

## Universal Service Provision Fund

Nigerian Communications Commission  
Head Office Building,  
Plot 423, Aguiyi Ironsi Street, Maitama, Abuja,  
Federal Capital Territory,  
Federal Republic of Nigeria.



UNIVERSAL SERVICE PROVISION FUND

# Connecting the Nation

ANNUAL REPORT 2015

UNIVERSAL SERVICE  
PROVISION FUND



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# Chairman's Statement



The Universal Service Provision Fund (USPF) is mid-way into the implementation of the Strategic Management Plan (SMP) 2013 – 2017 for the year 2015. The Secretariat has achieved a lot since the remodeling of the USPF service delivery was changed to improve the enabling environment for ICT, promote universal access and universal service, facilitate connectivity for development, and strengthen institutional development to enable USPF effectively deliver on its mandate, all in a bid to fulfil the mandate of the USP Fund.

In line with our vision of **“Equitable ICT Access to All”**, the USP Fund continues to embark on programmes and projects that stimulate development in rural, unserved

and underserved communities all over Nigeria. Projects implemented under the Connectivity Programmes provides basic infrastructure on which other USPF projects thrive. Similarly, the Access Programmes, which involves the provision of end-user devices to compliment the telecommunications infrastructures that are deployed, are all targeted towards bridging the digital gap in Nigeria. In 2015, a total of Forty-Four (44) BTS sites were completed to complement the existing national network infrastructure with the aim of increasing access for individuals to voice and data services. Also, a total of Eighty-Nine (89) sites were completed in 2015 under the School Knowledge Centres (SKC) projects aimed at achieving Connectivity for Development (C4D) goal, in line with the mandate of the USPF to promote the connection of government owned schools to broadband internet. Likewise, Nine (9) Universities benefitted from the University Inter-Campus Connectivity (UniCC) Project in 2015, while a total of 15 Community Resource Centers (CRC) evenly spread across the country were completed during this period.

Notwithstanding the milestones achieved in the projects mentioned above, the Secretariat grapples with myriads of challenges in the process of execution of projects. These challenges include Multiple Taxation, Right of Way charges, levies, tax approvals, security concerns, and poor sustainability of some USPF projects. In order to tackle this, it was agreed at a Board meeting during the year, that members would be engaged in deliberations with top government officials in the affected states, in a bid to facilitate USPF's effort to resolve these lingering issues. The elimination or reduction of these challenges is still a work-in-progress at the Secretariat.

As can be seen in this report, significant progress has been made in driving USPF's SMP 2013-2017, leading to better implementation of projects, and with lessons learned during the past year, USPF will achieve greater success in the coming years. It is projected that at the expiration of the SMP in 2017, laudable landmarks would be realized and the USP Fund will be positioned for more greatness.

## **Adebayo Shittu**

Chairman, USP Board and Honorable Minister,  
Ministry of Communication Technology

# Secretary's Statement



I am delighted to present the Universal Service Provision (USP) Secretariat's report for the year 2015. Particularly, because this is the first report of the Universal Service Provision Secretariat under my watch as the Secretary.

This report highlights our major achievements in line with the Strategic Management Plan (SMP) 2013-2017 programmes and projects targeted at provision of basic, affordable ICT infrastructure and services through the Public-Private-Partnership framework.

Following the successful launch of the ICT Access Gap Cluster Portal in December 2014, the USPF has continued to use the Access Gap data to identify target areas to define Universal Access/Universal Service interventions and implement the interventions accordingly. Beyond improving the planning and implementation of projects, the Access Gap portal serves as a tool for stakeholders, particularly operators to design their services roll-out in the

identified clusters.

On our part, we provided the data from the Access Gap Clusters to participants in our 2015 Hackathon challenge to spur the creation of solutions and services that would address the needs of Nigerians living in these clusters. Additionally, our collaboration with relevant partners provided a platform for young innovative ICT entrepreneurs to enhance their ideas and exhibit their ICT skills towards achieving Universal Access and Services in ICT across Nigeria.

These drives are in line with the new administration's desire to diversify the Nigerian economy with Information and Communication Technology playing a key role, not only as providers of infrastructure but also at the service level in boosting the revenue generation potential for the Nigerian economy, especially at this moment of global dwindling of oil prices.

The USPF achieved this service level across the country by providing subsidies to licensed telecommunications operators for the deployment of Base Transceiver Station (BTS) infrastructure in unserved and underserved locations based on the Access Gap cluster model. These operator-owned BTS' are already carrying traffic, demonstrating the demand for services in the identified communities.

In September 2015, at the exhaustion of its commitment to the eight (8) Millennium

// USPF continues to provide interventions in education, health, and capacity building for wealth creation and connecting the nation. //

Development Goals, the United Nations birthed a new action plan known as the 2030 Agenda for Sustainable Development, leading to an agreement on Seventeen (17) Sustainable Development Goals (SDGs). The SDGs emphasized the need to enhance general socio-economic development to promote world prosperity. Following this global trend, USPF continues to provide interventions in education, health, and capacity building for wealth creation and connecting the nation.

Accordingly, and in line with our Strategic Management Plan 2013 – 2017, USPF shall conduct a mid-term review in 2016 to accelerate the contributions of the Fund to the country's achievement of the SDGs. In addition, the 2016 Operating Plan will take

cognizance of the Nigerian Communications Commission's (NCC) eight-point agenda, especially those with the most impact to universal access and service programmes. They are to:

- Facilitate Broadband Penetration
- Improve Quality of Service
- Promote ICT Innovation and Investment Opportunities and
- Facilitate Strategic Collaboration and Partnership.

On the whole, we shall not lose sight of our mission to facilitate the achievement of universal access to ICT and universal service; through market-based investment, which stimulates development in rural, unserved and underserved communities. We count on the support of stakeholders to achieve this mission.

Thank you.

