

TAKFA PLAN

Attachment 1

Objectives, Policies, Plan and Methods of Work

Under Article 13

Main Objectives

1. Creation of infrastructure of Iran's information and communications know-how (network, law and security)
2. Compilation and application of comprehensive system of communications and information.
3. Development of productive employment.
4. Promotion of average level of skills in the know-how of communications and information (individual and institutional).
5. Performance of flagship projects.

Secondary Objectives

- 1- Increase in the capability of national economy.
- 2- Increase in the national productivity.
- 3- Promotion of private sector's participation in the ICT market.
- 4- Groundwork for entry into the international market of ICT.

Policies

1. Implementation.
 - 1-1 Assignment of the role of planner and implementation manager to the public sector, and prevention of expansion of state supervision in the implementation.
 - 1-2 Assignment of maximum implementation of operations to private sector.
 - 1-3 Use of international consultants and contractors in flagship projects at national level, and reliance on domestic ICT industry in the provincial flagship projects.

2. Investment

- 2-1 State investment in the creation and strengthening of infrastructures of ICT sector.
- 2-2 Encouragement of creation of ICT products through participation and aid of the private sector.
3. Use of Credits
 - 3-1 Use of credits for projects of TKFA plans, with priority to leading projects.
 - 3-2 No parallel investment with the Communications Co. in the creation of data network.
 - 3-3 Expenditure of credits for decreasing access expenses and increasing the potential of public access to communication and information know-how.
 - 3-4 Creation of Persian environment and development of economic applications based on it in the network.
- 4- Geographical Situation
Application plans at two levels, i.e., national and provincial (in case of financial participation by the provinces) shall be carried out simultaneously.

Plans and Fundamental Measures for Protection Under Note 13

Priority of allocation of credits under Note 13 shall be within the framework of the following leading plans:

- 1- Plan for electronic government (system, virtual network, law and security).
- 2- Plan for promotion of communication and information know-how application in education, and expansion of digital skills of Iran's manpower.
- 3- Plan for expansion of communication and information know-how application in higher education.
- 4- Plan for expansion of communication and information know-how application in health, treatment and medical education.
- 5- Plan for expansion of communication and information know-how application in economy, commerce and trade.
- 6- Plan for expansion of culture and knowledge of ICT, strengthening of Persian script and language in computer environment.
- 7- Plan for expansion of active SME in the communication and information know-how by creating growth centers and ICT know-how parks.

In the execution of each of the foregoing application plans the following activities shall be taken into consideration and shall enjoy financial support:

- 1- Help in setting up the relevant virtual intranet networks (with least reliance on hardware).
- 2- Compilation of draft laws required in computer environment.
- 3- Provision of management and security of information in computer environment.
- 4- Help in the production of Persian content in computer environment.
- 5- Help in the expansion of ICT knowledge and culture in Iran.
- 6- Execution of flagship projects.
- 7- Help in the expansion of economic activities in computer environment.

As a result of execution of application plans, the creation of six virtual networks (based on the infrastructure created for Iran's data network) and the execution of at least fourteen flagship projects as described below shall be given priority.

Virtual Private Networks (based on the infrastructures created in Iran's data network)

- State network (government bodies).
- Science network (universities and research institutes).
- Growth network (Ministry of Education's schools).
- Trade and banking network (banks, guilds and economic users).
- Health, treatment and medical education network (hospitals, pharmacies, and medical universities).
- Police network.

Flagship Projects

- 1- Comprehensive planning and budget system.
- 2- Comprehensive taxation system of Iran.
- 3- Comprehensive state revenue system.
- 4- Creation of national information portal (creation of a web for all executive bodies and dissemination of relevant information through such webs).
- 5- Identity confirmation system in digital environment (CA & PKI).
- 6- Creation and promotion of e-money.
- 7- Electronic banking.
- 8- Electronic commerce.
- 9- Customs services system (ASICODA).
- 10- Comprehensive social security system.
- 11- Driving and traffic control, and mechanized enforcement.
- 12- Education (development of ICT in schools).
- 13- Digital libraries.
- 14- Remote control medical services.

