



UNIVERSAL SERVICE

PROVISION FUND

Bridging the Connectivity Gap for a Digital Economy



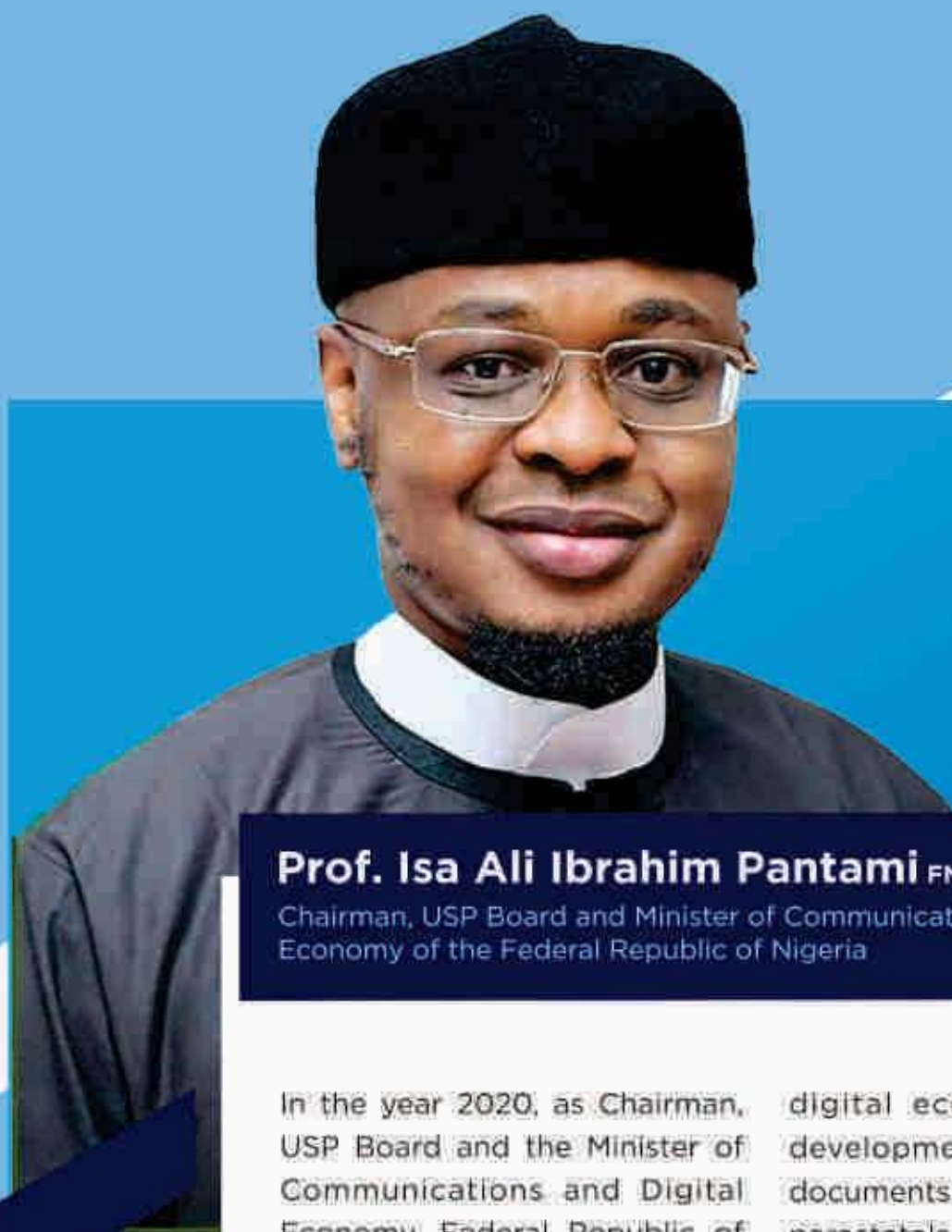
2020 ANNUAL
REPORT



Table of Contents

• Chairman's Statement	02
• Secretary's Statement	04
• About the USPF	06
• Mandate & Objectives of the USPF	07
• The USP Board	12
• 2018 – 2022 USPF Strategic Management Plan	14
• Projects & Major Events of the USP Secretariat in 2020	18
• Major Limitations and Challenges	49
• USPF Audited Account for 2020	51

Chairman's Statement



Prof. Isa Ali Ibrahim Pantami FNCS, FBCS, FIIM

Chairman, USP Board and Minister of Communications and Digital Economy of the Federal Republic of Nigeria

In the year 2020, as Chairman, USP Board and the Minister of Communications and Digital Economy, Federal Republic of Nigeria, I sustained the drive towards the implementation of the digital transformation agenda of the Federal Government of Nigeria.

This unflinching commitment to digital advancement and actualization of the vision of the Federal Government for a truly

digital economy led to the development of some policy documents in collaboration with parastatals under my Ministry and the industry. The National Digital Economy Policy and Strategy (NDEPS) (2020-2030) was unveiled by His Excellency, President Muhammadu Buhari, GCFR, on the 28th of November, 2019 and the Nigerian National Broadband Plan (NNBP), (2020-2025) on the 19th of March, 2020.

The National Digital Economy Policy and Strategy is based on 8 pillars listed below:

1. Developmental Regulation;
2. Digital Literacy and Skills;
3. Solid Infrastructure;
4. Service Infrastructure;
5. Digital Services Development and Promotion;
6. Soft Infrastructure;
7. Digital Society and Emerging Technologies; and
8. Indigenous Content Development and Adoption.

The NNBP 2020-2025 addresses 3 of the 8 priorities that the Federal Government assigned to the Federal Ministry of Communications and Digital Economy, and the parastatals under its purview, for implementation. These areas are; implementation of broadband connectivity, execution of a plan to deploy 4G across the country, as well as the development and implementation of a digital economy policy and strategy.

In the year 2020, the Universal Service Provision Fund played a significant role in actualization of pillars 2 and 3, that is, Digital Literacy and Skills and Solid Infrastructure. This is evident in some of the projects facilitated by the USPF amongst which include; the Base Transceivers Station and Rural Broadband to deepen the penetration of broadband connectivity in unserved and underserved areas. Other projects implemented and launched during the

year were; Tertiary Institution Knowledge Centre (TIKC), School Knowledge Centre (SKC), E-Library and the E-Accessibility Centre, among others.

The COVID-19 pandemic and the lockdowns in early 2020 brought about the 'New Normal' with new opportunities and possibilities being unlocked. The USPF with the mandate to extend ICT services beyond the frontiers of economic viability, continued to bridge the connectivity gap for an inclusive digital economy. Thus, priority projects implemented in 2020 were carefully crafted to provide platform for a digital economy, create new jobs for the youths, take millions of Nigerians out of poverty and ultimately give Nigeria a place in the global digital economy.

We have gone mid-way towards achieving the goals and objectives of the Strategic Management Plan (SMP) (2020-2022). As we go into the second half of operation of the plan, we look forward to greater stakeholders' involvement in ICT development and more success in our drive to achieve the Digital Transformation agenda of the Federal Government of Nigeria.

On behalf of the Board, I thank all Stakeholders for their continued support and commitment towards the achievement of the Fund's goals and objectives.

Prof. Isa Ali Ibrahim Pantami FNCS, FBCS, FIM

Secretary's Statement



Ayuba Shuaibu

Secretary, Universal Service Provision Fund

I am delighted to present the year 2020 report of the Universal Service Provision Fund (USPF). The year 2020 was a year with opportunities and lots of challenges, especially with the Covid-19 pandemic.

