

## Annex - 3

**MEMORANDUM OF UNDERSTANDING (MOU)  
BETWEEN  
THE MINISTRY OF LOCAL DEVELOPMENT UNDER THE HMG/N – UNDP  
RURAL- URBAN PARTNERSHIP PROGRAMME,  
AND  
NEPAL TELECOMMUNICATION AUTHORITY**

This Memorandum of Understanding (MoU) is entered into on this.....<sup>th</sup> day of ..... 2005 between **The Ministry of Local Development - UNDP represented by Rural Urban Partnership Programme** hereinafter referred to as "**RUPP** " and **NEPAL TELECOMMUNICATION AUTHORITY** hereinafter referred to as "NTA".

WHEREAS the RUPP and NTA jointly wish to establish Public Internet Access Points (Cyber Cafes) in DHQs – private sector owned, and Public Internet Access Points (PIAP - Rural Telecentres) in Rural Market Centres – Community owned for the promotion of good governance, poverty reduction, provide easy access to the information and the empowerment of the community in the country. Whereas NTA is desirous of increasing the ICT access to rural and peri-urban areas of Nepal through Establishment of cybercafes in DHQs and telecentres in Rural Market Centres under Telecommunication Sector Reform Project (TSRP) with the proceed from IDA Credit 3581Nep. And The RUPP has already gained valuable experience in establishing Telecentres through the Social Mobilization Process. Effective implementation/establishment of Telecentres and cybercafes and sustained operations thereafter are the major objectives of both the organizations. The joint partnership is intended to minimize the project cost and increase the effectiveness in implementation of the project and providing service to the community in sustainable manner.

NOW THEREFORE, it is hereby agreed by the parties hereto as follows:

1. The common objective of signing MoU shall be the joint implementation of Rural Telecentres and Cyber Cafes as part of pilot project designed under a study (PS-4) commissioned by the Ministry of Information and Communication under TSRP (telecommunications sector reform project). The joint pilot project will also contribute to the implementation of telecentre implementation planned for 10th Five Year Plan of the HMG/Nepal. The joint pilot project is currently proposed to be implemented in the 8 districts namely Ilam, Gorkha, Dang, Surkhet, Kanchanpur, Bardia, Doti and Dhankuta where RUPP is involved and RUPP and NTA will

continue to work as partners even in the project that follows this pilot project in those districts where RUPP will be involved.

2. RUPP shall generate awareness of the community in ICT through its Social Mobilization Process and select the most feasible market centre for establishment of telecentres.
3. RUPP shall play a key role in the formation of User Committees for the establishment and operation of the Rural Telecentres in the above 8 districts and selection of private sector entrepreneurs for establishment and operation of Cyber Cafes in district headquarters of three districts namely Bardia, Doti and Dhankuta. RUPP shall also work with user committees and communities in selection of trainees of persons required for operation and management of Telecentres and Cybercafes.
4. RUPP shall depute a trainer, on its own cost, to conduct training of telecentre manager cum operators of telecentres in telecentre operation and management and Infomobilisation. NTA will manage the training of managers cum operators in email and Internet in cooperation with RUPP. All the cost of the training including travel and living cost of trainees, training venue cost except the cost of training and training materials related to training part performed by RUPP, will be borne by NTA.
5. NTA shall provide telecentre equipment and a fixed sum for the purpose of contributing to one-year operation cost and a further fixed sum for Internet connection fee as planned in the pilot project design. NTA will provide cost of the equipment to User committees for Telecentres or deliver required equipment to RUPP in the concerned municipality as appropriate.
6. RUPP shall arrange to install and commission the equipment in the premises properly furnished and wired by the telecentre user committees.
7. RUPP shall generate monthly progress report of telecentres/cyber cafes work after the signing of the MoU and also generate completion report after commissioning of the project and a copy of such reports shall be made available to NTA.
8. Training of cybercafe personnel (entrepreneur or person selected by the entrepreneur to run the said cybercafe) is proposed in the pilot project to make the cybercafe capable of running and providing cybercafe related services as well as performing computer hardware and software maintenance services. NTA shall manage and bear all the cost of such training. RUPP shall only arrange through community-based organisations to select the appropriate cybercafe personnel for the training and help the project (NTA) in the management of such training.
9. RUPP shall provide knowledge on Info Mobilization to the manager cum operators, User Committees and the private sectors for the socio-economic development of the community through these centres.
10. RUPP shall provide access to RUPP Credit to the cybercafe entrepreneur to assist partly in the procurement of equipments to establish Cyber Cafes.
11. RUPP shall incorporate monitoring and evaluation of these centres in its regular process until they become self-reliant and once telecentres and cybercafe start delivering its services, RUPP will provide status/performance report of telecentres and cybercafé's operation to NTA in every six months for the period of two years.