Various Projects from the Viewpoint of Type of Application & Financial Support

- 1- National Infrastructure Projects: This type of projects, which relate to the parameter of preparation of laws, creation of networks, management of networks, security of information and flagship projects at national level, basically enjoy full support under "Note 13."
- 2- Provincial Infrastructure Projects: This type of projects, which from the viewpoint of definition of titles are similar to the titles under paragraph 1 and are proposed directly by a Province can, after approval of a plan and presentation of a contract for the performance of activities, receive aid up to the ceiling of 50% credit of the plan out of the credits under "Note 13." The manner of securing expenses for parts of the seven application plans executed in the Provinces shall be determined within the framework of the main plan.
- 3- Application Projects in the Network Environment: This type of projects, which are executed at a smaller level on the basis of needs of government sectors and which shall cause improvement in management in state organizations, enjoy limited support out of the credits under "Note 13" (on an average up to the ceiling of 50%) provided that the activities are carried out by concluding contracts. Creation of local information banks, office software, etc., are examples of such projects.
- 4- Research and Know-how Projects: This type of projects are carried out by universities and/or private companies for the purpose of promoting knowledge and information know-how, and their expenses are secured out of the credits under "Note 13."
- 5- Economic Projects in the Network Environment: This type of projects, which are carried out by the private sector and which cause strengthening of economic activities in the ICT environment, are supported out of the employment fund, and banking interest rebate and operational subsidy out of the credits of the Note are considered for them. E-tourism and e-services are examples of such projects.

Types of Projects from the Viewpoint of Execution Methods: (Provision of complete executive directives in participation with the Secretariat of the Information High Council, within one month).

1. Hardware Projects with Definite Parts: Contractors for this type of projects are chosen by means of tender. Equipment of internal network of universities, internal network of schools, etc., are examples of such projects.
2. Software projects of a Defined and Repetitive Nature: This type of projects are chosen on the basis of inquiry of price and confirmation by the Government Bodies' Transactions Commission. The provision of website, e-Boucher, cultural content (such as story, animation, movie, etc.) e-documentation bank, etc., are examples of such projects.
3. Provision of On-shelf Software: This type of ready software shall be chosen and purchased, up to the ceiling of one hundred fifty million rials for each package of software (including the package of server and client), with due consideration to the intended application, at the discretion of the head of the government body and based on the expert opinion of the Transactions Commission, without the requirement to make inquiries.
4. Securing of Custom-made Software: It is possible to order and secure software up to the ceiling of two hundred million rials in the entire contract and relevant attachments, at the discretion of the head of the government body and based on the expert opinion of the Transactions Commission. Software priced at over two hundred million rials shall be secured by means of tender (method will be determined in participation with the Secretariat of the Information High Council).

State Management & Planning Organization

Ministry of Post, Telegraph & Telephone

At the session dated 9/4/1381 (June 30, 2002) pursuant to the proposal No.105/53188 dated 28/3/1381 (June 18, 2002) of the State Management & Planning Organization and in compliance with Article 138 of the Islamic Republic of Iran Constitution, the Board of Ministers approved the Executive By-Law concerning implementation of specific activities for the purpose of expansion of application of Information & Communication Technology (ICT) as follows:

Executive By-Law concerning Implementation of Specific Activities for the purpose of Expansion of Application of Information & Communication Technology

Article 1- For the purpose of preparing our country for a thorough and comprehensive presence in the information era and for attaining the following targets:

- A- Systematic expansion of ICT for materialization of "intelligence -based" Economy in context of national sustainable development;
- B- Development of human resources as a strategic priority and pre-requisite for development of ICT in context of creation of value-added employment;
- C- Cultural development and strengthening the environment and atmosphere of national self-dignity and cooperation;
- D- Performing the infrastructure facilities for ICT development including access network, safety, rules and regulations, resources and facilities;
- E- Development of necessary grounds and opportunities for mobilization of private sector as key and strategic element in ICT development;

The Supreme Council of Information Dissemination Secretariat shall be bound, within next two months, to take due actions for implementation and approval of a comprehensive plan for "ICT development and application (or TAKFA) by The Supreme Council of Information Dissemination with cooperation and coordination of all concerned organizations.

Article 2- The State Management and Planning Organization and The Supreme Council of Information Dissemination Secretariat, in full coordination with each other, shall be bound to take action for mobilization of all financial and physical possibilities in context of ICT. In this regard the instructions and rules prepared by the said authorities shall be carried out by the operational plans.

