

**Press Information Bureau  
Government of India  
Cabinet**

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25-October-2011 14:56 IST

**Scheme for creation of National Optical Fiber Network for Broadband connectivity of Panchayats**

The Union Cabinet today approved a scheme for creation of a National Optical Fiber Network (NOFN) for providing Broadband connectivity to Panchayats.

The objective of the scheme is to extend the existing optical fiber network which is available up to district / block HQ's level to the Gram Panchayat level initially by utilizing the Universal Service Obligation Fund (USOF). The cost of this initial phase of the NOFN scheme is likely to be about Rs.20,000 crore. A similar amount of investment is likely to be made by the private sector complementing the NOFN infrastructure while providing services to individual users.

In economic terms, the benefits from the scheme are expected through additional employment, e-education, e-health, e-agriculture etc. and reduction in migration of rural population to urban areas. As per a study conducted by the World Bank, with every 10% increase in broadband penetration, there is an increase in GDP growth by 1.4%. NOFN will also facilitate implementation of various e-governance initiatives such as e-health, e-banking, e-education etc. thereby facilitating inclusive growth. It will also provide high bandwidth connectivity for electronic delivery of services to citizens. The proposed NOFN will enable effective and faster implementation of various mission mode e-governance projects amounting to approx. Rs.50,000 crore initiated by Department of Information Technology as well as delivery of a whole range of electronic services in the above areas by the private sector to citizens in rural areas.

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