

Connecting Rural Communities, Asia Forum
Commonwealth Telecom Organization,
Jaipur, India, 17th-19th January 2011

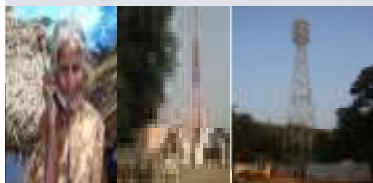


FINANCING SPECIAL INITIATIVES FOR RURAL CONNECTIVITY THROUGH USOF

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JA(F) Universal Service Fund of India

www.usof.gov.in



DEFINITION OF USO



- OBLIGATION TO PROVIDE ACCESS TO TELEGRAPH [*TELECOMMUNICATIONS*] SERVICES TO PEOPLE IN RURAL AND REMOTE AREAS AT AFFORDABLE AND REASONABLE PRICES.

A.G.Gulati (JA(F) USOF)

USOF IN INDIA

- Statutory Fund (ITA (Amendment)2003)
- Came into existence as on 1.4.02
- Non lapsable fund
- USL as 5% of adjusted gross revenue of telecom service providers
- ITR 2004 govern scope and implementation
- Administrator appointed on 1.6.2002.
- Attached office of the DoT
- Assisted by an Inter- Ministerial Advisory Committee
(representation from IIT Chennai, IIM (A), Ministry of Finance, Ministry of Law and Justice, Planning Commission, TRAI and DoT)
- Subsidy disbursement and monitoring by 22 CCA offices across India

More details available at www.usof.gov.in

SCOPE OF USOF IN INDIA

- Public access, individual household lines and telecom infrastructure in identified rural/remote areas.
- Till November 2006, ITR 2004 limited USF activities to only 'basic' services:
-
- **Stream I:** Provision of public telephone services (*Village Public Telephones & Rural Community Phones*)
- **Stream II :** Provision of household telephones in net high cost rural/remote areas. (*Rural Household DELs*)

SCOPE OF USOF IN INDIA contd

- In November 2006 ITR amended to allow support for mobile services and broadband connectivity.
- Following new Streams introduced :
 - **Stream III**: Creation of infrastructure for provision of mobile services in rural and remote areas.
 - **Stream IV**: Provision of broadband connectivity to villages in a phased manner.
 - **Stream V**: Creation of general infrastructure in rural and remote areas for development of telecom facilities
 - **Stream VI**: Induction of new technological developments in the telecom sector in rural and remote areas

FUND POSITION & UTILISATION



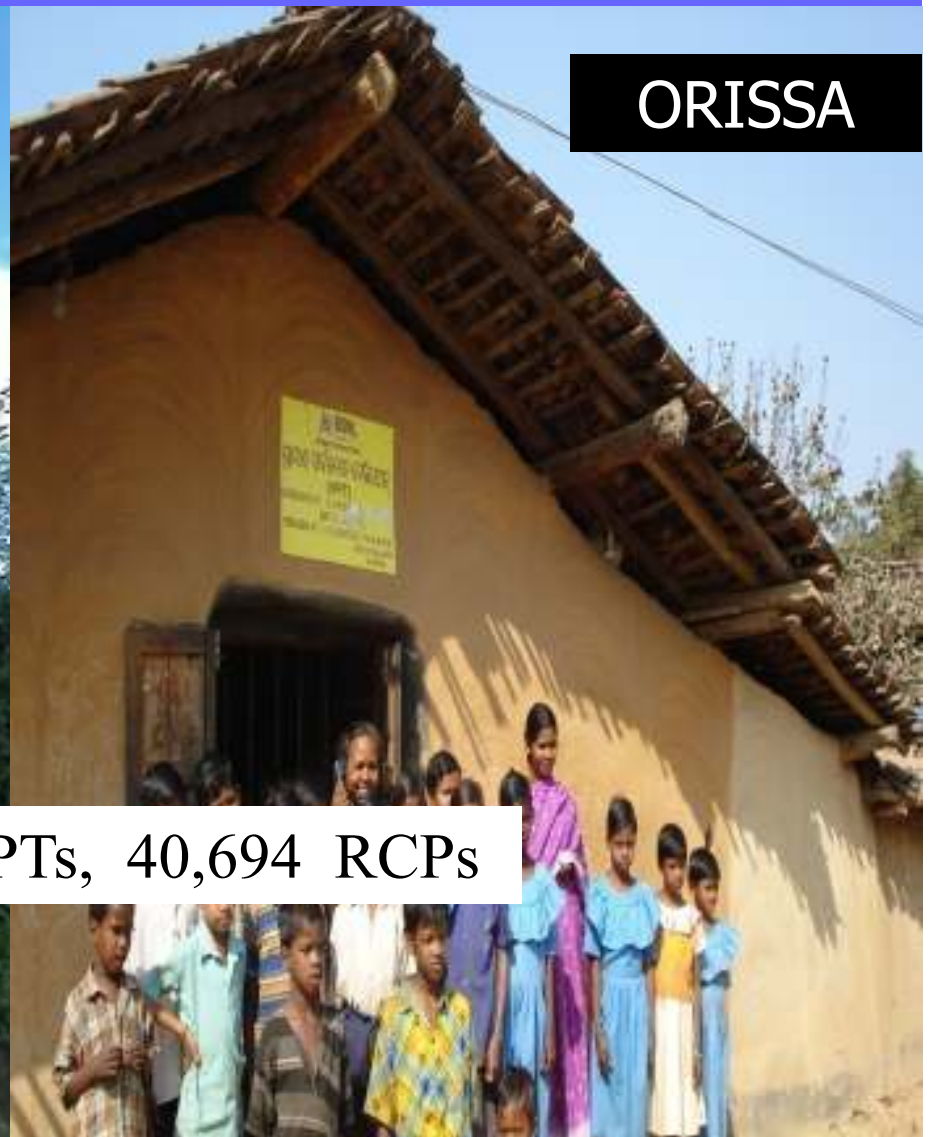
- Potential funding by way of USL balance:
 - Rs 13,789 crore (\$3 billion) as on 31.3.10
- Disbursements as on 31.3.10:
 - Rs 10,371.44 crore (\$ 2.3 billion) as on 31.3.10
- Disbursement as on 31.12.10:
 - Rs 12,561.62 crore (\$ 2.79 billion)
- USL levy first credited to Consolidated Fund of India
- Available to USOF through budgetary process
- Utilization as per USOF Rules