In our drive to achieve the mission and mandate of the Fund, the USP Secretariat

implemented some impactful projects to stimulate development in rural, un-served and underserved communities. This was done in line with the Annual Operating Plan (AOP) 2020 drafted from the Strategic Management Plan (SMP) 2018-2022.

In line with our vision, the Secretariat sustained the

promotion of equitable and sustainable ICT infrastructure and services to bridge the digital divide.

The programmes and projects implemented during the year focused at addressing the universal service principles of Availability, Accessibility and Affordability to actualise the objectives of the National Digital Economy Policy and Strategy (NDEPS) (2030) and the Nigerian National Broadband Plan (NNBP), 2020-2025.

The outcomes of the projects are evident, some of which include;

- i. increased ICT uptake and usage in rural and unserved communities,
- ii. emergence of new businesses and employment opportunities,
- iii. provision of platform for financial inclusion and a wide range of other online value-added services,
- iv. reduced cost of doing business and
- v. improved commercial and socioeconomic activities in rural and semi urban areas.

The emergence of Covid-19 and the associated lockdowns and restrictions, affected the implementation of some projects of the USPF in 2020. Nevertheless, the Secretariat was able to record major landmark achievements, some of which include the following:

- Six (6) Electronic Health Records System (E-Health Project)
- Four (4) Tertiary Institution Knowledge Centre (TIKC)
- Twenty Nine (29) School Knowledge Centres (SKC)
- 30 Local Content Development and Deployment (LCD) in institutions across the Six (6) geopolitical regions in the country.
- E-Accessibility Project in 11 (Eleven) institutions
- Twenty (20) Base Transceiver Station (BTS) across the Six (6) geopolitical regions in the country
- Sixteen (16) Rural Broadband Infrastructure (RUBI) project sites across the Six (6) geopolitical regions in the country
- A total of Six Hundred and Seventeen (617) Bandwidth Aggregation in different locations with USPF Projects.

In the coming year, the Secretariat will continue to leverage on the support of our Stakeholders and the Board of the USP, in laying a foundation towards a digital Nigeria to make ICT an engine for economic and social development.

Ayuba Shuaibu



USPF

About the

The Universal Service Provision Fund (USPF) was established by the Federal Government of Nigeria (FGN) to facilitate the achievement of national policy goals for universal access and universal service to Information and Communication Technologies (ICTs) in rural, unserved, and underserved areas in Nigeria.

The Nigerian Communications Act (NCA) 2003, No.19, provides for 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 Communication 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.



Mandate of 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.

In line with Chapter VII, Part IV of the Nigerian Communications Act 2003, the Federal Government of Nigeria established a Universal Service Provision Fund (USPF)

“

to promote the widespread availability and usage of network services and applications services throughout Nigeria by encouraging the installation of network facilities, and the provision of network services and applications services to institutions in unserved, underserved areas or for underserved groups within the community.

”



Vision

Equitable and Sustainable ICT Access for All.



Mission

To facilitate the achievement of universal service and universal access to ICT, through partnerships, which stimulate development in rural, un-served and underserved communities.



Core Values (ICT TIPS)

Our activities are predicated on the values of:

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



USPF Pledge

The activities of the USPF are encapsulated in the Declarations of Principles of the World Summit on Information Society (WSIS) which states that



“

Everyone everywhere should have the opportunity to participate and no one should be excluded from the benefits the information society offers.

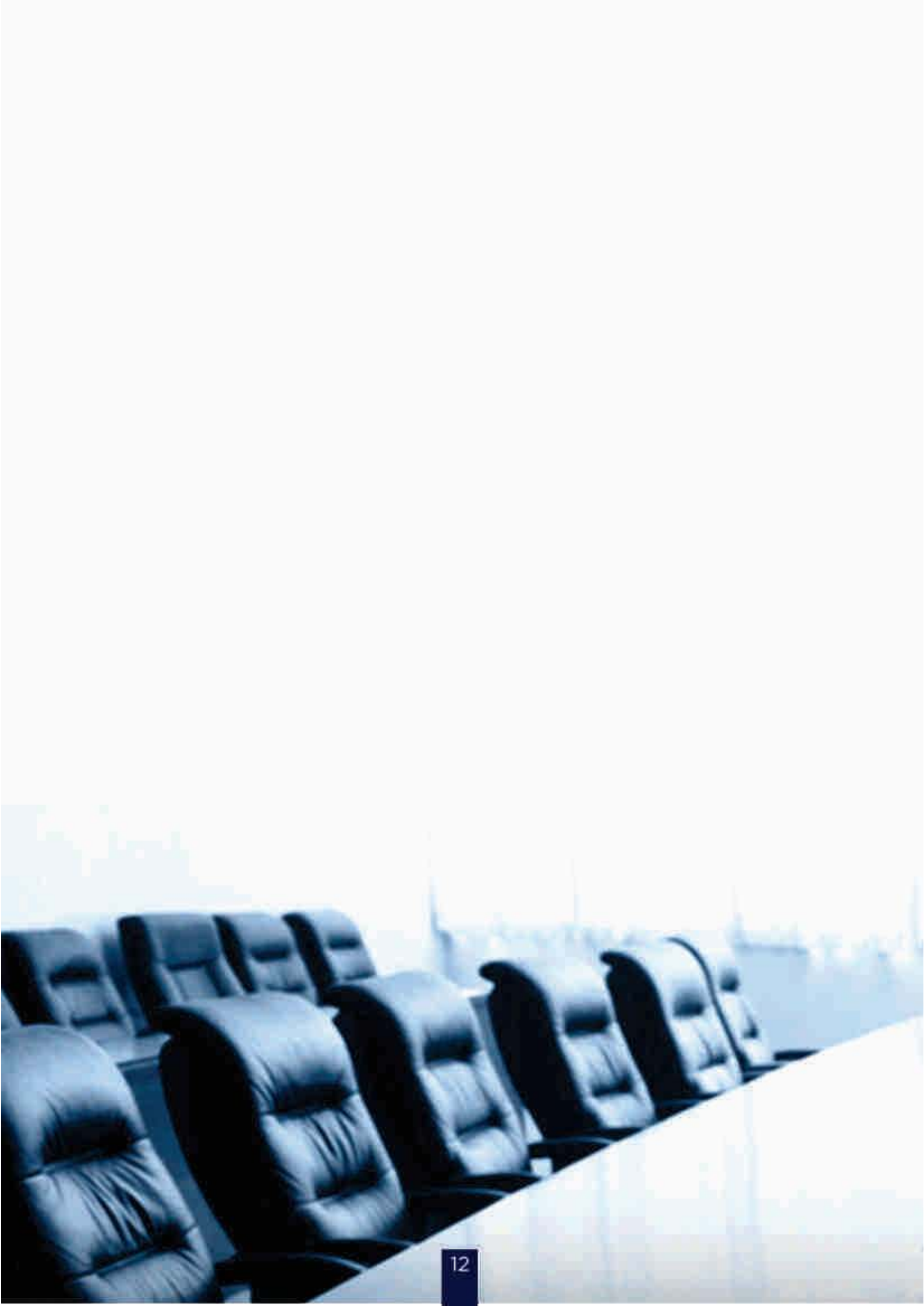
”

Policy Objectives

The major objective of the USP Fund is to ensure that public interest is attained in the provision of ICT applications and services in Nigeria. That is:

- To promote greater social equity and inclusion for the people of Nigeria; and
- To contribute to the national economic, social and cultural development of Nigeria.





