

Case Study

Panch Parmeshwar Portal

e-Governance and m-Governance solution to facilitate transformation of various processes involved in the functioning of Gram Panchayats and intermediate panchayats.

Designed and developed by NIC for Madhya Pradesh State Tech e-Panchayat Society, Madhya Pradesh

Website: <http://panchparmeshwar.mp.gov.in/>

INDEX

	Contents	No.
I.	Executive Summary	3
1.	Introduction	4
2.	Overview of the Champion and the team	5
3.	Project overview/history of project	5-6
4.	Situation in Champion's State/District	6-7
	4.1. Problems Identified	
	4.2. Strategy Adopted	
	4.2.1. Implementation model	
	4.2.2. Communication and dissemination strategy and approach used	
5.	Modalities of the New System (Solution)	7-12
	5.1. Technology Platform Used	
	5.1.1. Description	
	5.1.2. Interoperability	
	5.1.3. Security Concerns	
	5.1.4. Issue with the technology used	
	5.1.5. Service Level Agreements (SLAs)	
	5.2. Citizen Centricity	
	5.2.1. Impact on effort, time and cost incurred by user	
	5.2.2. Grievance Mechanism	
	5.2.3. Audit Trails	
	5.2.4. Interactive platform for service delivery	
	5.3. User Convenience	
	5.3.1. Service delivery channels	
	5.3.2. Completeness of information provided to the users	
	5.3.3. Accessibility	
	5.3.4. Distance Travelled to Access Points	
	5.3.5. Facility for online/offline download and online submission of forms	
	5.3.6. Status Tracking	
	5.4. Efficiency Enhancement	
6.	Impact on the Stakeholders/Beneficiaries	12-13
	6.1. To organisation/Government	
	6.2. To citizens	
	6.3. Other stakeholders	
7.	Future Roadmap/ Sustainability	13-14
8.	Teaching Notes	15-19
9.	Abbreviations and Acronyms	20

I. Executive Summary

Panch Parmeshwar Portal is an e-Governance and m-Governance solution designed and developed by NIC MP to facilitate transformation of various processes involved in the functioning of Gram Panchayats. The Panch Parmeshwar Digital Panchayat platform includes a suite of web and mobile application. It has been seamlessly integrated with National Automated Clearing House (NACH) platform of National Payments Corporation of India (NPCI) & core banking systems of 8 nationalized banks to facilitate financial inclusion by discontinuing cash and cheque payments and switching to online electronic payments. The solution judiciously uses all available cutting-edge technologies such as online banking, NACH platform of NPCI for digital payments, Mobile Apps, Jan Dhan Aadhaar Mobile - JAM Trinity, GPS-enabled smart-phones, Geo-tagged photos of works, SMS etc.

Beneficiaries of the project are the 5.26 Crore rural residents residing in 51,380 villages of Madhya Pradesh State (2011 census figures), 22,816 Gram Panchayats, their elected representatives, Panchayat Secretary and other functionaries, 313 Janpad (Block) Panchayats, 51 district panchayats, their elected representatives & Government functionaries working in Panchayat and Rural development sector.

Stakeholders of the project include vendors, suppliers, agencies, involved in panchayat and rural development sector, National Payment Corporation of India, 11,000 bank branches, and IT teams of 8 Banks.

1. INTRODUCTION

MP State Tech e-Panchayat Society (MP STePS) was set-up under the Department of Panchayati Raj, Madhya Pradesh to realize the dream of Digital Panchayats and Digital India and to facilitate the Gram Panchayats (GPs) to run in a rule-based and transparent manner.

As per the guidelines and recommendations of Digital India programme of Government of India, MP STePS, in partnership with NIC, has envisaged, designed, developed & implemented an e-Governance, m-Governance & e-Payment Platform named Panch Parmeshwar (पंच परमेश्वर) to facilitate transformation of various processes involved in the functioning of GPs and realize the dream of Digital Panchayats.

Ready availability of upbeat technologies such as online banking, digital payments, NACH platform of NPCI, Mobile Apps, JAM trinity, Digitally Signed e-Payment Orders, GPS-enabled smart-phones, internet connectivity, laptops, tablets, Cloud, etc. has now made it possible for Gram Panchayats to leverage the technologies to transform their processes and conduct operations online in a fair, transparent and rule-based manner and achieve the much-needed credibility and respect in their operations.

The geographic and demographic coverage of the Panch Parmeshwar initiative posed a unique challenge as it was to be implemented in 22,816 Gram Panchayats of the State.