VPTs/RCPs ACROSS INDIA

NAGALAND

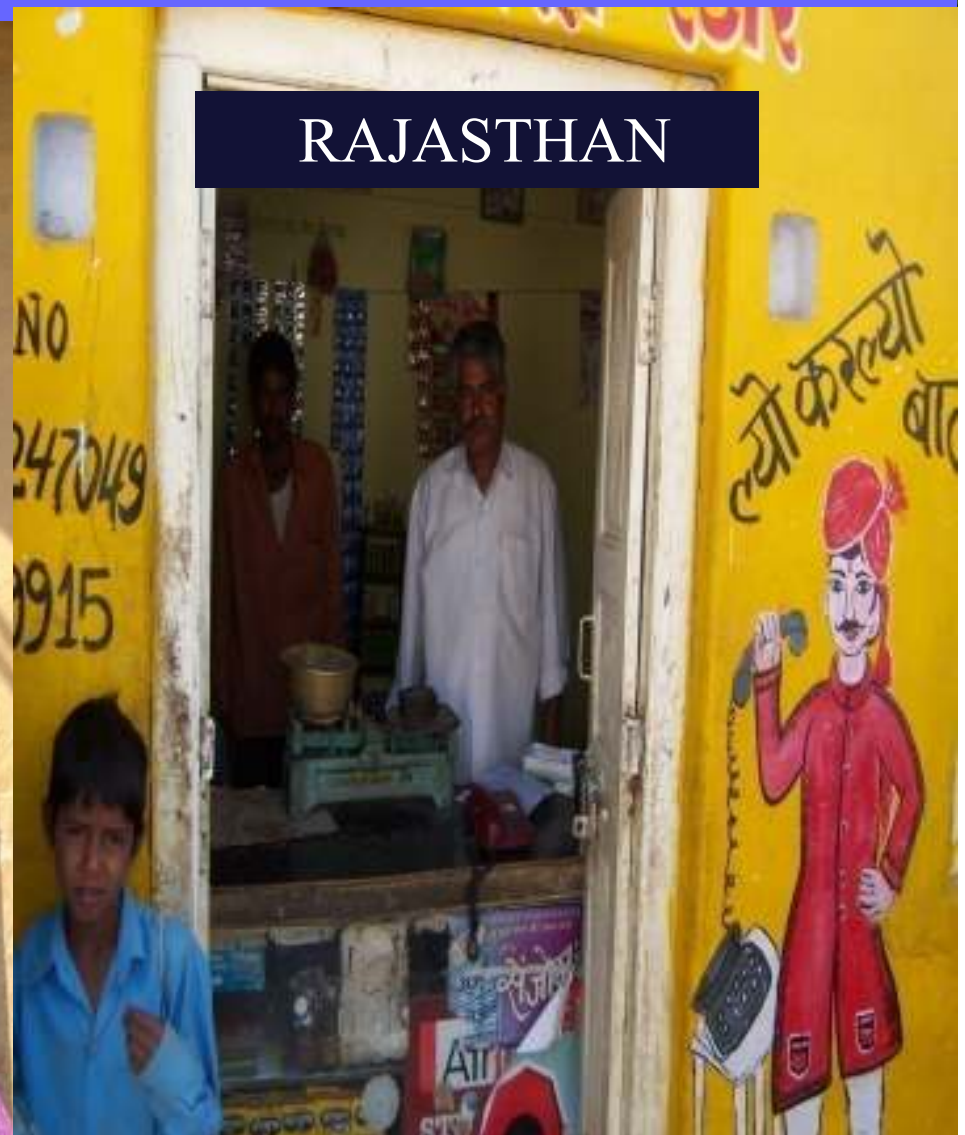


ORISSA



0.57 MILLION VPTs, 40,694 RCPs

