

D R A F T

Version 2.4

Guidelines
For
Technical and Financial Support
For
Establishment
Of
Common Services Centres
(CSCs)



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Department of Information Technology,
Govt. of India, Electronics Niketan,
New Delhi – 110 003.

Contents

1.0	Background.....	3
2.0	Implementation Structure.....	4
3.0	Roles of various Entities.....	5
4.0	Non-financial & Financial Support for CSCs.....	8
5.0	Procedure for Implementation.....	10
6.0	List of Annexures.....	13
7.0	Annexures I – X.....	14- 32

Guidelines for Technical and Financial Support for Establishment of Common Services Centres

1.0 Background

1.1 Advances in Information and Communication Technologies have made it possible today to provide a whole range of high-quality and cost-effective services relating to video, voice and data content through a single communication channel using appropriate terminal equipment. This opens up a whole realm of possibilities for provision of e-government, entertainment, education, telemedicine, e-commerce, info-services, etc. ubiquitously. Government of India is committed to leveraging these advances in Information and Communication Technologies (ICT) for the benefit of the citizens, especially those in rural and remote areas. It is therefore considered necessary to create a network of access points termed Common Services Centres¹ (CSCs) throughout the country as outlets for such services.

1.2 These Policy Guidelines brought out by the Department of Information Technology, Government of India, outline the policy framework, strategy and financial support of government for rapid proliferation of CSCs across the country. It is intended that these Guidelines would create an enabling environment for establishment of at least 100, 000 Common Services Centres in the rural areas by the year 2007 to provide all possible

¹ A Common Services Centre is an ICT-enabled Service Delivery outlet providing a range of services to the people in the village / town in which it is located. Various nomenclatures e.g., Common Services Centre, ICT Kiosk, Community Information Centre, e-Community Centre, Rural Service Delivery Points etc. currently exist in the country for such Integrated Service Delivery Centres, providing similar services to citizens. For the sake of clarity and uniformity, throughout this Policy Guidelines document, all such Centres are universally termed as Common Services Centres (CSCs).

government and private services. Annexure-I of the Guidelines indicates a list of possible services, grouped in various categories, which can be provided through the CSCs. The key assumptions in formulating these Policy Guidelines are detailed at Annexure-II.

2.0 Implementation Structure

2.1. State governments would inevitably have to play a major role in facilitating the establishment of a large number of CSCs in the rural areas. State governments have to put in place an appropriate institutional mechanism for implementation. The first step is to designate a State-level agency that would be responsible for implementation of this Scheme through its field formations and/or the district administration in the entire State. In this context, the role of the district administration and local self-government bodies would need to be clearly delineated. State governments would also need to take necessary legal and policy measures to enable the CSCs to come into being, attain sustainability and deliver the services as contemplated in these Guidelines.

2.2. The Scheme would be implemented through a three-tier structure. At the first/CSC level would be local Village Level Entrepreneur² (VLE- loosely analogous to a franchisee). At the second/middle level would be an entity termed the Service Centre Agency³ (SCA – loosely analogous to a franchiser). At the third level would be the agency designated by the State to implement the Scheme through its field formations and/or the district administration. Appropriate selection of the various implementing entities viz the designated State agency, the SCAs and the VLEs would be crucial to the success of the program.

² A Village Level Entrepreneur is responsible for establishing, operating and maintaining the CSC in accordance with the terms of the agreement between himself and the other stake-holders. Potential VLEs would be the local individuals having all the qualities necessary for delivering the basic objectives of the CSCs. The other options for VLEs may include the local PCO operator, the local part-time postal worker, PHC / Vet Hospital or Cyber Café operator.

³ The need for an SCA arises because most VLEs would not on their own, have all the technical, managerial, commercial and financial attributes necessary to establish and sustain a CSC.

2.3. The SCAs would be identified through an appropriate bid process to be administered by the State-level Implementing Agency. The SCAs would be required to bid for the financial support on a quarterly basis for establishing and operating a number of CSCs as indicated in the RFP for five years as per Terms and Conditions derived from the provisions of these Guidelines. RFP to be issued by the concerned State would clearly indicate that prospective SCA needs to cover at least 40% of the Gram Panchayat locations in each Block within a district. The SCAs would be expected to bid based on the difference between costs and anticipated revenue realization from government and private services. The SCAs would in turn select the VLEs for operating the CSCs in accordance with the procedures led by the State-designated Implementing Agency under the provisions of these Guidelines.

2.4. It is felt that depending on the intended services and capabilities of the CSCs, it is possible to configure them in three categories, which are given in Annexure VIII with indicative cost for each category. The SCA may decide on the specific category of CSC to be established at a particular location. However, the RFP to be issued by the States would clearly indicate that Category B type CSC would be required to be established in at least 50% of the locations of which Category C type CSC should be for at least 10 % of the overall proposed locations in a district. The RFP would invite bids for a number of packages in a State. Each package would consist of one or more districts such that the number of packages is not less than two in each State and not more than the number of districts (i.e., one district per package). The number of packages would be determined by the State taking into account the prevailing conditions and other relevant factors.

3.0 Roles of various entities

3.1. Service Centre Agency (SCA)

3.1.1 The SCA would be responsible for identifying the required applications and services, harnessing the network, identifying and training the VLE, establishing the CSC (either directly or through the VLE), supplying, aggregating and updating the content (this would include entering into

appropriate commercial agreements with third party content/ service providers) and also addressing various requirements of the CSCs from time to time.

