

2009 ANNUAL REPORT



Universal Service

Provision Fund



2009 annual report



Universal Service Provision Fund



Table of Content

Table of Content	2
1. Chairman’s Statement	5
2. Secretary’s Statement	6
3. About The USPF	8
4. Mandates of the USPF	10
5. 2002011 Strategic Goals of the USPF	11
6. USPF Board of Directors (2009)	12
7. USPF Organogram	14
8. The Mandate and Objectives of the USPF	15
9. USP Fund Managers Report 2009	16
6. Approved Operating Plan 2009	18
7. USPS Activities and Projects in 2009	23
8. Human Resource and Capacity Development	30
9. Challenges and Constraints	30
10. Critical Success Factors for Year 2010	31
11. USPS Audited Account for 2009	33

Chairman's Statement

It is with great pleasure that I present the Universal Service Provision Fund (USPF) annual report for the year ended 31st December, 2009. The USPF was established by Section 114 of the Nigerian Communications Act (NCA), 2003. The administration of the Universal Service Provision Fund is guided by the provisions of the NCA 2003, the Universal Access and Universal Service Regulations 2007, Guidelines and Determinations issued by the Nigerian Communications Commission (NCC) pursuant to Part VI, Chapter V and Part IV, Chapter VII of the NCA 2003.

The USPF has consistently, in the pursuit of its mandate, spearheaded the growth and development of modern communications facilities to the far ends of the country especially rural areas which house the unserved and underserved population. Consequently, the USPF has been focusing on expanding connectivity and job creation at the remotest corners of the country towards the overall economic development of our country.

In the last three years, the Fund has achieved tremendous progress in the areas of





deployment of ICT infrastructure to unserved and underserved areas across the country. However, in the course of the execution of the laudable programme for which it was established, the Fund has encountered some challenges and constraints amongst which are paucity of basic telecommunication infrastructure backbone, delays due to government approval processes, and the power situation in the country.

We recognize that in all the USPF does, we will continue to solicit for support of the Federal Government of Nigeria and all our stakeholders. I, therefore, invite you all to join forces with us to facilitate the provision

of ICT services to all unserved and underserved areas across the country. Thank you.

Prof. Dora Akunyili (OFR)

Hon. Minister of Information & Communications
Chairman, USP Board

Secretary's Statement



The USP Secretariat was established pursuant to Section 112 of the Nigerian Communications Acts (NCA) of 2003 to serve as the USP Board secretariat. The Secretariat has the sole responsibility of executing all decisions reached by the USP Board in the implementation of projects and general administration.

The USPF was established 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 objectives of the Fund is to achieve universal access through a Public-Private-People-Partnership framework to provide basic, affordable ICT infrastructure, services to unserved and underserved people, community and population.

The USPF's projects are implemented in close consultations with the Federal and State Governments to ensure that funded projects reinforce State's ICT penetration strategies and include areas with demand aggregation. The frameworks for delivering the values and benefits of universal service and access to unserved and underserved areas, underserved groups within a community and settlements throughout Nigeria follow carefully pre-





determined planning and implementation strategies. The project initiation processes are hinged on top-down and bottom-up design prongs.

In realizing our vision of “ICT Access for all” and in line with our mandate and Strategic Plan 2007-2011, the USPF has continued to implement projects that are beneficial and impacting on the people. Some major achievements of the funds activities to date include but not limited to the following;

- Access to basic telephony, internet and broadband services to some unserved and underserved communities
- ICT skill acquisitions to some rural dwellers through the Community Communications Centers
- Empowerment of wireless telecommunications (GSM & CDMA) operators to roll out and provide services to rural communities through the provision of subsidy for the erection of Base Transceiver Stations (BTS) in the economically unviable sections of the country
- Support to Federal Government programmes through the promotion of e-learning and e-commerce
- Identification of ICT infrastructure gap in Nigeria through GIS mapping of ICT infrastructure for economic development and national planning.

The USPF is making a difference through the development of effective and innovative universal access, universal service and universal coverage programmes in Nigeria. We hereby solicit the support and collaboration of our stakeholders to continue to partner with us as we extend ICT infrastructure and services to other unserved and underserved areas in Nigeria.

Thankyou.