VPTs/RCPs ACROSS INDIA

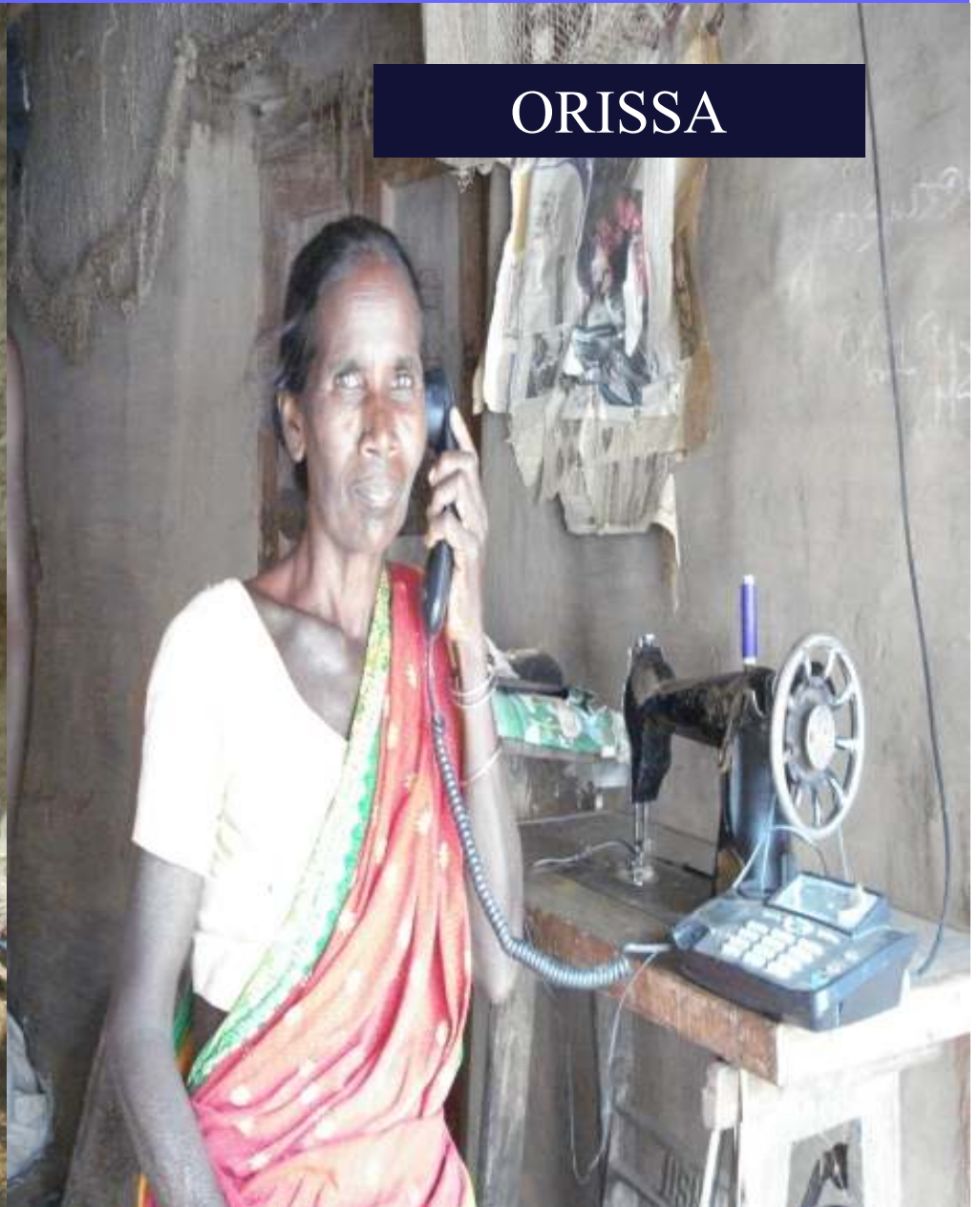
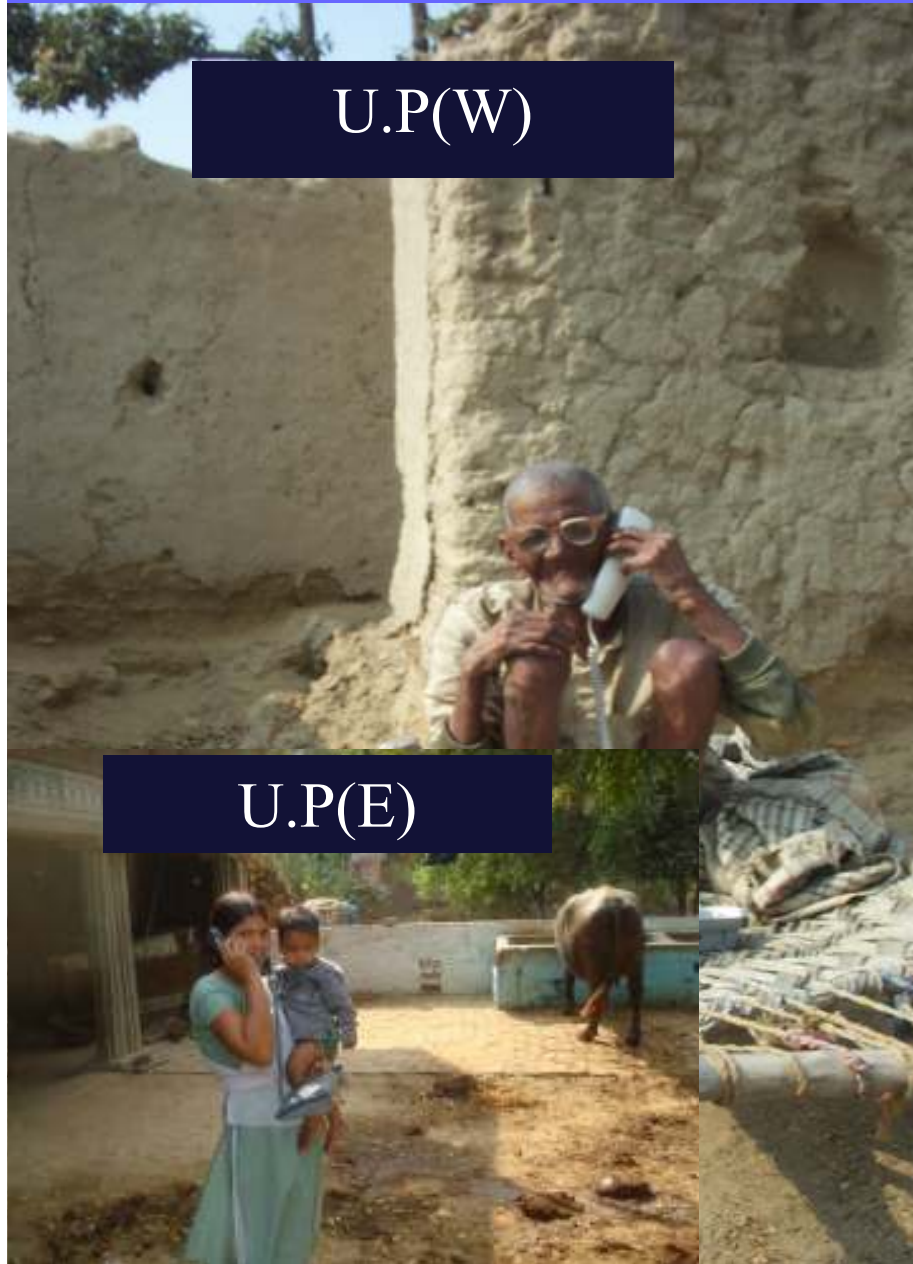


