



Government of India
Ministry of Electronics and Information Technology (MeitY)
Digital Economy and Digital Payment Division

Call for Project Proposals for Financial support under Digital Economy & Digital Payment Division, MeitY during Financial Year 2021-2022

General Information: Promotion of digital payments ecosystem is an essential aspect of Digital India programme and has the potential to transform Indian economy by extending inclusive financial services. The Government in the Union Budget for 2017-18, announced the setting up of a Mission for promotion of digital payments, accordingly, DIGIDHAN Mission was created under Ministry of Electronics and Information Technology (MeitY) in June 2017 for promotion of digital payments.

The Mission has been primary catalyst to promote the digital payment ecosystem in India. Digital payments transactions have steadily been increasing since last few years. The total transaction volume has increased from 2,071 crore in FY 2017-18 to 5,554 crore in FY 2020-21. The DIGIDHAN Mission aims to achieve a target of 6,000 crore digital payment transactions in the current FY 2021-22. BHIM-UPI transactions have grown exponentially in past few years, particularly in FY 2019-20 and FY 2020-21.

The Covid-19 pandemic has taught us one more benefit of digital payments, its role in enabling healthcare. Equipped with contactless payment modes like UPI QR code, NFC enabled cards digital payments is complimenting the “new normal” of social distancing. During the coronavirus crisis, digital payments have been keeping economy running and helping people reduce contact with virus”.

Though there has been an unprecedented growth in digital payments, the potential is still huge. Cash continues to dominate Indian markets. There is need to accelerate the adoption of digital payments across the country. Digital payment penetration and presence of digital players is substantial across different locations in India, but still lacking in terms of adoption by N-E states, Ladakh, J&K and Rural areas due to challenges of Internet availability connectivity, awareness and demographics.

It has been MeitY’s endeavour to promote new areas of technology to induce progressive developments and competitive advantage across board. MeitY has been funding project projects in various areas of technology.

Identified Areas:To increase penetration of Digital payments in the country, following thrust areas have been identified for inviting proposals for funding by MeitY during FY 2021-22.

1. End-to-end integration of digital payments in supply chains – Agriculture (FPOs), Horticulture, Handicrafts

There has been an unprecedented growth in digital payments. In our continuous endeavor to enable the digital payment ecosystem, we want to do an end-to-end integration of digital payments in the supply-chain of major trades of the States & UTs.

We plan to do a complete mapping of up and down streams of these value chains and help the community end to end. This would include looking into the raw material purchase, sales, their association with market places including eNAM (e-National Agriculture Market place). The spending thereof also needs to be in digital mode. This would include awareness and capacity building along with merchant onboarding. The underlying theme of financial inclusion will also be covered.

Below mentioned are few suggested supply chain use cases:-

Government is helping and supporting formation of Farmer Producer Organisations (FPOs) to improve the livelihood of these marginal farmers through collective cooperation. Access to affordable credit, high cost of inputs, lower prices of produce are some of the problems that FPOs can solve by bringing economies of scale with collectives of farmers. Digitization of all the operations of FPOs along with digital payments for all the financial transactions of FPOs and farmers can make farmers visible to formal financial institutions. This can attract financial investment in these FPOs, which in turn will help in improving the potential of better earning of these small and marginal farmers.

Bamboo

“Bamboo” has been major GDP contributor in the NER states. Under National Bamboo Mission, there are 22 bamboo clusters in 9 states (including 3 states from NER). Bamboo export products are continuously on the rise. Supporting the local artisans who are growing locally grown bamboo species will also actualize the goal of Atma Nirbhar Bharat.

Hence, integrating digital payment in the bamboo supply chain will help us unlock the full potential of the bamboo supply chain.

Few other promising areas include: -

- a) Milk co-operatives
- b) Handicrafts & handlooms,
- c) Off-farm Producer Organizations (OFPOs)

Proposals around any supply chain and in any state are invited. The above uses cases are indicative.

2. Offline payment solutions for areas with limited network connectivity like NER, J&K and Ladakh, Aspirational districts, tier III & below with a pilot run.

There is need to accelerate digital payments in India's North-Eastern and Himalayan regions, and Aspirational districts. Absence of, or erratic, internet connectivity, especially in remote areas, is a major impediment for adoption of digital payments. Availability of options to make offline payments, using cards, wallets or mobile devices could boost the adoption of digital payments.

A pilot by eligible players may offer digital payments offline, i.e., payments that do not require internet connectivity to take effect in any of the selected districts in NER, J&K and Ladakh, Aspirational districts, tier III & below.

Further, these less penetrated districts provide enough opportunity to on-board merchants on asset-lite digital payment acceptance modes and increase the P2M(Person to Merchant) transactions.

Proposals are invited around capacity building programs, promotional campaigns aimed at training merchants with focus on women merchants in these districts, in order to enable them to transact digitally / accept digital payments. Proposed solution must be inter-operable.

3. Digital payment solutions for feature phones

With a goal of taking digital payments to every Indian, feature phone is poised to play an important role. There are roughly 50 crore feature phone users in the country and to enable the entire population to transact digitally, these users cannot be ignored.

