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Preamble

In the 21st century and the Information Age, a combination of dramatic sociological, political, economical and, last but not the least, technological factors are at play to bring about fundamental and irreversible changes in the entire social system. The scope of these transformations is global. In the times to come, economic power of nations is going to be a function of information technology.

It is envisaged that IT industry is going to be $600 billion industry by the year 2005 AD. Recent technological advancements like the Internet have diluted the geographical, physical, political and even sociological boundaries. Even though all countries will be competing on a level playing field, the success would be determined by inputs from and to the information technology industry.

Information Technology has emerged as the single most important enabler for improving efficiency and effectiveness of organizations. 'Electronic Governance' is the term that is being used as a synonym to describe an IT driven system of governance that works better, costs less and is capable of servicing the citizens' needs as never before.

Recognizing the enormous potential of IT, major initiatives are being planned by Government of India and several State Governments. The National Task Force on IT and Software Development, appointed by the Prime Minister, has in its 'Information Technology Action Plan' prepared comprehensive set of far reaching 108 recommendations addressing several core issues to position India as an IT superpower.

Rajasthan is one of the front-runner states in the country in the use of IT in government. It is the intention of the State Government to consolidate its efforts and to focus its energies to leverage the benefits of IT for the benefit of its people. To attain this objective, a comprehensive 'IT Policy of Rajasthan' has been prepared. This document attempts to develop the IT road map of the State for the years 2000-2004. Some of the policy initiatives included in this document are:

- Providing several tax and other incentives to position the State as an attractive location for development and growth of information technology industry.
- Creation of a Statewide Value Added Network (VAN) as a vehicle for overall growth of IT in the State.
- Developing core competencies in IT based human resource development through special focus on rural areas.

- By the year 2002, computer training facilities will be established in all Panchayat Samiti HQs in the State. - Computer training to be started in all the Government Secondary Schools by the year 2005.

- An IT course module shall be made compulsory component of all degree courses from session starting in April 2003.

- Aiming for a functional IT driven system of governance with lateral and horizontal computerization in all State Government Departments.

  - By the year 2003, 3% of the total Plan outlay will be earmarked for IT sector.

  - All Departments and PSUs would use the Statewide Value Added Network (VAN) for inter and intra departmental communication.

  - An integrated IT center shall be created at each of the 32 districts in the State by the year 2005.

  - All revenue earning and public dealing Departments and agencies will be fully computerized and networked by the year 2002.

Preamble

Mission Statement

IT will be the driving force behind **human development** and growth in the new Millennium.

Government of Rajasthan would create an **IT friendly environment** for integrated participation by all in the development process.

This shall be for the improvement in the quality of every aspect of human life, **emergence of a competitive society and a vibrant economy through** transparent governing systems, **sound** IT infrastructure **and** skilled Human Resources**.**

Mission Statement

Policy Objectives

The IT policy has five broad missions:

1. Positioning the State as an attractive location for development and growth of information technology industry and related services for rapid economic growth and improvement in the overall economy of the State.

2. Creation and continuous upgradation of IT infrastructure in the state through Government-Private sector joint efforts.

3. Continuous effort toward the development of human resource for IT through increasing its reach both in terms of quality and spatial coverage to improve the employability of educated youth of the State.

4. Encouraging IT driven electronic commerce.

5. Encouraging electronic governance for:

   - Bringing transparency in Government operations and Government-public interface.

   - Improving the efficiency and effectiveness of Government's service delivery systems

   - Improving efficiency of administration.

   - Better dissemination of information.

   - Improving financial management.

It would be the explicit objective of the Government to limit its role to be a facilitator; defining standards; providing infrastructural support; interfacing with related institutions within the country and globally, and building regulatory mechanisms.

Positioning Rajasthan as an attractive location for IT investments

The State Government has already taken several steps towards positioning Rajasthan as an attractive location for development of IT industry.

Ministry of Information Technology (MoIT), Government of India, has setup center of **Software Technology Parks of India (STPI)** at Jaipur. STPI is an autonomous society and has the mandate to promote software exports from the country. STPI has also setup a satellite Earth Station under the State led initiatives in association with RIICO. This earth station functions as **International gateway** and provides worldwide reliable **High Speed Data Communication (HSDC)** Services at internationally competitive rates. The software units to be located in this Park will be governed by the STPI scheme of MoIT, Government of India.