The system facilitates dissemination of information related to all key processes involved in the functioning of panchayats i.e. receipts of funds/revenue, financial transactions/ payments, works, bank statements of Panchayat bank account, vendors and payment receivers, etc. in public domain and hence, it was expected to be seen by Panchayat representatives as an exercise that restricts the autonomy of the Panchayats. Change management was an important aspect of the initiative to overcome the possible resistance and to change the mindset. A series of orientation and capacity building programs were organized for Sarpanch, Panchayat Secretary and other functionaries. It helped them to welcome the change and adopt the technology-based solutions which enforce accountability in all their operations/expenditure and allows only rule-based operations, eliminates the possibility of exercising discretion in decision making & payments and brings in highest possible level of transparency in operations & financial transactions.

2. OVERVIEW OF THE PROJECT CHAMPION AND THE TEAM

Shri Radheshyam Julaniya is the Additional Chief Secretary, Water Resources and Medical Education in the Government of Madhya Pradesh. He was former Additional Chief Secretary, Panchayat & Rural Development Department.

Shri Iqbal Singh Bain, the present Additional Chief Secretary, Panchayat & Rural Development Department, Government of Madhya Pradesh has taken the initiative further and institutionalized it.

Shri Sunil Jain, Senior Technical Director, NIC, MP has played key role in design and development of the technology and e-Payment solution for the initiative.

Other team members include Shri Shamim Uddin CEO, MPSTEPS; Sh. Vinod Yadav, Deputy Director; Shri Deepak Vyas, Scientist-B (Systems Analyst); Sh. Deepak Gautam, Programmer, PRD; Shri Ambuj Jain, Scientist-B (Systems Analyst).

3. PROJECT OVERVIEW/HISTORY OF THE PROJECT

Mahatma Gandhi advocated Panchayati Raj as the foundation of India's political system, as a decentralized form of government in which each village would be responsible for its own affairs. The Panchayati Raj system was formalized in 1992, following a study conducted by a number of Indian committees on various ways of implementing more decentralized administration. With 73rd and 74th amendment Act of the Constitution of India, in 1993, the division of powers and functions has further trickled down to Local Self Governments. The 73rd Amendment resulted in creation of a three tier local government in rural areas, collectively referred to as Panchayat Raj Institutions (PRIs), viz. Zila Panchayat, Janpad Panchayat and Gram Panchayat. The amendment provided the legal basis for the independent functioning of Local Government as envisaged in Article 40 of the Constitution. Article 243G of the Constitution directs the States to devolve such powers and functions to the PRIs so as to enable them to function as Local Self Governments. The 11th and 12th Schedule of Constitution lists the functions that may be devolved to the PRIs by the State.

Madhya Pradesh enacted the MP Panchayat Raj Adhiniyam, 1993 to establish the three levels of Panchayati Raj system in the State. It was the first State to hold elections after the 73rd amendment.

Level of Panchayat	Name used
District Panchayat	Zilla Panchayat
Intermediate / Block Panchayat	Janpad Panchayat
Village Panchayat	Gram Panchayat

In 2001, the Panchayati Raj Adhiniyam was amended by the Gram Swaraj Adhiniyam, which brought about significant changes in the structure of Panchayati Raj, by strengthening Gram Sabhas and directly constituting committees at the Gram Sabha level to plan and implement programmes. Recently, the law has been further amended to restore the position of the Gram Panchayat as the executive arm of Self-Government.

Madhya Pradesh has decided to replace the separate village-level committees for development, education, health, infrastructure, security, agriculture, public property and social justice in a single committee. Madhya Pradesh (MP), in 1993, was the first State in the country to implement the Panchayat Raj Act. Since then, MP has been focusing on decentralization & empowerment of Gram Panchayats. It has been at the forefront in taking steps for Strengthening of Gram Panchayats of the State. The State has three-tier Panchayat system with 51 District (Zilla) Panchayats, 313 Janpad (Block) Panchayats & 22,816 Gram Panchayats. Government of India has been consistently infusing massive financial resources for strengthening the Gram Panchayats of the country. e-Governance initiatives are required to re-design and re-structure Departments and programs to change the way they plan and manage their affairs for better delivery of services and stronger interactions between the various stakeholders.

MP State Tech e-Panchayat Society (MP STePS) was set-up under the Department of Panchayati Raj, Madhya Pradesh to realize the dream of Digital Panchayats and Digital India and to facilitate the Panchayats to run in a rule-based and transparent manner.