RURAL DELs

U.P(W)

ORISSA

U.P(E)



RURAL DELs



RAJASTHAN

MOBILE INFRASTRUCTURE



- Providing coverage to rural areas hitherto uncovered by wireless signal
- Shared infrastructure sites spread over 500 districts in 27 states of India
- Covering approx 2 lakh villages
- Capacity creation of approx 24 M lines

MOBILE INFRASTRUCTURE



BROAD BAND CONNECTIVITY



JHARKHAND



WEST BENGAL

- Providing broadband coverage to rural areas from around 28,000 rural wire line exchanges
- Capacity creation of approx 1.8 M lines
- Special affordable USOF tariff plans
- Subsidy for CPEs and Computers

CONNECTIVITY IS NOT AN END IN ITSELF

Universal
Service
programmes
cause affordable
access

Affordable
access causes
an increase in
subscription or
connectivity

**Increased
connectivity
improves
economic, social,
educational, and
health outcomes**

CONNECTIVITY MUST BE SUPPORTED BY CAPACITY AND CONTENT

Universal Service
programmes can
bring about
**connectivity &
affordable
access**

Relevant
Content is
required to make
connectivity
meaningful
(mobile and BB
content)

**Capacity
Building** of state,
and private
players to use
content and
facilitate its use
by rural public

USOF NOT A UNIVERSAL PANACEA

- USOF efforts must be supplemented by simultaneous programmes towards overall rural infrastructure development
- IT, education, power, health, gender based support etc
- Much greater level of coordination and mutual leveraging between concerned state/private agencies called for



SPECIAL INITIATIVES

- Renewable Energy
- Gender Based
- Access for Disabled

RENEWABLE ENERGY FOR USOF's SHARED MOBILE SITES (PILOT)

- Scheme to subsidise up to 75% of cost of renewable energy installations in 20 USOF shared mobile infrastructure sites spread across 20 states. (limited to Rs 0.5M)
- Being carried out with joint technical and financial support of MNRE & USOF
- Solar/solar-wind hybrid depending on state's climatic conditions
- Draw lessons based on financial and technical data from these projects
- Establish financial viability, technical feasibility in actual rural settings
- Build learning into design of future USOF schemes for mobile infrastructure

PILOT SCHEME-SMCFs

- Scheme to subsidise Rural Solar Mobile Charging Facilities
- Being carried out in coordination with TERI's Lighting a Billion Lives Programme
- 5000 Villages to be covered
- Community Charging Centres
- Run by VLEs
- Nominal fees for charging mobile phones