The USP Board

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 Communications and Digital Economy
2. Vice Chairman of USP Board and Chairman of NCC Board
3. Executive Commissioner, NCC
4. Executive Commissioner, NCC
5. Representative of National Planning Commission
6. Representative of Ministry of Finance
7. Representative of Ministry of Communications and Digital Economy
8. Representative of Private Sector
9. Representative of Private Sector
10. Representative of Private Sector
11. Representative of Private Sector

2018 – 2022 USPF Strategic Management Plan



The Universal Access and Universal Service Regulation 2007, Section 36 requires the USP Secretariat to prepare a Strategic Management Plan (SMP) for approval of the USP Board, setting out its vision, mission and objective and incorporating its long term plans over a five (5) year period.

The Act also requires the SMP be reviewed from time to time.

Strategic Goals

The Three (3) strategic goals of the SMP are geared towards achieving the USPF vision.

Objective:

Design incentives that would promote the rollout of sustainable ICT services in rural, un-served and underserved areas.

Goal 1

Facilitate an enabling environment for ICT



Strategies:

Carry out relevant studies to determine the demand indices for different categories of ICT services within the country. Continuous Consultation with Stakeholders in the telecommunications industry to identify the barriers/issues which prevent the market from functioning effectively.

Continuous consultation and collaboration with the Nigerian Communications Commission and relevant government

agencies to design, plan and implement incentives that will facilitate the reduction of market efficiency gaps.

Facilitate programs that promote 21st century skills (ICT literacy, internet literacy, data interpretation and analysis, website and applications development).

Goal 2

Objective:

Facilitate the availability of transmission infrastructure and connection to the national backbone in all LGA's. Drive increasing access to community based data and voice services on a shared basis and provide a platform for universal service.

Promote universal access and universal services that facilitate ICT for development (ICT4D)

Strategies:

Provide subsidies or other forms of incentives to telecom operators and eligible service providers to extend ICT transmission infrastructure to identified unserved and underserved areas. Explore opportunities to deploy a full suite of universal access and universal service initiatives to enhance utilization and sustainability of ICT projects. Ensure the co-location and sharing of infrastructure subsidized by USP Fund. Consult and

collaborate with government agencies, not-for-profit organizations and 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

Objective:

Strengthen the USP institution to effectively deliver on its mandate.



Strategies:

People

Ensure alignment of the USP Board and Secretariat's structure and functions, with the vision and strategic goals of 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 standardisation and efficient service delivery in the Secretariat.

Implement Performance

Management Systems (Monitoring and Evaluation - including Audit) of USPF projects to ascertain if the objectives of the programmes and projects are being achieved.

Projects and Major Events of the Universal Service Provision Secretariat in 2020

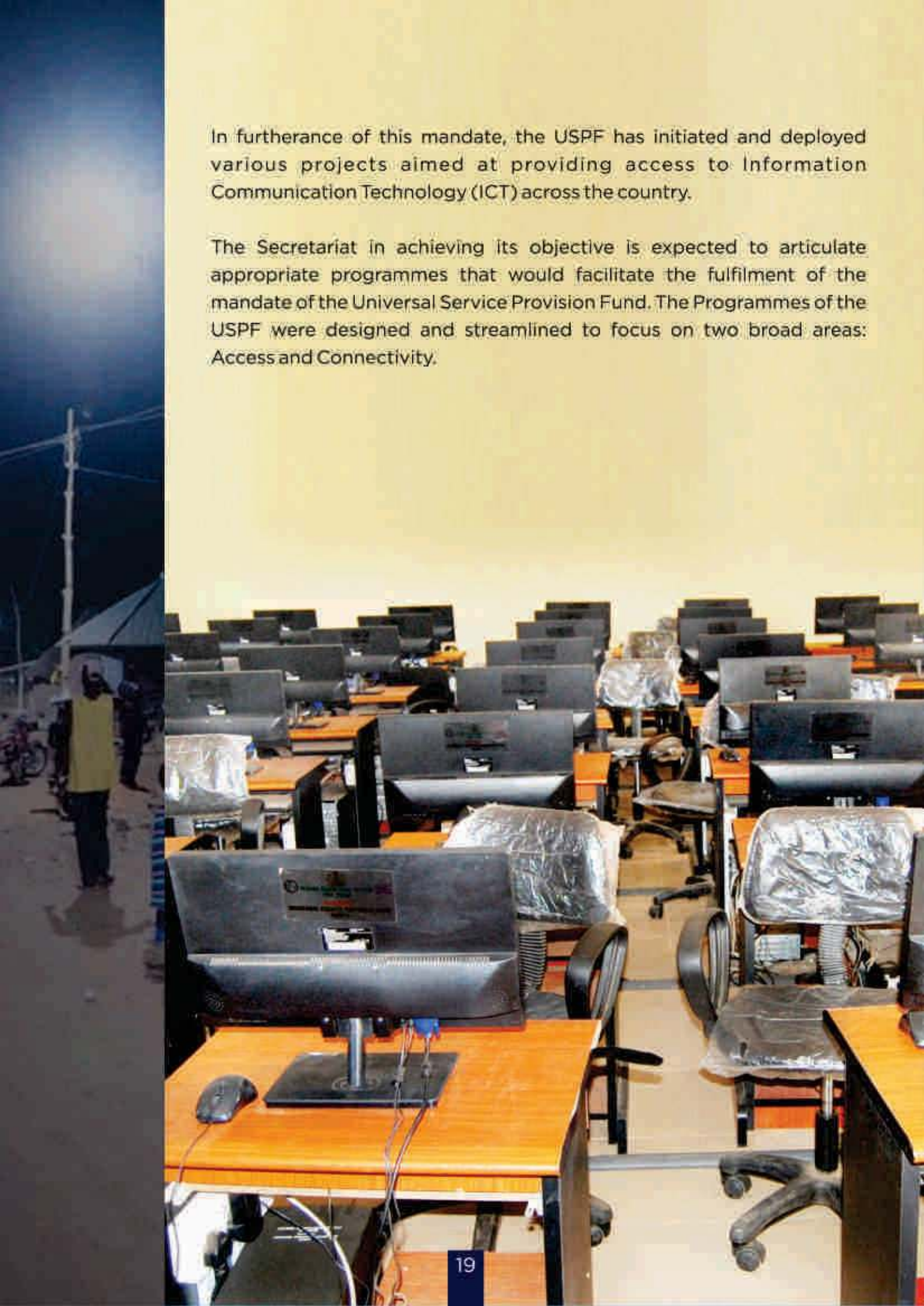
The Universal Service Provision Fund (USPF) was established by the Federal Government of Nigeria to facilitate the achievement of national policy goals for universal service and universal access to information and communication technologies (ICTs) in rural, un-served and under-served areas in Nigeria.

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-People-Partnership framework to provide basic, affordable ICT infrastructure, services to un-served and underserved people, community and population.

In furtherance of this mandate, the USPF has initiated and deployed various projects aimed at providing access to Information Communication Technology (ICT) across the country.

The Secretariat in achieving its objective is expected to articulate appropriate programmes that would facilitate the fulfilment of the mandate of the Universal Service Provision Fund. The Programmes of the USPF were designed and streamlined to focus on two broad areas: Access and Connectivity.