**Ayuba Shuaibu**

Secretary, Universal Service Provision Fund

# ~Board Members~

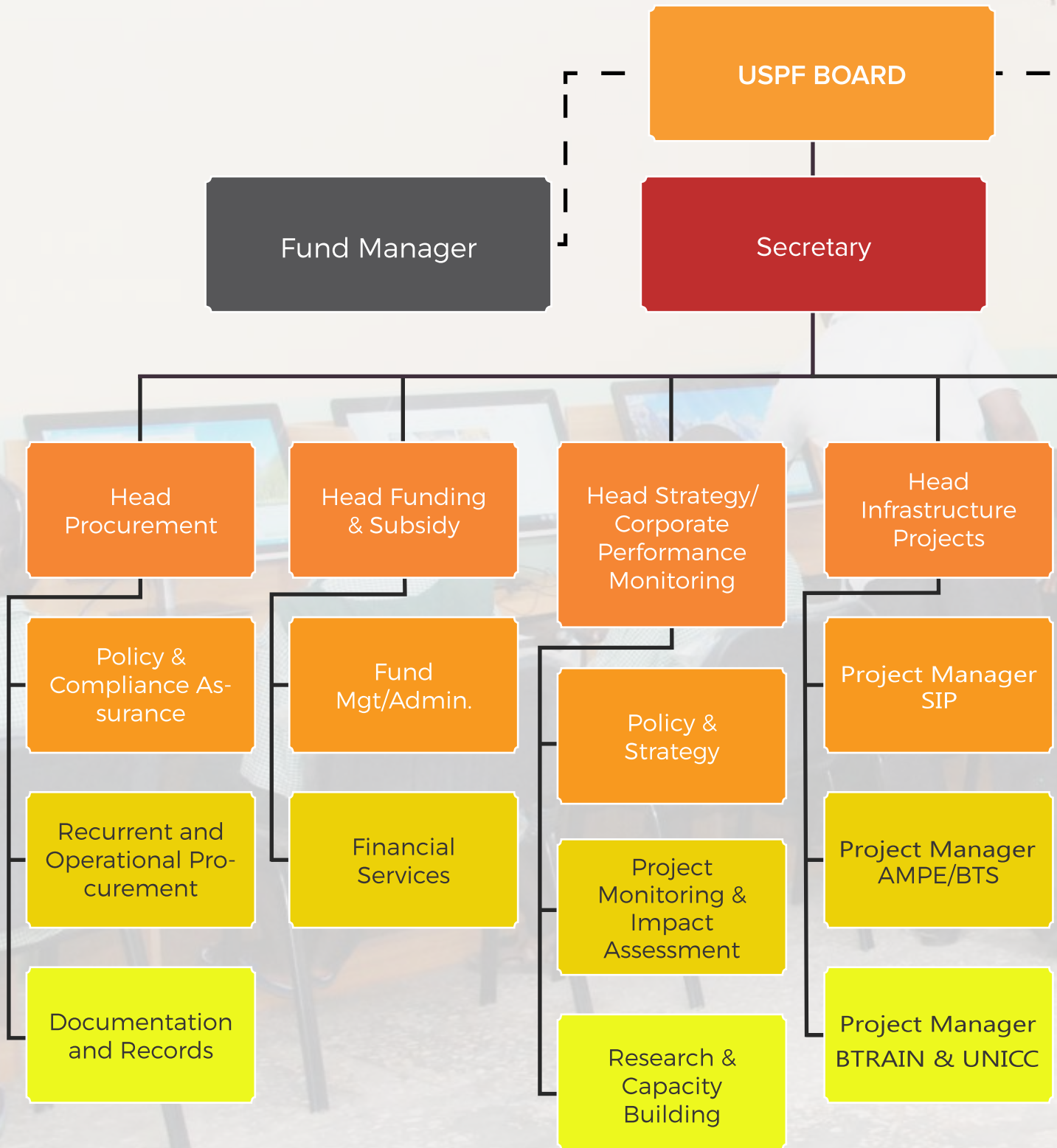
In accordance with the provisions of Section 116 of the NCA 2003, the USP Board is constituted as follows:

- 1 Chairman of USP Board and Minister of Communication Technology
- 2 Vice Chairman of USP Board and Chairman of NCC Board
- 3 Executive Vice Chairman of NCC
- 4 Executive Commissioner, NCC
- 5 Representative of National Planning Commission
- 6 Representative of Ministry of Finance
- 7 Representative of Ministry of Communication Technology
- 8 Representative of Private Sector
- 9 Representative of Private Sector
- 10 Representative of Private Sector
- 11 Representative of Private Sector





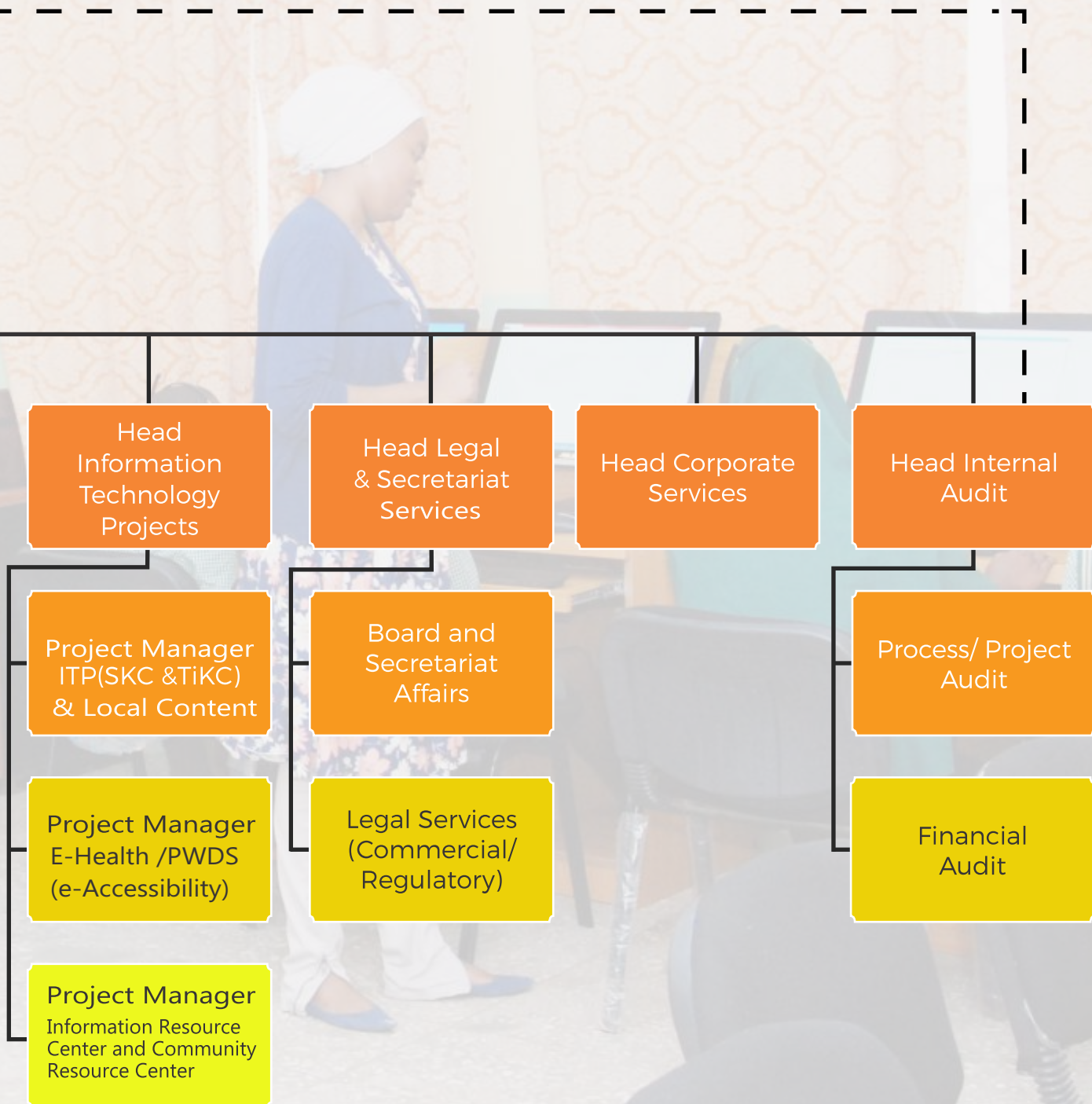
# USPF ORGANOGRAM





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# About the USPF



The USPF is committed to creating an enabling environment and ensuring that Nigerians, irrespective of demography, social and economic status, have access to quality and affordable ICT services. It is also committed to promoting the widespread availability and usage of network and application services throughout Nigeria by encouraging the installation of network facilities and provision for network and applications services to educational institutions, unserved, underserved areas or for underserved groups within the community.