4. SITUATION IN CHAMPION'S STATE/DISTRICT

4.1. Problems Identified:

Gram Panchayats have often been criticized for poor representation, failure to implement the participatory decisions of their constituencies, lack of transparency in functions/operations and mismanagement of funds. This is primarily due to the limitations of skills and acumen of the elected representatives and non-availability of a reliable and authentic technology-based solution for operations.

The limited liability of Gram Panchayats is further crippled by the lack of adequate mechanisms, both robust and lucid, to monitor and track the expenditures, progress of works, receipts of funds from different sources, generation of revenue, utilization of funds for various development works & activities and implementation of welfare schemes.

The credibility and capability of Panchayats is frequently questioned because of offline and manual operations, lack of transparency and absence of a single source of authentic information regarding receipts, revenue, expenditure, works and non-effective implementation of schemes and programs. Due to lack of credibility, the Government and Departments often hesitated in devolving their powers to the PRIs and even transferring their funds for various works/activities.

4.2. Strategy Adopted

4.2.1 Implementation model

MP State Tech e-Panchayat Society (MP STePS) was set-up under the Department of Panchayati Raj, Madhya Pradesh to realize the dream of Digital Panchayats and Digital India and to facilitate the Panchayats to run in a rule-based and transparent manner.

The proposal was to design, develop and implement a smart technology driven yet simple to use solution that works in real-time and facilitates rule-based, time-bound and transparent transformation of the various activities of Gram Panchayats, district and block offices.

The main problems identified were related to manual processes, procedural lapses & delays, lack of institutional mechanism to enforce rule-based operations, accountability transparency, timely, optimal and judicious utilization of financial resources available with Panchayats.

Pilot implementation was undertaken in two Gram Panchayats and then State-wide roll-out was undertaken after obtaining and evaluating valued feedbacks from users.

4.2.2 Communication and dissemination strategy and approach used

Meeting with concerned stakeholders, conducting training at Divisional and District levels, message disseminated at larger level through circulars, notice boards and newspaper advertisements etc. Following WhatsApp Groups were formed at different levels for real-time dissemination of the project related information:

- 313 Janpad level groups that included Secretaries and Sarpanch (Head Man) of all Panchayats of Janpad, Chief Electoral Officer (CEO) Janpad, Accountant and other officials of Janpad Panchayats.
- 51 District-level groups included CEO, Zilla Panchayat and key officers of his office, CEO of Janpads and key functionaries of his office and selected Gram Panchayat Secretaries.
- State group included State officials, CEO, Zilla Panchayats, CEO of few Janpads and secretaries of selected Gram Panchayats.
- State Group included State officials, Bank representatives, few CEO, Zilla Panchayats.

5. MODALITIES OF THE NEW SYSTEM (SOLUTION)

5.1. Technology Platform used:

Portal has been developed by NIC using Service Oriented Architecture so as to facilitate easy replication and scale-up. Postgres, SQL, Android, ASP.Net, jQuery, Bootstrap, SVN, SFTP, Public Key Infrastructure (PKI) DSC Token, MS-SQL have been used; the concerns like Inter-operability, Security etc. were appropriately handled.

5.1.1 Description

The project uses mix of Web and Mobile technologies. Portal has been developed using Service Oriented Architecture so as to facilitate easy replication and scale-up. PostgreSQL, Android, ASP.Net, jQuery, Bootstrap, SVN, SFTP, Public Key Infrastructure (PKI) DSC Token, MS-SQL have been used; the concerns like Inter-operability, Security etc. were appropriately handled. The Project also exploits the GPS, Camera, QR code Reader, Wi-Fi features of the smart phone.

5.1.2 Interoperability

The system is interoperable with web and mobile platforms. The web application is designed to have responsive capabilities when accessed using different platforms.

5.1.3 Security concerns

The platform was developed and made operational in secured manner, complying with various security protocols, guidelines.

5.1.4 Any issue with the technology used

All issues were successfully handled using the judicious mix of technologies. The App allows offline operations and synchronize the data when it comes in network zone.

5.1.5 Service level Agreements (SLAs)

Banks have been made to agree to process the e-Payment files in T+2 time frame. Banks have also been made to agree to electronically receive the responses from NPCI for all e-Payment instructions included in the e-Payment Orders and create one authoritative response file containing the Unique Taxpayer Reference (UTR) Number and transaction date against each payment instructions. The authoritative response file has to be placed by the bank on the Secure File Transfer Protocol (SFTP) server in T+4 time frame. Conflict management and resolution will be undertaken as per the NPCI guidelines.