USOF's GENDER SPECIFIC INITIATIVES



RURAL PUBLIC SERVICE TERMINAL SCHEME

- Provides rural SHGs with broadband enabled terminals capable of secure financial transactions -on pilot basis in Rajasthan & H.P
- VAS for Rural Public/ Livelihood for Rural Women

SARADHNA, AJMER



BHAGSRI, AJMER



JA(F) USOF

DoT-USOF Pilot Project Scheme for Rural Mobile Connectivity & VAS & ICT Related Livelihood Skills for SHGs

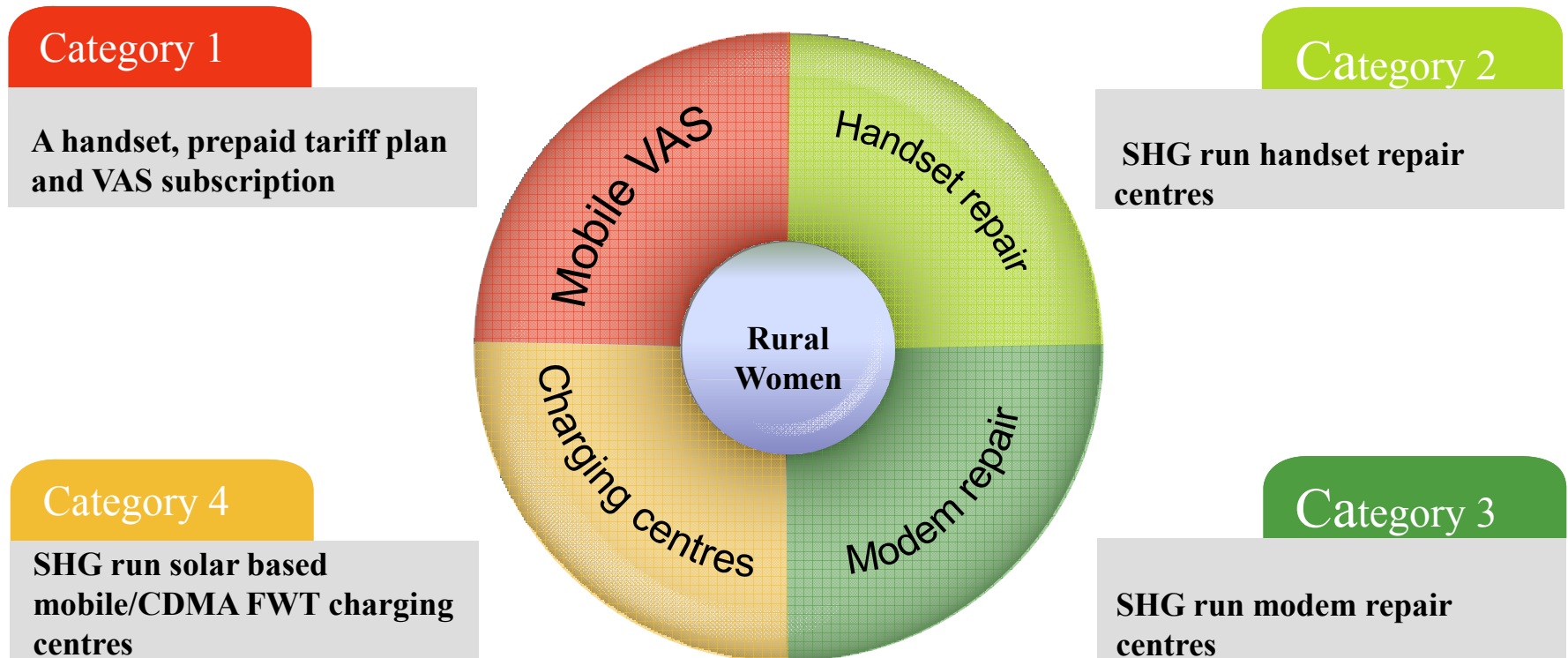


PROJECT DESCRIPTION

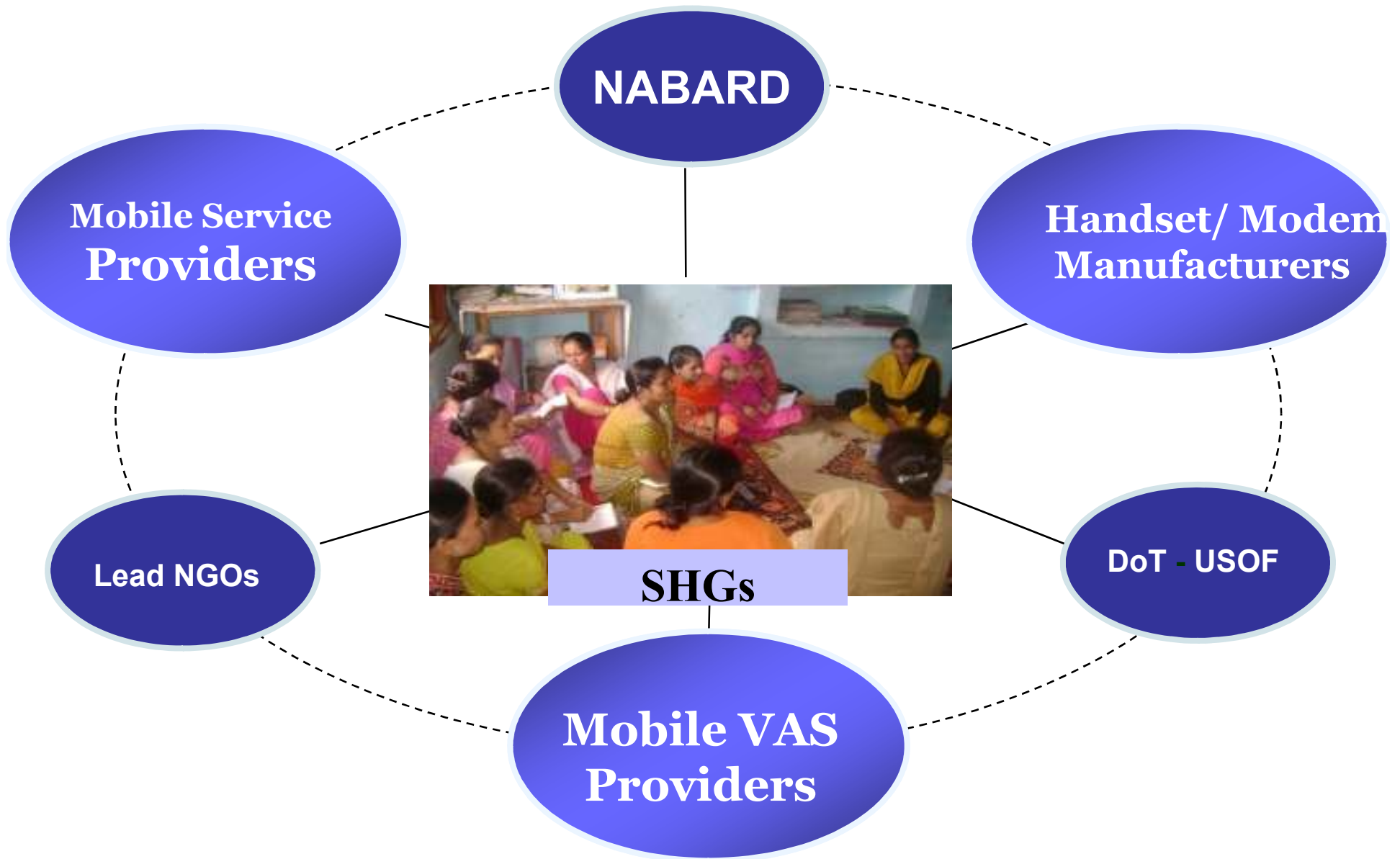
Reality	A development impeding gender gap, especially in rural areas of the country
Objective	Improve rural SHGs' access to skills, knowledge, financial services and markets through better connectivity
Outcomes	Enrichment of rural women's lives through information and enhancement of livelihood skills.



