Office Memorandum

F. No. 30-40/2018/BharatNet/Pilot Scheme/USOF  Dated: 02/03/2020

Subject: Guidelines for schemes to support pilots towards utilization of BharatNet.

Universal Service Obligation Funds (USOF) is an attached office of Department of Telecom (DoT), Ministry of Communications for executing important telecom projects like BharatNet, LWE, Mobile Connectivity in NER & Uncovered Villages of India and Submarine OFC connectivity to Andaman & Nicobar and Lakshadweep Islands, etc. USOF established with a mandate of ensuring reliable, universal and affordable telecom services to the citizens of the country in rural and remote areas.

2. Indian Telegraph Rules, 1951 provide for USOF funding for pilot project under stream VI viz. Rule 525(2)(vi): Stream VI- Induction of new technology developments in the telecom sector in rural and remote areas: “pilot project to establish new technological developments in the telecom sector, which can be deployed in the rural and remote areas, may be supported with the approval of the Central Government”.

3. Hon’ble MoC has approved the guidelines for scheme to support pilot projects toward utilization of BharatNet under Universal Service Obligation Fund.

(Sunil Kumar Sharma)
Director(T-II), USOF

En\cl: Copy of Guidelines for Pilot Projects for Utilization of BharatNet.

To:
1. PPS to Secretary (T)
2. PPS to Member (T)/ Member (S)/ Member (F)
3. PPS to Addl. Secretary (T)
4. PPS to Administrator, USOF
5. PPS to Joint Secretary(T)
6. PS to Addl. Administrator (F), USOF
7. PS to JA (T & Admin)/DDG(I)/DDG(II)/DDG(Spl. Proj), USOF
8. CMD, BBNL
9. IT cell, DoT and USOF for publishing on website.
SCHEME FOR
PILOT PROJECTS FOR UTILIZATION OF BHARATNET
UNDER
UNIVERSAL SERVICE OBSESSION FUND

GUIDELINES WITH FORMAT OF APPLICATION

Investing in Tele-Connectivity: Investing in Future!

GOVERNMENT OF INDIA / भारत सरकार
Ministry of Communications / संचार मंत्रालय
Department of Telecommunications / दूरसंचार विभाग
Universal Service Obligation Fund / सार्वजनिक सेवा दायित्व निधि
Sanchar Bhawan, New Delhi - 110001

Ph. No. 011-23036078  www.usof.gov.in  email: usadmin.dot@nic.in
UNIVERSAL SERVICE OBLIGATION FUND

GUIDELINES FOR APPROVAL OF SCHEME FOR PILOT PROJECT(S) FOR UTILIZATION OF BHARATNET

1. Introduction:

Universal Service Obligation Funds (USOF) is an attached office of Department of Telecom (DoT), Ministry of Communications established with a mandate of ensuring reliable, universal and affordable telecom services to the citizens of the country in rural and remote areas.

Telecom Commission on 11/07/2018 approved 'in-principle' a scheme to support pilot projects toward utilization of BharatNet and provision of broadband services in rural areas. The scheme may be funded from USOF as enabling technological developments in the telecom sector already exists as Rule 525(2)(vi) of ITRs, 1951.

2. BharatNet:

BharatNet is the flagship scheme of the Government of India, fully funded by USOF, for provision of broadband access to the citizens in rural and remote areas thereby bridging the digital divide. BharatNet is being implemented through Bharat Broadband Network Limited (BBNL) which is incorporated as a Special Purpose Vehicle (SPV). The scheme envisages connecting all gram panchayats (GPs) with the block headquarters as an aggregation layer through a mix of media—Optical Fibre Cable (under-ground and aerial), and satellite in remote and hilly locations. At present work has been completed in about 125000 GPs and about 117000 GPs are service ready. BharatNet aims at providing non-discriminatory access to any telecom service provider (TSP), Internet Service Provider (ISP), MCO, LCO, etc. to enable them to provide the last mile access.

3. Present Utilisation strategy of BharatNet:

The present utilisation strategy for BharatNet includes provision of connectivity to the TSP/ISP/MSO/LCO etc. for provision of last mile access.

a) Attractive tariff [www.bbnl.nic.in].
b) Provision of Wi-Fi access through Common Service Centres (CSC) of MeitY or State Government.
c) Revenue share arrangement with BSNL for provision of FTTH and other connectivity to state governments.

4. Guidelines for Pilot Projects:

The purpose of these guidelines is to reap the benefit of innovation and strategy in private sector and academic and research fraternity for better utilisation and improved service delivery to the citizens by utilising BharatNet. The Government is also striving for better utilisation of the
network and as such these guidelines will be subject to approval of the revised strategy through involvement of Private Service Providers (PSP). Similarly, Blocks / GPs where utilization of BharatNet is being carried out through some agencies like CSC/BSNL, private model, state government etc. are excluded from the scope of pilot project.