5.2. Citizen Centricity

5.2.1 Impact on effort, time and cost incurred by user

Use of technology-based solution that allows the automation of processes, enforcement of rules, auto-compilation, brings in transparency in service delivery has resulted in significant cost and time savings for all stakeholders including the Department.

The initiative made the whole process paperless, resulting in significant reduction in expenditure incurred on stationery.

The initiative helped in achieving better financial control, monitoring and over all governance by putting the financial transaction data of all Gram Panchayats in public domain. Key information captured related to schemes, expenditure of funds, grants of funds helped in organizing financial data for concurrent auditors so that more thrust is on auditing than accounting. It further resulted in significant cost savings.

5.2.2 Feedback/grievance redressal mechanism

Improvement/ improvisation need not wait for or be dependent upon receiving a complaint/ grievance. It could be carried out through regular feedback as well. Inputs on necessary improvements to the system can also be sought from representatives and citizens. System is designed keeping the motto “A Move Towards Commitment” with Public funds propriety, accountability, performance and transparency on public domain through way of simple process of Accounting.

5.2.3 Audit Trails

As the system involves financial transactions and e-payments, the system has been designed to capture and maintain all audit trails required for fixing the accountability on any transaction. Audit Trails are being maintained as per the laid down policy.

5.2.4 Interactive platform for service delivery

The penetration of smart phone has gone very high due to availability of economic bandwidth and economic smart phones. In view of the above, all the key information and services related to works, payments, receipts, vendors, staff, salaries, honorarium, balance available in Panchayati Raj Institutions (PRI) bank account, bank Statement of PRI etc. is available to common man on his smart phone using the "Panch Parmeshwar" App.

5.3. User convenience

5.3.1 Service delivery channels

Service Delivery channels include:

- Web Interfaces
- Mobile App
- SMS

5.3.2 Completeness of information provided to the users

1. All the e-Payment orders are generated using the application software in a rule based manner using the data available in the Portal. The authentic and verified data of the registered works, registered vendors, suppliers, employees, registered schemes is used to create an e-Payment Order.
2. As the system generated e-Payment Order are being pushed electronically to the banks for e-Payment by using the integration with the Core banking system of 8 different banks in an automated manner without involving any human intervention, 100% complete and authentic information about the works, bills, expenditure, receipts etc. is ensured.

3. Each and every work, its commencement detail and phase-wise progress along with the bills prepared and payment done against the work are captured at the time of preparation of e-Payment Order and disseminated in public domain for social audit, concurrent audit. All such information has been enriched with QR code, scanned copy of the physical documents and basic details of the vendor/agency.
4. A complete village development plan, prepared by the Gram Panchayat, is put into the public domain for the residents of the village.
5. System has been integrated with the eight nationalized banks to provide the daily transaction details of the banks accounts of Gram Panchayats. This information is published on the portal in the form of passbook to get an idea of funds available with the Gram Panchayat.

5.3.3 Accessibility

1. Portal is live and available 24X7 from any computer having internet access.
2. Mobile App is also available to the users to access all key information from their smart phones.

5.3.4 Distance travelled to Access Points

1. The vendors, suppliers, agencies and other payment receivers get their due amount into their bank account and are not supposed to travel to Gram Panchayat office for collection of cheques/ cash.
2. The Panchayat Sarpanch and Panchayat Secretary create the e-Payment Orders using the portal and electronically send the e-Payment Order to bank for e-Payment. They need not personally visit the bank branch for any payments.
3. Public can view all the Panchayat bank statement, balance funds available with Gram Panchayats, works, payments against works, payments against other activities, receipts etc. related to any Gram Panchayat from web-interface and mobile app and need not visit the Panchayat Office to view the details.
4. Vendors, suppliers, agencies, employees can view and track the status of payments using web-interface/ mobile App and need not visit the bank branch.

5.3.5 Facility for online/offline download and online submission of forms

The Mobile App works in online/offline mode. It allows the download of master data. It can again be synced with the live databases whenever it comes in network zone.

5.3.6 Status tracking

1. Users can easily track the status of ongoing works and payments made against these works using web interfaces/ mobile app.
2. Agencies/Vendors/suppliers can easily track the status of payment of bills using web interfaces/ mobile app.

3. Employees can track the status of payment of their salaries/ arrears and other allowances using web interfaces/ mobile app.
4. Common man/Department/Offices can easily access the information in the form of orders/circulars/ minutes of meetings/press release, etc.