3.1.2 An SCA will have to enter into a suitable agreement with a VLE clearly delineating their respective roles, responsibilities and liabilities. A copy of this agreement would need to be filed with the State agency.

3.1.3 The SCA is further required to conduct a detailed benchmark survey for the specific State / area to assess demand and viability, identify content, create appropriate service package, evaluate the suitability of a location for establishing a CSC, etc.

3.1.4 State government would be required to make a provision in the RFP for appropriate type / design / branding / logo as per Guidelines to be prescribed by DIT separately.

3.1.5 In the event of suitable SCA not being available for difficult locations, a State / Central government agency (e.g., Regional Postal Authority) may be assigned the role of SCA to implement the Scheme with a higher level of financial / non- financial commitments on its behalf to the VLE to achieve the sustainability.

3.1.6 Annexures IV-A, IV-B, IV-C & IV-D contain respectively, (i) types of organizations that could be selected as SCA, (ii) suggested Eligibility Criteria, (iii) Selection Procedure and (iv) list of suggested Key Variables that could be used for the benchmark survey by the SCA.

3.2. Village Level Entrepreneur (VLE)

A VLE should have all the qualities necessary to sub-serve the basic objectives of the CSC. The quality of service at the CSCs would be as effective as the quality of persons running them. Selection and proper training of the VLE therefore would play a vital role in making the CSC a success. Given the rural environment in the country, the VLE is also required to be an effective 'change agent' i.e., to change the mindset of the rural citizen. The Annexure- V-A, V-B & V-C outline (i) suggested Eligibility Criteria (ii) Selection Procedure and (iii) possible options for selection of VLEs.

3.3. State Government & State-designated Agency

3.3.1 State Governments intending to participate in a program and to avail of funding support to establish CSCs, would designate an Agency which would implement the Scheme at the District level on behalf of the State government. This Agency would be the recipient of the support fund from Department of IT, Govt. of India. The State-designated agency would be responsible for implementation of this Scheme through its field formations and/or the district administration in the entire State. In this context, the role of the district administration and local self-government bodies in implementation of the Scheme would need to be clearly delineated. State Government should adopt an appropriate bid process for selection of SCAs for implementation of the Scheme as per the framework outlined in the Annexure-VI of these Guidelines.

3.3.2 The CSCs would perform the role of front-end delivery points for administration and welfare governance. For that purpose, State governments would need to take necessary legal and policy measures to enable the CSCs to come into being all e-governance services be delivered through CSCs and all possible government programs be appropriately designed and aligned, taking into cognizance the presence of CSCs at Panchayat / Village levels, as the case may be.

3.3.3 The issue of economic sustainability has been the prime concern for the CSCs. While the primary responsibility for ensuring sustainability of a CSC rests with the SCA, the State government needs to ensure that due diligence has been shown by the SCA in identifying locations and services for the CSCs from the angle of sustainability, before submitting an Expression of Interest (EoI) for funding and other support. A suggested framework for making such an evaluation including the criteria which may be considered by the States for this purpose, is at Annexure-VII.

3.3.4 States would separately identify suitable sites for the CSCs. In this respect, for the CSCs which run successfully as per the procedures and provisions of the Service Level Agreements for 2 years, States may consider providing grant assistance to those SCAs / VLEs in the form of land by the States and provision of grant support from Gol for construction of permanent structure for such CSCs. Guidelines in this regard would be communicated separately.

3.4. Department of IT, Govt. of India

Department of IT has evolved these Guidelines as a part of its mandate to implement the Mission Mode Project of Support Infrastructure under National E-Governance Plan. One of the main objectives is to bring synergy with other infrastructure-related Department of IT initiatives viz., State Wide Area Network (SWAN), State Data Centre (SDC) and various other MMPs initiated by Central and State line ministries and departments. To this effect, Department of IT would provide calibrated support through policy interventions and matching financial grant to create the basic infrastructure for 100,000 CSCs. The Annexure-VIII indicates the minimum hardware configuration for the CSCs. Annexure-IX indicates the required features for the wireless equipment to be deployed in the CSCs.

4.0 Non-financial & Financial Support for CSCs

4.1 Support from Department of IT, Govt. of India

4.1.1 Non-Financial

Department of IT would issue appropriate Advisory to the State Government to meet the connectivity requirements of the SCA/ VLE for the CSCs, through the State Wide Area Network (SWAN) from the nearest block headquarters level Point-of-Presence (PoP) through appropriate wireless/ terrestrial connectivity. Usage of SWAN would be free-of-cost for the first five years. Cost of any terminal equipment and ISP charges would be to the account of the SCA / VLE.

4.1.2 Financial

Department of IT would provide, for each CSC, matching grant support at the rate of 50% of the required grant support determined through appropriate bid process by way of tendering with Terms of Reference including SLAs as deemed appropriate for the SCA. The State-designated Agency would issue the required tender document inviting EoI from the prospective SCAs for the purpose. The quantum of DIT grant so decided through the bid process, would be released to a separate CSC Scheme bank account of the State-designated Agency for disbursement to the selected SCA(s) on completion of the bid process. The identified SCA(s) / VLE(s) would be required to open a bank account with provision for electronic fund transfer to receive funds from the State-designated Agency. The detail Terms and Conditions for DIT support is at Annexure X.

