

## 39TH SKOCH SUMMIT UNANIMOUSLY RECOMMENDS KEY SUCCESS FACTORS FOR DIGITAL INDIA

# Tech neutrality, level playing field, transactional biometrics & overhaul of government purchases



N S Kalsi, ACS - Punjab

Karan Bajwa, MD, Microsoft Corporation (India)

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Neelam Dhawan, MD, HP India



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Anthony de Sa, Chief Secy-Madhya Pradesh



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"We should not make technology choices nor specify technology, rather specify services. It does not matter which technology powers up the services," said Ram Sewak Sharma, Secretary, Department of Electronics and Information Technology (DeiTY). He said this while stressing that the ambitious ₹113,000 crore Digital India plan will require a lot to be done and undone when it comes to making technology choices, its procurement and implementation across the government system. This emanates from an increasing realisation in the government that the time has come to focus on delivery of services and leave the choice of technology to the market forces.

"At the same time we should not make silo solutions. These have to be interoperable based on open architecture and open standards. Even though it is proprietary, it should be in a position to work on open standards so that all the stakeholders could communicate with each other," added Sharma. Since technology projects are linked to services, it should be free from interpretations. This necessitates creation of templates for all the departments and stakeholders to cut confusion, delays and added costs.

In big government projects like income tax, passports and railways, the benefits are visible. Outside government, like banks and healthcare, a lot has been done, but these are all isolated examples. There is little understanding within the government on what technology does, available choices and how low the cost of leveraging this technology has become, pointed out R Chandrashekhar, President, NASSCOM and former secretary to the Government of India.

Digital India is not about technology, it is about service delivery. It has been observed that the government even lacks the capacity to take technology decisions, which are driven by 'opinion' rather than consultation. This is primarily because the technology frameworks are missing. The neutrality tone has to be set right at the top. In fact, the open source or proprietary battle has ceased to exist, but the mindset has not changed, people still find themselves in a time freeze. It is therefore, no more an open source or proprietary battle, it is a total cost of ownership (TCO) battle. "This will be a collaborative game - there are many things that have to be done together with adoption of technology and from outside by providing solutions that have low cost of ownership over a period of time," commented Chandrashekhar.

Furthermore, as India is opening up to

e-commerce and the market is growing by leaps and bounds; it is estimated to hit \$100 billion mark over next five years from 20 billion today, the technology cannot remain captive. "We have to look at scalable solutions that meet global standards with low cost of ownership to be able to compete with the best in the world," said J K Dadoo, Joint Secretary in the Ministry of Commerce.

Interestingly, technology gets adopted not by its features or speed but because of large enabling ecosystem of people who can implement this technology. What has been seen is that projects are implemented in a containerised environment and when these are replicated across 35 states, thousands of people with a requisite skill-set will be required, which will then become a bottleneck. This perhaps, is one reason that has kept various projects from scaling except the MCA 21, Passports and Railways, which did create an ecosystem to take these national. "We have global experience that can be leveraged. Why can't we replicate the best practices within our states to gain momentum," asks Neelam Dhawan, MD of HP India. "Let the market forces decide the channel that they choose to interact with the government," added Som Satsangi, Vice President of HP India. "If we have to notch up from rank 142 in Doing Business in India Report to within top 50, as desired by the Prime Minister, we need to see what other countries are doing to remain at top. When we implemented MCA 21 ten years ago, India was at 145," said a worried Tanmoy Chakrabarty, VP & Head - Government Industry Solutions Unit, TCS Ltd.

Surely, there are gaps. The General Financial Rules (GFR) of the Government of India are perhaps to be blamed for

this silo thinking, which do not allow any innovation. Procurement process of the government is not aligned in terms of needs of IT, which has rendered it rigid and inflexible. Government's challenge today is procurement. Yet, it is happening, somebody is signing the papers only at the risk of his career, job, reputation and peace because, each time, procurement of IT and services is done or completion certificate issued, GFR is violated. "We have already moved a proposal to Ministry of Finance (MoF) asking for revision in GFR for procuring IT and services. This is required considering peculiar nature of IT products and services," said Ajay Kumar, Joint Secretary, DeiTY and Director General, National Informatics Centre. "Industry could explore possibilities to address this and other problems by engaging and sensitising the institutions such as CVC, MoF and so on," suggests Gulshan Rai, Director General, ICERT.

This is also one big reason, why the completed projects do not get completion certificate and therefore are not paid on time. MCA21 for one, got it only after five years. "It was brave on the part of the Secretary to have taken a call on this," said Sanjiv Mital, CEO, National Institute of Smart Government (NISG). By any rough estimates, the government today owes the IT industry upwards of ₹5,000 crore which explains the reason why, in response to six tenders recently, only one bid came. This certainly is neither a technology nor talent issue. N S Kalsi, Government of Punjab suggests, "As industry opens an LC, why can't same system be arranged in the government?