5.4 Efficiency Enhancement

(i) Volume of transactions processed:

- Detailed profile of more than 4,93,293 development and community works created and registered on Portal.
- The Gram Panchayats, Janpad Panchayats and Zilla Panchayats have registered 65,74,095 bills for e-Payments to registered vendors, agencies, employees and other agencies for work, salaries, services and other purposes under various schemes using the portal.
- More than 17,34,142 e-Payment orders that include payment instructions to bank for electronic transfer of the amount into the bank account of the registered vendor, staff, supplier and other payment receivers have been created and submitted electronically to the bank using the portal.
- e-Payment orders of more than Rs. 14,640 Cr have been generated for e-Payment to 15,21,904 Vendors/ suppliers/ agencies/ payment receivers registered on Portal.
- More than 21689 Detailed Project Reports/Village Development Plan that include 1,54,654 development and community works have been created online using the Portal.
- Centralized bank account for processing of salaries of more than 57 thousand employees working in GPs, Janpads and Zilla Panchayats is being prepared online and disbursed directly into their bank accounts every month. Total Monthly e-Payments are of Rs. 300 Cr.
- More than 400 offices are preparing and processing bills of their administrative expenditures using the portal. The payment of these bills is being credited directly to the accounts of vendors/agencies.
- 22,816 Gram Panchayats are preparing and processing bills of their works, purchases and all other payments. These bills are clubbed to generate thee-Payment orders and pushed to the SFTP server of the concerned bank after applying digital signatures for payment on daily basis.
- Bank statement of all offices are being imported from the concerned bank SFTP server and imported into the portal for public dissemination.
- More than 1500 e-Payment orders are created using the portal and are being pushed to SSH File Transfer Protocols (SFTP) servers to eight different nationalized banks for processing the payment bills of vendors/agencies, purchases and salaries and Honorarium.

(ii) Coping with transaction volume growth:

The Platform has been designed and developed using Service Oriented Architecture. It is cloud-ready and has been designed for easy scale-up to handle the growth in volume of transactions.

(iii) Time taken to process transactions: Average time is in seconds.

(iv) Accuracy of output: As the system is facilitating e-Payments and hence it has been designed to ensure 100% accuracy.

(v) Number of delays in service delivery: No delays reported.

6. IMPACT ON THE STAKEHOLDERS/BENEFICIARIES

6.1 To Organization

- The system has resulted into significant improvement in the functioning and governance of PRIs.
- The system has enforced rule-based operations, transparency and accountability.
- The system has ensured that 100% accurate, authentic and updated information on all works, payments, bills, e-payment Orders, Vendors, Suppliers, receipts, employees, etc. is readily available in public domain for social audit and concurrent audit.
- System has encouraged more participation from various vendors and agencies as their payments are being processed through the system and the payments have been made directly into their bank accounts.
- Now there is no or less-paper and manual implementation of scheme that would have required compilation. Now compilation, record keeping, resource sharing and financial exigencies are done in an automated manner.
- Use of technology-based solution that allows the automation of processes, enforcement of rules, auto-compilation that brings in transparency in the governance, has resulted in significant cost savings to the Department.
- Initiative made the whole process paperless resulting in significant reduction in expenditure incurred in stationery.
- Now the Department can easily get each and every information on a single click.
- There was no query/application under Right to Information (RTI) Act after adoption to automated systems.
- Detailed profile of more than 4,93,293 development and community works created and registered on Portal.
- The Gram Panchayats have created 65,74,095 bills for payments to vendors, agencies, employees and other agencies for work, salaries, services and other purposes under various schemes using the portal.
- More than 17,34,142 e-Payment orders that include payment instructions to bank for electronic transfer of the amount into the bank account of the registered vendor, staff, supplier and other payment receivers have been created and submitted electronically to the bank using the portal.
- e-Payment orders of more than Rs.14,640/- Cr. have been generated by the Gram Panchayats for e-payment to 15,21,904 Vendors/ suppliers/ agencies / payment receivers registered on Portal.
- More than 21689 Detailed Project Reports / Village Plan having 1,54,654 development and community works created using the Portal.

- Centralized bank account for processing of salaries of more than 57 thousand employees working in GPs, Janpads and Zilla Panchayats is being prepared online and disbursed directly into their bank accounts every month. Total Monthly e-Payments of Rs. 300 Cr.
- More than 400 offices are preparing and processing bills of their administrative expenditures using the portal.
- The payment of these bills is being credited directly to the accounts of vendors/agencies. As on 22.10.2018, 22,816 Gram Panchayats are preparing and processing bills of their works, purchases and all other payments. These bills are clubbed to generate e-Payment orders and pushed to the SFTP server of the concerned bank after applying digital signatures for payment on daily basis.
- Bank statement of all GPs are being imported from the concerned bank SFTP server and imported into the portal for public dissemination.
- More than 1500 payment orders are created using the portal and are being pushed to SFTP servers to eight different nationalized banks for processing the payment bills of vendors/agencies, purchases of Gram Panchayats and salaries of PRI employees and Honorarium of PRI elected representatives.