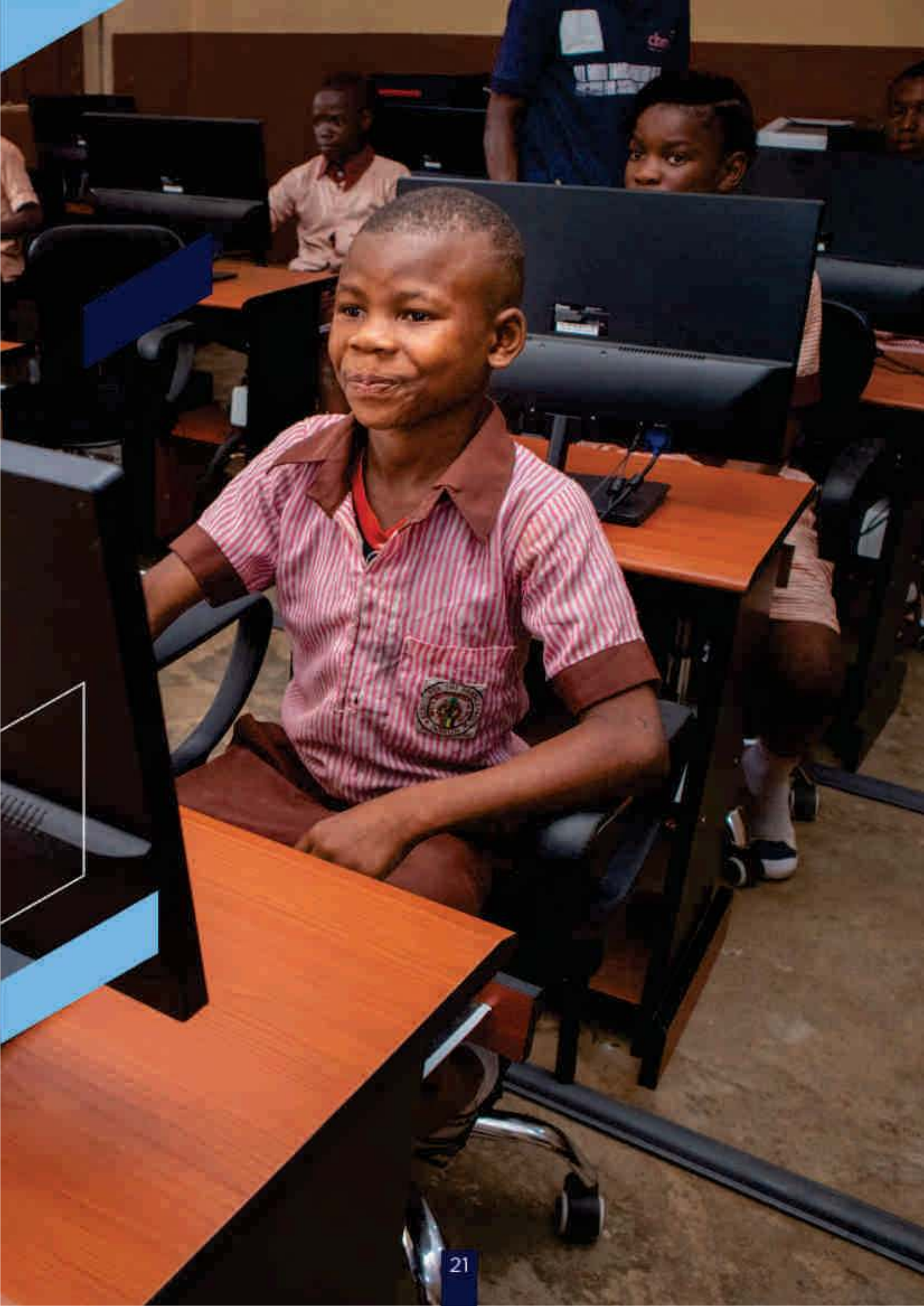




Access Programme

Projects under the Access Programme are implemented through grants and are designed to create demand and promote usage of ICTs in unserved and underserved communities and groups.

The projects involve the provision of end-user devices to complement the telecommunication infrastructure that are deployed under the Connectivity Programme. The following projects were implemented under the Access Programme:



01

School Knowledge Centre (SKC)



The School Knowledge Centre (SKC) of the USPF is aimed at achieving **“Connectivity for Developmental (C4D)”** goals in line with the mandate of the Fund to promote the connection of government public schools to broadband Internet. The aim is to facilitate digital lifestyle in public schools as well as in the school communities.

The objective of the project is to promote the use of ICT in teaching and learning in public secondary schools by providing them with adequate ICT, power and connectivity tools (laptops/desktop, printers, etc). In this regard, targeted beneficiaries shall be public secondary schools in urban and rural areas where the schools have a classroom to be fortified as the ICT laboratory to be used as ICT class for the teachers and students to learn ICT skills. In 2020 the USPF implemented Twenty Nine (29) SKC in the geopolitical zones including Federal Capital Territory Abuja.





Fig 1. SKC class room



Fig 2. SKC connectivity tools



Fig. 3. SKC e-learning session in progress

Project Beneficiaries

Target beneficiaries are public secondary schools in both urban and rural areas that can allocate a free class/hall for the secretariat to implement the project

02

Tertiary Institution Knowledge Centre (TIKC)



Tertiary Institution Knowledge Centre (TIKC), is one of the initiatives of the USPF aimed at facilitating connectivity through deployment of optic fiber cable in order to provide bandwidth connectivity with an internet broadband speed of up to 2mbps. This is to meet developmental goals and ensure the extension of ICT facilities, through installations of ICT devices and its peripherals such as computers, printers, computer desks, chairs and power backup in some selected tertiary institutions thus facilitating a digital lifestyle in the institution.

The objective of the project is to promote the use of ICT in teaching, research and learning in Tertiary Institutions as well as the institution communities, by providing the institutions with ICT tools, associated infrastructures and bandwidth connectivity. Four (4) TIKC were implemented across the country as shown in the table on next page:



S/N	PROJECT LOCATION	STATE	STATUS
1	Cross River University Of Technology, Calabar	Cross River	Completed
2	Air Force Institute Of Technology, Air Force Base, Kaduna	Kaduna	Completed
3	Kankia Iro School Of Technology, Kankia	Katsina	Completed
4	Emmanuel Alayande College Of Education, Oyo	Oyo	Completed



