



Technical Assistance Report

PUBLIC

Project Number: 57236-001
February 2024

India: Supporting Digitalization in Government for Improved Delivery of and Access to Digital Government Services

This document is being disclosed to the public in accordance with ADB's Access to Information Policy.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 29 November 2023)

Currency unit	–	Indian rupee/s (₹)
₹1.00	=	\$0.012
\$1.00	=	₹83.31

ABBREVIATIONS

ADB	–	Asian Development Bank
GTC	–	government to citizen
IT	–	information technology
OP	–	operational priority
TA	–	technical assistance

NOTE

In this report, “\$” refers to United States dollars.

Vice-President	Yingming Yang, Office of the Vice-President (South, Central and West Asia)
Director General	Takeo Konishi, South Asia Department (SARD)
Director	Mio Oka, Country Director, India Resident Mission (INRM), SARD
Team leader	Pratyush, Project Officer (Project Development Unit), INRM, SARD
Team members	Jazira Asanova, Principal Operations Coordination Specialist, Operations Coordination Unit, SARD Stephane Y. Bessadi; Senior Procurement Specialist; Procurement Division 1; Procurement, Portfolio, and Financial Management Department Henry A. Cornwell, Counsel, Office of the General Counsel Arndt Husar, Senior Public Management Specialist (Digital Transformation), Digital Technology for Development Division (CCDT), Climate Change and Sustainable Development Department (CCSD) Marc Lepage, Principal IT Specialist (Technology Innovation), Digital for Development Operations Division, Information Technology Department Chandni Narang; Project Assistant; INRM, SARD Devender Rawat; Programs Analyst; INRM, SARD Ashok Srivastava; Senior Project Officer (Urban); INRM, SARD Masatake Yamamichi, Digital Technology Specialist (Cybersecurity and Data Privacy), CCDT, CCSD

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

CONTENTS

	Page
TECHNICAL ASSISTANCE AT A GLANCE	
I. INTRODUCTION	1
II. ISSUES	1
III. THE TECHNICAL ASSISTANCE	3
A. Impacts and Outcome	3
B. Outputs, Methods, and Activities	3
C. Cost and Financing	4
D. Implementation Arrangements	4
IV. THE PRESIDENT'S DECISION	5

ANNEXES

<http://www.adb.org/Documents/LinkedDocs/?id=57236-001-TARreport>

1. Design and Monitoring Framework
2. Cost Estimates and Financing Plan
3. Terms of Reference for Consultants

KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 57236-001
Project Name	Supporting Digitalization in Government for Improved Delivery of and Access to Digital Government Services	Department/Division SARD/INRM
Nature of Activity	Capacity Development	Executing Agency Department of Economic Affairs, Ministry of Finance
Modality	Regular	
Country	India	
2. Sector	Subsector(s)	ADB Financing (\$ million)
✓ Information and communication technology	ICT industries and ICT-enabled services	0.150
	ICT strategy and policy, and capacity development	0.150
	Total	0.300
3. Operational Priorities		Climate Change Information
✓ OP1: Addressing remaining poverty and reducing inequalities		GHG Reductions (tons per annum) 0
✓ OP6: Strengthening governance and institutional capacity		Climate Change impact on the Project Low
		ADB Financing
		Adaptation (\$ million) 0.000
		Mitigation (\$ million) 0.000
		Cofinancing
		Adaptation (\$ million) 0.000
		Mitigation (\$ million) 0.000
Sustainable Development Goals		Gender
SDG 1.1		Some gender elements (SGE) ✓
SDG 8.2		
SDG 9.b, 9.c		
		Poverty Targeting
		General Intervention on Poverty ✓
4. Risk Categorization Low		
5. Safeguard Categorization Safeguard Policy Statement does not apply		
6. Financing		
Modality and Sources		Amount (\$ million)
ADB		0.300
Knowledge and Support technical assistance: Technical Assistance Special Fund		0.300
Cofinancing		0.000
None		0.000
Counterpart		0.000
None		0.000
Total		0.300
Currency of ADB Financing: US Dollar		

I. INTRODUCTION

1. The technical assistance (TA) will provide support to selected states in India for (i) improving the delivery of and access to government to citizen (GTC) digital services,¹ (ii) enhancing awareness about GTC digital services and increasing citizen engagement, and (iii) strengthening the cyber security ecosystem and enhancing the general level of cyber security.