Article 3- The following 7 plans aligned with other related projects are declared as priorities of ICT operational plans in 1381 (2002-2003):

- A. Plan for Electronic Government (system, virtual network, law and security);
- B. Plan for promotion of ICT application in education and expansion of digital skills of Iran's manpower;
- C. Plan for expansion of ICT application in higher education, health, treatment and medical education;
- D. Plan for expansion of ICT application in development of social services;
- E. Plan for expansion of ICT application in economy, commerce and trade;
- F. Plan for expansion of ICT application in culture and art, strengthening Persian script and language in computer environment;
- G. Plan for expansion of active SME in ICT by creating growth centers and IT parks;

Article 4- The executive bodies of the country and the State Management and Planning Organization, in preparation and composition of the state's agreements and decrees of 1381 (2002-03) and resource or credit allocations, shall be authorized to take action in such manner that 1% of the credits allocated to the country's departments and bodies shall be used for the aforesaid plans and other projects approved by the Supreme Council of Information Dissemination for ICT development, in compliance with the joint criteria and regulations of the State Management and Planning Organization and the Supreme Council of Information Dissemination. This Organization shall also be obliged to provide the required grounds for more activating of such governmental departments and companies for ICT systematic development through exchange of agreements and/or meetings of the companies.

Article 5- All the executive bodies of the country, specially those who are intended addressees of the ICT development plans, shall be obliged to take action in all aspects, and with special priority as

to mobilization of their possibilities for materialization of the project achievements.

Note 1- The Ministers, administrators and heads of organizations, shall have the essential responsibility of conducting, following up and supervision of above important task and in this regard they shall be required to take action for appointing an executive manager with special powers, by appropriate coordination with the Supreme Council of Information Dissemination Secretariat.

Note 2- The responsibility for follow up, supreme supervision and reporting the work progress to the President and the government, in this respect shall be borne by the special representative of the President (Secretary of the State Supreme Council of Information Dissemination).

Article 6- The State Management & Planning Organization shall be obliged to allocate part of the credits intended for the employment projects for expansion of activities and creation of employment in ICT areas in the private sector.

Article 7- The State Management & Planning Organization shall be obliged to take action for exchange of letter of agreement and allocation of credits subject matter of item No. 503623, Attachment No. (1) of Budget Act of 1381 (02-03) for the purpose of execution and fulfillment of plans and projects stipulated in Article (3) of the present Decree and other projects approved by the Supreme Council of Information Dissemination for a comprehensive ICT development, by coordination with the Supreme Council of Information Dissemination Secretariat, also by observing the following policies:

- A-** Assignment of the role of planner and implementation manager to the public sector, and prevention of expansion of state supervision in the implementation through assignment of maximum implementation of operations to the private sector.
- B-** State Investment in the creation and strengthening of infrastructures of ICT and encouragement of creation of economic products in digital environment by providing assistance to the private sector.
- C-** Non-investment in erection of new buildings.
- D-** No parallel investment for creation of Data Network with the Telecommunication Co.
- E-** Expenditure of credits for decreasing access expenses and increasing the potential of public access to ICT (specially the state educational system)
- F-** Creation of Persian environment and development of economic applications based on it in the network.
- G-** Implementation of the strategic projects subject matter of Article (3) in national and provincial levels (in case of financial participation by the provinces)
- H-** Financing certain credits required for provincial projects and specialized projects of governmental departments/ organization and companies approved by Supreme Council of Information Dissemination, subject to financing the initial part of the credits required by the concerned provinces, department and/or governmental company.

Article 8- In order to avoid expansion of governmental administration and to improve and promote opportunities and required motives for mobilization of private sector activity as key and strategic element in ICT development, it is required that all the ICT plans and projects of governmental companies and organizations to be fulfilled through private sector.

Note: In special cases, it shall be possible to conduct through different methods, provided that such cases shall be approved, investigated and confirmed by the specialized committees and/or Supreme Council of Information Dissemination Secretariat.

Article 9- The State Management and Planning Organization and the Supreme Council of Information Dissemination Secretariat shall be obliged to report the assignment's progress each month in writing to the government and respective organizations.

Note: The complementary reports shall be submitted to the President and First Deputy of the President in order to be considered, if necessary, at the cabinet's order of the day.

Article 10- The Ministry of Post, Telephone &Telegraph and Telecommunication Administration of Iran in all provinces shall be obliged to conduct the required investment for development of the State Data Network according to the requirements of the comprehensive project of ICT development and application.