Funso Fayomi

Secretary, Universal Service Provision Fund

About The USPF

The Nigerian Communications Act (NCA) No 19 of 2003, Part IV detail the Universal Service Provision Fund in Nigeria. Section 115 established the USP Board with the mandate to supervise and provide broad policy directions for the management of the USP Fund. Section 118 established the USP Secretariat and states that it shall reside in the Commission (NCC) and shall be responsible for the day-to-day administration of the Universal Service Provision.

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. Pursuant to this mandate, the Fund started operation in August 2006 and has embarked on various projects to realize its objectives.





USP PLEDGE

The activities of the USPF is encapsulated in the Declarations of Principles of the World Summit on Information Society (WSIS)ⁱ which states that “Everyone everywhere should have the opportunity to participate and no one should be excluded from the benefits the information society offers”.

Vision

ICT access for all

Mission

To achieve universal access, universal coverage and universal service through a public-private partnership framework that stimulates economic and social development, private sector investment and market-based provision of basic affordable and quality ICT infrastructure and services to unserved and underserved areas, communities and populations.

Core Values

Our activities are predicated on the values of:

- Professionalism
- Integrity
- Innovation
- Commitment

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:

- Promote greater social equity and inclusion for the people of Nigeria; and
Contribute to national economic, social and cultural development of Nigeria.



Mandates of the USPF

The USPF is committed to creating and ensuring Nigerians at all locations irrespective of status and location have access to quality and affordable ICT services.

In line with Chapter VII, Part IV of the Nigeria Communications Act 2003, the Federal Government of Nigeria established a Universal Service Provision Fund (USPF) to facilitate the rapid achievement of national policy goals for universal access to telecommunications, information and communication technologies (ICTs). The Fund is mandated to promote the following objectives in rural and underserved areas of Nigeria:

- Create an enabling environment by raising public awareness on the use and benefits of ICTs, building capacity amongst communities to participate in and take advantage of the economic opportunities in ICT.
- Contribute to national economic and social development through enhancing the universal accessibility and availability of telecommunications and ICT infrastructures and services
- Facilitate the provision of access to ICT service within a reasonable distance to all persons in Nigeria
- Facilitate provision of infrastructural development to rural and underserved areas in a non-discriminatory manner
- Promote technological innovation in ICT service delivery
- Promote competition in ICT service delivery
- Ensure effective utilization of funds to leverage investments in rural communications
- Support the establishment of efficient, self-sustaining, market-oriented businesses, which will continue to expand access to ICTs on their own initiative, requiring the minimum amounts of short- and long-term Fund support possible
- Use ICT to promote greater social equity and inclusion for all the people of Nigeria
- Foster the adoption and use of methods of attaining greater universal access and universal service

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**To promote
Universal
Access**
*Facilitate
community access
to basic telephony,
internet and
broadband
services.*
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2007-2011 Strategic Goals of the USPF

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*To facilitate an
Enabling
Environment.
Consultation and
Awareness
Creation
Programme*
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Section 36 of the Universal Access and Universal Service Regulation 2007, 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 year period. The Act also requires that SMP be reviewed from time to time. The USP Secretariat prepared a Strategic Plan for 2007 – 2011 which was approved and has been operable in the delivery of its vision of ICT access for all.

The approved strategic plan has 5 broad goals and some programmes within each goal. The goals and programmes are:

Goal 1: To facilitate an Enabling Environment

- Consultation and Awareness Creation Programme

Goal 2: To promote Universal Access

- Facilitate community access to basic telephony, internet and broadband services.

Goal 3: To promote Universal Coverage

- Connection to the national transmission backbone infrastructure programme

Goal 4: To facilitate Connectivity for Development (C4D)

- School Access Programme (SAP)

Goal 5: To enable Institutional Development

- USPF sustainability programme

In line with the five (5) goals enumerated above, all programmes and projects of the USPF are tailored towards the achievement of the strategic goals.