6.2 To citizens

- Users can easily access the complete profile of their Gram Panchayat and contact the designated officials and public representatives.
- Development plan of the Gram Panchayat, status of ongoing works, payment against the works and purchased materials, funds available in the Gram Panchayat and details of events organized at the various levels can be easily accessed on a single click.
- Various circulars, orders and documents published by the Departments, technical and administrative sanctions of the works, photos and press releases of the events organized and other relevant documents are available as a repository and can be easily accessed at any time.

6.3 Other stakeholders

- Vendors/Agencies/ Suppliers/Firms are now sure of timely and hassle-free payments in a transparent manner.
- System encouraged the vendors for more participation in procurement process, as it eliminates possibility of delay in payments.
- They are not dependent on local offices for certification to claim their payments
- Employees are getting their salaries in their bank accounts at the end of every month.

7. Future Roadmap/ Sustainability

- a) The initiative has brought in transparency and public participation in all operations and functions of the Panchayats and hence it will NOT be possible for anyone to back track. The innovation is sustainable as there is no alternate manual system that can track status of ongoing works/activities at a Gram Panchayat, estimate the availability and requirement of funds for the Gram Panchayats, help to commence the audit process for the Gram

Panchayats and provide a repository of circulars/orders/documents issued by various line Departments.

- b) The system is self-sustainable as it brings in convenience and comfort to all its users and benefits the masses and all sections of the society.
- c) The initiative is successfully running for more than 2 years
- d) The initiative has resulted in drastic reduction of the repetitive manual work, compilation work etc. as the processes have been automated.
- e) The initiative has resulted in enforcing accountability on the PRI functionaries.
- f) It also created a win-win proposition for all the stakeholders, i.e. Gram Panchayats, employees, GP functionaries, public representatives, vendors, suppliers, agencies, district, block and State-level offices and line Departments.
- g) As the system also uses mobile app and generic web-services, it can easily be scaled up.
- h) It is sustainable as it is integrated with the banks for processing the financial transactions and the system can be used for disbursing payments against the ongoing works and bills registered and hence payment of the vendor/agencies can be released in a timely and hassle-free manner.

Teaching Notes

Panch Parmeshwar Portal

e-Governance and m-Governance solution to facilitate transformation of various processes involved in the functioning of Gram Panchayats and intermediate panchayats.

1. OVERVIEW

MP State Tech e-Panchayat Society (MP STePS) was set-up under the Department of Panchayati Raj, Madhya Pradesh to realize the dream of Digital Panchayats and Digital India and to facilitate the Gram Panchayats (GPs) to run in a rule-based and transparent manner.

As per the guidelines and recommendations of Digital India programme of Government of India, MP STePS, in partnership with NIC, has envisaged, designed, developed & implemented an e-Governance, m-Governance & e-Payment Platform named Panch Parmeshwar (□□□□□□□□□□) to facilitate transformation of various processes involved in the functioning of GPs and realize the dream of Digital Panchayats.

Ready availability of upbeat technologies such as online banking, digital payments, NACH platform of NPCI, Mobile Apps, JAM trinity, Digitally Signed e-Payment Orders, GPS-enabled smart-phones, internet connectivity, laptops, tablets, Cloud, etc. has now made it possible for Gram Panchayats to leverage the technologies to transform their processes and conduct operations online in a fair, transparent and rule-based manner and achieve the much-needed credibility and respect in their operations.

The geographic and demographic coverage of the Panch Parmeshwar initiative posed a unique challenge as it was to be implemented in 22,816 Gram Panchayats of the State.

The system facilitates dissemination of information related to all key processes involved in the functioning of panchayats i.e. receipts of funds/revenue, financial transactions/ payments, works, bank statements of Panchayat bank account, vendors and payment receivers, etc. in public domain and hence, it was expected to be seen by Panchayat representatives as an exercise that restricts the autonomy of the Panchayats. Change management was an important aspect of the initiative to overcome the possible resistance and to change the mindset. A series of orientation and capacity building programs were organized for Sarpanch, Panchayat Secretary and other functionaries. It helped them to welcome the change and adopt the technology-based solutions which enforce accountability in all their operations/expenditure and allows only rule-based operations, eliminates the possibility of exercising discretion in decision making & payments and brings in highest possible level of transparency in operations & financial transactions.