Since its inception in 2006, the USPF continues to articulate and achieve its vision and goals through a five-year Strategic Management Plan (SMP). In the current Plan which runs from 2013 to 2017, the USPF's resources are deployed towards achieving the vision of **'Equitable ICT Access for All'** through three strategic goals, namely:

1. Facilitate an Enabling Environment for ICT

2. Promote Universal Access and Service that facilitate connectivity for development
3. Institutional Development

The operating plans are developed from the SMP to consolidate the goals into programmes and projects that are regularly monitored for performance measurement on an annual basis.

In fulfilment of its commitment to collaborate with key stakeholders to achieve the vision, the USPF constantly sought the partnership of stakeholders for input and buy-in on services to be offered in the unserved and underserved areas. This explains the technical collaboration between USAID and USPF which enabled direct consultations with Operators and service/infrastructure providers shortly after the launch of Clusters of ICT Access Gap to obtain their perceptions, opinions and input going forward. The output has helped to reduce the ICT gap in unserved and underserved areas in Nigeria.

# Snapshot of the USPF 2013-2017 Strategic Management Plan



### Our Vision

Equitable ICT Access for all

### Our Mission

To facilitate the achievement of universal access to ICT and universal service, through market-based investment, which stimulate development in rural, unserved and underserved communities.

### Core Value (ICT TIPS)

- Integrity
- Collaboration
- Team Spirit
- Transparency
- Innovation
- Professionalism
- Service Excellence

### Goal 1 Programmes:

- Research Studies and Surveys
- Subsidy and Incentive Design
- Consultation and Awareness Creation

### Goal 2 Programmes:

- Backbone Connectivity
- Local Access Network and Facilities
- Accelerated Mobile phone Expansion
- Health Informatics
- E-Accessibility
- Local Content Development

### Goal 3 Programmes:

- Review/Development of Organisational Capacity
- Review/Development of Policies and Procedures Manuals
- Review/Development of Policies and Procedures Manuals
- Review of Organisational Plans

**The strategic goals of the USPF are outlined below:**



**Goal 1: Facilitate an enabling environment for ICT**



**Objective:**

- Identify the market efficiency and access gaps and design incentives that would promote the rollout of sustainable ICT services in rural, un-served and underserved areas.



**Strategies:**

- Carry out relevant research and studies to determine the market efficiency and true access gaps for different categories of ICT services within the country.
- Consult with key players in the telecommunications industry to identify the barriers/issues which prevent the market from functioning effectively.
- Consult and collaborate with the Nigerian Communications Commission (NCC) and relevant government agencies to design, plan and implement incentives that will facilitate the reduction of market efficiency gaps.



**Goal 2: Promote universal access and universal service that facilitate connectivity for development**



**Objectives:**

- Facilitate the availability of transmission infrastructure and connection to the National Backbone in all LGAs.
- Drive increasing access to community-based data and voice services on a shared basis and provide a platform for universal service.



**Strategies:**

- Provide subsidies or other forms of incentives to telecom operators and eligible service providers to extend ICT transmission infrastructure to identified un-served and underserved areas.
- Explore opportunities to deploy a full suite of universal access and universal service initiatives to build utilization and sustainability of ICT projects.
- Ensure the co-location and sharing of infrastructure subsidized by USP funds.
- Consult/collaborate with government agencies, non-profit organizations, community-based organizations to facilitate connectivity for development initiatives.
- Encourage community ownership of universal service projects and consequently, promote entrepreneurship in target communities.





### Goal 3: Institutional Development



#### Objectives:

- Strengthen the capability of the USPF to effectively deliver on its mandate.



#### Strategies:

- **People**
  - Ensure alignment of the USP Secretariat's structure and functions with the vision and strategic goals of the USPF.
  - Identify and execute capacity building initiatives which will equip the USP Secretariat with the relevant skills required to drive the achievement of the USPF's strategic goals.
- **Process**
  - Develop and implement processes which will drive standardization and efficient service delivery in the Secretariat.



# Connecting the Nation

## Universal Service Provision Secretariat in 2015

**T**he Universal Service Provision Fund ("USPF") was established by the Federal Government of Nigeria to facilitate the achievement of national policy goals for universal service and universal access in information and communication technologies (ICTs) for rural, unserved and underserved areas in Nigeria.

The Nigerian Communications Act (NCA) No 19 of 2003, Part IV detail the Universal Service Provision (USP) in Nigeria. Section 115 of the Act established the Universal Service Provision Board with the mandate to supervise and provide broad policy direction for the management of the USP Fund. Section 118 of the Act established the USP Secretariat and states that it shall reside in the Nigerian Communications Commission (NCC) and shall be responsible for the day-to-day administration of the Universal Service Provision Fund. Pursuant to its mandate, the USP Fund started operation in August 2006 and has embarked on various projects to realize its objectives.

The objective of the USPF is to contribute to national economic and social development through enhancing access to ICT, support efficient and self-sustaining market driven businesses amongst others. One of the ultimate goals of the Fund is to achieve universal access through a Public-Private-Partnership framework to provide basic, affordable ICT infrastructure, services to un-served and underserved communities.

In furtherance of this mandate, the USPF in 2015, deployed various projects to provide access to Information Communication Technology (ICT) across Nigeria.





The background of the page features a tall, lattice-structured telecommunications tower with multiple antenna arrays, rising above a dense line of green trees. In the bottom-left corner, there is a small, rectangular inset image showing a close-up of agricultural products, including a stack of brown, round tubers (likely sweet potatoes) and a pile of orange, elongated root vegetables (likely carrots).

## Connectivity Programmes

The Connectivity programme comprises telecommunication infrastructure projects that are implemented through Public Private Partnership model. They are subsidized by the USPF but implemented, owned and operated by Operators and Service Providers. They provide the platform on which the access projects thrive while lowering entry for Operators.



## Accelerated Mobile Phone Expansion-Base Transceiver Station (AMPE-BTS)

Accelerated Mobile Phone Expansion - Base Transceiver Station (AMPE-BTS) project involves granting subsidies to Network Operators for the deployment of BTS in underserved and unserved communities to extend telephony and data services. Underserved/unserved areas have been grouped into clusters that are always bid for by Industry Operators on a competitive basis. The focus is on accelerating mobile voice and broadband coverage.

The total number of Base Transceiver Stations deployed across the country in 2015 was Forty-four (44).

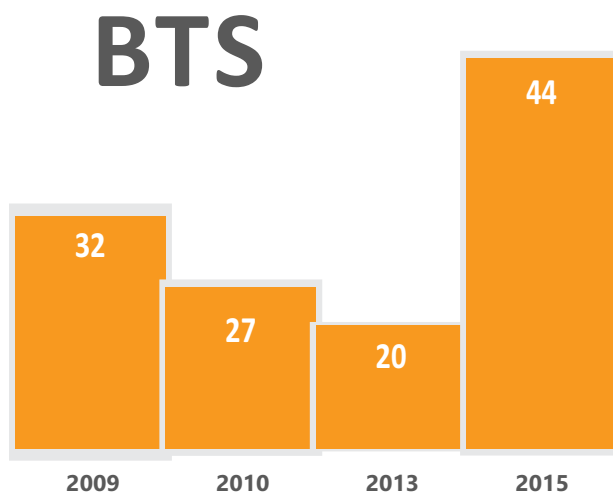


Figure 2: Number of Completed BTS Sites as at 2015.