Fig. 4 Network Rack



Fig. 5 TIKC Class room



Fig. 6 TIKC microwave bandwidth carrier

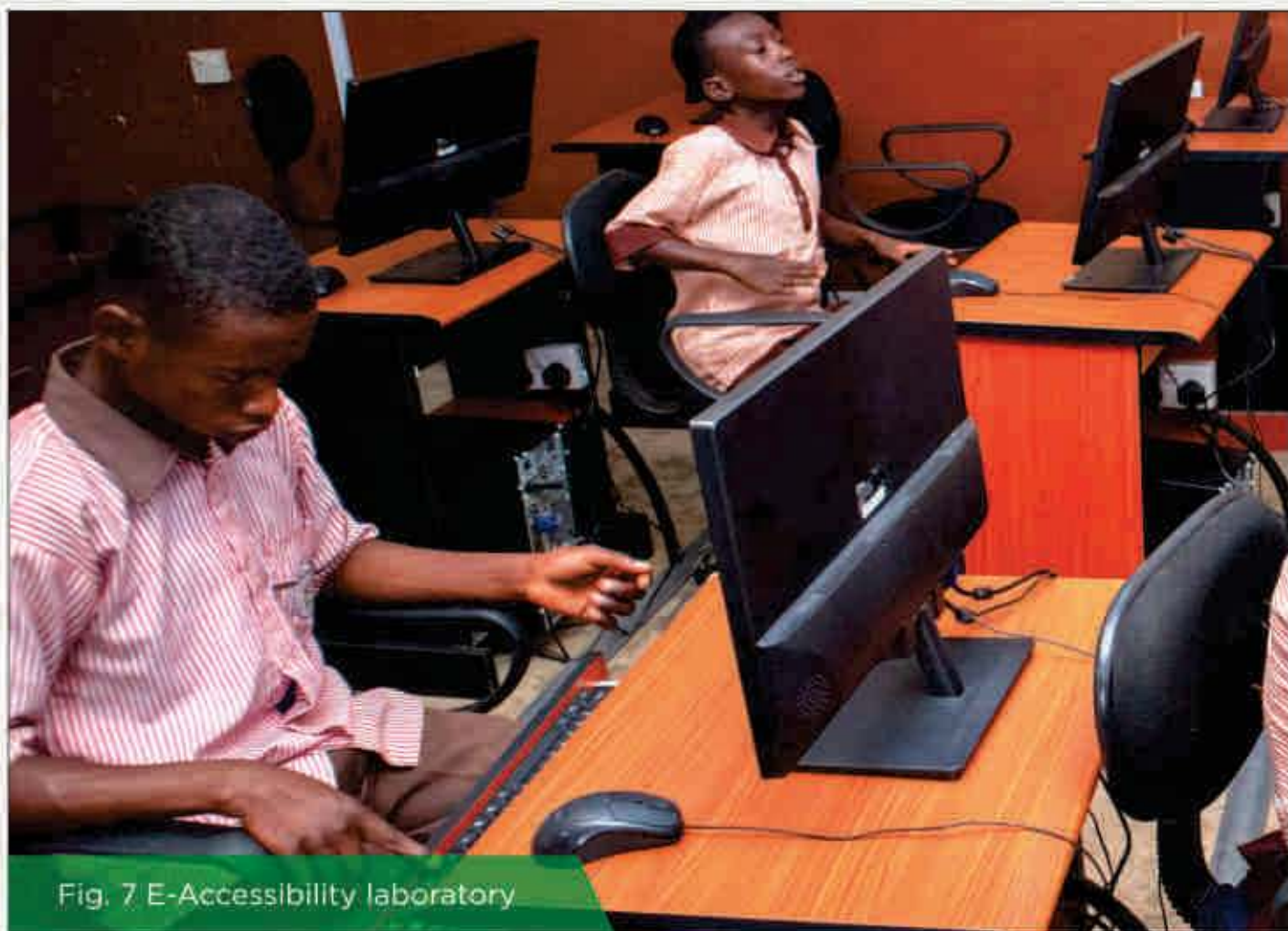
03

E-Accessibility Project

The USPF, through its project Implementers is providing ICTs and Assistive Technology solutions to institutions catering to the needs of different categories of persons living with disabilities. The main objective of the project is to promote digital inclusion for the physically challenged through the provision of ICTs and Assistive Technologies to institutions and schools catering for their needs in line with the mandate of the USPF on social inclusion. Items being provided by USPF include hearing aid, Desktop Computers, Braille Embossers, Screen Reader, etc. USPF has implemented Eleven (11) E-Accessibility projects across Nigeria, with Seven (7) sites each, in the Northern and Southern part of the country.