2. **TEACHING OBJECTIVES**

➤ **Learning Objectives**

- As-is situation analysis and identification of pain points in the existing delivery process.
- Importance of innovation and technology in transforming the processes and conduct operations online in a fair, transparent and rule-based manner
- Expected outcomes and ease in processes due to the project.

➤ **Challenges/Issues Faced**

1. Making the PRI functionaries to agree to discontinue the practice of cash/cheque payments and adopt e-Payment system.
2. Ensuring that all vendors, shop-keepers open bank accounts for receiving the payments in electronic mode.
3. Making the Panchayats agree to close all accounts that were being operated by them for different schemes and maintain only one account for the Panchayat.
4. Making the PRI functionaries having their bank accounts in cooperative/rural banks to switch their accounts to nationalized banks having Core Banking Solutions.
5. Integrating Panch Parmeshwar Portal with National Automated Clearing House (NACH) of National Payment Corporation of India (NPCI) in a secure and trusted manner.
6. Making the corporate offices of banks to agree to participate in the project that required customization of their Core Banking Solution (CBS) and host-to-host integration of their CBS with NACH platform of NPCI.
7. Making the banks to agree to common e-Payment order format.
8. Securing end-to-end integration of the Panch Parmeshwar Portal with the Core Banking System of 8 different nationalized banks for automated e-Payments. Integration of the PanchParmeshwar portal with CBS required changes in the CBS and active participation of the IT teams of the banks located in their headquarters and data centers.

➤ **Improving the Situation**

- ✓ Pilot implementation was undertaken in two Gram Panchayats and then State-wide roll-out was undertaken after obtaining and evaluating valued feedbacks from users.
- ✓ Meeting with concerned stakeholders, conducting training at Divisional and District levels, message disseminated at larger level through circulars, notice boards and newspaper advertisements, etc.
- ✓ Following WhatsApp Groups were formed at different levels for real-time dissemination of the project related information:
 - a. 313 Janpad level groups that included Secretaries and Sarpanch (head man) of all Panchayats of Janpad, CEO Janpad, Accountant and other officials of Janpad Panchayats.
 - b. 51 District-level groups included CEO, Zilla Panchayat and key officers of his office, CEO of Janpads of key functionaries of his office and selected gram Panchayat secretaries.

- c. State group included State officials, CEO, Zilla Panchayats, CEO of few Janpads and secretaries of selected gram Panchayats.
- d. State Group included State officials, Bank representatives, few CEO, Zilla Panchayats.

3. SUGGESTED QUESTIONS & ANALYSIS

a) What changes were brought in the system using the Project?

1. All the e-Payment orders are generated using the application software in a rule based manner using the data available in the Portal.
2. The Panchayat Sarpanch and Panchayat Secretary create the e-Payment Orders using the Portal and electronically send the e-Payment Order to bank for e-Payment. They need not personally visit the bank branch for any payments.
3. Public can view all the Panchayat bank statements, balance funds available with Gram Panchayats, works, payments against works, payments against other activities, receipts etc. related to any Gram Panchayat from web-interface and mobile App and need not visit the Panchayat Office to view the details.
4. Vendors, suppliers, agencies, employees can view and track the status of payments using web-interface/ mobile app and need not visit the bank branch.

b) How the Project has helped in increasing efficiency and effectiveness in the system?

- Detailed profile of more than 4,93,293 development and community works created and registered on Portal.
- The Gram Panchayats, Janpad Panchayats and Zilla Panchayats have registered 65,74,095 bills for e-Payments to registered vendors, agencies, employees and other agencies for work, salaries, services and other purposes under various schemes using the portal.
- More than 17,34,142 e-Payment orders that include payment instructions to bank for electronic transfer of the amount into the bank account of the registered vendor, staff, supplier and other payment receivers have been created and submitted electronically to the bank using the portal.
- e-Payment orders of more than Rs. 14,640 Cr have been generated for e-Payment to 15,21,904 Vendors/ suppliers/ agencies / payment receivers registered on Portal.
- More than 21689 Detailed Project Reports / Village Development Plan that include 1,54,654 development and community works have been created online using the Portal.
- Centralized bank account for processing of salaries of more than 57 thousand employees working in GPs, Janpads and Zilla Panchayats is being prepared online and disbursed directly into their bank accounts every month. Total Monthly e-Payments are of Rs. 300 Cr.
- More than 400 offices are preparing and processing bills of their administrative expenditures using the portal. The payment of these bills is being credited directly to the accounts of vendors/agencies.
- 22,816 Gram Panchayats are preparing and processing bills of their works, purchases and all other payments. These bills are clubbed to generate thee-Payment orders and pushed to

the SFTP server of the concerned bank after applying digital signatures for payment on daily basis.