Article 11- The Ministry of Road and Transportation, governors general, deputy governors offices and municipalities shall be obliged to utilize their utmost and urgent cooperation and assistance for installation, operation and utilization of the optic fiber network in towns, cities, routes and roads all over the country.

Article 12- If the charges and expenditures financed in relation with ICT shall not conform and comply with the acceptable and depreciative charges chapter stipulated in the Direct Taxation Act approved in 1987 and its subsequent amendments, it shall be considered among the acceptable charges of fiscal year in which the charges are financed and it could be depreciated at most up to 5 years.

Decree of the Council of Ministers

Ministry of Commerce, Ministry of Post, Telegraph & Telephone

Acting at the proposal No. 700/30891 dated 15/8/1380 (Nov. 6, 2001) made by the Information High Council's Secretariat, and in virtue of Article 138 of the Constitution of the Islamic Republic of Iran, the Council of Ministers in its session held on 29/2/1381 (May 19, 2002) approved the policy of e-commerce of the Islamic Republic of Iran as follows:

E-Commerce Policy of the Islamic Republic of Iran

1- Objective

In view of speedy expansion of e-commerce in the world, the inevitability of its use, role of e-commerce in the preservation, strengthening and development of Iran's competitive edge in the world and the savings made from the implementation of e-commerce in Iran, the Government of the Islamic Republic of Iran declares its determination to use and promote e-commerce in Iran in accordance with the following principles and policies.

2- Principles

1. Providing basic infrastructure and legal and executive background required for the use of e-commerce.
2. Promoting education and propagation of the culture of use of e-commerce.
3. Supporting the promotion of non-public sector activities, preventing monopoly and creating grounds for competition.
4. Removing any biased limitations in e-commerce.
5. Promoting the use of the Internet networks for the carrying out of e-commerce in Iran, and taking the necessary measures for the health of contents of the said networks.

3- Executive Policies

1. The Telecommunications Company is required, while facilitating and utilizing the private sector participation, to provide and commission the required hardware and software, and to establish high-speed, dependable and secure communications lines in the Internet networks not later than the end of 1381 (March 20, 2003), within the scope of its activities, based on the following schedule, and to decrease the cost of use of the said lines.

Description Year 1380 (2001-02) Year 1381 (2002-03)

Capacity of band width 1000 megabyte 5 gigabyte
for entire Iran

Capacity for admission 1,500,000 5,000,000
of the Internet users

Division of the network 64k, 2m, 8m, 34m 64k, 2m, 8m, 34m,
lines 155m

2. Ministry of Economic Affairs and Finance is required, in cooperation with Bank Markazi Iran, to draw up a comprehensive plan for the use of the system of electronic transfer of money as well as the use of the credit card services, and the time schedule for its enforcement, by the end of Mehr 1381 (October 22, 2002), and to present it to the Economic Information Specialized Commission of the Information High Council for its approval.

3. Ministry of Commerce is required, not later than one year after the notification of this decree, to make the essential parts of the e-commerce national plan of Iran enforceable, and to implement the following plans:

- a. To complete the feasibility study of Iran's comprehensive e-commerce plan, and to compile the long-term plan for the national development of e-commerce for enforcement within the time schedule of the Third Development Plan.
- b. To set in motion an e-commerce flagship project as a model market of electronic dealings, for the purpose of providing the necessary safety bed for domestic and foreign electronic exchanges, and presentation of required secondary services, and to also support implementation of similar projects by the private sector.
- c. To create an authority for the issue of sample digital certificates for use in the area of e-commerce, with due consideration to the necessary executive organization, hardware and software, by employing popular international services and know-how. After the commissioning of the national system of the authority for issuing digital certificates in Iran, this authority shall be placed within the framework of that system.
- d. The national system for the issue digital certificates shall be compiled by the Secretariat of the Information High Council, and must receive approval of the Council of Ministers.
- e. With due consideration to the need to strengthen scientific capability within Iran in the know-how related to digital certificates, to support the creation of national know-how by using the domestic specialized manpower, simultaneously with the enforcement of subparagraph (c), and to make use of its outcome.

Ministry of Science, Research and Know-how is required, by coordinating with and support of the Ministries of Commerce and Post, Telegraph & Telephone, and the Secretariat of the Information High Council, to take measures for the creation of directly or indirectly related subjects, and to present teaching credits in the technical and economic fields of e-commerce.