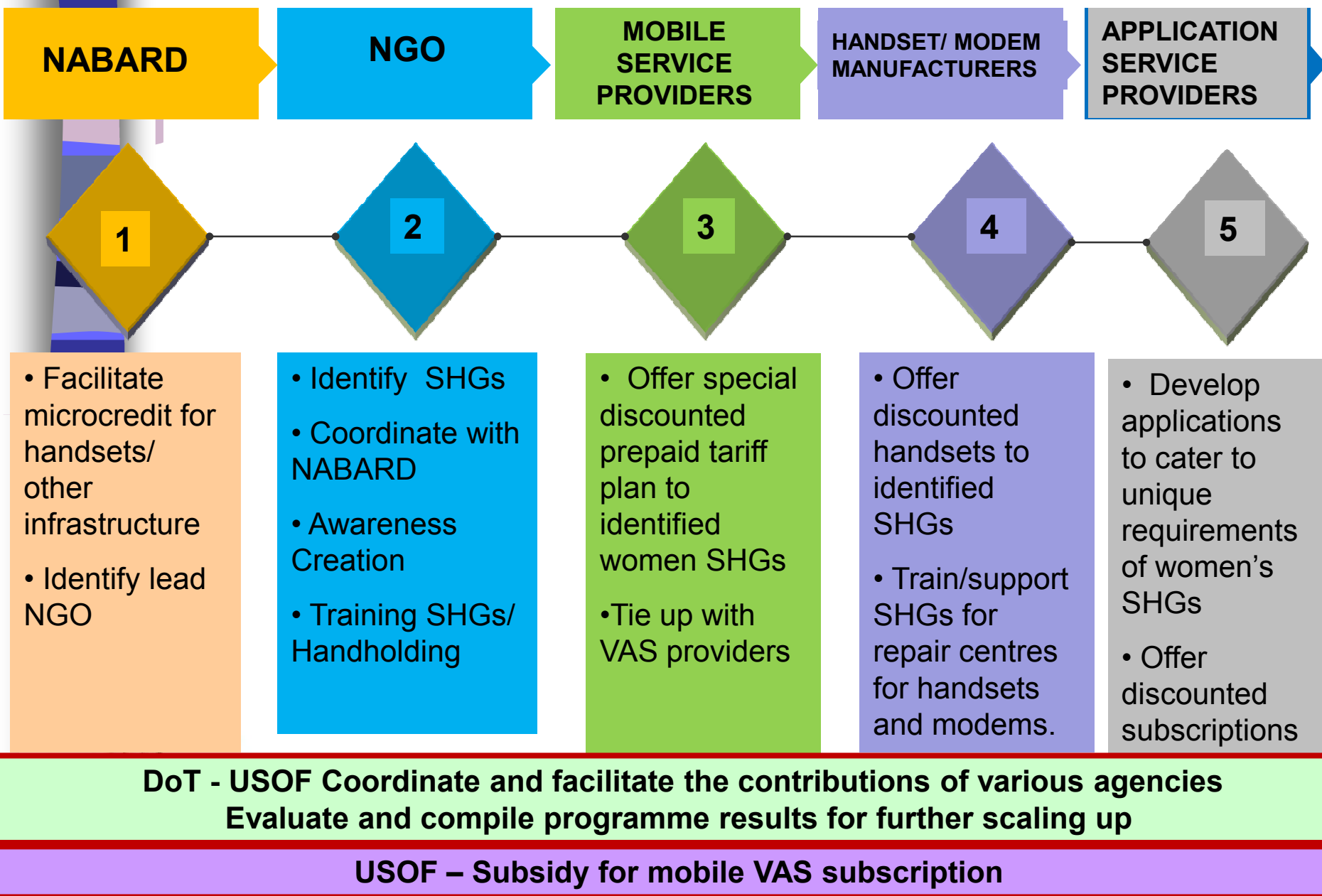
PROJECT CATEGORIES



THE STAKEHOLDERS



The Stakeholders – Roles and Responsibilities



ASSESSED REQUIREMENTS OF RURAL WOMEN

Health Related Aspects

- Preventive care
- Vaccinations
- Health Insurance
- Notifications on approved hospitals

Financial Information and Transactions

- Money receipts/ payments in bank accounts
- Deposit rates
- Lending rates

Agricultural/ Weather /Markets

- Pests/ Disease related problems
- Early warning on poultry/cattle diseases
- Input prices, Market Prices of various produce
- Weather conditions/ Alerts

General

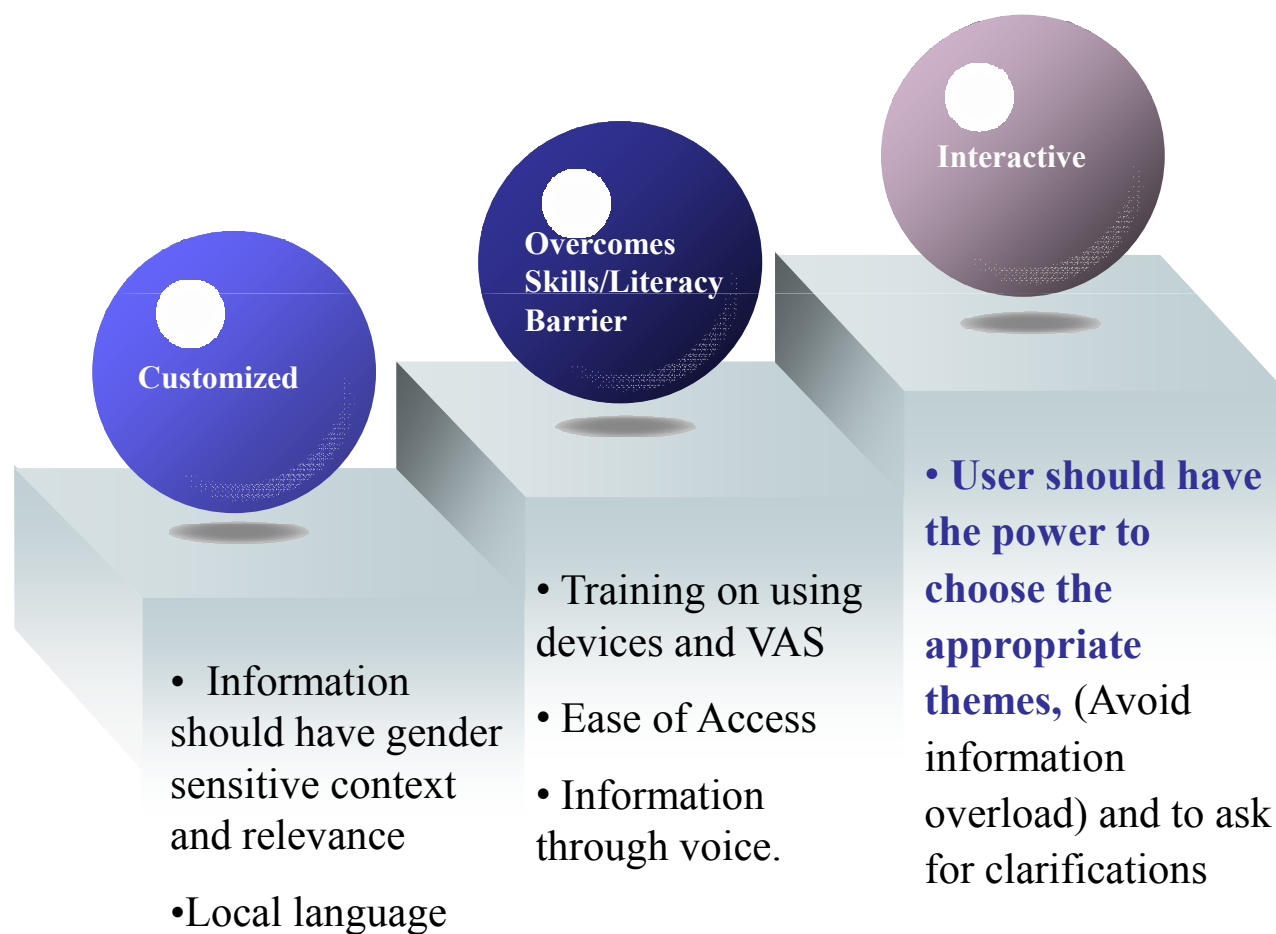
- Educational needs, learning English
- Information on Govt programmes
- Vocational training/guidance
- Counseling, Sharing within the Group