- 4.1.3 Department of IT would further provide funding support on merit to specific proposals for creation of specialized content to be used universally by a cluster of CSCs. For this purpose specific proposal can be sent by the identified SCAs to Department of IT for consideration. In this respect Department of IT would also allow such specialized contents to be hosted at the State Data Centres, proposed to be created under a different Scheme within the support infrastructure component of NeGP. Appropriate Advisory in this regard would be issued to the State Govt. as and when necessary.

4.2 Support from State Government

4.2.1 Non-Financial

The non-financial support from State Government would be as per the framework given in Annexure-VI of these Guidelines. Further, the State government may also use the CSCs for imparting training / BPO work, and optimally leverage the VLEs for primary data collection / validation at village level and online compilation / consolidation subject to independent verification by appropriate government authorities. All these services would be paid for by the State government to the SCA / VLE on mutually agreed Terms and Conditions.

4.2.2 Financial

State Government would provide matching financial support of the balance 50% required for each SCA / CSC over a period of five years as determined through the bid process. This could be provided either in the form of quarterly cash payments to the SCA or preferably in the form of guaranteed revenues from government services and assigned work such as training, education, data collection, etc. in the form of Quaterly Guaranteed Revenue (QGR). The funds required for this purpose can be drawn from the Additional Central Assistance to the States for NeGP provided by the Planning Commission. State government may also extend a loan to the SCA / VLE not exceeding the contribution of DIT-GOI over the 5-year period by availing of NABARD funding allocated from RIDF for this purpose as indicated in the Union budget for 2005-06. State government would also offer limited exclusivity to the SCA by not supporting a similar later initiative within the same catchment area of the CSCs.

4.3 Support from NABARD

It has been decided by the Union Government that financial support from NABARD under the Rural Infrastructure Development Fund would be extended for establishment of Village Knowledge Centres (VKC) across the country. The financial support would be in the form of a loan to the State government for onward disbursal to the Agencies willing to establish such Centers. Considering the similarity between the services proposed to be provided by VKC / CSC, State government may decide to avail the facility to be provided by NABARD for establishing such Centers. The detailed Terms and Conditions in this regard would be communicated separately by NABARD.

5.0 Procedure for Implementation

- 5.1. The CSC Scheme would be implemented in Phases to establish 100,000 CSCs by the year 2007. In the Phase I (expected to be completed by March 2006) it is contemplated that the States willing to participate in the Scheme would identify minimum one to maximum three districts (depending on the

total number of districts in the State) to be included in the Phase I of the Scheme as per the following norm:

States having 10 districts or less	:	one district
States having 11-20 districts	:	two districts
States having more than 20 districts	:	three districts

Each district may have 100 or more CSCs in the Phase I. States may evolve suitable incentive mechanism for those SCAs that run the CSCs successfully while selecting SCAs in the next Phase.

5.2. The participating State Governments would communicate to Department of IT its willingness to implement the Scheme, the name and other details of the State-designated Implementing Agency and the officials concerned.

5.3. The participating State Governments would thereafter notify i) the Policy and Procedures for implementing the Scheme outlining the details of the required commitments of the various stakeholders, ii) States' policies and timelines to make government services available through the CSCs, iii) revenue sharing policy, if any, iv) Service Level Agreements with the SCAs and VLEs and the v) appropriate RFP document for identifying the SCA and quantum of grant required by the SCA for one CSC per quarter for five years, as per provisions detailed in various Annexures of these Guidelines.

5.4. SCAs eligible as per the provisions of Annexure IV-A would be required to submit an Expression of Interest (EoI) to the State designated Implementing Agency or the designated district authority, as the case may be, with all details as per the requirements of the above mentioned RFP and other documents notified by the State Government with terms and conditions derived from the provisions of these Guidelines.

5.5. While submitting its EoI the SCA is required to furnish all the details pertaining to their proposal including the business model, layout of proposed

CSCs in the concerned district(s), selection schema for the VLEs and their training schedule agreement between SCA and VLEs, etc.

- 5.6.** The State-designated Implementing Agency/ designated district agency would undertake selection of the SCAs. Assistance of Dept. of IT and the State NIC Unit could be utilised while undertaking the selection. The SCAs in turn, would select the VLEs.
- 5.7.** Based on the quantum of funds required for different CSCs by the identified SCAs, decided through the tendering process, the State designated Implementing Agency would seek release of grant from the Department of IT, Govt. of India. Department of IT, in turn, would release its share of funding to a separate bank account, to be created for the purpose of handling the CSC grant by the designated State Implementing Agency.
- 5.8.** The participating State Government would constitute an appropriate State Level Project Monitoring Committee with representatives from the Department of IT, GOI and State NIC Unit to review and monitor the process of the implementation.
- 5.9.** The SCA would be required to make the CSC operational within 45 days from the date of receipt of approval in this regard from the State Implementing Agency. The fund will be released by the State Agency to the SCA within 30 days of effective operationalisation of the CSC.
- 5.10.** An agreement will be signed between the selected SCA and the State designated Implementing Agency on behalf of the State Government to guarantee the revenue commitments from State Government Services as indicated in Para 4.2, to be provided through the CSCs. The agreement would cover, inter-alia other Terms and Conditions, as required under the provisions of these Guidelines.