For minimizing the gestation period for new IT projects 'plug and play' built up modules are being offered in the IT PARK. Also **one point "Government Clearance"** is being extended to set up a unit under 'STP' Scheme.

For promoting **Advanced Software Training Institute** land up to 5 acres is being offered at a concessional rate of Rs. 200 per sq. meter (50% of prevailing land rate) in the IT Park, Jaipur.

As an affirmation of the State Government's commitment, following policy initiatives are to be taken:

1. Sales Tax on software shall be fixed not above the Uniform Floor Rate announced by the State Government. Notification [No. F.4(50) FD/Tax Div./ 99-384]

2. The Sales Tax on leasing of computers and its accessories shall be fixed not above the Uniform Floor Rate announced by the State Government.

3. The **rate of tax** on inter-State sales of computers, parts, accessories and computer consumables shall be fixed **not above** the **Uniform Floor Rate** announced by the State Government.

4. Commercial buildings which are fully dedicated to Software / IT industry will be **exempted from Land & Building Tax** on a case to case basis by the Empowered Committee on investment chaired by the Chief Secretary. If the use of building changes, this exemption would automatically get revoked.
   1st Notification [No.F.4(50)FD/Tax-Div/99-405]
   2nd Notification [F4(12)FD/Tax Div/2001-54]

5. **Software units** have already been permitted to be set up in urban areas. To further liberalize this aspect, Software units will be permitted to be set up **in residential plots** without change in land use.

6. Property transactions in designated IT Parks will be **exempted from Stamp Duty**. . 1st Notification   [No.F.4(50)FD/Tax-Div/99-385]
   2nd Notification [No.F4(50)FD/ Tax-Div./99-387]
   3rd Notification [No.F.4(12)FD/Tax-Div/2001-45]

7. A percentage of the sales tax receipts from the IT industry shall be earmarked for strengthening of IT infrastructure in the State.

8. RSEB shall endeavor to ensure **uninterrupted supply of power**. There will be no requirement of taking permission from RSEB regarding installation of DG sets of any capacity for captive use up to 50% of the industry's demand.

Positioning Rajasthan as an attractive location for IT Investments

9. Promotional campaigns and visits targeting investments into IT industry from countries like Singapore, USA, Japan, UK, Sweden, etc., will be undertaken with support from embassies, Government of India and industry/trade development organizations in these countries.

10. Complete **one-stop service** will be provided by BIP to all IT units within a time bound schedule.

11. Definition of IT Software and IT Hardware will be modified in all State Acts in line with the approved policy of Government of India.

12. The sales tax on CD-ROMS, Optical Disc Media or Magnetic Media containing text, data or multimedia shall be fixed not above the Uniform Floor Rate announced by the State Government.

13. IT Software and IT Services companies, being the constituents of the knowledge industry, shall be **exempted from routine inspection** by inspectors like those for Factory, Boiler, Excise, Labor, Pollution, Environment, Industry, RSEB etc. in line with the approved policy of Government of India. Notification No.F.( ) IIB/IT/Ind/2K

14. IT Software and IT Services shall be deemed as manufacturing activity for the purpose of **incentives for the industry** in line with the approved policy of Government of India. Depreciation norms and Loan for capital investments and working capital requirements will be in line with the approved policy of Government of India.
   1st Notification No.F.12(20)Ind/Gr-I/2000
   2nd Notification No. IPI/P-3/(25)(iii)/

15. The State FIs and the Banks, in line with the approved policy of Government of India, shall treat IT Software and IT Services as **priority sectors**.

Positioning Rajasthan as an attractive location for IT Investments

16. State FIs and the banks will be allowed to **invest in the form of equity** in line with the approved policy of Government of India.

17. All **promotional and liberalized policy instruments** available to the IT Software and IT Services shall be made available to the IT enabled Services including the Information Content Industry by classifying IT enabled Services as tantamount to IT Software and IT Services in line with the approved policy of Government of India.