## Backbone Transmission Infrastructure Network (BTRAIN)

The Backbone Transmission Infrastructure Network (BTRAIN) project provides subsidies to industry operators to build out the Optic Fibre Cable (OFC) network from major cities/towns where they currently exist to surrounding communities which have been classified as unserved especially in terms of internet infrastructure. Focus is on expansion of the National Transmission Backbone Network.

Although the BTRAIN project was conceived to meet the targets outlined in the Millennium Development Goals, it remains relevant through Goal 9 of the Sustainable Development Goals: "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation," especially by meeting the target stipulated as to "Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all"



BTRAIN is intended to facilitate the distribution of high-speed fiber connectivity to the rural areas by spreading the available bandwidth from the submarine cables and other terrestrial fiber networks.

Resultantly, in 2015, the following successes were recorded:

- 1 link between Lagos (Ikeja) to Covenant University (Otta) of 66km was completed.
- 2 links between Akowonjo and Iba have been established via Igando in Lagos State covering a distance of 20km.
- 71km from Lagos through Ikorodu to the Egbin Power Plant in Lagos State has also been completed
- While 62km of Optic Fibre Cables have been constructed from Epe to Ikorodu, also in Lagos State.

The BTRAIN project provides both wired and wireless internet at high speed in the rural areas at wholesale and at the same time serves as a catalyst for the uptake of other technologies centered around the internet in those locations e.g. e-library, e-health, e-government, Community Resource Centres and a host of others.

## ~ Rural Broadband Initiative (RuBi) ~


RUBI supports the establishment of core delivery mechanisms for broadband services in the rural / semi-urban areas of Nigeria and provides both high speed, wired and wireless internet (POP) in the rural areas at wholesale, and also serves as a catalyst for the uptake of other broadband-dependent projects in those locations such as School Knowledge Centres, e-Accessibility, e-library, e-health, e-government etc. Focus is on the provision of internet and application services that would support socio-economic activities in the unserved and underserved communities.



The following locations were covered by the RuBi project:

- |                            |                             |
|----------------------------|-----------------------------|
| 1. Minna, Niger State      | 8. Onitsha, Anambra State   |
| 2. Yola, Adamawa State     | 9. Owerri, Imo State        |
| 3. Gombe, Gombe State      | 10. Abakaliki, Ebonyi State |
| 4. Jalingo, Taraba State   | 11. Asaba, Delta State      |
| 5. Bauchi, Bauchi State    | 12. Oyo, Oyo State          |
| 6. Kafanchan, Kaduna State | 13. Ijebu Ode, Ogun State   |
| 7. Nsukka, Enugu State     | 14. Osogbo, Osun State      |





In its effort at achieving broadband status in the rural areas in line with the objectives of the NCC, as a whole, **14 locations benefitted from the first phase of the RuBI project** and contracts were awarded to undertake the provision of broadband internet to the rural areas under the Rural Broadband Initiative (RuBI) project.

## ~ University Inter Campus Connectivity (UnICC)

University Inter Campus Connectivity (UnICC) project is a collaborative project with National Universities Commission to facilitate provision of ICT infrastructure to support NgREN (Nigerian Research and Educational Network) by interconnecting Teaching Hospitals & Medical Colleges to their respective Universities through the deployment of Optic Fibre Cable to provide access to broadband. This project commenced in 2012.

UniCC is split into two Phases: UnICC OFC Phase 1 Projects and UnICC End User Electronics Phase 2 projects. As implied, UnICC Optic Fibre Cables (OFC) focuses on infrastructure deployment within the selected sites whereas, UnICC End User Electronics focuses on End User devices and applications at the target locations.