List of Annexures to Policy Guidelines for Department of IT, CSC Scheme

- I Possible Services related to various Economic and Social Sectors which can be delivered through rural Common Services Centres**
- II General Assumptions for the CSC Guidelines**
- III Suggestive List of Key Variables required to be defined for the survey for each Panchayat / Village where the Common Service Centre would be proposed to be established**
- IV-A Suggested Eligibility Criteria of Service Centre Agency**
- IV- B Suggested Criteria for selection of the Service Centre Agency**
- V-A Suggested Eligibility Criteria of Village Level Entrepreneur**
- V-B Suggested Criteria for selection of the Village Level Entrepreneur**
- VI Roles & Responsibilities of State Government participating in CSC Scheme**
- VII Suggested Framework and Criteria for evaluation of suitability of a location for establishing Common Services Centre**
- VIII Indicative Configuration / Costing for three Categories of CSCs**
- IX Required Configuration / Architecture of the Wireless Infrastructure to be harnessed with SWAN Point-of-Presence at the Block Hqrs.**
- X Level of support from Department of IT, Govt. of India**

Possible Services related to various Economic and Social Sectors which can be delivered through rural Common Services Centres

- a. Department of IT has noted that sustainability of Common Services Centre depends heavily on the service package being offered through the CSCs. It has also noted through available experience of operations CSCs that, availability of government services is a must for rural CSCs to be potentially sustainable.
- b. Depending on the local needs, the service package need be designed with combination of standard government services and non-standard region-specific services. The State government and the local government bodies may consider to make government services available at the CSCs at a delivered cost, with appropriate revenue sharing between the CSC entrepreneur, SCA and the government authority responsible for the content and administration of those services.
- c. The State / local government may consider to channelise all its bill collections through the Common Services Centres with a transaction-based incentive to the Village Level Entrepreneurs for delivering the bill collection services.
- d. The services of CSCs may be taken at a mutually agreeable cost for accounting of Panchayat-related schemes and fund disbursement / monitoring activities.
- e. The services of CSCs may be taken at a nominal cost for faster redressal of various applications submitted by rural citizens to the government from time to time. In this context the state / local government may also consider to develop a Citizen Charter for delivery of services through CSCs.

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Following is a suggestive List of Possible Services which can be delivered through Rural Common Services Centres. The list is not exhaustive one and many other services can also be provided which may be useful to rural community.

S.No.	Category	Services
1.	Agriculture	1.1 Crop Production (Seed Varieties, Irrigation etc.)
		1.2 Tools (Procurement, Marketing, Hiring)
		1.3 Marketing
		1.4 Pricing
		1.5 Financing (Micro credit)
		1.6 Crop Insurance
		1.7 Weather Reports
		1.8 Disaster Warnings
2.	Animal Husbandry	2.1 Animal Health & Veterinary Services
		2.2 Finance & Schemes
		2.3 Animal Breeds
		2.4 Production (Best Practices)
		2.5 Livestock Development
3.	Citizen Services	3.1 Procedures
		3.2 Documentation
		3.3 Forms
		3.4 Contact Directory
		3.5 Grievance / Redressal
		3.6 Schemes & Benefits
		3.7 Birth & Death Certificates
		3.8 Matrimonials
		3.9 STD, PCO, Cyber café
		3.10 FAQs
4.	Health	4.1 Vaccination Schedule
		4.2 Maternity Care
		4.3 Family Planning
		4.4 Medicines
		4.5 Ambulance Services and Transportation
		4.6 Hospital / Primary Health Centres Information
		4.7 Blood Bank
		4.8 Life Saving Drugs
		4.9 Doctor's Database
		4.10 Appointment with Doctors
		4.11 e-Diagnostics
		4.12 Materials Management System (Medicines)
5.	Education	5.1 School / College / University Information
		5.2 Syllabus
		5.3 Education Results
		5.4 Education Abroad
		5.5 Schemes / Scholarships
		5.6 Counselling / FAQs

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S.No.	Category	Services
6.	Land / Property	6.1 Land Records
		6.2 Property Transfer and Registration
		6.3 Property Tax
		6.4 Property Rules & Regulation
		6.5 Land Income Certificates
7.	Employment	7.1 Job Opportunities (Exchange)
		7.2 Registration
		7.3 Self Employment Schemes
8.	Social Welfare	8.1 Schemes & Benefits
		8.2 Directory of NGOs
		8.3 Citizen Rights
9.	Utility Services	9.1 Applications
		9.2 Outstanding Bill Statement
		9.3 Bill Collection on various Utilities
		9.4 Grievance Redressal
10.	Business	10.1 Procedures
		10.2 Documentation
		10.3 Forms
		10.4 Schemes (Subsidy Loans)
		10.5 Compliances with Rules & Law (VAT, RTO)
		10.6 DTP, data entry work, BPOs
11.	Panchayat Matters	11.1 Birth Certificate
		11.2 Death Certificate
		11.3 Utility Connection (water etc.)
		11.4 Property Transfer and Registration
		11.5 Tax Rules
		11.6 Tax Payments
		11.7 License & Concessions
		11.8 Permits
12.	Consumer Welfare	12.1 Consumer Rights
		12.2 Consumer Courts
		12.3 Legal Assistance
13.	Environment	13.1 Pollution Control Information / Forms
		13.2 Environment
		13.3 Grievance / Redressal
14.	Tourism & Transport	14.1 Room Availability / Booking
		14.2 Booking of Long Distance Bus Tickets
		14.3 Information on Transport Routes, Sight seeing places
15.	Entertainment	15.1 Video & Cable TV for screening of cinema etc.
Total Category:		15
Total Services:		80