Instead of opening an LC with the bank, let that money be put with a third party." Then RFP could define milestones on how money is to be disbursed under SLAs.

There is another solution to this - the Swiss Challenge. This is a method of public procurement that requires a government agency that has got an unsolicited bid for a public project or services to be provided to the government, to publish the bid and invite third parties to either match or exceed it. Madhya Pradesh, in fact, is one such state that has effectively used the Swiss Challenge. It has constituted a committee headed by Chief Secretary to examine the idea and is discussed with five or six other Secretaries to get their suggestions on what works, with modifications. "The proponent of the idea is asked to invest his money to prepare a DPR, which is reimbursed to him later on if he gets the project. In order to protect his intellectual property, the state does not publish the DPR on Internet but says this is what government wants and the project proponent

is willing to do this for this amount of money, if you can do it for less, let us know," explains Anthony de Sa, Chief Secretary, Madhya Pradesh. "We do not change the idea because then the terms of tender and RFP would change. Even if somebody else says yes, we can do it for less, the proponent of the idea is given a chance to match because it was originally his idea and prepared the DPR. If he says no, then it is given to the challenger. The DPR is not repeated and he pays the money to the original proponent of

the DPR," elucidates de Sa. This can be institutionalised across the government and can be a huge step in adoption of technology, emphasised Chandrashekhar.

With increased use of online and digital mode, it is becoming increasingly difficult to keep tracking one more user ID and one more password that keep on multiplying. For ease, one ends up having the same password for everything. Is there a better way of authenticating a person? "Why not use biometrics for this," asks Mital. India's 95 per cent economy runs on cash - more so the rural economy. This is primarily because, the country lags behind in devising systems to electrify such transactions. The challenge is in transaction cost. Banks need to learn from the telecom sector, which makes money even on a 10 rupees recharge. The importance of locally relevant technology options with level playing field cannot be ruled out. Whether it is MasterCard or any other card, let the competition happen and customer decide the usage of services. "If we want to ensure inclusion of all sections of society, we need to cut the total cost of ownership and allow interoperable technologies that are easy to use and understand," opined Sharma while talking about the banking sector. Ari Sarker, Division Head - South Asia, MasterCard Worldwide, agreed that creating a cashless society is a huge challenge. He said, while private sector welcomes competition, competitive markets define an open economy. He is worried about a lurking monopoly in the financial inclusion drive as the National Payments Corporation of India (NPCI), the sole payment gateway, restricting competition with RuPay cards bundled with Pradhan Mantri Jan Dhan Yojana

(PMJDY) accounts. The National Financial Mapper (NFM) managed by NPCI links all transactions on debit cards the charges for which are recovered by NPCI, irrespective of the clearing mechanism.

"The government or regulator should not distort the level-playing field by directly or indirectly indicating technology or vendor preferences. A case in point would be the informal understanding of 'NPCI preferred' or a government policy that may state 'open source preferred'. Tech neutrality means equal opportunity, fair and open market for all," echoed Sameer Kochhar, Chairman, Skoch Group and Secretary General, CEOs Association for Inclusive India (CAII).

The government, on its part, has also been working to correct some of these anomalies. Sometime back we started working on creating RFP templates after consulting all the stakeholders including government departments, industry, consultants, etc. These will serve the need for departments to procure IT and services, informed Rajendra Kumar, Joint Secretary, in-charge of e-Governance at DeiTY. He also talked about the problems the government faces vis-a-vis the industry.

He said, in most cases the industry partners themselves do not advise the concerned departments correctly on using these templates. For us the approach going forward is to leverage technology and to address issues of procurement and reducing the cycle time and burden of what departments have been doing so far when they want to develop an application or procure IT equipment or software.

Cloud-based services can reduce the cycle time and expenditure significantly by government departments in going live. Government departments spend a lot of time in setting up data centres and procuring hardware. "In doing this, the purpose of e-governance services gets lost. Next is the issue of replication. The issue of ownership comes up for using one application of one department by another. We want to encourage replication. However, when industry partners are asked to do the replication, the cost quoted is often quite high", points out Kumar. Saying further, he added that when departments want to exchange data with other departments, prices are quoted by the industry where the data belongs to the government. "The process of revising templates that we have started should help the departments and the industry to a great extent in making the process of ICT procurement simpler," summed up Kumar.



Tanmoy Chakrabarty, TCS Ltd



Neeraj Gill, GM-Public Sector, Microsoft Corporation (India)



Front row, L to R: Zohra Chatterji, M Ramachandran, R K Bajaj and Nirmal Bansal from Skoch Development Foundation



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