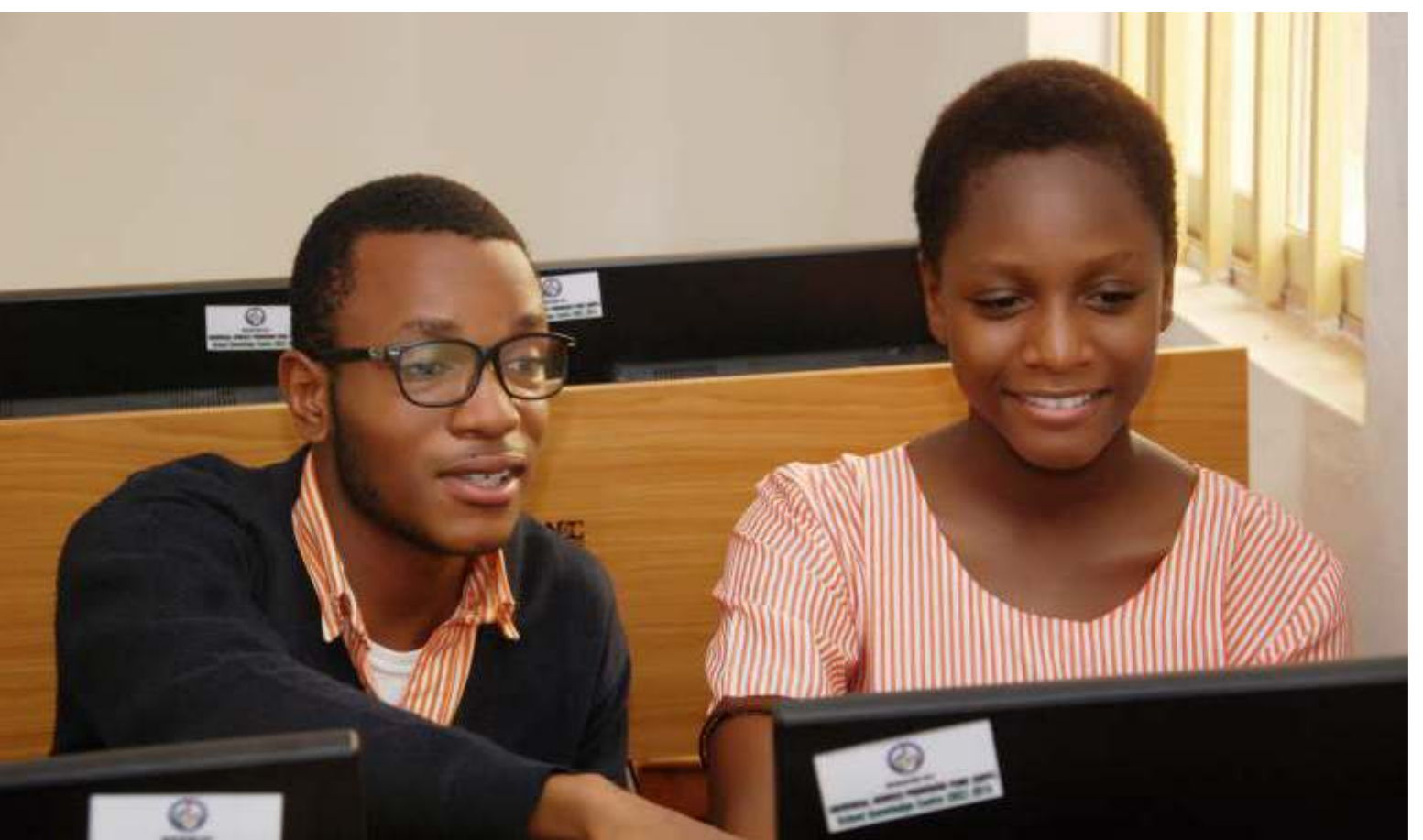
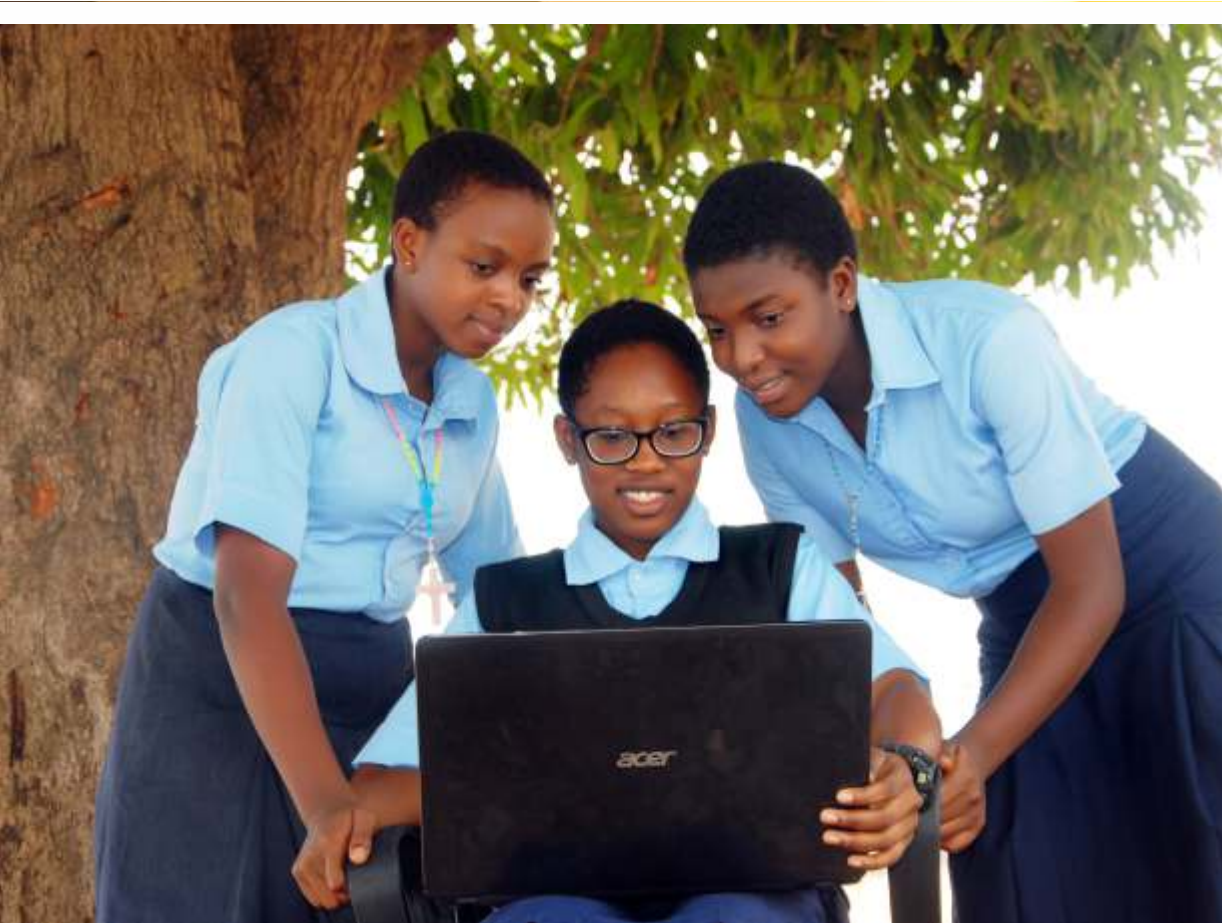
Consequently, 9 Universities benefitted from a cumulative 229km of Optic Fibre Cable installations under the UnICC OFC in 2015, while 17 Universities benefitted from the UnICC End User projects. These institutions are spread across the 6 geo-political zones in Nigeria. Detailed list of beneficiaries can be obtained from [www.uspf.gov.ng](http://www.uspf.gov.ng)



## UnICC End User Electronics











# Access Programmes

**Access Programmes are implemented through grants and are designed to create demand and promote usage of ICTs in unserved and underserved communities and groups. The projects in this Programme are delivered mostly through the provision of grants to the beneficiary institutions, groups or communities. They improve viability and sustainability of connectivity projects.**

## ~ School Knowledge Centre (SKC) Projects ~

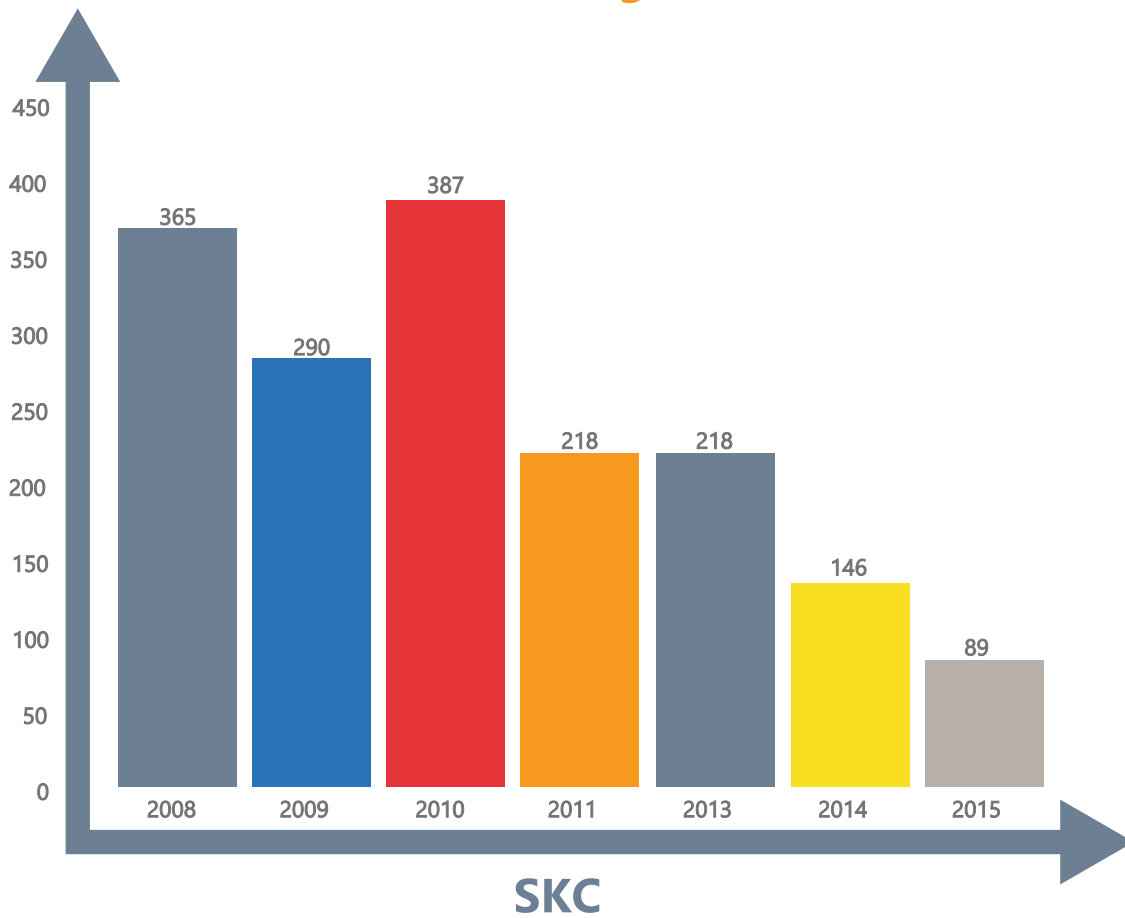
The School Knowledge Centre (SKC) project is aimed at achieving the “Connectivity for Development (C4D)” goal, in line with the mandate of the USPF to promote the connection of government Schools to broadband internet. The aim is to facilitate digital lifestyle in public schools as well as in the School communities. The Schools are provided with high end Computer workstations.