USP Board of Directors (2009)



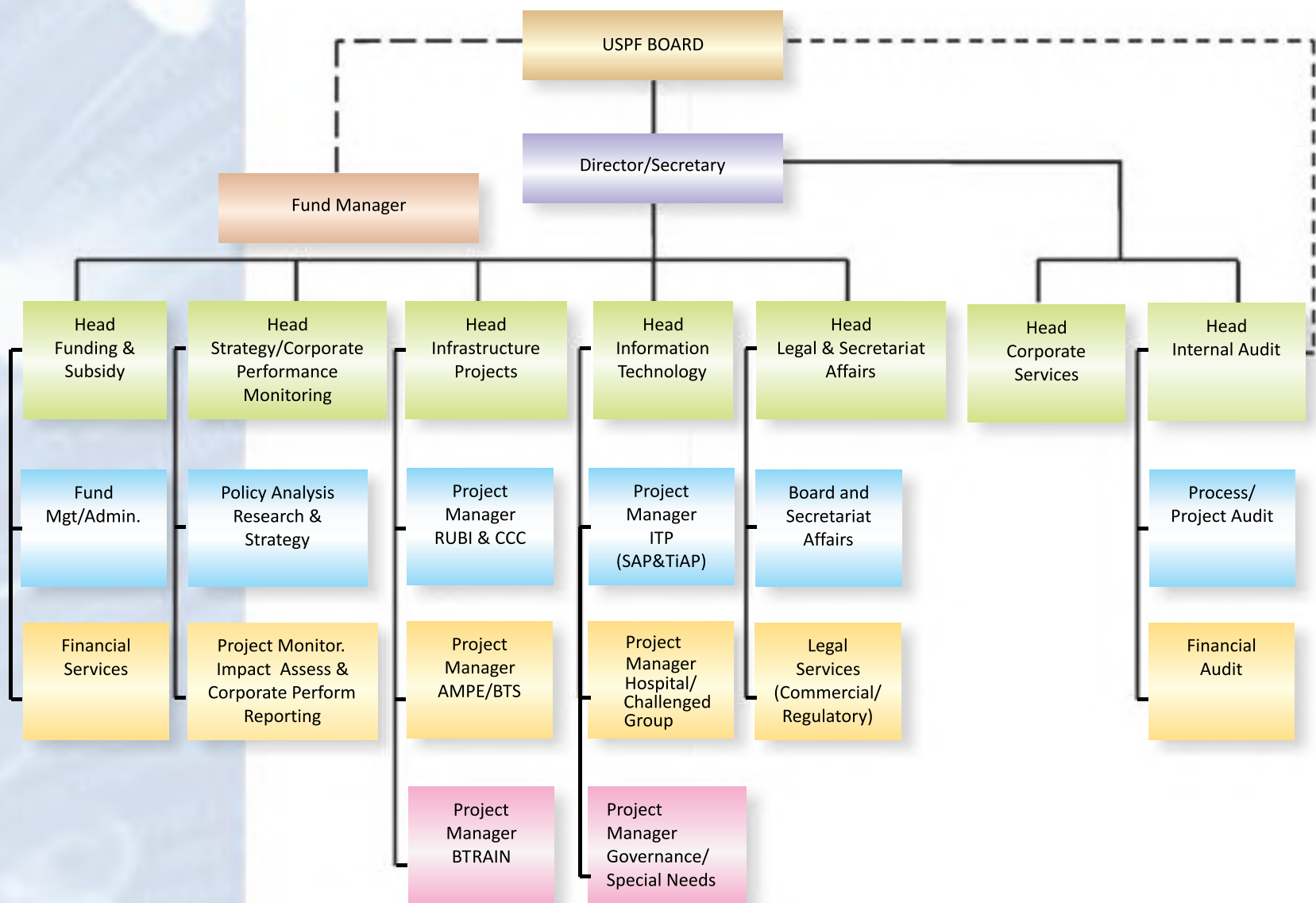
In accordance with the provisions of Section 116 (1) of the NCA 2003, the USP Board is constituted as follows:

- | | | |
|-----|-----------------------------|-------------------------------|
| 1. | Professor Dora Akunyili | HMIC - Chairman |
| 2. | Alhaji Ahmed Joda | Vice Chairman |
| 3. | Engr. Ernest C. A. Ndukwe | Member |
| 4. | Engr. Stephen Olawale Bello | Member |
| 5. | Engr. A. Z. Ozodinobi | Rep. Ministry of Inf. & Comm |
| 6. | Mrs Lexy Omoha | Rep. Ministry of Finance |
| 7. | Engr. I. O. Adegun | Rep. National Planning Comm |
| 8. | Dr. (Mrs) Virgy Anohu | Private Sector Representative |
| 9. | Alhaji Umar Maigari Baba | Private Sector Representative |
| 10. | Chief Moses Makainde | Private Sector Representative |
| 11. | Barr. (Mrs) Rosemary Obanya | Private Sector Representative |