General Assumptions for the CSC Guidelines

- a.** Common Services Centres, set up in rural areas i.e. in Panchayats or Villages, to deliver various information and services to the villagers, would need special financial and other support of government while such initiatives in urban areas can become sustainable, merely by allowing them to deliver government services or in many cases, even without that. Key ancillary objectives are to empower rural communities, create equal opportunity, foster income / employment generation and in general, human development through high economic and social returns.
- b.** The policy aims to encourage and promote public-private partnership (PPP) in the rural ICT domain by encouraging establishment of these Common Services Centres on an entrepreneurship model at the Panchayat or Village level and to create opportunities for non-government or private entities to play a major role in actual implementation of the Scheme. Common Services Centres should be owned and operated only by local village entrepreneurs to the extent feasible.
- c.** Each and every Common Services Centre would necessarily support multi-service-delivery. The service package would be a judicious mix of all the possible government services and information and other localized services which may be needed by the local community. The content would essentially be in the local language. Annexure-I of these Guidelines indicate a list of possible services, sub-grouped in various categories, which can be provided through these CSCs.
- d.** Sustainability of the CSCs, through estimated revenue streams for the delivered services, would receive prime attention while architecting the CSCs' business model. The location for the CSC in a Panchayat or village would be selected keeping in view the imperatives for sustainability from a revenue generation angle. The package of services would also be decided accordingly.
- e.** Department of IT would effectively support, both in terms of policy measures and financial grants, the roll out of CSCs throughout the country. The State Department of IT/ E-Governance, or in the absence of one, such department as designated by the State Government, would be the implementing department at the State level. States intending to avail of this Scheme would need to identify an appropriate agency (State PSU/ Organization/ Society) to operate the Scheme under the direction of the State IT department. The IT department could also directly operate the Scheme if it so decides. Funds may be disbursed through the identified State-designated implementing agencies. A separate bank account would be maintained of all funds received and disbursed under the Scheme.
- f.** A Village Level Entrepreneur (VLE) on his own is unlikely to have either the managerial or technical skills to sustain a CSC and to continuously identify and support various services needed by the local community. It is therefore imperative, (as experience in all cases so far demonstrates) that there is a requirement of a tier above the village entrepreneur, which would provide the business and technical support to this activity. This entity is hereafter referred to as the Service Centre Agency. This entity typically may support 100 or more

CSCs in a district/ part of a State. A local administration or the State government itself may play the role of Service Centre Agency, but this should ordinarily not be resorted to, unless other options are not found feasible.

- g.** The establishment of CSCs in remote rural areas would help achieve equitable ICT growth in the country and help bridge the Digital Divide.

Suggestive List of Key Variables required to be defined for the survey for each Panchayat / Village where the Common Service Centre would be proposed to be established

1. The total Population (including no. of household / families).
2. Specific dominant core activities of the area (e.g., Handicrafts / Handloom Cluster etc.).
3. The BPL population and the number of households / facilities.
4. The average literacy rate for the Development Block where the Panchayat / Village is located.
5. The list of NGOs functional in that Panchayat / Village and their core activities.
6. Nearest Road Link to the Panchayat / Village (Distance from the Panchayat / Village and the classification for e.g. National Highway, State Highway, Pukka road, Kuchha road and no road)
7. Name of the nearest Block of the Municipal town and its distance from the Panchayat / Village.
8. Means of transport available for the nearest municipal / district town with frequency of operation.
9. Average daily availability of electric power in the Panchayat / Village.
10. Number of telephone lines in the Panchayat / Village area.
11. Natural constraints like flood / drought area and average time in a year for the constraints (number of months, the region remains disconnected for flood etc.)

Suggested Eligibility Criteria of Service Centre Agency

- a. The SCA should have adequate domain knowledge and experience of running at least 50 operational CSCs within the Indian villages at the time of submission of its EoI. It should also be engaged in the running of CSCs at least for one year at the time of submitting the EoI. However, State government may, in its discretion, decide to exempt a particular SCA from these criteria, after judicially considering all other merits of the Agency to participate in the Scheme.
- b. The SCA, as an aggregator and provider of services, should have identified application packages for some services running, at least in 5 categories out of the 15 service categories indicated in the Annexure-I. The proposed services by SCA for the Scheme should have revenue streams leading to operational break-even within 12 months of the launch of the CSCs. Services apart from the list in Annexure-I can also be provided at the CSC, if those would result in social or economic enrichment of the local community.
- c. The SCA, before submission of EoI for any specific state or district area, should preferably have
 - i) conducted a benchmark detailed survey for that specific state or area to assess viability,
 - ii) defined key variables necessary for demand estimation,
 - iii) identified package of services to be offered and
 - iv) type of content necessary for the local community.The survey report containing all these relevant details should be annexed to the EoI communication submitted to the concerned State government / Agency. An indicative list of key variables useful for benchmark survey is given in Annexure-III of these Guidelines.
- d. The SCA should also work out the following required for the bid process
 - i) the revenue sharing policy with the other stake-holders including Panchayat / Village Level Entrepreneurs,
 - ii) selection mechanism with schedule for the Village Level Entrepreneurs.
 - iii) training program and schedule for the entrepreneurs,
 - iv) cost of each CSC including non-recurring cost to be incurred on networking and computing hardware, licensed software and site preparation (excluding the cost for any civil construction) and recurring cost to be incurred on connectivity, telephone and other utility items at the designated rates,
 - v) a specific business model proposed to be followed by him upto the break-even period.
- e. The share of the revenue for the SCA for any single service stream from one CSC should ideally not be more than 30%. Also, service package should be so designed that any single service stream should not generate more than 40% of the total revenue of the CSC.
- f. The SCA should clearly indicate the geographical spread for the CSCs proposed for any district in the business plan, keeping in view that density of CSC per district may not preferably be less than 100 with not more than 1 CSC for each village level Panchayat.