12. Proposed budget requirements to be borne out of TSRP and time schedule of implementation of the cybercafes in DHQs and telecentres in rural market centres are as provided in the pilot project design report.
13. In case of any unavoidable unfavourable circumstances that seems to affect the project implementation severely, the project (NTA) can approve alternate districts upon request and valid reason given by RUPP. However, in such situation RUPP shall provide alternate districts and RMCs locations to NTA.

DONE in Kathmandu by the duly authorized representatives of the parties on the date first above mentioned.

**Signed for and on behalf of NTA:**

Name : Mr. Suresh Kumar Pudasaini  
Designation : Chairman  
Address : NTA  
Signature :

**Signed for and on behalf of RUPP:**

Name : Mr. Ramesh Adhikari  
Designation : National Programme Manager  
Address : RUPP  
Signature :

Date: ....., 2005

**Witnessed by :**

Name :  
Designation :  
Address :  
Signature :

## TIME SCHEDULE OF THE PROJECTS

| s.n.       | Project and Activities                         | months/1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|------------|--|----------|---|---|---|---|---|---|---|---|----|----|----|----|----|
| <b>1</b>   | <b>AA. Cybercafes in DHQs</b>                  |          |   |   |   |   |   |   |   |   |    |    |    |    |    |
|            | 1. MoU between NTA and RUPP                    | X        |   |   |   |   |   |   |   |   |    |    |    |    |    |
|            | 2. Info-social mobilisation in DHOs by RUPP    | X        | x |   |   |   |   |   |   |   |    |    |    |    |    |
|            | 3. Selection of private entrepreneur           |          | x | x |   |   |   |   |   |   |    |    |    |    |    |
|            | 4. Loan arrangement By CBO/RUPP                |          |   | x | x |   |   |   |   |   |    |    |    |    |    |
|            | 5. Trainer selection                           |          |   | x | x |   |   |   |   |   |    |    |    |    |    |
|            | 6. Training of entrepreneurs                   |          |   |   |   | x | x | X |   |   |    |    |    |    |    |
|            | 7. Establishment of cyber café                 |          |   |   | x | x | x | X |   |   |    |    |    |    |    |
| <b>2a.</b> | <b>BB.1. Telecentres in RMCs</b>               |          |   |   |   |   |   |   |   |   |    |    |    |    |    |
|            | 1. Info-social mobilization                    | x        | x | x |   |   |   |   |   |   |    |    |    |    |    |
|            | 2. Formation of user committee                 | x        | x | x |   |   |   |   |   |   |    |    |    |    |    |
|            | 3. Selection of telecentre operator/manager    | x        | x | x | x |   |   |   |   |   |    |    |    |    |    |
|            | 3. Selection of trainer                        |          |   |   | x | x |   |   |   |   |    |    |    |    |    |
|            | 4. Training of Telecentre operator             |          |   |   |   | x | x | x |   |   |    |    |    |    |    |
|            | 5. Purchase of hardware software               |          |   | x | x | x | x |   |   |   |    |    |    |    |    |
|            | 6. Installation of hardware software           |          |   |   |   |   | x | x | x |   |    |    |    |    |    |
|            | 7. Reports of commissioning                    |          |   |   |   |   |   | x | x | x |    |    |    |    |    |
| <b>2b.</b> | <b>BB.2 Telecentres in Institutions</b>        |          |   |   |   |   |   |   |   |   |    |    |    |    |    |
|            | 1. MoU between NTA and the Institutions        | x        |   |   |   |   |   |   |   |   |    |    |    |    |    |