Project intends to substantially address this range

CHALLENGES

Scheme for mobile connectivity and VAS

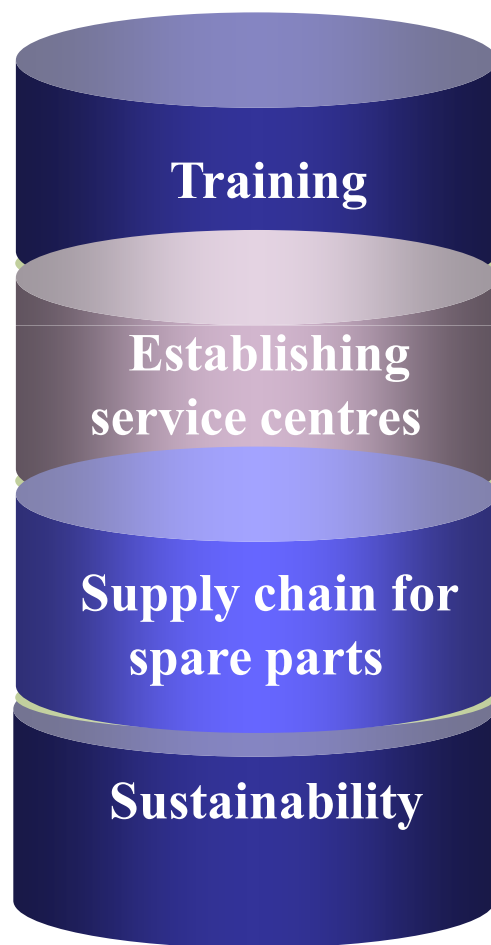
Success of the scheme would depend on developing content that is -



CHALLENGES

Training for Livelihood Enhancing Skills in Relation to ICT Facilitating Services

Success of the scheme would depend on -



- Proper identification of training needs
- Capacity Building

- Identifying the locations
- Setting up infrastructure

- Identifying critical fast flowing components
- Holding and revolving inventory

- Making the scheme viable in the long term
- Significant implications for scalability



ANTICIPATED OUTCOMES

1

Enrich lives of women through ICT connectivity and Skills

2

Demonstrate the viability of meaningful mobile VAS applications for rural markets

3

Generate employment opportunities for rural women through local repair facilities/charging centres

4

Success would facilitate scaling up of such initiatives to the national level



PROGRESS SO FAR

- Good response from major service providers offering subsidized handsets and tariff plans
- 7 Mobile VAS pilot projects dealing with SHGs working with agriculture, livestock rearing, bee-keeping, textiles handicrafts, cottage industry etc likely to commence in January 2011
- Customized Content: Markets, Skills, Training, Health, Social Issues, Government Schemes
- Maharashtra, Gujarat, Tamil Nadu, U.P, Uttaranchal, Andhra Pradesh
- SMS, IVRS and toll free query systems
- ICT training centres, Mobile/modem repair centers
- Solar charging centres

OTHER IDEAS

- Special projects for capacity building of women elected representatives in rural local government with UNIFEM
- Project to extend pertinent VAS to *Anganwadi* (Maternal and Child Care) workers with Ministry of Women and Child Development
- Special projects for disabled women
- Please refer to http://usof.gov.in/usof-cms/usof_newseventsgb.htm

USOF Interventions for Access to ICT for Disabled Populations in Rural Areas

ACCESS FOR THE DISABLED

- Schemes in this regard are to be evolved with due stakeholder participation.
- Concept paper formulated with help of Centre for Internet and Society
- Circulated for Stakeholder comments/suggestions
- Conference to discuss inputs
- Suitable interventions designed
- Please refer to <http://usof.gov.in/usof-cms/disabled.htm>

RDEL in Punjab



RDELs in Tamil Nadu



THANK YOU!



VPT in Karnataka



RDEL in U.P(East)



VPT in Haryana