S/N	ZONE	NO. OF SCHOOLS	STATUS
1	North	6	Completed
2	South	5	Completed



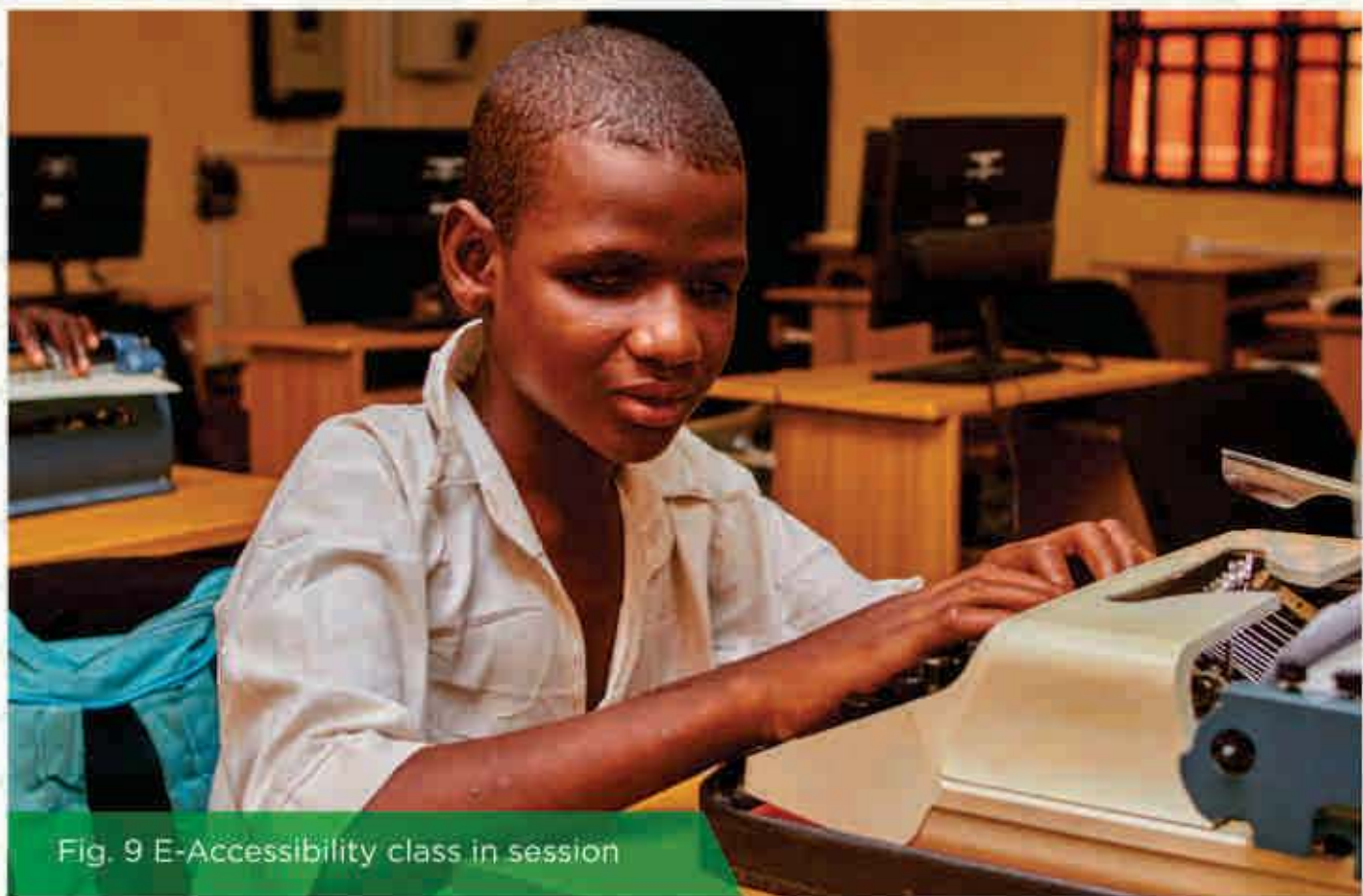


Fig. 9 E-Accessibility class in session

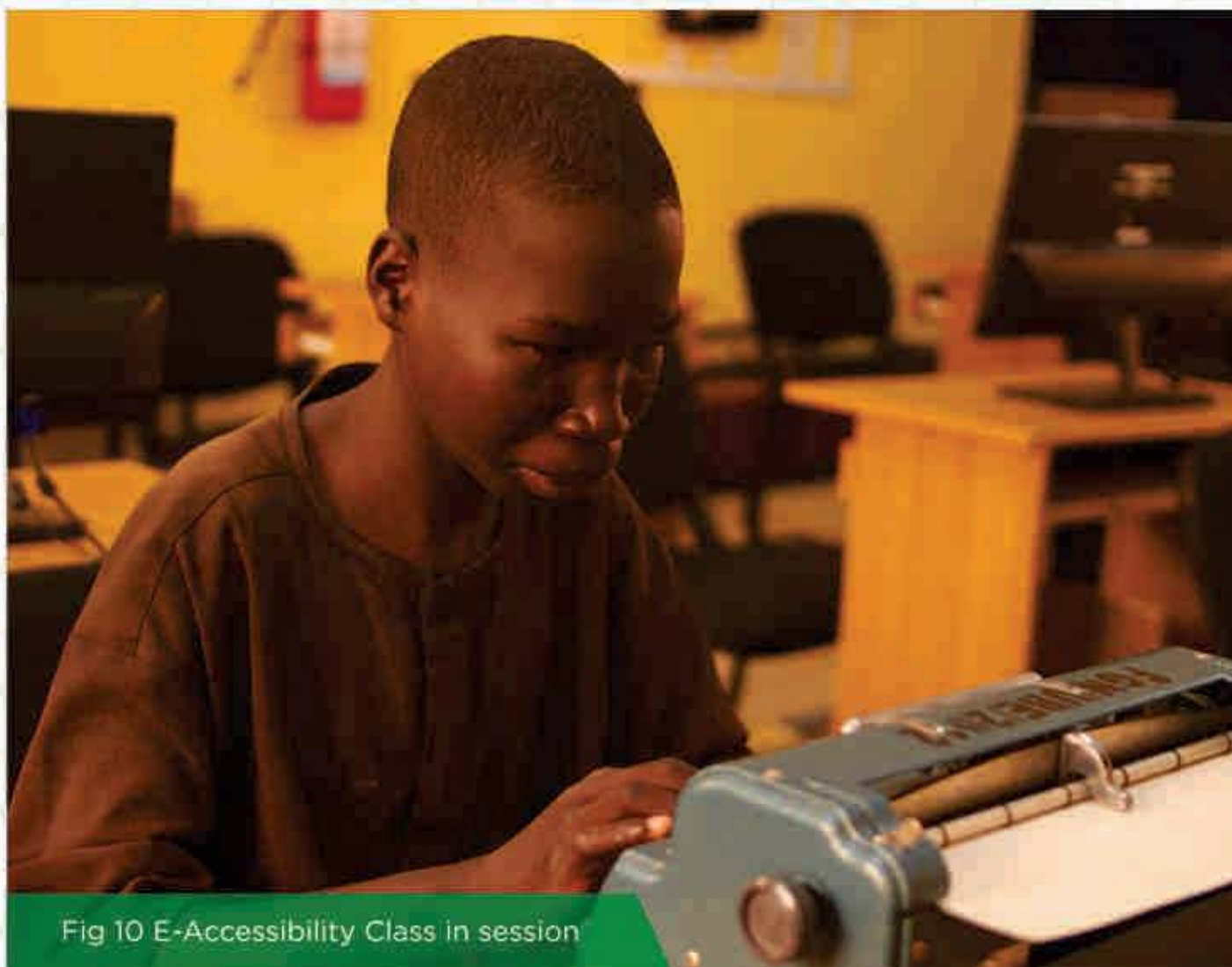


Fig 10 E-Accessibility Class in session

04

E-Health Project



The USPF in fulfilling its mandate, has identified the use of ICT to improve access to healthcare service delivery in public secondary healthcare facilities across the country and funds have been appropriated for the provision of ICTs and Electronic Health Records (EHR) systems to such institutions in Nigeria.

The objective of the project is to use ICTs to significantly improve access and delivery of healthcare services in public secondary healthcare facilities across the country. It is expected that the USPF E-Health Project would lead to general improvement in the turnaround time, quality, and scale of healthcare services delivery in public health institutions throughout Nigeria.

We have executed four (4) E-Health projects across the country in the year under review. This can be seen in the table on next page:



S/N	PROJECT LOCATION	STATE	STATUS
1	Federal Medical Center, Jalingo	Taraba	Completed
2	General Hospital, Tambuwal	Sokoto	Completed
3	Specialist Hospital, Owerri	Imo	Completed
4	General Hospital, Osogbo	Osun	Completed

