

IT Policy 2011 - Draft

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1 Introduction

- 1.1 The State of Kerala has always been a role model for all other states when it comes to the utilization of ICT technologies to reach out to its citizens and the business community. A number of initiatives taken up in this regard has enabled the Kerala State to be at the forefront in implementing ICT projects and a leader state in E-governance. The ICT infrastructure that has already been built up like the State Data Center, Kerala State Wide Area Network, Mobile Service Delivery Platform, FRIENDS, Akshaya (CSC), Citizen call Center etc. will provide the perfect platform for the State to take its functioning to the next higher level of Governance, a connected and transactional Government, with enhanced citizen – government interaction.
- 1.2 Government of Kerala acknowledge the critical importance of Information Technology as an instrument for the State's overall development and remains deeply committed to its dissemination, both as a crucial engine of economic growth and as a tool for increasing productivity, speed & transparency in governance and improved quality of life for the common man. The State Government announced its first IT Policy in 1998. It was followed by the IT Policies in 2001 and 2007, which provided comprehensive support for the further development of this sector. These policies have helped Kerala achieve unique distinctions as a preferred IT/ITES investment destination and also a leader in E-governance.
- 1.3 The Government of Kerala now intends to enhance the capacities and would like to put to the best use, the infrastructure that has been put in place, and to keep pace with the changing technologies and to be more proactive; a new IT policy is thus being put in place.
- 1.4 The Government of Kerala plans to develop "Kerala IT brand" initiative, to drive the state towards the status of a holistic and preferred IT destination.

1.5 The raw material for the IT/ITES industry is the ready availability of skilled talent pool, so in order to establish that the new policy gives thrust in promoting innovative measures to enhance the skill set of its citizens, with public private initiatives in the form of finishing schools, e/m-learning, technology business incubators (TBI) so as to inculcate an entrepreneurial culture amongst its citizen.

2. Vision & mission

2.1 The State of Kerala recognizes the strategic importance of Information and Communication Technology as a key component of its development agenda.

2.2 The vision statement for the State's IT Policy is to create a "Knowledge based economy with Global Opportunities" and position "IT@Kerala" as the most preferred IT/ITES investment destination in India and to attract investment in ICT.

Government will focus on

- Leveraging ICT to improve the delivery of public services.
- Elimination of the digital divide and bring every citizen, every home and school, every business and administration online.
- Creation of a digitally literate Kerala transforming it into an entrepreneurship society from that of a salaried society.
- Ensuring that IT deployment is socially inclusive, build citizens trust and strengthen social cohesion.

3. IT Growth drivers

3.1 The developments made in creating world class ICT infrastructure spread across the state, accomplished through the hub and spoke model centred around major cities like Thiruvananthapuram, Kochi and Kozhikode has made Kerala one

of the best-networked States in the country. 99.9% of the State has achieved quality telecom connectivity through:

- VSNL's International Communication Gateway, with 2 high speed submarine cable landings (SEA-ME-WE-3 and SAFE) offering 15 gbps bandwidth.
- Optical Fibre connectivity up to the grass-root level makes high quality, reliable bandwidth available in any part of the State.

3.2 Kerala possess quality, cost effective and highly skilled human resource base, and coupled with the high rates of new technology adoption makes it a favourite destination for the ICT investors, another motivator for choosing is Kerala by the investors is the fact that Kerala enjoys the unique distinction of being the first State in India to achieve the triad of 100% literacy 100% e-literacy and also 100% teledensity.

3.3 Having a strong e-Governance infrastructure is a key enabler for ICT industry to thrive in the State and is one among the early adopters and ranked as leader state. This has paved the way for establishing a SMART Government through improved transparency and increased efficiency of business to government and citizen to government interactions.

3.4 One of the differentiators Kerala offers is the cost factor. The start-up and operational costs are one of the lowest in India less than 50 per cent and the rentals/real estate costs less than 60 per cent of those in other major IT parks in the country. The power and water tariffs are also one of the lowest in the country. A low cost of living means, lower cost to company per employee.