- g.** The SCA would have to share its database of transactions and the database of rural users with the State Government and the Department of IT of Central Government, as and when required.
- h.** The State / Central Government may offer limited exclusivity to any particular SCA for any region or village. It would however consider and provide financial support to any other SCA in the same region only when further roll-out / expansion exercise is initiated.
- i.** The EoI to be submitted by the SCA should contain specific proposal for adequate training programme and schedule for the VLEs indicating the number of man-days required for mandatory orientation training.

j. Annexure IV-B

Suggested Criteria for Service Centre Agency Selection

Minimum score required for qualifying is 50.

		Weight
1.	Experience in setting up and operating rural ICT centers	
	5 Year or more	10
	3 – 5 Years	6
	2 – 3 Years	4
	1-2 Years	2
	Less than 1 year	1
2.	Number of rural ICT center established	
	More than 1000 Centers	10
	500 – 999	8
	100 – 499	6
	50 – 99	4
	25 – 49	2
	Less than 25	1
3	Number of states SCA’s rural ICT center operational in	
	10 States or more	10
	8 – 9 States	8
	5 – 7 States	5
	2-4 States	2
	1 State	1
4	Category of services provided (Ref. CSC guideline Annexure-I Service Category List)	
	More than 10 Category	10
	8 – 9 Category	8
	5 – 7 Category	5
	2-4 Category	2
	1 Category	1
5	Service Partners	
	More than 10 Partner	10
	8 – 9 Partner	8
	5 – 7 Partner	5
	2-4 Partner	2
	1 Partner	1

6.	Connectivity Solution provided at rural ICT center	
	1 MB or more	10
	512 Kbps – 1 MB	8
	256 – 512 Kbps	7
	128 – 256 Kbps	6
	56 – 128 Kbps	5
	24 – 56 Kbps	4
	14- 24 Kbps	2
7.	Business Model	
	Entrepreneur Based	10
	SHG Based	6
	Community	4
	SCA owned	0
8	Involvement of Panchayat	
	Yes	2
	No	0
9	Experience in providing E-Governance services through rural ICT center	
	Yes	5
	No	0
10	Center creating Social Impact	
	Yes	2
	No	0
11	SCA having strong transaction tracking system	
	Yes	5
	No	0
12	Entrepreneur selection process	
	Yes	5
	No	0
13	Training	
	IT Skills + Soft skills	5
	Only IT Skills or Only Soft skills	2
14	Involvement of Community	
	Yes	2
	No	0
15	Presence of District Office	
	Yes	4
	No	0

Suggested Eligibility Criteria of Village level Entrepreneur

- a. The entrepreneur should have studied upto class 10th Standard in the secondary curriculum.
- b. The entrepreneur need not essentially have prior computer training while it may be a desirable qualification for selection. The training programme to be instituted by the SCA should include adequate man-hours of hands-on training on computer and peripheral systems, operation of UPS and Gensets, software application packages and bare minimum trouble shooting exercise.
- c. The entrepreneur should have ability and extra ordinary skill to communicate to the people in the local language and he should demonstrate the ability to learn. He should have skills to help others articulate their own needs. He should be able to organize and inspire a team of rural citizens.
- d. It is desirable for the entrepreneur to understand the business basics, to be understanding and responsive to the local and regional market demands and to demonstrate keenness for local adaptation and delivery of quality service.

Suggested Criteria for selection of the Village Level Entrepreneur

Rate on the scale of 0 to 5. 0 is the lowest and 5 is the highest.

Minimum score required for qualifying is 25.

Sl.		0	1	2	3	4	5
1.	Education			Professional Degree	10 th Pass/ PHD	Graduate PG in Science	PG in Arts/ Commerce
2.	Communication skills						
3.	Motivation						
4.	Previous business experience						
5.	Risk taking ability						
6.	Autonomous approach						
7.	Achiever						
8.	Optimist						
9.	Perseverance						
10.	Interpersonal skills						