5. **Salient features of the Scheme:**

   a. The agency for pilot testing of technology, business model or any other aspect relating to provision of broadband services in rural areas would be eligible, if the project is innovative.

   b. Financial Support for up to maximum of Rs. 10 crore (inclusive of all taxes) per project with duration of 6 months to 1 year would be provided through USOF in accordance with ITRs, 1951.

   c. The ownership of the infrastructure created under the pilot project scheme shall rest with the Government or its nominee organisation.

   d. The payment milestones for funding by USOF will be linked to the progress of the project. The details in this regard will be mentioned in the MoU to be entered in to between USOF and the Selected Agency/ Monitoring Agency wherever applicable.

   e. On completion of the pilot project, an impact assessment/evaluation of the project by an independent agency is to be done. The name of the agency may be suggested along with the duration of the such assessment. The cost of assessment/evaluation to be made part of the total project cost to be paid directly by USOF.

   f. The pilot deployment presumes availability of technology- ready for deployment. It will not be used for testing of technology for research or development process of field trials or for development of new technology. The support will be given only for pilot deployment for the purpose of technology evaluation and not for actual procurement of the technology.

6. **Payment Terms:**

   The payment terms will be mutually decided as per the project outcomes, however, the following payment terms will normally apply:

<table>
<thead>
<tr>
<th>Stage No.</th>
<th>Stages of Payment</th>
<th>Percentage of Total Project cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Signing of MoU with USOF</td>
<td>20</td>
</tr>
<tr>
<td>II</td>
<td>Proof of receipt of equipment</td>
<td>30</td>
</tr>
<tr>
<td>III</td>
<td>Successful launch of the project or Technical Demonstration</td>
<td>20</td>
</tr>
<tr>
<td>IV</td>
<td>Completion of project in all respects</td>
<td>20</td>
</tr>
<tr>
<td>V</td>
<td>Handing over of Assets, documents etc. to USOF</td>
<td>10</td>
</tr>
</tbody>
</table>

   Note: Stage No.1 is against submission of bank guarantee as per GFR.
7. **Eligibility for the scheme:**

The following are eligible to apply for the scheme for pilot projects for utilization of BharatNet:

a) State Government Department or State Govt. PSU in the field of Telecom & IT through Chief Secretary of the state.

b) Public Sector Enterprises of Central Government in the field of Telecom and/or IT.

c) Start-ups, MSMEs, Private Sector Enterprises through CPSUs

d) Academic institutions such as IITs, IISc, IIIT and NITs.

*The recommending authority i.e. CPSUs, Academic institutes shall evaluate technical feasibility prior to submission of project to USOF. Similarly, for projects being recommended by State Govt., certificate is to be attached with the application.*

*The project (title) submitted by (name of the company, etc) for financing under Pilot Scheme of USOF, Department of Telecom, for Utilisation of BharatNet, is hereby recommended by the Chief Secretary of the State of (name) based on its innovation and usefulness in the Distt of (name), Block (name). The state government will extend full support and cooperation for execution, of the project and testing of its outcomes, etc.*

8. **Procedure for Application**

a. A form is available on USOF website. Applicants may download the form, fill the required details and send the same on the letter head of the organisation.

b. In case of academic institutions an undertaking from the Dean of such academic institution is required about institutes willingness to supervise and execute the pilot project.

c. While filling the form, the applicants are expected to provide the following details:
   - Brief description/background about the organisation/institution.
   - Complete details of the pilot project for utilization of BharatNet.
   - Details of the Recommending Authority of the State Government.
   - Complete Budget of the Project with separate component-wise amount for CAPEX and OPEX.
   - PERT chart of the activities to be carried out in the project.
   - The objectives, work plan, methodology, expected outcomes etc. of the proposal should be mention clearly.

   - Special Requirement, If any.

d. Soft copy of the form shall be sent to usadmin.dot@nic.in and hard copy of the same shall be sent to Asstt. Administrator (F-II), USOF, Room No. 1401, 14th Floor, 20 Ashoka Road, Sanchar Bhawan, New Delhi 110001.

e. Form shall also be available to USOF website [http://www.usof.gov.in/usof-cms/home.jsp](http://www.usof.gov.in/usof-cms/home.jsp) and BBNL website [http://www.bbnl.nic.in/](http://www.bbnl.nic.in/).
9. **Selection Process**

The last date for making the applications is 30th May 2020.

USOF will evaluate all the proposals received up to the last date through a Pilot Technical Advisory Committee (PTAC) on the basis of following criteria:

a) Uniqueness of the pilot project  
b) Underlying Innovation  
c) Availability of competing commercial technologies / solutions built on other technologies  
d) Reasonability of the estimated cost for pilot deployment sought  
e) Viability of technology for scale up for the wholesome problem across geography or across the value chain

The recommendation by PTAC will be approved by USOF in accordance with the Government procedure.