3.5 High mobile penetration, nearly 100% makes the State best suited for mobile-Governance based applications. The State also holds the unique distinction among Indian states, to have pioneered the use of mobile technologies in governance and was listed a champion by the latest ASSOCHAM-Delloite report on

M-vas, this arena also opens up new vistas for innovations and investments for enhancing the delivery of public services and a paradigm shift in the way government interacts with business and citizens.

4. ICT in Government

4.1 The Government aims to transform itself into e-Government and to become No 1 state in the field of e-Governance by:

- oMandating appropriation of 3% of plan fund for e-Governance initiatives and departmental modernization in all departments
- oPromoting e-Delivery of services through CSCs, which enables the services to be accessed by common man in his locality.
- o24X7 ubiquitous delivery of services to the citizens.
- oFocusing on Government Process Reengineering and change management for the effective delivery of citizen centric (G2C) services.
- oFree and Open Source Software will be used in all e-Governance projects to the maximum extent possible. The IPR and Source code of all e-Governance applications should be vested with Government. This enables the knowledge sharing, brings down the total cost of ownership and avoids vendor dependency.
- oThe State will structure its e-governance projects aligned to the National e-Governance Plan and ensure compliance with e-Governance standards of Government of India. It will ensure interoperability among applications within the state and also across the country.
- oFocus will be given to provide feasible informational and transactional services through mobile technology and adopt measures to enhance

mobile penetration within the state so as to achieve anywhere anytime delivery of services.

oThe Government plans to deliver new generation enhanced mobile services to its citizens enabling ubiquitous access by utilizing new wireless technologies and tools to ride the Next Generation Networks viz., 3G /4G , BWA etc which is getting deployed in the State.

oConstitution of Special PPP Cell in Government for a speedy and single window clearance of such projects.

4.2 Policy Drives

4.2.1 The Government affirms its commitment to environmental protection by ensuring proper e-waste management. The condemnation of obsolete IT equipment disposal shall be made in accordance with e-waste management directives from GOI.

4.2.2 Facilitate sharing of data across departments to establish a connected government and also as to provide the citizens with a seamless view of Government.

4.2.3 The Government will promote increased use of new and evolving technologies such as cloud computing to optimal use of resources and to reduce the cost.

4.2.4 Government Process Reengineering (GPR) Policy aiming at radical redesign of Government processes to achieve path breaking improvements in efficiency of governance. Focus will be on GPR and change management for the effective implementation of citizen centric (G2C) services.

4.2.5 Social Media Policy: With the advent of social media, one-way communication has become history it has been the age of interactive communication on a real-time basis. An active presence of the government in social media is the way forward.

4.2.6 To make web content accessible to a wider range of people with disabilities, including blindness and low vision, deafness and hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity etc the Government will ensure that all government websites created after the effective date of the Policy must comply with the WCAG 2.0 Level AA., All websites created before the effective date of the Policy must comply with WCAG 2.0 Level AA within 3 years from the effective date of the Policy. And within 3 years from the effective date of the Policy all Malayalam content on websites must use only Unicode characters. To provide electronic accessibility to the disabled government shall ensure that the computer system used by a person with disability at the workplace will have appropriate assistive technology required by the person with disability within one year from the effective date of the Policy.

4.2.7 Security and Quality audit shall be mandated in all e-governance applications to ensure security and privacy of citizen data.

4.3 Transparency Drives

4.3.1 The Government aims to deliver up to date information on the activities of the government on its website. All Government Orders and Gazette notifications will be made available in the State Portal as and when they are issued. All Contracts and Agreements signed by the Government will also be available in the State Portal. The Government will make sure that its websites are actively maintained and kept updated. Websites will be bilingual in Malayalam and English.

4.3.2 The Government will promote the use of emails and other new communication facilities to enhance speed of communication in various Government departments and semi Government organizations. Email ids will be provisioned to all government employees and a communication platform will be built on emerging technologies.

4.3.3 The Right to Information portal will allow the citizen to file online RTI request. All the government departments will be integrated with RTI portal for the speedy resolution of RTI complaints. The Government will also take up ICT enabled programmes for efficient flow of information between citizen and the Government.