Each system is equipped with necessary software to include Windows 8.1 professional Operating System or higher, WLAN Card, MS Office Suite 2013 or higher, Corel Draw 10.0 or above, Norton antivirus (with valid license for 1 year) and other computer application packages. The Schools are encouraged to share these facilities with their surrounding communities on a commercial basis to support maintenance and ensure sustainability where convenient.

Consequently, a total of Eighty-nine (89) SKC Projects were completed in the year 2015 benefitting an estimated 10,000 students across these institutions. This number excludes beneficiaries in their surrounding communities.



## School Knowledge Centres





## ~ Consultation with SKC Representatives of the State Ministries of Education in Nigeria ~

In 2015 the USPF sought to create a partnership with the State Ministries of Education in Nigeria in order to achieve the sustainability of the School Knowledge Centers (SKC) project.

Resultantly, a One-day Workshop was held with the State representatives (SKC Desk Officers) from the State Ministries of Education on August 25, 2015. The forum had representatives from 30 States in attendance and the outcome of the forum was a communique that outlined the major issues preventing a good partnership between the State Ministries of Education and the USPF, and identify the way forward for the implementation of SKC's across Nigeria.

The highlight of the communique are as follows:

1. There should be equitable distribution of Schools to Local Government areas/Senatorial zones.
2. USPF appealed to the State Ministries of Education to provide a dedicated vehicle to the Desk Officer to enable them supervise the SKC projects in the Thirty-Six (36) State.
3. The need for uniform reporting to the USPF by Desk Officers using an agreed template.
4. The sensitization of all stakeholders on the SKC project in the States.
5. The lack of communication between USPF and State government (Desk Officer) was addressed.



Cross section of USPF and NCC Management staff with SKC representative from States



Group picture with USPF staff and SKC State Representatives



Executive Vice Chairman, NCC delivering a speech to SKC State Representatives



Secretary USPF delivering a speech to SKC State Representatives

## ~ E-Accessibility Projects ~

The e-Accessibility Project which took off in 2014, is aimed at promoting the digital inclusion of persons living with disabilities in Nigeria through the provision of ICTs and assistive technologies to institutions and schools catering for the needs of people living with disabilities.

The pilot project which was awarded in December 2014, was completed in 2015 in fourteen (14) institutions. The second phase of the project covering Twenty-Two (22) locations is to be implemented in the year 2016.

The project will provide ICTs and assistive technology solutions to different categories of people living with disabilities. The assistive technologies will make the performance of routine tasks easier and thus promote interpersonal interactions amongst the different categories of people living with disabilities.

Our e-Accessibility Project is in line with the Sustainable Development Goals, Goal 10: Reduced Inequalities "To reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations."

USPF hopes to do more for people living with disabilities by ensuring success in the continued implementation of e-Accessibility projects across Nigeria.









## ~ E-Library Projects ~

In furtherance to the established Memorandum of Understanding between the Universal Service Provision Fund (USPF) and the Librarians' Registration Council of Nigeria (LRCN), the USPF worked arduously to develop befitting Request for Proposal documents RFP to be utilized in the procurement process for the award of e-Library projects in 2016.

The Terms of Reference (TOR) developed for this purpose covers, hardware and software components as well as training for the continued deployment of e-Library projects across the country.

## ~ E-Health ~

The secretariat developed the Request for Proposal (RFP) and Tender documents for the engagement of implementers for the USPF E-Health Project in Nigeria. The E-Health Project is designed to provide ICTs, Electronic Health Records (EHR) systems, connectivity solutions, solar power solutions, portable digital medical devices, specialized training, and remote management support to selected secondary healthcare facilities in Nigeria. The objective is to improve the quality and scale of delivery of healthcare services through the use of ICTs.

## ~ Bandwidth Aggregation for All USPF Projects ~

The Bandwidth Aggregation project is designed to ensure that all USPF Projects (School Knowledge Centre, E-Libraries) across the 109 Senatorial Districts of the country have seamless access to internet connectivity. The project requires purchase of bulk bandwidth that must have a minimum of 128/512 kbps bandwidth capacity and can cater for the projects mentioned above. Currently, there are a total of 1049 SKC's and 74 E-Libraries being provided with bandwidth connectivity to ensure sustainability of USPF projects.

## Stakeholders Initiated Projects (SIP - Bottom-Up)

The Stakeholder Initiated Projects (SIP) are innovative projects conceived by individual proponents. These projects usually differ from the current projects either in scope or in specialty and target specific areas for the spread of ICT geared towards the rural and semi-urban populace or areas that are classified as underserved due to technological advancement.

The aim of the Stakeholder Initiated Projects is to make sure that the USPF has exhausted all avenues in bridging the digital divide that exist between the served against the unserved / underserved communities or locations in Nigeria.

The Stakeholder Initiated Projects (SIPs) conceived, awarded, and completed in 2015 are:

1. Establishment of a Digital Library at Alhudahuda College, Zaria.
2. Establishment of E-learning Centre at National Teachers Institute (NTI) Kaduna.
3. Establishment of ICT Centre at Directorate of Road Traffic Services in Lugbe, Abuja.
4. Provision of ICT Centre at University of Maiduguri, Borno State.
5. Provision of ICT Infrastructure and Services for the Office of the Accountant General of the Federation, Abuja.
6. Establishment of a Technology Incubation Centre in Lagos.
7. Establishment of a Technology Incubation Centre in Kano.





## ICT Centre for the Directorate of Road Transport Service (DTRS) in Lugbe, Abuja-FCT

One of the successful stories of the USPF Stakeholder Initiative Projects is the ICT center for the Directorate of Road Transport Services (DTRS).

The project involves the establishment of an ICT centre for conducting Computer Based Testing (CBT) with the following computers:

### A. Construction of a building to house the ICT centre.

### B. Datacenter and Peripheral Equipment:

- Deployment of rack and activation of servers, switches, routers and associated devices.
- Deployment of access control system
- Installation of power and cooling systems

### C. ICT Center Facility:

- Deployment and installation of ICT components and associated peripherals including 100 All-in-One PCs.

### D. Integration and Activation:

- Integration and configuration of all installed devices.
- Testing and commissioning of the project to ensure seamless connection between/amongst all terminating points.
- Establishment of a Local Area Network using routers and CAT6 (where necessary) that will ensure seamless connectivity.

### E. Training and Maintenance:

- Training of relevant staff on the use of all installed equipment.
- Provide maintenance and technical support for all installed/supplied equipment and devices for six (6) months.





## USPF Events in 2015 USPF Hackathon



Since the launch of the ICT Access Gap Cluster Portal in December 2014, the USPF has used the access gap data to identify target areas, define UAS interventions and implement the interventions. Beyond improvement in the planning and implementation of projects, the data serves as a tool for stakeholders, particularly Operators, to design their service roll-out in the clusters.