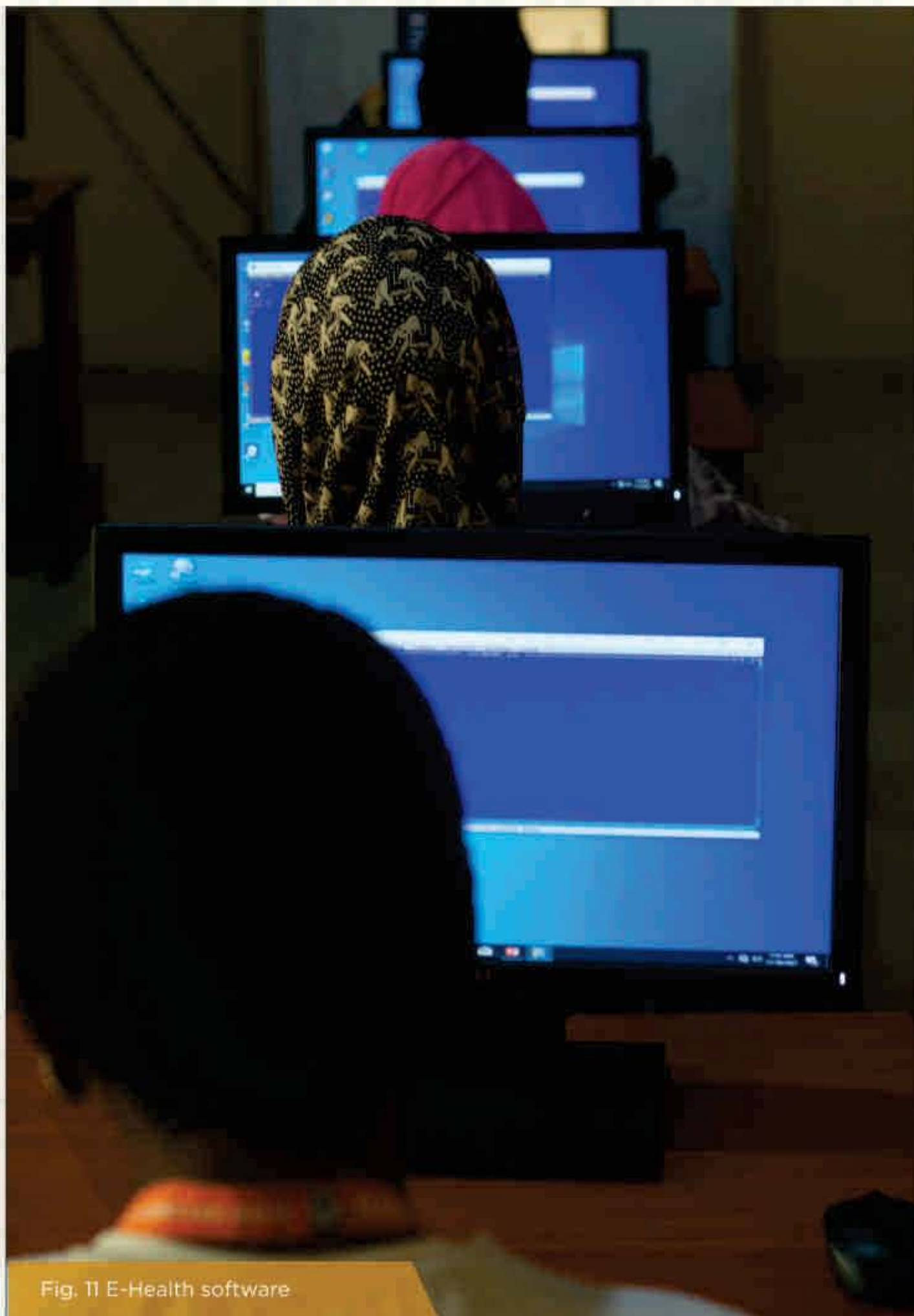


Fig. 11 E-Health software

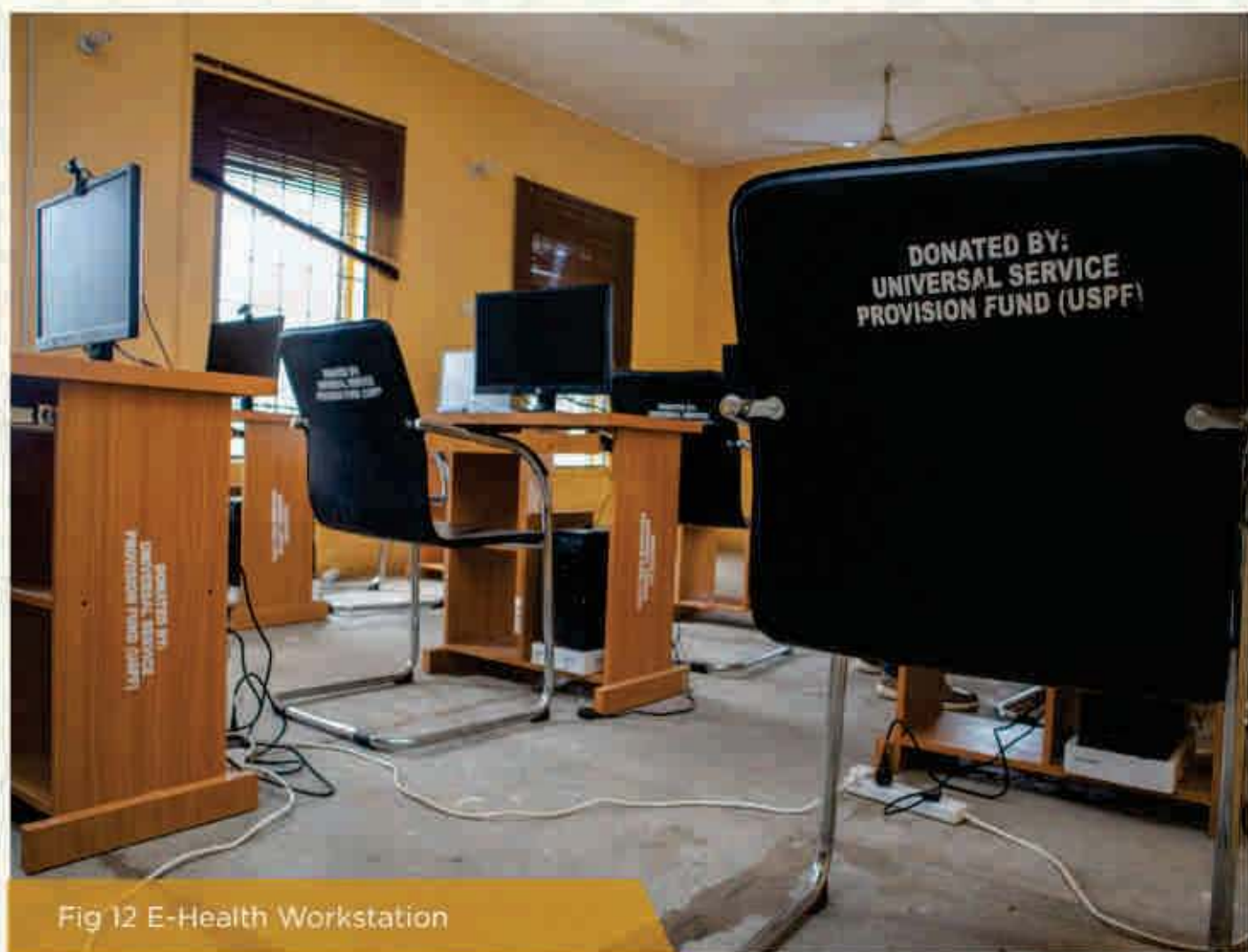


Fig 12 E-Health Workstation



Fig 13 E-Health server room

05

Local Content Development and Deployment (LCD)

The objective of the Local Content Development and Deployment (LCD) Project is to create a sustainable open e-learning technology content (software) that promotes innovation, flexibility, and choice in both teaching and learning. The software enhances teaching and provides a multi-user local content instructional materials aimed at helping students to understand faster the key educational concepts in Mathematics, Sciences and other subjects. The USPF deployed a total of Thirty (30) LCD in the year 2020. This includes sixteen (16) sites in the south and Fourteen (14) in the North. See table on next page:





S/N	ZONE	NO. OF SCHOOLS	STATUS
1	North	14	Completed
2	South	16	Completed



Connectivity Programme

Connectivity programme comprises telecommunication infrastructure projects that are implemented through a 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. The projects implemented under this programme include:

06

Base Transceiver Station (BTS)



The objective of the Base Transceiver Station (BTS) project is to facilitate the achievement of the AMPE (Accelerated Mobile Phone Expansion Programme) which targets the achievement of full voice coverage. This project is implemented through subsidy. The subsidies are determined and awarded through a competitive bidding process by which operators compete for the available subsidies to deploy and operate the stations. In the year 2020, the Secretariat implemented a total of Twenty (20) BTS across the country.





07

RUBI Project



Rural BroadBand Infrastructure (RUBI)

The project seeks to provide a sustainable wireless broadband network in under-served or unserved areas that will serve as an enabler of fast and reliable internet services catering for commercial, residential, educational, government, healthcare and other agencies and groups. Sixteen (16) locations were completed in 2020 at different locations of Nigeria.





08

Bandwidth Aggregation for All USPF Projects



The Bandwidth Aggregator (BA) project involves the purchase of bulk bandwidth that can satisfy the connectivity requirement of USPF projects such as SKC, TIKC, E-Health, E-Accessibility, E-library, etc. across the 109 Senatorial Districts of the Country.

Each location should have a minimum guaranteed broadband internet speed of 5120kbps downlink and 1024kbps uplink for a dedicated subscription period of 12 months. A total of Six Hundred and Seventeen (617) locations across the country benefitted in the year 2020.





Capacity Building For Staff

In line with the objectives of Goal 3 of the USPF Strategic Management Plan (SMP) which is to strengthen the capability of the USP Secretariat to effectively deliver on its mandate, every year, the Secretariat engages in staff capacity building programmes to ensure that staff are adequately equipped with the necessary trainings to aid service delivery. A total number of Thirty Six (36) USPF staff participated in various capacity building programmes.

S/N	USPF PROJECT	BENEFIT
1	Local Content Development	Easy learning for beneficiaries
2	School Knowledge Centres	Improves inter school competition Significant increase in pass rate of student in all major secondary school examinations
3	E-Health Project	The objective of the project is to use ICTs to significantly improve access and delivery of healthcare services in public secondary healthcare facilities across the country
4	E-Accessibility Projects	Enhances the school status and exposes beneficiaries to ICT knowledge. Enhances academic pursuits and skill acquisition through e - access for people living with disabilities
5	E-Library (Information Resource Centres)	Improves reading and learning experience of knowledge seekers and users
6	Innovative ICT Solution and Services	Affords interaction and foster social relation between people from various parts of the country
7	RUBI Project	This initiative provides both wired and wireless high speed broadband internet in the rural areas

Events





SKC Desk Officers Workshop 2020

Universal Service Provision Fund (USPF), organized a one day workshop for the States' School Knowledge Centres (SKC) Desk Officers. One of the objectives of the workshop was to review issues that may have affected the smooth running of SKC projects across the country as well as emphasize the role of SKC Desk Officers in achieving the objectives of the project.

The event held on December 10, 2020 at Nigerian Communications Commission (NCC) Annex Office Mboru, Abuja, and had in attendance 32 Desk Officers from 32 States across the country, including the FCT.