5- Sazeman-e Sada va Sima-ye Jomhuri Islami Iran (Islamic Republic of Iran Radio and Television Organization) is required, in cooperation with the Commerce Ministry, to prepare and broadcast teaching and promotional programs related

to e-commerce.

6- Commerce Ministry is required, on a continuous basis, to hold short-term specialized and general training courses related to e-commerce, and to hold international and domestic conferences in that field.

7- Ministries, government organizations, institutions and corporations are required to start e-commerce in their dealings and, by the end of the Third Development Plan, to carry out at least half of their dealings by this method.

8- Cost of starting e-commerce is treated as acceptable tax costs constituting the subject matter of Article 148 of the Direct Taxation Act of 1366 (1987-88) and its subsequent amendments.

9- Ministries of Economic Affairs & Finance, and Commerce are required to see to it that taxes and Customs duties charged to goods and service exchanged through this method do not exceed those exchanged through other methods.

10- The Management and Planning Organization of Iran is required, while coordinating with the relevant executive bodies, to allocate each year in the national budget of Iran, the credits required for commissioning the e-commerce projects and comprehensive information network of Iran constituting the subject matter of Article 116 of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran Act approved in 1979 (2000-01), and their subsequent expansion.

11- For the purpose of increasing the active role of non-government sector in the promotion of e-commerce, the government is required to allocate a part of the granted facilities constituting the subject matter of annual budget laws to the applicants employed in this field.

12- Commerce Ministry and relevant executive bodies are required to take action for the attraction and encouragement of private domestic and foreign investment within the framework of provisions of law related to this field.

13- The Secretariat of the Free Zones' High Council is required to cause the implementation of e-commerce at least in one of the free zones by the end of 1381 (March 20, 2003), and in one other zone by the end of 1382 (March 20, 2004). All executive bodies of Iran that are active in those zones are required to take action for the presentation of services and start of operations required in this field.

14- The Secretariat of the Information High Council is required, in participation with the Ministries of Commerce; Post, Telegraph & Telephone; Information; Science, Research and Know-how; Industries and Mines; the Management and Planning Organization of Iran, and the Bank Markazi of Islamic Republic of Iran, to take the necessary measures for the drawing up of a comprehensive plan for maintaining security of electronic exchanges, confidentiality of data and information, health of contents of users of public network of transfer of information (within Iran) and national system of authority for issuing digital certificates, and to present it to the Leading Commission for its approval and to the Information High Council for its decision.

Note: In light of the need to strengthen scientific capability within Iran, the necessary preliminaries in this field for the creation of national know-how, including hardware, software and other required national facilities, must be taken into account in this project, by using the domestic specialized manpower.

15- The Ministry of Foreign Affairs is required, for the furtherance and strengthening of the cooperation related to e-commerce between the Islamic Republic of Iran and other countries, including the Islamic Conference Organization, G77, Economic Cooperation Organization (ECO), the "Colombo Plan" and international institutions affiliated to the United Nations, to extend the necessary cooperation to the Commerce Ministry and the Secretariat of the Information High Council.

16- The duty of supervision and following up the foregoing executive measures and presenting seasonal reports to the Information High Council is assigned to the Specialized Economic, Trade and E-commerce Commission, in coordination with the Secretariat of the Information High Council and the Special Representative of the President, for taking action.