Payments through feature phone is not picking up mainly due to the fact that digital payments via feature phones is not easy and highly complicated. Security and drop rates are other areas of concern (USSD *99#).

Proposals inviting ways to increase the usage of feature phones for performing digital payments by creating awareness, finding new use cases and performing a pilot.

4. Solutions encouraging Local language apps in digital payment

It is of utmost importance to disseminate benefits of digital payments in local languages for building trust among the users. Digital literacy for citizens / merchants at the last mile can be resolved by adopting local language.

Users often find it difficult to understand and learn a new application if it is not in their local language. Local language capability is an important area where we would like to invite fintech's to provide a solution.

Voice based payments facilitating digital payments using mobile phones including feature phones, are areas that we want to explore. Further, if voice based payments can be facilitated in different Indian languages, it would be convenient to users.

Using latest technologies like AI/ML(Artificial Intelligence/Machine Learning) by leveraging NLP (National Language Processing) to provide digital payments in localized languages.

5. Digital payment solution helping co-operatives, women self help groups, differently-abled groups

For a robust growth in digital payments, including rural networks such as Self Help Groups(SHGs) and community enablers to create the local digital ecosystems to help millions of merchants join the formal economy, access credit, and grow their business is of utmost importance.

Digital Payments when put into the hands of women, they put it to their best use for economic security, asset creation, food security, and bringing support services such as health care, and nutrition at the doorstep of citizens.

Proposals directed towards increased participation of SHGs, women, co-operatives into the digital payment ecosystem are invited.

6. Unified solution for grievance redressal and prevention of cyber financial frauds

Taking active measures to ensure citizens and merchants are protected from risks such as loss of privacy, exposure to fraud, and unauthorized fees are the tenets of the responsible digital payments guidelines.

As digital payments become ubiquitous, and grow in volume, the number of disputes is likely to grow. It must be made very simple for a customer to report a problem with a particular transaction to their bank. The user must be able to report an issue through all the touch points that they have with the payment system – mobile app, net banking interface, ATM, POS, SMS, email, call-centre, etc. Further, the payment trails are spread across multiple organizations, and it is not possible for any one of them to handle the customer complaints on their own. A coordination mechanism is required, so that all the information related to a complaint can be brought together.

Proposals around a universal “Online Dispute Resolution system” are invited which will be overarching the present dispute resolution systems of different banks, NPCI, RBI. Such a system must be fast and fair and act as a single source of truth.

7. MSME focused solutions helping them unlock their potential by using digital payments. This may also include providing value added services ie packaged solution around digital payments.

MSMEs will play a critical role in achieving India’s \$5 Trillion GDP aspirations. They are the growth engines of economy. There is immense opportunity to integrate them in the digital payments ecosystem.

There is need to create awareness/knowledge and provide handholding to MSMEs to adopt digital payments.

Further, fintech solutions enabling credit by using digital payments footprints will further attract MSMEs to join the digital payment bandwagon.

Innovative solutions enabling digital payments in the MSME ecosystem are invited.

8. Any other area with the approval of committee

Who can submit project proposals: The project proposals for financial support may be submitted by Government owned organisations, R&D institutions, Academic institutions and Fintech organisations (incorporated in India) as per

format placed below as **Annexure-I**

The proposals should clearly mention objectives, scope, milestones/ timelines, outcome and quantifiable deliverables with specific time frame.

The proposal would be examined by Expert committee consisting of subject matter experts. Based on the recommendations by the committee, proposals will be considered by MeitY for financial support depending upon the availability of funds.

One hard Project proposals in the standard application format may be sent by the organisation, duly forwarded by the Head of the Institution, to:

Sh. Mayank
Scientist-D, Member Convenor
Digital Economy & Digital Payment Division
Ministry of Electronics & Information Technology (MeitY)
Electronics Niketan
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Lodi Road, New Delhi -110003
mayank.80@meity.gov.in
011-24301243

Soft copy of the proposal is essential and need to be submitted by email to mayank.80@meity.gov.in.

The last date for submitting the project proposals is 8th September, 2021

Note: MeitY reserves the right to accept or reject any proposal without assigning any reason thereof.

1. Title of the project:
2. Organisation:
 - i. Name
 - ii. Address
 - iii. Legal status (indicate if Government Department, Statutory, Corporate Body, Registered Society, Private Company with recognised R&D unit etc.)
3. Objectives of the project
4. Expected outcome in physical form
5. Total cost of project
6. Duration of project
7. Quarter-wise outputs/deliverables in a tabular form

Components	Quarter 1		Quarter 2 & so on	
	Physical	Financial	Physical	Financial
1,2,3 & so on				

8. Indicate outcomes of the project in the form of measurable indicators which can be used to evaluate the proposal periodically. Baselines data or survey against which such outcomes should be benchmarked should also be mentioned.
9. Target beneficiaries: If the project is specific to any location, area and segment of population , please give the details
10. Total budget outlay: Indicate the various sub heads like Manpower, Travel & Training, Capital, Consumable etc

Signature

Name of Head of organisation

Designation

Date