2. The TA provides an opportunity for the Asian Development Bank (ADB) to support India's digital transformation by plugging the gaps in access to and delivery and awareness of GTC digital services through enhanced knowledge support and strengthened planning.² The program will support government objectives for digitally enabled service delivery and the Government of India's Digital India program.³

3. This TA complements existing digitalization-related TA administered by ADB's South Asia Department as it focuses on supporting selected states in India in improving digital government services, increasing citizen engagement, and strengthening cyber security.⁴

II. ISSUES

4. **Background.** Digital infrastructure plays a crucial role in socioeconomic development. India's central government has pioneered several digital projects and implemented population-scale transformational projects with the objective of providing affordable access to digital services to all citizens. Digital enablement led by the prevalence of mobile phones and the Aadhaar number-based identity⁵ has increased and provided a multiplier effect on social and economic growth.⁶ Digital India has played a critical role in the creation of digital infrastructure, digital delivery of services, and digital literacy. With 865.9 million internet subscriptions in December 2022, up from 238.7 million in 2013, India has the second-largest internet subscription market in the world.⁷

5. However, the digital divide remains large, and there is little indication that it is diminishing.⁸ India's internet penetration and digital adoption vary considerably among states, between genders, and across the urban–rural spectrum.⁹ Further, insufficient scoping studies on potential digital opportunities and inappropriate project designs often result in suboptimal benefits from digital development investments. Meeting the full potential of digital technology for development is not

¹ GTC digital services leverage information and communication technology and digital technology to deliver information and public services to citizens and others in a country or region at any time or place using any platform or device.

² The TA first appeared in the business opportunities section of ADB's website on 5 February 2024.

³ Digital India is a flagship program of the Government of India with a vision to transform India into a digitally empowered society and a knowledge economy. The program is coordinated by the Ministry of Electronics and Information Technology, and is an umbrella program implemented across the entire government. The focus is on being transformative and on making technology central to enabling change. Government of India, Ministry of Electronics and Information Technology. 2015. *Digital India Program*. New Delhi.

⁴ ADB. 2022. *Technical Assistance for [Supporting Innovative Knowledge Solutions in South Asia](#)*. Manila (TA 10019-REG).

⁵ Aadhaar is a biometric-based 12-digit unique identification number issued for Indian citizens.

⁶ Government of India, Department of Economic Affairs. 2023. *Economic Survey 2022–23*. New Delhi.

⁷ Telecom Regulatory Authority of India. 2023. *The Indian Telecom Services Performance Indicators: Oct-Dec 2022*. New Delhi. (31 May); and Q. Liang and S Bonacci. 2022. *India telecoms market report 2022*. Analysys Mason (17 March).

⁸ Indian Council for Research on International Economic Relations. 2023. *State of India's Digital Economy Report 2023*. New Delhi.

⁹ Government of India, Ministry of Health and Welfare. 2022. *National Family Health Survey-5 (2019–2021)*. New Delhi.

straightforward and requires state-specific solutions; these should leverage lessons and outputs—including information technology (IT) standards, smart infrastructure, and data-centric governance—from completed and ongoing national projects¹⁰. These solutions would comply with the Government of India-level digital architecture and adopt an integrated approach that enables scalable solutions to be generated.

6. Factors contributing to the digital divide include issues related to access, integration, literacy, infrastructure, and security.¹¹ The TA aims to address three issues that have been suggested by state governments in earlier discussions with ADB: (i) improving delivery of GTC services at the state level, (ii) enhancing digital literacy and access to digital services, and (iii) increasing cyber security at the state level. Digital delivery of services and digital literacy are core components of the Digital India initiative, and the TA will support selected states in implementing these related issues, which will be addressed together.

7. **Cyber security ecosystem at the state level.** “The Government of India is focused on open, equally accessible, safe & Trusted [sic] Internet”.¹² Cyber threats will spread along with digitalization, necessitating cyber safety education. The Government of India has taken steps to address cybercrime and strengthen digital privacy through the enactment of laws and policies,¹³ but strengthened implementation, awareness, and capacity building at the state level are needed.

8. The TA enables ADB to support India’s digital transformation by addressing gaps in access to and delivery and awareness of GTC digital services at the state level. Tangible improvements in governance, quality of life (livability), and empowerment in the selected states would have a catalytic effect in other regions and/or states, leading to replication of digitalization efforts and potential private sector investment, and thereby supporting sustainable development.

9. The TA is closely aligned with three operational priorities (OPs) of ADB’s Strategy 2030, i.e., addressing remaining poverty and reducing inequalities (OP 1), making cities more liveable (OP 4), and strengthening governance and institutional capacity (OP 6).¹⁴ Lessons from prior ADB TA supporting digitalization point to the need for capacity building and focus on citizens while designing the digitalization strategy.¹⁵ The TA is aligned with ADB’s country partnership strategy for India, 2023–2027¹⁶ in terms of its (i) crosscutting theme of digitalization and innovation ecosystem support; (ii) pillar 1 (accelerate structural transformation and job creation) by improving delivery of GTC digital services and enhancing the cyber security ecosystem; and (iii) pillar 3 (deepening social and economic inclusiveness) by promoting digital awareness, access, and engagement. The TA is also included in the indicative country pipeline and monitoring report for

¹⁰ Such as National Urban Digital Mission and Smart Cities Mission which aim to facilitate electronic delivery of municipal services to citizens and provide a decent quality of life through smart solutions.

¹¹ S. Parsheera. 2022. [Understanding state-level variations in India’s digital transformation](#). *The African Journal of Information and Communication*. 30 (December).

¹² R. Chandrasekhar. 2023. [Digital India Dialogue on “Safe & Trusted Internet - Cyber Security for Digital Nagriks & Digital Enterprises”](#) organized by the Ministry of Electronics and Information Technology. 5 July, p.2.

¹³ The Information Technology Act, 2000 is the primary law governing cybercrimes and digital transactions in India. It was amended in 2008 to provide a comprehensive legal framework for addressing cyber threats and protecting sensitive information. In 2018, the Government of India proposed the Personal Data Protection Bill, which is currently under review. The Personal Data Protection Bill aims to regulate the collection, processing, and storage of personal data, placing emphasis on consent, data localization, and the establishment of a data protection authority.

¹⁴ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

¹⁵ ADB. 2022. *Kazakhstan: Promoting Digital Technologies for Sustainable Development*. Manila

¹⁶ ADB. 2023. [Country Partnership Strategy: India, 2023–2027—Catalyze Robust, Climate-Resilient, and Inclusive Growth](#). Manila.

India, 2023–2025.¹⁷ The TA is aligned with achievement of the 2030 Agenda for Sustainable Development.¹⁸

III. THE TECHNICAL ASSISTANCE

A. Impacts and Outcome

10. The TA is aligned with the following impacts: (i) ubiquitous affordable access to information and public services for enhancing efficiency, transparency, accountability, and reliability provided, and use of information and communication technology as a driver for social inclusion (National Policy on Information Technology) leveraged;¹⁹ and (ii) strategies in support of the state's digital transformation into a digitally empowered society and knowledge economy developed (vision of Digital India) (footnote 3). The TA will have the outcome: enabling environment for digital economy in selected states enhanced.²⁰

B. Outputs, Methods, and Activities

11. **Output 1: Delivery and access of government to citizen digital services in selected states improved.** Lack of standardization and integration among government systems and databases at the state level hinders seamless information exchange and service delivery, and leads to the duplication of beneficiaries.²¹ Notable steps have been initiated by the Government of India (e.g., MyScheme,²² and the Unified Mobile Application for New-Age Governance).²³ However, there is a need for concerted effort at the state level. The effectiveness of digital government initiatives and ongoing digitalization efforts would be increased substantially by following an integrated and comprehensive approach. For example, there is immense potential to integrate, expand, and leverage digitalization with respect to health, and to design digital health systems and platforms to improve health care access and service delivery. Strategies need to be formulated for telemedicine, electronic health records, and mobile health applications to enable remote consultations, efficient recordkeeping, and seamless information exchange among health care providers. Further, while digital literacy programs are in place, a digital divide exists between segments of society and states. The success of digitalization should be viewed from the perspective of the experience of citizens rather than purely as a large process automation and IT modernization program.²⁴ The key to good digital services is understanding the user's perspective,²⁵ and remaking products, processes, and policies to meet what citizens want. Under this output, the TA will support the assessment of digital government services in selected states and improve overall delivery of and access to these services, including by enhancing digital

¹⁷ ADB. 2022. *Indicative Country Pipeline and Monitoring Report: India, 2023–2025*. Manila.

¹⁸ United Nations General Assembly. 2015. *Transforming Our World: The 2030 Agenda for Sustainable Development*. Resolution A/70/1 adopted 25 September. New York.

¹⁹ Government of India. 2012. *National Policy on Information Technology 2012*. New Delhi.

²⁰ Design and Monitoring Framework (Annex 1).