note 13 – Information and Communications Know-how

- a-** The government is authorized to distribute the credit under item No. 503623, Attachment No. (1) of this Act, for the purpose of promoting the use of information and communications know-how of the country for the carrying out of certain activities as proposed by the executive bodies and confirmed by the National Management and Planning Organization.
- b-** State corporations, independent technical and vocational schools and scientific and applied centers, private sector institutions and corporations acting within the framework of credits constituting the subject matter of paragraph (a) can use, if they secure at least fifty per cent (50%) of the required credits from their own internal resources, the credits constituting the subject matter of paragraph (a) of this Note, in the form of credit facilities, managed funds, supporting interest for banking facilities, aid in grant or mixed-use aid.
- c-** It is authorized to use credits related to technical and credit aid programs, banking facilities, and managed funds for private sector, for the purpose of securing a part of the credits required for products under the aforesaid plan and for creating employment opportunities, particularly for the graduates in this field.
- d-** For the purpose of supporting joint plans for the promotion of information and communications know-how by Iranian corporations with their foreign partners, or by the Iranian corporations, the executive bodies are authorized to proceed with the grant of facilities and guaranteeing the relevant contracts out of the managed funds, credits of technical and credit aid plans, internal resources of affiliated corporations, or out of the Electronics Industries Protection Funds.
- e-** The Ministry of Post, Telegraph and Telephone (provincial and national communications companies) is required, with due observance of the approvals of the Cultural Revolutionary High Council, to do the following in the year 1381 (2002):
- 1-** By creating the necessary infrastructure in cooperation with executive bodies (including the Ministry of Roads and Transportation, etc.), to make it possible to connect the national Departments of Education, technical/vocational centers, high schools; scientific, educational and research centers and public libraries to information networks and international Internet networks, with band width suitable for academic and educational purposes, without paying the initial sums (including deposit and installation expenses). Investors are required to observe all legal rules and requirements.
 - 2-** To create investment and operation opportunities by public and private sectors as the Internet Service Providers (ISP).
 - 3-** To proceed in such a way that, in light of significance of production and potential for the use of the latest technology and know-how, it creates the necessary Internet facilities for industrial parks either itself or through the private sector, and it is made possible to connect such parks to the international Internet network by the end of 1381 (Dec. 31, 2002).
- f-** The amount of one hundred twenty five billion (125,000,000,000) rials out of the credit under paragraph (a) of this Note shall be made available to the Ministry of Commerce exclusively for the purpose of carrying out the purport of paragraphs (a) and (b), note 116 of the Third Economic, Social and Cultural Development Plan of the Islamic Republic of Iran Act, after the exchange of agreement with the State Management and Planning Organization.
- g-** Centers and organizations affiliated to the Ministry of Post, Telegraph and Telephone (research center of Telecommunications of Iran, Academic and Applied School of Post and Telecommunications of the Department General Radio Telecommunications) are required, in 1381 (2002-03), to deposit the revenue earned from their services to the tune of nine billion (9,000,000,000) rials, and the Iran Telecommunications Co. to the tune of seventy billion (70,000,000,000) rials, with the public revenues (with the General Treasury) under items Nos. 519945, 490790 and 510603, part three of the Attachment of this Act. An amount equivalent to the deposited sums shall be allocated to expenditure credit and plans of acquisition of capital assets constituting the subject matter of the Chapter on Post and Telecommunications of this Act.

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Under note 13

Main Objectives

1. Creation of infrastructure of Iran's information and communications know-how (network, law and security)
2. Compilation and application of comprehensive system of communications and information.
3. Development of productive employment.
4. Promotion of average level of skills in the know-how of communications and information (individual and institutional).
5. Performance of flagship projects.

Secondary Objectives

- 1- Increase in the capability of national economy.
- 2- Increase in the national productivity.
- 3- Promotion of private sector's participation in the ICT market.
- 4- Groundwork for entry into the international market of ICT.

Policies

1. Implementation.

- 1-1 Assignment of the role of planner and implementation manager to the public sector, and prevention of expansion of state supervision in the implementation.
- 1-2 Assignment of maximum implementation of operations to private sector.

1-3 Use of international consultants and contractors in flagship projects at national level, and reliance on domestic ICT industry in the provincial flagship projects.

2. Investment

2-1 State investment in the creation and strengthening of infrastructures of ICT sector.

2-2 Encouragement of creation of ICT products through participation and aid of the private sector.

3. Use of Credits

3-1 Use of credits for projects of TKFA plans, with priority to leading projects.

3-2 No parallel investment with the Communications Co. in the creation of data network.

3-3 Expenditure of credits for decreasing access expenses and increasing the potential of public access to communication and information know-how.

3-4 Creation of Persian environment and development of economic applications based on it in the network.

4- Geographical Situation

Application plans at two levels, i.e., national and provincial (in case of financial participation by the provinces) shall be carried out simultaneously.

Plans and Fundamental Measures for Protection Under Note 13

Priority of allocation of credits under Note 13 shall be within the framework of the following leading plans:

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3- Plan for expansion of communication and information know-how application in higher education.

4- Plan for expansion of communication and information know-how application in health, treatment and medical education.

5- Plan for expansion of communication and information know-how application in economy, commerce and trade.

6- Plan for expansion of culture and knowledge of ICT, strengthening of Persian script and language in computer environment.

7- Plan for expansion of active SME in the communication and information know-how by creating growth centers and ICT know-how parks.