USPF Organogram



USP Fund Managers Report 2009



The year under review witnessed very slow growth in the socio economic landscape of Nigeria. This was primarily as a result of the ongoing global financial crisis, falling oil prices, stock market bubble and banking reform programme embarked upon by the Central Bank of Nigeria.

The Universal Service Provision Fund (USP Fund) in discharging its statutory function of providing network services and application services to institutions in unserved and underserved areas or for underserved groups within the community embarked upon various value adding projects in the year 2009. These projects include; Community Communications Centres (CCCs), Schools Access Programme (SAP), Tertiary Institutions Access Projects (TIAP), Base Transceiver Station and Rural Transmission Backbone. It is worthy to note that most of the executed projects within the period relate to 2008 due to delay in budget approval.

The USP Fund Managers, Messer's Futureview Financial Services Limited carried out the following functions during the period under review;

1. Delivered quarterly financial performance reports to the USP Board detailing interalia Total Revenue, Total Expenditure, Net

Income, Total Assets, Net Assets and Average Return on Investment for the Financial Year ended December, 2009. The sources of revenue were NCC Contributions, Investment Income, Interest on Current Accounts and Tender Fees.

Monthly Bank reconciliations were carried out as and when due and reports made available to the Secretariat through the Funding & Subsidy Department. This exercise aided the discovery and subsequent correction of various erroneous postings in the Funds bank accounts.

2. A comprehensive Bank Health Report was made available to the Secretariat in the wake of the banking sector reform embarked upon by the CBN which led to the removal of top management of eight Banks. This report was of immense benefit to the Secretariat as it provided a clear road map towards safeguarding the Fund's finances.
3. A detailed Insurance Sector Health Report was also made available to the Secretariat. This also arose in the light of banking sector reforms. Shortly after CBN wielded the 'Big Stick' vendors showed a bias towards Advance Payment Guarantees (APG's) procured from Insurance Companies as against those from Commercial Banks. Our report attempted to x-ray various players in the Insurance sector with a view to determining their solvency or otherwise.

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**To facilitate
Connectivity for
Development
(C4D)**
School Access
Programme (SAP)

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USP Fund Managers Report 2009

4. Involvement in Audit Process – The Fund Managers worked closely with USPF External Auditors, Messer's SIAO and Auditors from the Office of the Accountant General of the Federation during the various Audit exercises carried out within the period. During these exercises, clarifications were sought and obtained.
5. Day-to Day Maintenance of Accounts & Financial Records – The Fund Managers have continuously and consistently maintained an up-to-date record of the Funds Accounts and Financial Records. These have largely improved the record keeping system and have resulted in enabling real-time access to Funds Financial Records.





2009 Approved Operating Plan



Approved Operating Plan 2009

GOALS	PROGRAMMES	TARGETS	KEY PERFORMANCE INDICATORS (KPIs)	PROJECTS IN 2009	PROJECTS 2007 – 2011	REMARKS
1 Facilitate an Enabling Environment for ICTs	1. Research Studies/ surveys:	At least two studies/survey annually	Number of topical studies completed and published Number of surveys completed and published	Research on infrastructure gap in Nigeria through GIS mapping of ICT infrastructure. Universal access gap and subsidy estimate study	-Research on infrastructure gap in Nigeria through GIS mapping of ICT infrastructure. -Universal Access gap and subsidy estimate study -ICT penetration analysis using the recently released census figures	
	2. Consultation & awareness creation:	At least two consultative fora annually At least one consultation with government agencies annually	Number of successful consultative meetings held Number of consultations held Number of novel/innovative ideas developed	Stakeholders Consultations Commonwealth African Rural Connectivity Initiative: Capacity Building Workshop	-Regional Consultative Stakeholders fora -Focused Industry Strategic Session -Consultation with other government agencies on constraints to ICT roll-out	The PPPP (Public-Private-Peoples-partnership) Initiative to implement innovative rural access programmes