18. **State Level awards** will be given to IT companies with outstanding performance in Exports and in domestic segments. Permission to use agricultural land for non-agricultural purpose will not be required in case the entire piece of land and building constructed thereon is to be used exclusively for setting up of IT Industry, subject to approval by the Empowered Committee on investment chaired by the Chief Secretary.

19. Permission to use agricultural land for non-agricultural purpose will not be required in case the entire piece of land and building constructed thereon is to be used exclusively for setting up of IT industry, subject to approval by the Empowered committee on investment chaired by the Chief Secretary.

20. **Board of Infrastructure Development & Investment Promotion (BIDI)** headed by the Chief Minister will review IT sector related projects regularly. Decisions on all investment proposals will be taken within 30 days by all concerned Departments.

21. There will be **one Common Application form** for setting up of IT unit in the State. The Single Window System setup for private investment proposals shall be applicable on IT proposals.

22. All software industries including Services and Training Institutions in IT will be entitled to **"Industry" status**. Such units shall be eligible for all concessions and incentives applicable to Industries. For the purpose of this clause, accredited Training Institutions will also be eligible to claim industry status, subject to certain norms which will enable them to obtain Term Loans and Bank Finance at industry rates.

Positioning Rajasthan as an attractive location for IT Investments

23. RIICO shall create a separate area for **setting up corporate and registered HQ for major IT national and multinational companies** in Rajasthan. Land shall be allotted at industrial rates. Up to 20% of the utility area can be used for creating residential accommodation. Such buildings shall be exempted from payment of Land & Building Tax for 5 years from date of completion. Out of these, land to the first five companies (pioneering units) would be given at 50% of selling price.

24. The State Government would encourage flow of investments including FDI and would provide full support wherever required. The State Government will offer **customized package of incentives** for prestigious investment proposals, e.g., projects where total investments are more than Rs. 10 Crores or a Fortune 500 company is implementing the project. All such proposals shall be received by BIP and would be put up to Board of Infrastructure Development & Investment Promotion for approval on case-to-case basis on merit. Before putting up the case to BIDI recommendations of Directorate of Information Technology (DoIT) will be obtained.

25. The State FIs (RIICO, RFC) will provide **term loans and equity** on priority to units at a reduced rate of promoter's contribution that will not exceed 30% of the total project cost considering merit of the case. Notification Ref. No. LA-12(51)/878

26. The State FIs will consider security margin of 30% of the total assets on case-to-case basis.

27. **Interest subsidy scheme** available to other industries would be made applicable for both computer hardware and software sectors.

28. A **Venture Capital Fund (VCF)** shall be created to encourage innovative IT projects / Software projects. A VCF is under active consideration of RIICO with a corpus of Rs. 16 Crores. The State Government and SIDBI are financing this Fund jointly.

Positioning Rajasthan as an attractive location for IT Investments

29. Software industries will be treated as industrial (and not commercial) consumers and electricity tariff applicable to the industrial consumers will be levied on such industries. Notification No. RSEB/CE-DCO/C-I/F.4(171)/98/D.1627

30. **Bar coding machines** keep track of prices on the same items by different vendors. Therefore, to encourage the use of bar coding machines in the trade and industry, the sales tax shall be fixed not above the Uniform Floor Rate announced by the State Government. Notification [No. F4(4)/FD/Tax Div./99-197]

Creation and upgradation of IT infrastructure in the State

The State Government is aware that to position the State as attractive location for IT industry, there is a need to create and continuously upgrade IT infrastructure. The State Government is also aware that this task cannot be done by it alone and in fact should be attempted jointly through Government-Private Sector efforts. It is the intention of the State Government to act primarily as a facilitator to let the entrepreneurial skills of Private Sector to flourish. As part of this exercise the State Government would take following steps:

1. The State Government shall take initiatives to invite private sector participation in setting up of a Statewide Value Added Network (VAN). This network shall provide data, voice and video communication to the Government bodies, PSUs and private sector. This network shall be built on Build, Own, Operate (BOO) basis. The VAN project would be conceived, designed and executed in a phased manner to act as the backbone of the IT policy implementation. Subsequently, the reach of the network would be extended to Panchayat Samiti HQs.

2. As envisaged in the 'National IT Action Plan', Government shall encourage private sector to become ISPs in the districts. If need be, The Government shall persuade DoT and VSNL to extend optical fiber links to the districts on priority basis.