- Bank statement of all offices are being imported from the concerned bank SFTP server and imported into the portal for public dissemination.
- More than 1500 e-Payment orders are created using the portal and are being pushed to SSH File Transfer Protocols (SFTP) servers to eight different nationalized banks for processing the payment bills of vendors/agencies, purchases and salaries and Honorarium.

c) What are the distinctive features or accomplishments of the project?

- The system has resulted into significant improvement in the functioning and governance of PRIs.
- The system has enforced rule-based operations, transparency and accountability.
- The system has ensured that 100% accurate, authentic and updated information on all works, payments, bills, e-payment Orders, Vendors, Suppliers, receipts, employees, etc. is readily available in public domain for social audit and concurrent audit.
- System has encouraged more participation from various vendors and agencies as their payments are being processed through the system and the payments have been made directly into their bank accounts.
- Now there is no or less-paper and manual implementation of scheme that would have required compilation. Now compilation, record keeping, resource sharing and financial exigencies are done in an automated manner.
- Use of technology-based solution that allows the automation of processes, enforcement of rules, auto-compilation that brings in transparency in the governance, has resulted in significant cost savings to the Department.
- Initiative made the whole process paperless resulting in significant reduction in expenditure incurred in stationery.
- Now the Department can easily get each and every information on a single click.
- There were no RTI queries after adoption to automated systems.
- Detailed profile of more than 4,93,293 development and community works created and registered on Portal.
- The Gram Panchayats have created 65,74,095 bills for payments to vendors, agencies, employees and other agencies for work, salaries, services and other purposes under various schemes using the portal.
- More than 17,34,142 e-Payment orders that include payment instructions to bank for electronic transfer of the amount into the bank account of the registered vendor, staff, supplier and other payment receivers have been created and submitted electronically to the bank using the portal.
- e-Payment orders of more than Rs.14,640/- Cr. have been generated by the Gram Panchayats for e-payment to 15,21,904 Vendors/suppliers/agencies/payment receivers registered on Portal.
- More than 21689 Detailed Project Reports/Village Plan having 1,54,654 development and community works created using the Portal.

- Centralized bank account for processing of salaries of more than 57 thousand employees working in GPs, Janpads and Zilla Panchayats is being prepared online and disbursed directly into their bank accounts every month. Total Monthly e-Payments of Rs. 300 Cr.
- More than 400 offices are preparing and processing bills of their administrative expenditures using the portal.
- The payment of these bills is being credited directly to the accounts of vendors/agencies. As on 22.10.2018 22,816 Gram Panchayats are preparing and processing bills of their works, purchases and all other payments. These bills are clubbed to generate e-Payment orders and pushed to the SFTP server of the concerned bank after applying digital signatures for payment on daily basis.

4. **CLASSROOM MANAGEMENT**

➤ **Group Discussion**

Divide the participants in groups of 4-5 and discuss the case on following aspects. Each group should take one aspect:

1. Discuss Change management and Communication as some of the key factors to project success.
2. Challenges, issues and risks, if the project is to be rolled across other states.
3. What is next for the project?

Please have an open brainstorming session regarding how this project can be evolved and replicated in other states. Each group should present their findings in a short 5-10 minutes presentation afterwards.

➤ **Summary- Key lessons learnt (15 minutes)**

Each participant shall write down a summary in not more than 500 words, highlighting key learning from the case.

Abbreviations and Acronyms

Abbreviation	Explanation
NIC	National Informatics Centre
NACH	National Automated Clearing House
NPCI	National Payments Corporation of India
JAM	Jan Dhan Aadhaar Mobile
GPS	Global Positioning System
SMS	Short Messaging Service
MP STePS	MP State Tech e-Panchayat Society
GP	Gram Panchayat
PRI	Panchayat Raj Institutions
CEO	Chief Electoral Officer
SQL	Structured Query Language
ASP	Active Server Pages
SVN	Subversion
SFTP	Secure File Transfer Protocol or SSH (Secure Shell) File Transfer Protocol
PKI	Public Key Infrastructure
DSC	Digital Signature Certificate
MS-SQL	Microsoft Structured Query Language
QR	Quick Response
SLA	Service level Agreement
UTR	Unique Taxpayer Reference
RTI	Right to Information
CBS	Core Banking Solution