The USPF leveraged on the data to organise the 2015 Hackathon challenge to spur the creation of solutions and support start-ups to extend ICT services to the underserved and unserved groups and communities. Consequently, in collaboration with relevant

partners, young innovative ICT stakeholders were invited to hone their ideas in the competition.

The process started with an Idea Sprint workshop in Lagos where select individuals were invited to analyse and review the USPF data in detail, in order to arrive at a set of findings about the applicability of the data to innovation.

The experts were invited from several different fields including: Investors, Data Scientists, GIS experts, Network Infrastructure experts, Subject Matter experts, ICT Technology Solutions and Developers. The program had a specific objective to generate conclusions of technical or specialised forms that would guide innovators during the Hackathon. To achieve this, the experts at the Idea Sprint were tasked to identify and reach conclusions on the following:

1. What can be done with the Access Gap Data?
2. What easy application can be developed in 48 hours?
3. Problems caused by lack of ICTs access







- and lack of telecom coverage?
4. Constraints and barriers to innovation on those problems.
  5. Services needed by people in underserved areas caused or aided by lack of data?
  6. Additional data that can be sourced and overlaid on the access Gap Data?
  7. Kinds of individual able to work on the USPF Access Gap Data? What kinds of skill sets are needed?
  8. What tools and techniques can be suggested or made available to participants in the USPF Hackathon?
  9. Sectors of socio-economic life that innovators should focus on serving with their solutions.
  10. Specific types of technologies that innovators should focus on.
  11. The most important customers of the USPF data.

Following conclusions from the Idea Sprint, the USPF brought together software developers, data scientists, UX designers,

ICT experts, engineers, strategists, public policy experts and students to solve the underlying ICT problem in a 48-hour Hackathon by building fully working prototypes of their solutions following specific technical guidelines. The Hackathon was held on the 18th – 20th of September 2015. 15 solutions were created and the winning ideas were:

- 1st place winner: Datamart – a digital data marketplace.
- 2nd place winner: Farm Fresh (Farmers.ng) - providing ICT services to





First Prize winner of Hackathon 2015

farmers in rural areas. A digital marketplace that bridges urban and rural dwellers.

- 3rd place winner: Social Wi - social media-based reviewer: restaurant, hospitals, etc.

supported to launch through entry in a 3-month incubation programme at iDEA Hub. In incubation, the ventures received mentoring, business development, and administrative support to test their models and focus on execution.

In addition to the cash prizes, the three (3) top solutions from the Hackathon were



Cross Section of USPF team



Participant Pitching to judges during Hackathon 2015

## ~ USPF Events in 2015

### ~ Commonwealth CTO Broadband Forum 2015

Nigeria is a full member country of the Commonwealth Telecommunications Organisation (CTO) via the Nigerian Communications Commission (NCC) and by extension, the Universal Service Provision Fund.

The regulator, NCC, and the USPF continue to partner with the CTO, an international treaty organization, whose object is to be fully involved in the development and use of ICTs for social and economic development. From time to time, the CTO convenes events and conferences either by itself or in collaboration with its members and partners.

The Commonwealth Broadband Forum held in Abuja, Nigeria from 16th to 17th June, 2015 with over 130 delegates in attendance to discuss the impact of broadband on the lives of citizens in the Commonwealth and beyond. The forum was organized by the Commonwealth Telecommunication Organization (CTO) and hosted by the Nigerian Communications Commission (NCC).



In his welcome address, the Secretary General of the CTO, Professor Tim Unwin, stated that the forum with the theme "Broadband for all: From access to inclusion" aimed to address the challenges of broadband exclusion and sought to provide tangible solutions that could be easily adopted and implemented to empower the lives of millions more in Commonwealth countries and beyond.

Various topics discussed by experts at the forum included: Broadband Access: A Necessity, National Broadband Plans, Regulatory Considerations, Connectivity and Access, Financing Broadband, Value-Added Services and Innovations, Mobile Technologies, Spectrum Opportunities, Youth and Technology and lastly, Technology and Social Inclusion.

The Secretary, Universal Service Provision Fund Nigeria, chaired the session on "Financing Broadband" during which presentations were made on funding mechanisms for promoting the deployment of broadband infrastructure (Kojo Boakye, Alliance for Affordable Internet) as well as why universal service funds fail (Parvez Iftikhar, USAID/GBI). Thereafter, the experts discussed and suggested how stakeholders can work together to make broadband accessible and affordable. The suggestion on utilizing the universal service funds for deploying broadband infrastructure, especially in the un-served areas in the various countries, received much emphasis.