4.3.4 The government will ensure a single unified end to end electronic platform for the procurement of Goods, works and services through PKI enabled workflows in procurement transactions. This centralized e-Procurement solution will help to remove irregularity in the entire procurement process and provide transparency and efficiency in procurement in all departments.

4.4 Service Delivery Drives

4.4.1 Any time anywhere transactional e-services portal integrated with e-payment facility will be made available to the citizen through the state portal and Service Delivery Gateway MMP of NeGP.

4.4.2 E-forms and e-payment gateway will be made functional which will enable the citizen to pay for the government services online.

4.4.3 In order to increase the participation of the local people in contributing local specific information to the web and to promote the use of Malayalam language, Government will give priority to development of technologies for enabling Malayalam and promoting the same while delivering government services online.

4.4.4 Service levels will be formulated for all e-services and monitored for its strict compliance to ensure effective delivery of services.

4.4.5 Enrolment of citizens to the National UID database, will be taken up in a phased manner, integration of existing e-governance applications with that of UID is also planned.

4.4.6 Initiatives will be taken for fostering strategic collaboration with other countries for bringing in the best practices in e-governance and also in establishing bi/multinational funds for R&D and fostering innovation in innovative product ideas.

4.4.7 Based on the experience gained from the actual implementation of citizen centric e-governance projects, many States and Countries are requesting consultancy support from KS IT Mission, its planned to provide consultancy services to other States and Countries in ICT related project implementation.

5. ICT for Masses

5.1 Special ICT Programs will be developed to cater to the needs of special sections of society, appropriate interventions will be taken up in this direction, which includes;

ICT enabled employability skill development and Rehabilitation of the Endosulfan victims in the State.

Needs and grievances of differently-abled and tribal population.

Women empowerment with special focus on socially & economically backward communities.

5.2 Make sharable government data available to public for genuine uses like analysis, research, legal purposes etc through APIs, Web Services etc enhancing the power of RTI further.

5.3 Facilitate citizens to make government payments round the clock in urban areas through automated bill payment system.

5.4 Availability of Quality Human Resources is one of the key requirements for IT industries to establish and start operations quickly. One of the reasons behind Kerala's reasonable success in IT is the availability of manpower. Of the 11%

which Kerala contributes to the national IT pool only 3% could be gainfully employed with in Kerala. Thanks to the large numbers of the private technical institutions, which are, coming up across the state the annual output of technical personal has increased considerably. However the quality of the manpower both in terms of communication skills and domain knowledge is not found upto the mark. It is hence necessary to address this problem urgently. Quality of faculty in the institutions is critical to improve the quality of students passing out. This necessitates encouraging more students to take up post graduation through attractive fellowships and also to keep the salary levels and career prospects as attractive as in the corporate sector. Lectures by specialists, which cannot be done in all the institutions, could be arranged through video linking facility from a control point to all the institutions. **Government will establish Government-Industry-Academia task force to identify knowledge partners to develop content for the new curriculum.**

5.5 In order to ensure a syllabus and curriculum aligned with the skill set needs of the IT industry, it is required to include industry representations in the syllabus committee in universities. Regular quality improvement Program will be carried out for the faculty.

5.6 IT-Finishing schools with unified syllabus and standards will be established to enhance the employability skills, communication skills and technological skills. PPP investments will be encouraged in establishing IT finishing schools in the State.

5.7 The Akshaya e-centres established by the State, with over 2300 outlets will in addition to regular e-literacy services will deliver career and entrepreneurship skill development programmes to the rural populace and will be continuously adding more and more govt e-services to its palette, as and when it gets rolled out by the Government, thus bridging the urban-rural divide in access to information and e-services.

5.8 Government will setup a one shop stop Integrated Government Call Center (IGCC) to enable the citizen ti interact with the Government for accessing various services and to lodge grievances. Multi-modal access will enable the citizen to communicate using any of the communication channels (Voice – Land line Fixed/Wireless and Mobile Phones), Interactive Voice Response (IVR), Internet, e-mail or paper to interact with Government. It will also act as a centralized help desk providing the citizens with guidance/information on various services and scheme offered by the Government.

