative financing

Source:	(\$m.)
BORROWER	2700
BANK FINANCING (IBRD/IDA)	500

Total 3200

6. Contact point

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