|            | 2. Selection of the sites                      |          | x | x |   |   |   |   |   |   |    |    |    |    |    |
|            | 3. Purchase of hardware software               |          |   | x | x | x | x |   |   |   |    |    |    |    |    |
|            | 4. Selection of trainer                        |          |   |   | x | x |   |   |   |   |    |    |    |    |    |
|            | 5. Training of Telecentre operator             |          |   |   |   | x | x | x |   |   |    |    |    |    |    |
|            | 6. Purchase of hardware software               |          |   | x | x | x | x |   |   |   |    |    |    |    |    |
|            | 7. Installation and commissioning              |          |   |   |   |   | x | x | x |   |    |    |    |    |    |
| <b>3</b>   | <b>CC. Computers and Internet in Schools</b>   |          |   |   |   |   |   |   |   |   |    |    |    |    |    |
|            | 1. Selection national NGO to work with         | x        | x | x |   |   |   |   |   |   |    |    |    |    |    |
|            | 2. MoU between NTA and international NGO       |          |   | x | x |   |   |   |   |   |    |    |    |    |    |
|            | 3. Selection of schools (NNGO)                 |          |   | x | x | x | x | x |   |   |    |    |    |    |    |
|            | 4. Order of the equipment                      |          |   |   | x | x |   |   |   |   |    |    |    |    |    |
|            | 5. Equipment arrivals                          |          |   |   |   |   | x | x | x |   |    |    |    |    |    |
|            | 6. Local purchases (NNGO)                      |          |   |   |   |   |   | x | x |   |    |    |    |    |    |
|            | 7. Selection of trainer/s                      |          |   |   |   |   | x | x | x |   |    |    |    |    |    |
|            | 8. Teachers and training                       |          |   |   |   |   |   |   | x | x |    |    |    |    |    |
|            | 9. Readyng schools for receiving the equipment |          |   |   |   |   | x | x | x |   |    |    |    |    |    |
|            | 10. Installations                              |          |   |   |   |   |   |   | x | x | x  | x  |    |    |    |
|            | 11. Reports of commissioning                   |          |   |   |   |   |   |   |   | x | x  | x  | x  |    |    |

| 4 | DD. Regional Internet Exchanges by nPIX (ISPAN)      |          |   |   |   |   |   |   |   |   |    |    |    |    |    |
|---|--|----------|---|---|---|---|---|---|---|---|----|----|----|----|----|
|   | 1. MoU between NTA and <i>nPIX (ISPAN)</i>           |          | x |   |   |   |   |   |   |   |    |    |    |    |    |
|   | 2. <i>nPIX (ISPAN)</i> to submit bidding docs to NTA |          |   | x | x |   |   |   |   |   |    |    |    |    |    |
|   | 3. <i>nPIX (ISPAN)</i> procures equipment/software   |          |   |   |   | x | x | x | x |   |    |    |    |    |    |
|   | 4. <i>nPIX (ISPAN)</i> gets equipment installed      |          |   |   |   |   |   |   |   | x | x  | x  |    |    |    |
|   | 5. <i>nPIX (ISPAN)</i> procures training service     |          |   |   |   |   |   | x | x |   |    |    |    |    |    |
|   | 6. Training of ISP on BGP technology for peering     |          |   |   |   |   |   |   | x | x | x  |    |    |    |    |
|   | 7. Commission of the equipment                       |          |   |   |   |   |   |   |   |   |    |    |    | x  |    |
|   | 8. Completion reports                                |          |   |   |   |   |   |   |   |   |    |    |    |    | x  |
|   |  | months/1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |