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NRIDA to explore smart solutions to improve the pace of rural road construction and up-keep

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New Delhi [India], September 15 (ANI/NewsVair): NRIDA is set to pilot smart solutions backed by digital innovations to modernize existing performance monitoring mechanisms and improve the service delivery capacity of Pradhan Mantri Gram Sadak Yojana (PMGSY), a flagship program of the Government of India.

The third phase of PMGSY will expand India's rural road network by 125,000 km. With an

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outlay of Rs 80,250 crore, the government plans to conclude this phase by 2025.

PMGSY's third phase has pushed the National Rural Infrastructure Development Agency (NRIDA), the nodal agency that manages and monitors the program, to

accelerate its efforts to modernize performance monitoring systems.

NRIDA, which operates under the Ministry of Rural Development, has been exploring potential smart solutions to improve PMGSY's delivery capacity on the ground, particularly in the context of physical and financial management of projects.

The envisaged solutions will introduce smart payments and microservices-based architecture under the program's current monitoring and management mechanism. This move will help improve the pace of construction, reduce delays, prevent under-utilization of funds, avoid cost overruns, and strengthen the accountability of government officials and contractors.

In line with its efforts to introduce innovative solutions, NRIDA signed a statement of intent with MSC (MicroSave Consulting) on Monday to explore potential pilots for a smart payment solution.

Dr Ashish Kumar Goel, Joint Secretary of the Ministry of Rural Development and Director General of NRIDA, presided over the brief singing-off ceremony.

Other dignitaries from the Ministry of Rural Development and MSC also attended the ceremony. Manoj Sharma, Managing Director at MSC, Mitul Thapliyal, Partner at MSC, and other team members represented the consulting firm.

The proposed initiative is a part of the Ministry of Rural Development's integrated efforts to improve the performance management of government programs. It also seeks to address capacity concerns in construction and maintenance management at the local level through a range of emerging IT solutions. The intended outcome of the project is to enhance transparency across the system. It will enable key decision-makers to have better observability of data from sites, trace fund flows, and monitor the program's overall performance.

"The implementation of the smart payment engine will be the first-of-its-kind initiative of the Ministry. Interventions like the single project registry and electronic measurement book based on open-source architecture will set a precedent for other programs. Once implemented on the ground, this intervention will also help enable a smart payment system, which will reduce delays in implementation of projects," said Dr Ashish Kumar Goel, Joint Secretary, MoRD and DG, NRIDA.

"NRIDA's novel initiative will not just help PMGSY but also create pathways for similar government programs. The proposed smart payments solution framework for PMGSY will be developed using emerging technology to improve the capacity of service delivery. Given the modern architecture proposed, we

believe the smart payment framework will help NRIDA in its IT journey. It will facilitate the adoption of Internet of Things (IoT) devices for effective monitoring in the future," said Manoj Sharma, Managing Director, MicroSave Consulting.

The Government of India launched PMGSY in 2000 to provide rural road connectivity to villages across India. The NRIDA functions under the Ministry of Rural Development and manages the centrally sponsored scheme. Phase three of PMGSY will involve consolidation through routes and major rural links connecting habitations to agricultural markets, higher secondary schools, and hospitals.

The central and state governments would share funds in the ratio of 60:40 in the current phase. The funding ratio for North Eastern and Hill States (Himachal Pradesh and Uttarakhand) is 90:10. So far, 6.71 lakh km long roads have been constructed under PMGSY.

MSC, formerly MicroSave Consulting, is a boutique consulting firm contracted to design this unique digital solution. Over the past years, MSC has worked at the center of the digital finance revolution to enable social, financial, and economic inclusion for everyone in the digital age.

PMGSY has an online management, monitoring, and accounting system (OMMAS) that helps NRIDA oversee the program's nationwide implementation. However, the functionalities of OMMAS need to be upgraded to keep pace with advancements in digital technologies. The proposed solutions will supplement and enhance the existing OMMAS system.

The bouquet of solutions includes three key elements. The first solution is a "single projects registry", which will act as the single source of truth for project execution. Once merged with other IT systems, it will serve as a single database for the program, from planning to implementation. The solution will also provide real-time information on the progress of all programs and help officials manage the project more effectively.

The second solution involves introducing an "e-measurement module" for real-time project monitoring and progress tracking. The platform will ensure mechanisms for proper compliances of quality and time by contractors. It will enforce accountability on government officials for timely approvals and validation of work by contractors.

The third solution involves building a "smart payment system" to manage expenditures and disburse payments at the last mile. It will facilitate the automatic release of payments to vendors upon completion of work targets and submission of invoices, thereby eliminating delays in payments. The payment system will also provide officials complete observability of the financial fund flow and the physical progress of the program.

Ultimately, all three components will work together to form robust and comprehensive fund management and monitoring system within the OMMAS system.