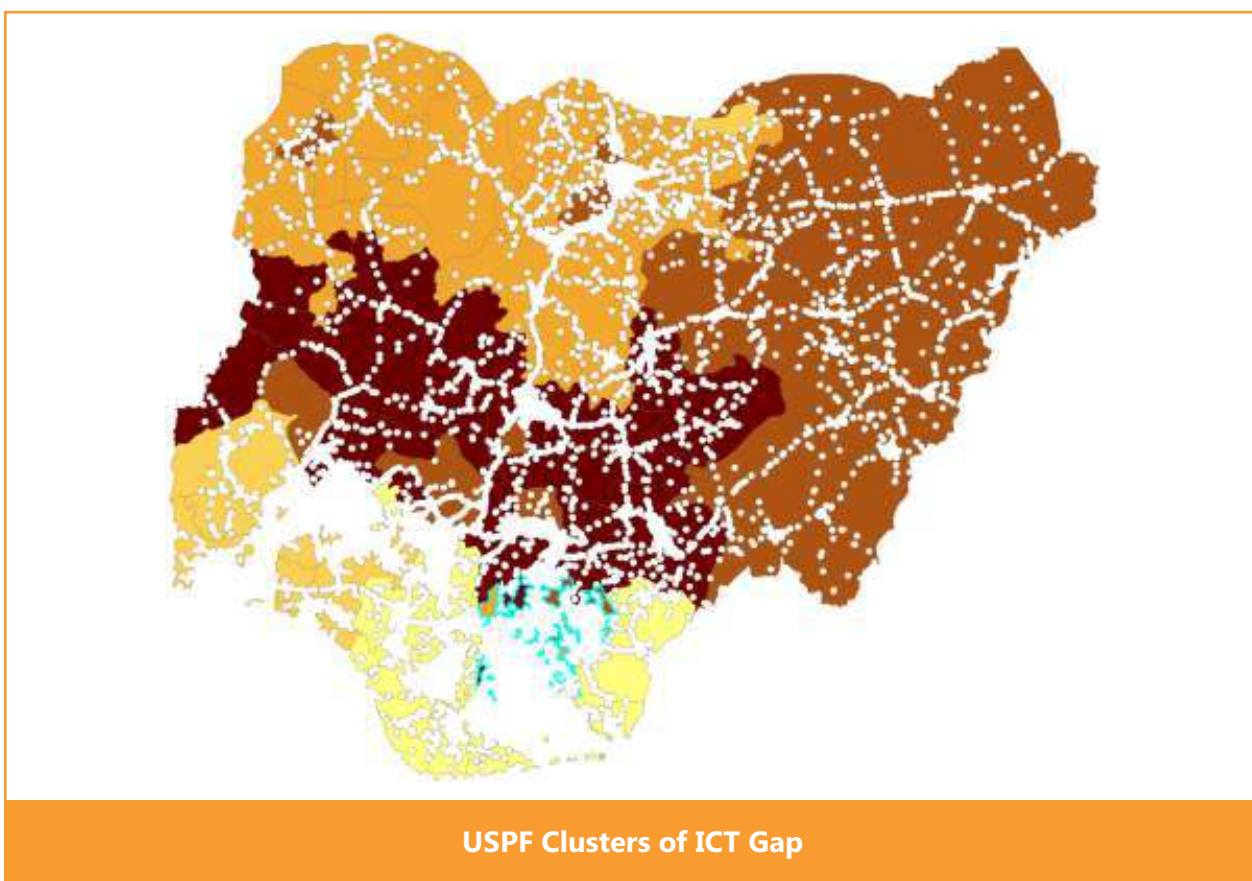
## USPF Events in 2015

### 2015 ESRI User Conference

The Universal Service Provision Fund was in attendance at the 2015 Esri User Conference in San Diego, USA, from 20th to 24th July, 2015. The USPF presented a paper on the Access Gap "GIS Mapping of Network Transport Gaps in Nigeria" during the Telecom-Analytics and Network Planning Session.

The Environmental Systems Research Institute (Esri) is the developer of the ArcGIS platform used in mapping and location analytics. USPF has acquired a license to use Esri's ArcGIS in pursuant to its mandate and in 2014, USPF launched its Access Cluster's Gap project that helps the USP Secretariat identify communities that are Unserved and Under-Served in Information Communication Technologies across Nigeria which allows for proper projects and programmes implementation and Board decision making.

USPF's paper during the 2015 ESRI User Conference can be downloaded using this link <http://proceedings.esri.com/library/userconf/proc15/index.html>



## Major Limitations and Challenges

In spite of a well-structured operational plan, USPF was constrained with the following challenges in 2015.

### Non-availability and Inadequate Public Power Supply:

Incessant power outages in most locations have over exerted pressure on the generator and solar power solutions provided in some sites which has led to a break down of the power source and ultimately power cut to the ICT tools. This has led to the facilities in some locations not being optimally utilized.

### C of O for land acquisition

Issues affecting the effective execution of the BTS project include: Right of way, C-of-O for land acquisition by operators, community restiveness, poor power supply, access road to rural areas, multiple regulations regarding erection of towers (LGA, State Governments NCCA, NESREA) etc. These have continued to plague the implementation of our projects and programmes.

02



01

### Poor Infrastructural Facilities:

The lack of suitable buildings in some selected Schools to house network infrastructures and the non-availability of adequate public infrastructure such as accessible roads in rural areas has been an impediment for successful project delivery over the years.



03

### Security Concerns:

Security of lives of personnel of operating companies and network equipment is a concern that hampers the extension of telecommunication and ICT services to some parts of the country. Civil unrest and bombings in some parts of the country are great hurdles preventing implementers and USP staff from carrying out their activities. This has led to implementation delays and project over runs in those locations.

04



05

### High Cost of Bandwidth

The high cost of providing bandwidth for SKC, E-library and other bandwidth dependent projects under the Access Programmes of the USPF have contributed to a drastic reduction in the number of ICT projects embarked upon by the Secretariat.

## ~ Critical Success Factors for 2016 ~

The Universal Service Provision Fund Secretariat has identified some critical success factors that will enable it perform better in 2016:



### **Budget Approval for USPF**

Budget approval has a correlation with implementation. Therefore, it is pertinent to note that timely approval of budget brings about timely execution of projects under a given year period. For the USPF to deliver on its projects as contained in its mandate, it is important that its budget be approved on time.



### **Monitoring and Evaluation (M & E)**

Monitoring and Evaluation holds a pivotal position in efficient and effective project management for all Universal Service Funds. M & E would help us elicit required information from the projects being implemented. Without effective monitoring and evaluation, there is the tendency that projects may fail to deliver the goals and, even worse, that failed projects might be replicated.



### **Implementation of 2016 Annual Operational Plan**

The Strategic Management Plan 2013-2017 is imperative for the overall success of the Secretariat. The SMP is expected to guide the operations as well as provide policy direction for the Secretariat over the next 5 years.



### **Board Meetings:**

One of the basic functions of the USP Board as contained in the UA and US Regulations, 2007, Specifically, Section 4, (c), empowers the Board to approve the USP programs, USP projects and the budget for all operations and expenses. Accordingly, it is appropriate for the Board to meet at regular intervals to determine and approve the proposed USP Secretariat budget, programs and projects for timely implementation.



### **Board and Management Retreat:**

In the pursuit of its vision of "Equitable ICT Access for All", it is important to hold Board and Management retreat at regular intervals, to review performance, share experiences and sharpen the vision.



### **Branding and Awareness Campaign:**

In order to ensure that beneficiaries/stakeholders appreciate various ICT projects in their various locations, it is imperative to carry out awareness campaigns for stakeholder buy-in and acceptance of USPF projects as well as taking ownership of the projects to enhance sustainability.



## UNIVERSAL SERVICE PROVISION FUND (USPF)

### BALANCE SHEET AS AT 31<sup>ST</sup> DECEMBER 2015

	2015	2014
	=N=	=N=
<b><u>Non-current Assets</u></b>		
Property, Plant and Equipment	53,678,299	64,704,537
<b><u>Current Assets</u></b>		
Stock	5,122,473	4,620,266
Debtors and Prepayments	6,269,109,991	10,582,955,086
Short Term Investment	1,800,000,000	12,700,000,000
Cash and Bank	11,836,503,134	195,914,724
	<u>19,910,735,598</u>	<u>23,483,490,076</u>
<b><u>Current Liabilities</u></b>		
Creditors and Accruals	<u>(21,021,549,937)</u>	<u>(23,740,898,030)</u>
<b>Net Current Assets/(Liabilities)</b>	<u><u>(1,110,814,339)</u></u>	<u><u>(257,407,954)</u></u>
<b>Net Assets/(Liabilities)</b>	<u><u>(1,057,136,040)</u></u>	<u><u>(192,703,417)</u></u>
<b>Financed By:</b>		
Accumulated Fund/(Deficit)	<u><u>(1,057,136,040)</u></u>	<u><u>(192,703,417)</u></u>

## UNIVERSAL SERVICE PROVISION FUND (USPF)

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED

**31<sup>ST</sup> DECEMBER 2015**

	2015	2014
	=N=	=N=
<b>Income</b>		
Contribution from NCC	12,990,469,224	11,521,512,722
Other Income	364,360,456	494,850,284
	<b>13,354,829,680</b>	<b>12,016,363,006</b>
<b>Expenditure</b>		
Projects & Programmes Cost	9,680,731,295	10,062,622,295
Operating Expenses	37,158,806	36,263,393
Fund Management Fees	9,883,667	15,026,000
Administrative Expenses	112,996,925	83,031,096
Employees Compensation & Benefits	824,467,478	434,936,578
Training and Development	203,732,256	320,351,534
Board Expenses	102,674,570	224,590,823
Transfer: FGN/CRF Account	3,247,617,306	5,482,661,734
	<b>14,219,262,303</b>	<b>16,659,483,453</b>
<b>Deficit for the year</b>	<b>(864,432,623)</b>	<b>(4,643,120,447)</b>