3. The State Government would encourage Internet Access through Cable TV network in line with the approved policy of Government of India. RSEB shall consider for grant of permission to ISPs for putting the cables over RSEB's transmission line structures on mutually agreed and negotiated terms & conditions.

4. As and when private internet service providers are permitted by Government of India, right of way will be made available by Government Departments and Institutions such as PWD, Irrigation Department, RSEB, Municipal Corporations, Zila Parishads, etc. Repair of roads would be the responsibility of the Service Provider. The rates for use shall be determined on the basis of open tenders.

5. RSEB would lease the spare capacity for data transmission to ISPs, State Government or DOT in line with the approved policy of Government of India.

6. An Electronics Complex encompassing Electronics Hardware Technology Park (EHTP) is being developed by RIICO at Kukas, Jaipur having various exclusive facilities like quality power, reliable facilities for data, voice & video communication, customs clearance facilities for export & import and also social infrastructure including housing, school, recreational facilities, shopping complex, banks, post-offices, hospitals etc.

Creation and upgradation of IT infrastructure in the State

Developing Core Competencies in Human Resource Development

The State Government is quite aware that the goal of creating an IT driven and knowledge-based society in the State can not be achieved without building core competencies in human resource development with substantial inputs of information technology knowledge.

The 'IT Action Plan' submitted by the IT Task Force set up by the Government of India has, in its report, specially highlighted a need to take up a proactive drive for 'IT for all by 2008'. It has recommended that the Government should launch **'OPERATION KNOWLEDGE'** with an aim to universalize computer literacy and also to spread the use computers and IT in education. The key initiatives proposed by the task force are:

- Launching of three schemes - Vidyarthi Computer Scheme, Shikshak Computer Scheme and School Computer **Scheme**.
- **Computers and Internet access** in every school, polytechnic, college, university and public hospital in the country.
- **Networking** of all universities, engineering colleges, medical colleges and other institutions of higher learning in the country.
- Initiating a **'Teach the Teachers'** program for upgrading on regular basis the IT knowledge & skills of teachers.
- Pilot project in some lead districts, which have attained universal literacy, with an aim of achieving **universal computer literacy** in all the secondary schools in these districts. These pilot projects would be joint initiatives of local educational institutions, State Government and the Center.
- In view of the lower than national average levels of technical and IT education facilities in Rajasthan, several education centers will be identified with a view to making them **models of IT based education**.

The State Government shall take preparatory steps so that the time delay between the planning and implementation of national policy is reduced.

1. It is the explicit intention of the State Government that rural population and other weaker sections of the society should be provided with facilities and opportunities, which are with in reach and are affordable, to gain IT literacy. By 2000-2002, the State Government shall **run IT Centers in all ITIs/Polytechnics** located at Panchayat Samiti HQs. These IT Centers will run short-term (6 months) courses. On completion of the course, the Board of Technical Education would provide certificates to successful candidates. These certificates shall have weightage in all future Government and public sector employment. For the needy students, the Government intends to provide scholarships on sliding scales on need bases.

2. The State Government is alive to the potential of computers as teaching tool, especially in schools. Presently, a scheme under the name: **Computer Literacy & Studies in School (CLASS)** is running in 135 Government Senior Secondary Schools in the State. The Government of India is providing funds for this scheme. Also, another scheme by the name DIET is running at 27 locations. Under this scheme, computer training is provided to teachers. The State Government shall take steps to strengthen these schemes so that by the year 2001-2005, computer training is started in all Government Senior Secondary Schools. The State Government shall take steps to garner the financial assistance of the Government of India to implement the plan. The State Government shall also take necessary steps towards preparation of standardized computer syllabi. The State Government shall take necessary steps to use computers and multimedia technology to enrich the existing curriculum in Senior Secondary level schools.

Developing Core Competencies in Human Resource Development

3. No amount of hardware and software resource could substitute for teachers. The State Government shall take up **computer training of at least 10% of teachers in Higher Secondary Schools**. Progressively, 1-2 teachers in all other schools shall be provided with computer training. To provide incentives to the teachers, the State Government intends to provide two advance increments to all the teachers who qualify the proficiency tests. IT Centers to be created at District and Tehsil/PS levels shall be used as resource centers for providing computer training to the teachers under this scheme.