²¹ Government of India, Ministry of Electronics and Information Technology. 2019. *India's Trillion Dollar Digital Opportunity Report*. New Delhi.

²² MyScheme is an e-marketplace for government schemes where users can look for suitable schemes based on eligibility and reduces the time and effort involved in searching multiple government websites and studying multiple scheme guidelines to check eligibility.

²³ The Unified Mobile Application for New-Age Governance enables citizens to access digital government services offered by the central and state government in various sectors (e.g., agriculture; education; health; housing; employees; pensioners and students' welfare; and the public distribution system).

²⁴ R. Duneja et al. 2018. [Digitalization of government services: We want an "experience" – not just great IT](#). Arthur D. Little. (November).

²⁵ E. Dudley et al. 2015. [Implementing a citizen-centric approach to delivering government services](#). McKinsey Center for Government (July).

literacy. This output will support preparation of assessment reports focusing on (i) prevailing GTC digital services, (ii) improving delivery of and access to GTC digital services, and (iii) enhancing digital literacy to improve access to digital services. The TA team will also undertake diagnostic studies to identify digital development opportunities and possible transformations in GTC services. The TA team will explore and incorporate innovative digital solutions to improve delivery of and access to GTC services, and services that have been proven or successfully implemented in other projects. Capacity-building workshops will include women as 30% of training participants. ADB staff and resource persons from ADB's Community of Practice will participate in training, based on need, to discuss international best practices.

12. **Output 2: Cyber security ecosystems of selected states supported.** Under this output, the TA will review the existing cyber security systems of the selected states and propose a high-level knowledge roadmap for strengthening the cyber security ecosystem and enhancing the general level of cyber security at the state level.

C. Cost and Financing

13. The TA financing amount is \$300,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources). The key expenditure items are listed in Annex 2.²⁶ The government will provide counterpart support in the form of counterpart staff, office, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions.

14. The total TA amount is broken down per output in Table 1.

Table 1: Cost Breakdown per Output

Output	Indicative Cost (\$)	Percentage of TA Amount (%)
Output 1: Delivery and access of government to citizen digital services in selected states improved	180,000	60.0
Output 2: Cyber security ecosystems of selected states supported	120,000	40.0
Total	300,000	100.0

TA = technical assistance.

Sources: Asian Development Bank estimates.

D. Implementation Arrangements

15. ADB will administer the TA. ADB's India Resident Mission will select, supervise, and evaluate the consultants. The travel cost of ADB and non-ADB resource persons will be met from the proceeds of the TA.²⁷ ADB will periodically inform the Department of Economic Affairs under the national Ministry of Finance of the status of TA activities and TA implementation and seek its guidance on selecting states and scaling up the knowledge support.

16. Implementation arrangements are summarized in Table 2.

²⁶ Cost Estimates and Financing Plan (Annex 2)

²⁷ ADB staff will be used as resource persons on an as-needed basis.

Table 2: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	February 2024–December 2025		
Executing agency	Department of Economic Affairs, Ministry of Finance, Government of India		
Consultants	To be selected and engaged by the Asian Development Bank		
	Firms: Quality- and cost-based selection (90:10)	One firm (26 person-months, cumulative) providing expertise on public management, e-governance, information technology, digital education, public policy, and cyber security.	\$280,000
	Individuals: Individual selection	National consultants (1 person-month, cumulative) providing expertise on public management, e-governance, information technology, digital education, public policy, and cyber security.	\$20,000
Disbursement	Disbursement of technical assistance resources will follow the Asian Development Bank's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		

Source: Asian Development Bank.

17. **Consulting services.** ADB will engage consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions for ADB-administered consulting services and project implementation arrangements. The TA team will engage a consulting firm as well as individual experts.²⁸ Based on indicative activities, the estimated need is for 26 person-months of consulting services (26 person-months of national input from a firm) with expertise in various sectors, including public management, e-governance, IT, digital education, public policy, and cyber security. The consulting firm may be recruited using quality- and cost-based selection or consultants' qualifications selection. In addition, individual consultants may be recruited through competitive or direct selection (as may be appropriate) to provide international and national consulting input. ADB will consider lump-sum payments and output-based contracts for consulting services, where appropriate.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$300,000 on a grant basis to the Government of India for Supporting Digitalization in Government for Improved Delivery of and Access to Digital Government Services, and hereby reports this action to the Board.

²⁸ Terms of Reference for Consultants (Annex 3).