6 ICT in Industry

6.1 To become forerunner and to develop the state, as the most preferred IT destination in the country, Government is committed to create a sustainable ecosystem conducive for sustained growth ICT in the state.

6.2 Thrust will be given for the creation and improvement of world class civil infrastructure like roads between IT Hubs, cities, airports on a continuous basis, which are necessary for attracting global investments Kerala.

6.3 Leverage the recent trends of IT firms to move towards Tier II and Tier III cities by providing attractive incentives and concessions.

6.4 Domestic entrepreneurship will be encouraged by providing incubation facilities and need based financial assistance.

6.5 Utilize all the resources and opportunities available from GOI for the development of IT in the state like High-tech Hardware Manufacturing.

6.6 For the creation of quality human resources, IT education will be given more emphasis and promote the creation of awareness in IT at school level.

6.7 ICT tools will be applied to all the aspects of MSMEs functional domains and will make them globally competitive.

6.8 Government will ensure that IT Parks established in the State will be equipped with green and eco-friendly with energy efficient layouts and interiors to provide world class, cost effective work space to target an assortment of small, midsize and large Indian and multi-national IT/ITeS companies to set up their operations within IT Parks.

6.9 Government will simplify labour laws to suit the needs of IT & ITES companies through extensive legal reforms to overcome the barriers pertaining to employment in the IT industry. General Permission will be granted to all IT & ITES companies to have 24x7 operations.

6.10 Keeping in view the high literacy among the women of the state, high sex ratio and also the state's endeavor to promote SC, STs, special incentives in the form of subsidies, loans etc. at concessional rate through Government institutions will be considered. Further preference to these categories in space allotment in Technoparks and Rural parks will also be considered.

6.11 Various studies including the recent CII-PWC report have rated Trivandrum, Cochin as the best of the Tier II destination for ICT sector. This advantage has been achieved by virtue of availability of quality manpower, economy of operations, good connectivity of Kerala cities and general living standards of Kerala. To leverage continuous IT growth it is important to highlight the unique selling proposition of Kerala IT and also simultaneously to work on the bottlenecks especially the issues of road and rail connectivity, availability of suitable recreation avenues and any other hardships which deters industrial growth. The Government intends to conduct regularly aggressive marketing, media campaign, road shows, with specific focus given to trade development and branding, in the international and National IT markets to make well known the location advantages of Kerala to the prospective investors.

6.12 The Government aims to make Kerala a cosmopolitan place for working. This will bring more people from outside Kerala and outside India to work in Kerala. This will in turn make Kerala preferred IT destination. The Government also wants to bring the local talent back to Kerala.

6.13 The Government envisages removing the infrastructure bottlenecks which can hamper the growth of IT industry. Encouraging development of the supporting infrastructure will be in a way towards it. The Government encourages the investments in PPP mode for bringing world-class schools and hospitals, which can increase the demand for Kerala as an IT destination.

6.14 To bolster growth and investment in ICT, it is necessary to continue with the current financial incentives schemes offered to ICT companies by the Government and also add new schemes with special financial incentives worked out for larger investors, for the smaller and medium ones. The existing subsidy for their investment will be continued at the same level. Special incentives will also be given for MSMEs for attaining CMMI certifications of Level two and above.

6.15 The Government wants to promote the growth of micro IT firms operating from homes. IT as a cottage industry can percolate down to remote villages and homes. The IT parks can guide the people in setting up small scale IT firms and handhold them so that it will encourage social entrepreneurship.

6.16 The promotion of such micro IT industries will result in equitable development of the State. More incentives are planned for encouraging micro IT firms. The existing incentive packages for IT investments and mega projects will create an amicable environment for the overall development of the state.

6.17 Information Technology has contributed for the creation of a large number of First generation entrepreneurs in the State. The Technology Business Incubation center which runs in collaboration with Department of Science and Technology is one of the successful models and has contributed for entrepreneurship promotion in a big way. While wooing big investors to invest in

Kerala and start operations is one way of achieving large scale employment the alternate method of promoting entrepreneurship by providing suitable facilities is an equally effective method which has advantage of converting job seekers into job creators. This is ideal for a state like ours with quality manpower and creative ideas. The Government will promote the incubation initiatives and space available in IT parks in Kerala could be used for promoting entrepreneurship and creating IT jobs. Technology Business Incubation facilities like furnished space, mentoring support, network opportunity, Lab Facility, IEDC centers, and support for Technology Transfer is planned.