Major Limitations/ Challenges

In spite of a well-structured operational plan for the year under review, the department is faced with a number of challenges in carrying out its mandate, some of which are:

A Lack of Critical Infrastructural Facilities:

The lack of access to network connectivity, 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.

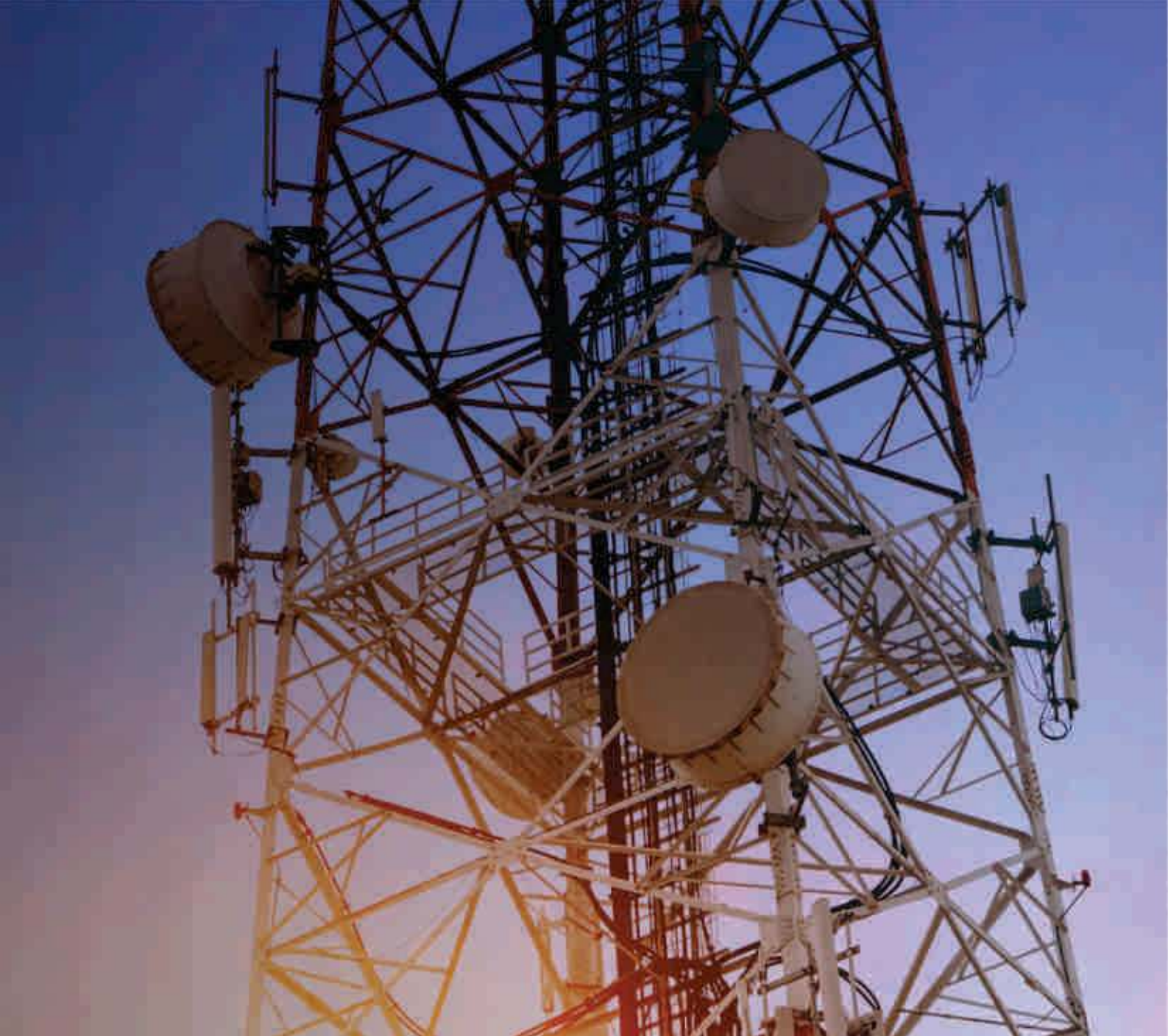
B Non-availability and Inadequate Public Power Supply:

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 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 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. This has led to implementation delays and project time overrun in these locations.



D Lack of Cooperation from Relevant Stakeholders:

The absence of support and cooperation from some relevant stakeholders such as the host States, representatives of the beneficiary institutions and communities have been responsible for delays or the lack of project execution in some selected project locations.

E Deficiency in Basic ICT Knowledge:

The level of ICT knowledge of the beneficiaries is very low or absent in some communities/schools, this impedes the

proper use of the ICT tools provided and in most cases affects the transfers of needed skills for the effective implementation of USPF projects.

Universal Service Provision Fund (USPF)

Statement of Financial Position as at 31st December 2020

	2020 N	2019 N
ASSETS		
Current Assets		
Cash and Cash Equivalents	21,923,232,855	21,214,488,503
Receivables	640,933,638	5,164,356,154
Prepayments	3,026,954	2,593,878
Inventories	18,166,667	16,156,773
Total Current Assets	22,585,360,114	26,397,595,308
Non-Current Assets		
Property, Plant and Equipment	20,638,820	29,146,327
Technical Library Books	8,885,250	8,885,250
Total Non-Current Assets	29,524,070	38,031,577
TOTAL ASSETS	22,614,884,184	26,435,626,885
LIABILITIES		
Current Liabilities		
Unremitted Deductions		-
Payables	13,024,824,854	15,503,455,717
Total Current Liabilities	13,024,824,854	15,503,455,717
Total Liabilities	13,024,824,854	15,503,455,717
Net Assets/(Liabilities)	9,590,059,330	10,932,171,168
NET ASSETS/EQUITY		
Accumulated Fund/(Deficit)	9,590,059,330	10,932,171,168

Universal Service Provision Fund (USPF)

Statement of Financial Performance For the year
Ending 31st December 2020

	2020 N	2019 N
REVENUE		
Fees	3,790,000	3,450,000
Interest Earned	159,032,017	155,290,335
Domestic Grants	7,500,000,000	13,428,028,242
Total Revenue	7,662,822,017	13,586,768,577
EXPENDITURE		
Grants & Subsidies	5,364,982,536	8,737,373,194
Personnel Costs	1,040,411,568	687,023,688
Overhead Cost	83,501,146	315,833,522
Repairs and Maintenance Services	3,983,378	5,217,440
Consulting & Professional Services	268,493,028	23,864,789
Financial Charges	2,395,415	2,503,564
Depreciation Charges	9,614,882	9,187,561
Consolidated Revenue Fund (CRF) Revenue Remittance	1,875,000,000	3,357,007,061
Impairment Loss on Financial & Non-Financial Assets	105,811,531	-
Total Expenditure	8,754,193,484	13,138,010,819
Surplus/(Deficit) from Operating Activities for the period	(1,091,371,467)	448,757,758
Non-Operating Revenue/(Expenses)		
Gain/(Loss) on Foreign Exchange Transaction	-	59,215
Gain/(Loss) on Disposal of Asset-PPE	-	-
Total Non-Operating Revenue/(Expenses)	-	59,215
Surplus/(Deficit) from Ordinary Activities	(1,091,371,467)	448,816,973
Net Surplus/(Deficit) for the Period	(1,091,371,467)	448,816,973

UNIVERSAL SERVICE PROVISION FUND (USPF)

NCC Head Office Building,
Plot 423, Aguiyi Ironsi Street,
Maitama, Abuja,
Federal Capital Territory,
Federal Republic of Nigeria

T: +234 (0)9 4617446

E: info@uspf.gov.ng

W: www.uspf.gov.ng