Roles & Responsibilities of State Government participating in CSC Scheme

- a. 'Expression of Interest' (EoI) be invited from qualified agencies (SCAs) at State/ district level through an appropriate RFP with all necessary terms and conditions derived from these Guidelines. A suitable procedure would need to be laid down at the district/ State level to process the EoIs from various prospective agencies and for selection of suitable SCAs, to implement the scheme. Eligibility of the SCAs for selection would be as per conditions in Annexure-IV-A & IV-B of these Guidelines. Representative from State/ district Unit of the National Informatics Centre (NIC), Department of IT, Govt. of India would participate in the district level process of selection of SCAs.
- b. An institutional framework would be evolved by the State government so that CSCs which are established under the instant Scheme, can use the State Wide Area Network (SWAN) free of cost upto Block level and the wireless connectivity below the Block level for the purpose of delivering the services to the rural citizen for a maximum period of 5 years. The wireless connectivity to be deployed below the block level is considered to be a critical infrastructure in the whole network which should have adequate inter-operability with the SWAN. Annexure-IX outlines the details of the connectivity requirements and other features required for the last mile wireless network.
- c. The State government, if necessary, would adopt a revenue sharing model acceptable to the SCA and the Village Level Entrepreneur, with a revenue guarantee (in kind) through government services embedded in it. Considering the typical operational expenses of a CSC, the State should consider committing delivery of its services through the CSC to the extent needed to translate into a revenue commitment as detailed in Para 4.2 of these Guidelines, to be earned through delivery of specified government services.
- d. If the State government chooses to undertake the role of SCA itself, the revenue commitment to the Village Level Entrepreneur for delivery of government services would be higher for each CSC.
- e. An operational framework would be evolved by the State Government
 - i) authorizing CSCs to plug into existing service delivery mechanism of the government,
 - ii) to provide a time-bound commitment to Department of IT, GoI, to e-enable the government services to be provided through CSCs with the applicable revenue commitments as indicated above in sub-para c & d.
 - iii) authorizing CSCs to provide those government services,
 - iv) to share the revenue with the SCA / VLE for all the government services to be provided through CSCs.
- f. The above framework of the State Government would enable the CSCs to have an appropriate mix of services to meet the operational expenses and to become sustainable within a reasonable break-even period of 12 months. Annexure-I outlines the features for the possible mix of service package along with a suggested list of services which may be delivered through the CSCs.

Suggested Framework and Criteria for Evaluation of suitability of a location for establishing Common Services Centre

- a. Certain parameters may be considered while identifying Panchayats / Villages suitable for establishing a Common Services Centre. This would help segment villages into three categories viz. unsustainable (not viable without indefinitely recurring grant support), sustainable (viable within a reasonable period with initial grant support) and viable (without any grant support, recurring or non-recurring), after a consideration of revenue generation potential.
- b. Some of the important factors which would contribute to the above exercise of segmentation are the i) population, ii) literacy, iii) rural infrastructure including road / rail link, distance from the town, electricity and telephone connection, iv) natural constraints, v) role of government and NGO in the region vi) response of entrepreneurs vii) percentage of population Below and Above the Poverty Line (BPL and APL) etc. However, the identification / segmentation of villages for suitability of establishing a CSC should be worked out keeping in view the need for an equitable spread of CSCs across the country. The detailed survey to be conducted by the SCA should, as far as possible, include all these aspects before identifying a particular Panchayat / Village as suitable for establishment of a CSC. An indicative list of key variables useful for such benchmark survey is given in Annexure-III of these Guidelines.
- c. CSCs should be established either in Panchayats, in Villages or in notified areas covering a population of less than 10,000 to qualify for funding support under this Scheme.
- d. As far as possible CSCs in a particular area should be owned and managed by an Village Level Entrepreneur from the same area.
- e. CSCs should preferably be set up at a location away from the nearest Municipal Area and from a National / State Highway.
- f. The average APL (above poverty line) population and literacy population each should be at least 35% of the total population in the Panchayat or village identified for a CSC, to ensure financial sustainability within a reasonable period.

Indicative Configuration / Costing for CSCs of three Categories

S.No.	Items	Estimated Cost (in Rs.)	Category Configuration with indicative cost		
			A	B	C
1.	Computer	24,000	Items under S. Nos. 1-8 with indicative costing of Rs. 80,000	Items under S. Nos. 1-9 with indicative costing of Rs. 1,30,000	Items under S. Nos. 1-10 with indicative costing of Rs. 2,00,000
2.	Printer (Photo Printing Quality)	6,000			
3.	Scanner	5,000			
4.	Digital Camera with zoom facility	6,000			
5.	Telephone	1,000			
6.	UPS with 4 hrs battery backup	10,000			
7.	Software license	8,000			
8.	Generator Set	20,000			
9.	Equipment for Entertainment Services	50,000			
10.	Wireless Eqpt, Antenna, Tower & Commissioning	70,000			
	Total	2,00,000			

Required Configuration / Architecture of the Wireless Infrastructure to be harnessed with SWAN Point-of-Presence at the Block Hqrs.