4. An IT course module shall be made compulsory component of all degree courses from session starting in April 2003. Presently, computer application course as part of the vocational module is being run in 16 out of 53 government colleges under a UGC program. This program shall be implemented in the remaining 41 government colleges by the year 2003 in phases through obtaining the financial assistance of UGC. The State Government shall provide financial assistance to aided colleges towards creating necessary computing resources and to start this course. **A uniform IT module syllabus** shall be prepared by the Department of Information Technology in consultation with the Department of College Education, Universities and other agencies.

5. Private sector would be encouraged to donate old and used PCs and other items to be used in schools for learning.

6. All Government colleges, universities, research institutes shall be encouraged to connect to the Internet. They shall be also encouraged to have their own web sites for information dissemination. DoIT/RajComp would give requisite training for development of such web sites. Necessary budget provision shall be made for this purpose.

Developing Core Competencies in Human Resource Development

7. Private parties shall be welcome to setup **Internet Cafes** in colleges and universities. Space shall be provided free by the institution but computer hardware & software would have to be installed by the party. The party may determine the rates of access to individuals. For the initial three years, this facility would be made available on rent-free basis.

8. Internet is making distance learning very cost effective. With Internet connectivity being made available in the districts, distance learning through virtual institutes/universities would be possible for wide ranging of subjects. The State Government will take initiative to support private sector in setting up of **virtual institutes** on the Internet aimed at providing vocational and trade specific education/training.

9. The **'National IT Action Plan'** envisages that the connectivity to Internet would be provided in every district of the country by January 26, 2000. The State Government would take initiative to press upon DoT & VSNL to expedite with giving connectivity at the district level in the first phase itself. Subsequently, at least one Internet kiosk would be installed in every panchayat samiti through the State's Value Added Network (VAN).

10. Floor space in Government schools/colleges will be made available to **private IT training institutes** after office hours for providing IT training. No rent will be charged for the first three years. Thereafter, rent will be payable at the rate of 50% of the rent as assessed by the PWD.

11. An **'Indian Institute of Information Technology (IIIT)'** will be set up in the State with the assistance of Private Sector. The State Government will provide land for this institute on free of cost basis. It will also allocate Rs. 10 Crores towards construction of building. No rent will be charged for first 5 years. Thereafter, the charged rent will be spent on the maintenance of the campus.

Developing Core Competencies in Human Resource Development

Information Technology in Government

In the first phase of computerization in Rajasthan, which began as early as in 1985-86, the objective was confined to automating basic clerical operations. This phase was fairly successful. One of the byproducts of this phase was that awareness of IT spread at all levels of State machinery. However, the computerization resulted in islands of computing resources forming at specific locations, especially at the departmental headquarters. There were little or no linkages among the computing resource islands. Further, the computerization plans did not explicitly include customer orientation.

Nevertheless, the successes of the initial phase of computerization have led to government departments and agencies becoming more ambitious. They are now beginning to take a hard look at their roles in the years to come and willing to talk about re-engineering their processes through enterprise wide information systems. The government departments now explicitly want their IT plans to be intrinsic to the planning process so as to improve the efficiency and effectiveness of its service delivery systems.

The second phase of the IT plan for the State should now focus on **use of IT in enhancing the quality of government services, creating a responsive and transparent administration** thus facilitating empowerment of people and satisfying their right to information.

Information Technology in Government

In order to achieve the over all objectives, following policy initiatives would be taken:

1. Each Department shall prepare a **Five-Year IT Plan**. This plan should address the extent of computerization of its core activities, need for hardware and software resources, manpower requirement and training of employees.

2. By the year 2003**, 3% of the total Plan outlay** will be earmarked for IT sector. Appropriate minor head for accounting investments in the IT Sector would be created for each department. The expenditure control under this head will be with the Administrative Secretary.

3. In the times to come, speed and accuracy of communication would be a strategic factor in determining the success and effectiveness of any organization. Therefore, the Government shall make it necessary for all Departments and PSUs to use the **Statewide Value Added Network (VAN)** for inter and intra departmental data, voice and video communication.