6.18 The rapid growth of IT industries have led to real-estate prices to sky rocket and increased attrition and infrastructure choking, forcing companies to look beyond the “leader locations” viz, Thiruvananthapuram, Kochi and Kozhikkode. Rural IT hubs can help address these issues and will give more visibility to smaller towns also as an investment destination.

6.19 In order to reap the benefits out of the Central Government’s plan to give a big push to the hardware manufacturing sector by way of attractive incentives and other packages. Kerala’s industrial policy encourages the establishment of eco-friendly manufacturing units that churn out of hi-tech products. Since these industries are by nature non-polluting, requiring less land area, it is suggested that the polluting industries may be relocated to places outside the city/municipal limits and the land thus reclaimed may be allotted to new generation enterprises especially eco-friendly hardware manufacturing units by both private sector and public sector

6.20 The Government shall work closely with industry associations like NASSCOMM, MAIT, CII, and GTECH and others to ensure a coordinated and smooth industry-Government interface on all matters of common concern, for the vibrant development of the IT industry in the State.

6.21 Kerala being an ecologically fragile state measures to prevent hazardous development that pose a threat to environment, will be adopted.

6.22 Promote the construction of green and eco-friendly infrastructure to prevent the harmful effect on environment.

7. Incentives

7.1 Fiscal Incentives.

7.1.1 Fiscal incentives are applicable to all eligible companies operating in Kerala other than those located within an SEZ

7.1.2 Fiscal incentives shall remain in force for a period of 5 years w.e.f XXXXx

7.1.3 Fiscal incentives for eligible companies will be as follows

- a) Standard Investment Subsidy - 30% of Fixed Capital Investment subject to a limit of Rs. 15 lakhs for companies located in Thiruvananthapuram and Ernakulam districts. For companies located outside the districts of Thiruvananthapuram and Ernakulam the applicable SIS will be 40% of Fixed Capital Investment subject to a limit of Rs. 25 lakhs.

7.2 Other Incentives

7.2.1. IT industry units, Government IT parks, certified IT parks and Akshaya e-centres are entitled to power tariff under HD1 industry and LT 1V industry depending on the supply of and connected load to the IT industry.

7.2.2. FAR in the Government and certified IT parks shall be maintained at the level of five.

- a) IT units in Government IT Parks:
- b) Exemption from stamp duty and registration fees upon executing lease / sale agreement with the park for lease / sale of land and built up space.
- c) Exemption from entry tax for goods like machine equipments, capital goods and construction materials procured for implementation of infrastructure projects

7.2.3 IT infrastructure developers in Government IT Parks:

- a) Exemption from stamp duty and registration fee and transfer duty of land.
- b) Concessions offered to Government parks will be made available
- c) Power tariff under HD1 industry and LT 1V industry depending on the supply of and connected load

7.2.4 Private IT Parks that meet a minimum set of standards shall be governed by the same set of industry enabling regulations that are applicable to Government IT Parks unless other wise specified by the Government. The Government has framed a policy setting the minimum set of standards

required by the private IT Parks to qualify for certification.

7.2.5 An IT software unit that has its registered office in Kerala and employs a minimum of 30% of its workforce in its Kerala operations, and otherwise compliant with the tender requirements, shall be entitled to 7.5% price preference on IT software solutions required by Kerala Government / PSU's / Government Bodies. Other conditions remaining the same, they shall be given higher preference.

7.2.6 An IT hardware unit that has its registered office in Kerala and employs a minimum of 30% of its workforce in its Kerala operations, that is either excise paying or ISO certified, and otherwise compliant with the tender requirements, shall be entitled to 10% price preference on IT hardware required by Kerala Government / PSU's / Government Bodies. Other conditions remaining the same, they shall be given higher preference.