The PTAC will recommend the amount of assistance and will indicate schedule for disbursement, timeline for pilot deployment and milestones. The funds will be placed at disposal of Controller of Communication Accounts (CCAs) for disbursement as per milestones and for supervision as Designated Monitoring Authority (DMA) over deployment.

10. **General Terms and Conditions**

   a) The applicant for pilot project scheme shall have to assume complete financial and administrative responsibility of the project.

   b) Usual domestic travel expenses may be part of the operational expenditure of the project, however international travel expenses are not permissible under the project.

   c) Marketing expenses are not permissible.

   d) The project funds are not permissible for creation of civil infrastructure.

   e) The operational cost of the project cannot exceed 10-20% of the overall project cost.

   f) If the approved organisation is unable to commence the project within three months of signing of MoU with the USOF, the approval shall ipso-facto lapse.

   g) Periodic progress reports are to be submitted by the selected agency. The format of these will be shared in the MoU.

   h) USOF will maintain database of all the projects sanctioned under the pilot project scheme.

   i) In case of multi-institutional pilot project, formal agreement from the collaborating institutions should support the pilot deployment.

   j) The grant-in-aid will be utilized strictly for the specific programme and should be exclusively spent on the programme and within the time frame as specified in the sanction letter.

   k) On successful completion of 1st phase of pilot deployment, if there is any delay in disbursing the 2nd instalment by USOF, the concerned organization/ individual should arrange to provide the
necessary financial support (As approved by USOF) to continue the work and to complete the project as per the project time schedule and duration. Once the USOF grant is disbursed, the amount provided by organization/individual shall be reimbursed accordingly.

l) Interest earned on the programme fund, if any, shall be treated as a part of the sanctioned grant-in-aid.

m) USOF, reserves the right to terminate the project at any stage if it is convinced that the grant-in-aid has not been properly utilized and/or sufficient progress is not achieved towards the purpose for which the grant-in-aid was sanctioned.

n) The assets acquired out of the grant-in-aid shall be the property of USOF. No assets acquired out of the grant-in-aid shall be disposed off without the permission of the USOF.

o) This scheme shall be coterminous with the DoT policy.

p) Necessary utilization certificate will be obtained from the organization/ institute before releasing next instalment as per GFR-2017.
FORMAT FOR SUBMISSION OF PROPOSAL

PART-A

IDENTIFICATION

1. Title of the Pilot Deployment
2. Specific area of Pilot Deployment:
3. How does the pilot fit into the objective of the scheme i.e. "reap the benefit of innovation & strategy for better utilization and improved service delivery to the citizens by utilizing BharatNet"?
4. Duration:
5. Total Project Cost:
6. Name of the Applicant:
7. Name of concerned Civic Authority:
8. Capability of the Organization / Individual
   a) Expertise available with the applicant
   b) List of on-going and completed projects/pilot deployments

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Start Date</th>
<th>Completion Date</th>
<th>Project/Pilot deployment cost</th>
<th>Sponsoring Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. Name of the authority in whose name Cheque / Demand Draft should be drawn:
   Name of the Account Holder:
   Name of the Bank:
   Bank Account No:
   IFSC Code:
   MICR Code:
PART-B
DETAILS OF THE PROJECT

1  Brief description/ background about the organisation/ institution.
2  Background of the problem which pilot project addresses
3  Description of Pilot Deployment
   a. Objectives of the Pilot Deployment
   b. Preliminary investigations done by the Organization/Individual
   c. Domestic component in the Pilot Deployment
   d. Linkages
   e. Other organizations working in this area
   f. Methodology: Detailing stepwise activities and sub-activities

4 WORK PLAN
   Phase-wise plan of action up to post Pilot deployment activities
detailing time schedule, milestones may clearly be indicated.
PERT/GANTT chart may be attached.

5  Outcome of the Pilot Deployment
6  Likely Impact [Social/Economic]
7  Parameters for monitoring effectiveness of Pilot Deployment
8  Suggested Post Pilot Deployment Activities

PART-C
PILOT PROJECT ESTIMATES SUMMARY

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item</th>
<th>Months</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1  2</td>
<td>3  4</td>
<td>5  6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7  8</td>
<td>9  10</td>
<td>11  12</td>
</tr>
<tr>
<td>A</td>
<td>Capital Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Operational Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grand Total (A+B)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: A brief on each item to be provided.
PART-D
Details of the attesting authority.

PART-E
Confirmation of the merits of the pilot proposal and State Govt's/ Institution’s willingness to supervise and execute the pilot.