- a. Department of IT has noted that connectivity with adequate capacity upto the CSC level is the most important factor to provide services to the rural citizen. It was also noted that some of the current CSC initiatives by the non-government entities have used local arrangements for connectivity with the network service providers at the usual tariff for leased lines.
- b. Considering the requirement of fast proliferation of e-Governance services upto the block level and below the block level, Department of IT, under the NeGP Core Infrastructure project, has already taken initiatives to establish State Wide Area Network (SWAN) across the country with full funding support for capital and operational expenses for five years. Further, under the SWAN activity, the states would be supported for wireless connectivity at the block level so that villages located within 10-15 kms radius around the block can be connected.
- c. Keeping the above in view these instant Policy Guidelines therefore seek to create an enabling environment and an institutional mechanism so that Common Services Centre which may be established through this Scheme, may avail of connectivity and capacity of SWAN upto the block level using the wireless connectivity below the block level. This institutional mechanism would necessarily delineate the ways and means and mutual terms and conditions to use this SWAN network and the bandwidth capacity free of cost by the CSCs for providing various services through the CSCs. However, all paid services, e.g. ISP, connection / call charges to PSTN, if any, are required to be paid for.
- d. Further, to achieve the technical goals of the Community Service Center architecture, the last mile wireless infrastructure, to be deployed by the CSC Service Centre Agency (SCA), for connecting with SWAN, should have the following features:
 - **Wireless broadband connectivity:** The CSC should be able to easily connect wirelessly in select locations and outdoor areas in the identified Gram Panchayat / Village to various applications and services, at any time.
 - **Operation in multiple frequency bands:** The system should be able to operate in multiple frequency bands (licensed and license exempt, if required) and over a wide range of channel bandwidths.
 - **Multiple device support:** for both connectivity and application access & usage - The wireless network should be able to support desktops, laptops, PDAs, and similar devices.
 - **Support for industry and international standards:** The wireless network should support industry and international standards to ensure lower costs and interoperability with different vendor equipment.
 - **Scalability and adaptability:** The wireless network should be able to arbitrarily grow while offering increased performance levels that will be demanded in the future. The wireless network should be able to potentially expand to provide future connectivity to any device, at any time, at any location (within the identified Gram Panchayat / Village, or at a nearby location within the specified coverage area).

- **Broadband connection speeds:** The wireless network should be able to provide adequate bandwidth to support typical rural applications and services, e.g. Distance Education, Tele-medicine, Entertainment etc., concurrently at reasonable number of locations.
- **Reliability and durability:** In the CSC Scheme last mile wireless network is recognized as a critical infrastructure and should not have a single point of failure. Fail-over and redundancy mechanisms should be embedded to ensure high availability of the wireless infrastructure.
- **Robust error correction:** This would allow the system to be deployed in less than ideal radio conditions.
- **A centralized management solution:** It is expected that Service Centre Agency would be required to control and manage host of CSCs established within a large area (may be a district) from a central location. Tools should therefore be available for efficient management of such infrastructure and to ensure that critical maintenance can be performed quickly with minimal disruption to the network community.
- **Quality of Service (QoS):** The wireless network should support latency- and packet loss-sensitive applications such as streaming media, and it should have the ability to dynamically allocate bandwidth based on priority.
- **Security:** It is intended that several government services would be provided through the CSCs wherein relevant data would flow from the secured State Data Centre and through secured SWAN. It is therefore required to have robust but easy to use security solutions, transparent to the user wherever possible, woven throughout the wireless infrastructure to ensure confidentiality and integrity of all data passing over the entire network.

Level of Department of IT support

- a. Appropriate Advisory would be issued to the State governments to create institutional mechanism so that Common Services Centres, established under this instant scheme, can use part of the SWAN and also State Data Centre, as necessary, for delivering services to the rural citizen. Accordingly, wherever wireless base stations are available at the block level as a part of the SWAN, CSCs may get connected to those wireless base stations through the wireless transceiver equipment deployed at CSCs. Network connections of CSCs with SWAN would not warrant any connectivity charges from the SCAs or the Village Level Entrepreneurs, as the case may be. However, ISP charges would be applicable as per usage.
- b. Department of IT has estimated the representative configuration of the hardware with estimated capital cost for three categories of CSCs which would be as given in the Annexure-VIII.
- c. Department of IT has also noted that last mile connection between the SWAN and the CSC would be either between the wireless base station located at Block Hqr. and the wireless transceiver equipment located at the CSC or through a dedicated dial-up PSTN connection between the SWAN and the CSC.
- d. Department of IT is separately working out, in consultation with the IT industry, special pricing packages for hardware and software for this Scheme. These packages would be indicated separately.
- e. Department of IT, after considering and verifying all the eligibility conditions as per Annexure-IV-A of these Guidelines, for the grant to be received by the selected SCAs, would release matching grant support at the rate of 50% of the required grant support determined through appropriate bid process to the designated state agency to partly offset the capital expenditure.
- f. Department of IT grant as outlined above, would be routed through the State- designated implementing agency after the institutional mechanisms described in Annexure VI of this Guidelines are established by the State-government. An agreement will be signed between the selected SCA and the Implementing Agency of the State with Service Level Terms and Conditions as applicable for these Guidelines.
- g. Department of IT is working on a standard branding/ identification scheme for all the CSCs which would be established under this Scheme. All CSCs would be required to adopt a common logo with a standard nomenclature. Guidelines for this would be communicated separately.
- h. Exclusions from Department of IT Support**
Department of IT support will not be available for semi-urban areas having a population of more than 10,000. Further, cost of any special equipment at the CSC to offer any specialized services to increase the viability of the CSC should be met by the SCA. The DIT grant cannot be used for any civil construction at the CSC site. Efforts should be made to locate the CSC, to the extent possible, at Panchayat office so that it is mutually beneficial

for both the stake-holders i.e., Village Level Entrepreneur and the local self-government body.

- j.** The SCA would have to share its database of transactions and the database of rural users with the State Government and the Department of IT of Central Government, as and when required.

- k.** The State / Central Government would offer limited exclusivity to any particular SCA for any region or village. It would however consider and provide financial support to any other SCA in the same region only when further roll-out / expansion exercise is initiated.

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