4. An integrated IT center shall be created at each of the 32 districts in the State by the year 2005. This center will provide multifarious facilities to district administration and citizens. Wherever possible establishing and operations of **the district based IT centers** would be outsourced to private sector. DoIT would carry out the selection procedures and post selection benchmarking. A logical extension of this hub would be the further downward linkages to tehsil and panchayat samiti levels.

5. At each district, data warehouses having local contents shall be created. These centers shall provide government **information to citizens** through information kiosks. In order to have a large spread of the information kiosks in the State, private sector participation would be actively pursued. The access to the data warehouses through the private sector information kiosks would be on cost plus basis so that it is financially viable for the private entrepreneur. DoIT would determine the end user costs and also carry out regular benchmarking of the facilities.

6. Government shall introduce **IT at all points of contact** between the Government and the citizen by the year 2003. All forms requiring submission of information, while applying for any service or clearance from the Government, may be made available for electronic access and submission. Each public dealing department shall list out the contact points and the level of information interchange between it and citizens. The information kiosks would enable the citizens to carry out this kind of information interchange with the Government.

7. To attain the overall objectives of electronic governance, high-end computing facilities comprising state-of-the-art computer network and other related communication peripherals would be installed at **the State Secretariat.** Linkages between the Secretariat network and the Statewide VAN would provide e-mail, voice, data and video communication facility to the Chief Minister, Cabinet members, Chief Secretary and high-level dignitaries.

8. **Computerization projects of Revenue earning departments and agencies having high level of public contact** shall be fully operationlized by the year 2002.

9. The Government shall examine and adopt the National Policy on Data Security, Privacy and Data Protection Act and other legal frameworks including cyber laws as and when the same is in force.

10. In the Annual Confidential Reports of government employees, a column shall be introduced regarding contribution to **'IT utilization' in the department/organization.**

11. Computer proficiency of a specified level would be stipulated as essential qualification for all appointments in Government. In case of new entrants to the Government service, computer training of the level of at least **'O' level certification** shall be made a **mandatory** component of the induction level training. In case of serving employees, confirmation of services shall be done only after having passed the basic computer test. This shall be applicable to all service rules barring class IV employees.

12. The Government shall establish **IT training centers**, aimed at the existing Government employees, at each district headquarters by the year 2002. These training centers shall be the integral part of the district based IT centers.

13. As recommended in the 'National IT Action Plan', the Government shall establish framework contracts with the leading and reputed IT services vendors so as to avail a wide range of IT consultancy, specialist services and IT products at lower cost and with a shortened procurement cycle. To minimize the technological obsolescence factor and to avoid the large upfront expenditure, **procurement of computer hardware** would largely be done through leasing

14. **Department of Information Technology (DoIT)** is the nodal agency for computerization in the State. It shall be further strengthened so that it becomes the strategic vehicle to implement the IT policy initiatives envisaged here. **Rajasthan State Agency for Computer Services (**RajComp**)** shall be converted into a corporation to act as high-end technology consultant and training facilitator.

15. **Government personnel** shall be sent on regular high-end **computer training courses** so as to be always in touch with the emerging and cutting edge technology.

16. Considering the value of the Internet as a communication medium, public dealing Government Departments shall create their web sites under the umbrella of the Government of Rajasthan's web site. All **Government circulars, notifications, tenders, etc**. shall be published **on the web site** on regular basis. All examinations & recruitment notifications, selection results shall be published on the web site.

17. In order to monitor that IT resources are being used at the optimal levels, regular and structured **IT audit** shall be carried out by team comprising officers of DoIT and the concerned department.

18. The role of **Committee of Information Technology Projects Approval (CITPA)** shall be strengthened. All departments shall be required to submit comprehensive report on the execution of IT projects to CITPA on regular basis.

19. Private sector would be encouraged to donate computers and related items for the use in public utility service sector, especially hospitals. Discarded computer items lying in various departments shall also be made available to such utilities.

20. The Government shall take initiative to establish an **Inter-State IT exchange Panel.** Regular seminars and conferences shall be conducted where interaction with the officers of other States as well as private sector will take place.

21. **State level awards** shall be given to Government Departments/PSUs for outstanding usage of IT. The selection of the Departments/PSUs for the award shall be done by CITPA.

Information Technology in Government