In the execution of each of the foregoing application plans the following activities shall be taken into consideration and shall enjoy financial support:

1- Help in setting up the relevant virtual intranet networks (with least reliance on hardware).

2- Compilation of draft laws required in computer environment.

3- Provision of management and security of information in computer environment.

4- Help in the production of Persian content in computer environment.

5- Help in the expansion of ICT knowledge and culture in Iran.

6- Execution of flagship projects.

7- Help in the expansion of economic activities in computer environment.

As a result of execution of application plans, the creation of six virtual networks (based on the infrastructure created for Iran's data network) and the execution of at least fourteen flagship projects as described below shall be given priority.

Virtual Private Networks (based on the infrastructures created in Iran's data network)

- State network (government bodies).
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- Growth network (Ministry of Education's schools).
- Trade and banking network (banks, guilds and economic users).
- Health, treatment and medical education network (hospitals, pharmacies, and medical universities).
- Police network.

Flagship Projects

1- Comprehensive planning and budget system.

2- Comprehensive taxation system of Iran.

3- Comprehensive state revenue system.

4- Creation of national information portal (creation of a web for all executive bodies and dissemination of relevant information through such webs).

5- Identity confirmation system in digital environment (CA & PKI).

6- Creation and promotion of e-money.

7- Electronic banking.

8- Electronic commerce.

9- Customs services system (ASICODA).

10- Comprehensive social security system.

11- Driving and traffic control, and mechanized enforcement.

12- Education (development of ICT in schools).

13- Digital libraries.

14- Remote control medical services.

Various Projects from the Viewpoint of Type of Application & Financial Support

- 1- National Infrastructure Projects:** This type of projects, which relate to the parameter of preparation of laws, creation of networks, management of networks, security of information and flagship projects at national level, basically enjoy full support under "Note 13."
- 2- Provincial Infrastructure Projects:** This type of projects, which from the viewpoint of definition of titles are similar to the titles under paragraph 1 and are proposed directly by a Province can, after approval of a plan and presentation of a contract for the performance of activities, receive aid up to the ceiling of 50% credit of the plan out of the credits under "Note 13." The manner of securing expenses for parts of the seven application plans executed in the Provinces shall be determined within the framework of the main plan.
- 3- Application Projects in the Network Environment:** This type of projects, which are executed at a smaller level on the basis of needs of government sectors and which shall cause improvement in management in state organizations, enjoy limited support out of the credits under "Note 13" (on an average up to the ceiling of 50%) provided that the activities are carried out by concluding contracts. Creation of local information banks, office software, etc., are examples of such projects.
- 4- Research and Know-how Projects:** This type of projects are carried out by universities and/or private companies for the purpose of promoting knowledge and information know-how, and their expenses are secured out of the credits under "Note 13."
- 5- Economic Projects in the Network Environment:** This type of projects, which are carried out by the private sector and which cause strengthening of economic activities in the ICT environment, are supported out of the employment fund, and banking interest rebate and operational subsidy out of the credits of the Note are considered for them. E-tourism and e-services are examples of such projects.

Types of Projects from the Viewpoint of Execution Methods: (Provision of complete executive directives in participation with the Secretariat of the Information High Council, within one month).

- 1. 1. Hardware Projects with Definite Parts:** Contractors for this type of projects are chosen by means of tender. Equipment of internal network of universities, internal network of schools, etc., are examples of such projects.
- 2. 2. Software projects of a Defined and Repetitive Nature:** This type of projects are chosen on the basis of inquiry of price and confirmation by the Government Bodies' Transactions Commission. The provision of website, e-Boucher, cultural content (such as story, animation, movie, etc.) e-documentation bank, etc., are examples of such projects.
- 3. 3. Provision of On-shelf Software:** This type of ready software shall be chosen and purchased, up to the ceiling of one hundred fifty million rials for each package of software (including the package of server and client), with due consideration to the intended application, at the discretion of the head of the government body and based on the expert opinion of the Transactions Commission, without the requirement to make inquiries.
- 4. 4. Securing of Custom-made Software:** It is possible to order and secure software up to the ceiling of two hundred million rials in the entire contract and relevant attachments, at the discretion of the head of the government body and based on the expert opinion of the Transactions Commission. Software priced at over two hundred million rials shall be secured by means of tender (method will be determined in participation with the Secretariat of the Information High Council).