Approved Operating Plan 2009

GOALS	PROGRAMMES	TARGETS	KEY PERFORMANCE INDICATORS (KPIs)	PROJECTS IN 2009	PROJECTS 2007 – 2011	REMARKS
2. Promote Universal Access and Universal Service	<p>1. Community access to basic telephony, Public payphone Services & Internet Access Services</p> <p>2. Individual access to basic telephony services and internet services</p>	<p>Nigerians will on the average be within 1 km of a shared community telephone</p> <p>Nigerians will on the average be within 10 km of shared cybercafé/telecentre</p> <p>60% of town/villages spread across 774 LGA will have at least one shared community phone</p> <p>60% of communities with a population of more than 5,000 will have a shared community internet access</p> <p>Set up ICT microfinance scheme for unserved and underserved areas</p>	<p>Average distance covered to access a shared community phone.</p> <p>Average distance covered to access cybercafé</p> <p>Number of town and villages with at least one shared community telephone</p> <p>Number of town/villages with shared community internet access.</p> <p>Number of ICT related micro finance institutions operational</p> <p>Number of people empowered through the ICT microfinance institution</p> <p>Number of ICT project financed</p>	<p>CCC project in 109 communities</p> <p>AMPE – Base Transceiver Station</p> <p>AMPE Collocation infrastructure</p>	<p>-Community Communication centre (CCCs) project (Broadband and Telecentres)</p> <p>-Accelerated Mobile Phone Expansion (AMPE) project.</p> <p>-Micro-lending: Stimulate the development of MFI and MFE for the ICT sector.</p> <p>-Large-scale ICT (LSIP) projects</p>	<p>In 2009 Nigerian will on the average be within 45km of a shared cybercafé</p> <p>In 2009 additional 145 towns/villages spread across the 774 LGAs will have access</p> <p>In 2009 Nigerian will on the average be within 15km of a shared Community telephone</p>
3. Promote universal Coverage	1. Connection to the National Transmission Backbone Infrastructure	-100% of Nigeria's 774 local government headquarters will have backbone connectivity	-Number of LGA headquarters with backbone connectivity		-Backbone infrastructure project	30 of the 774 LGA headquarters will have Backbone connectivity



Approved Operating Plan 2009

GOALS	PROGRAMMES	TARGETS	KEY PERFORMANCE INDICATORS (KPIs)	PROJECTS IN 2009	PROJECTS 2007 – 2011	REMARKS
	2. Broadband Network roll-out	-100% of Nigeria's 774 local government headquarters will have at least one operating broadband network that enables end users within a 5 km radius to access the internet.	Number of LGA headquarters with backbone network	RUBI (Rural Broadband Internet) project	Broadband network deployment	73 of the 774 LGA headquarters will have at least one broadband network that enables users within a 30 km radius to access the internet
	3. Voice & Data coverage for all Nigerians	80% of all population centres greater than 2000 will be covered by the signal of an operating cell phone or mobile network.	Number of population centres with more than 2000 people covered with telephone network signal		Accelerated Mobile Phone Expansion (AMPE) project.	
					Voice & Data coverage project	
					LSIP project	
4. Promote Connectivity for development (C4D)	1. School Access Programme(SAP)	85% of tertiary educational institutions will have a broadband connection to the internet. -30% of secondary level educational institutions in communities with population greater than 2,500 will have broadband connections to the internet. -20% of primary level educational institutions in communities with population greater than 3,000 will have broadband connections to the internet.	-Number of tertiary institutions with broadband connection -Number of secondary institutions with broadband connection - Number of primary institutions with broadband connection	SAP – Secondary School Access Project TiAP – Tertiary institutions Access Project	School & Universities access project to digital lifestyle (SUAP2DLS)	-550 secondary schools shall benefit from this programme

Approved Operating Plan 2009

GOALS	PROGRAMMES	TARGETS	KEY PERFORMANCE INDICATORS (KPIs)	PROJECTS IN 2009	PROJECTS 2007 – 2011	REMARKS
	2. ICT to all Nigerians (ICtAN)	-Fund at least one research and development effort annually -Establish at least six ICT development and incubation centres	-Number of research effort assisted -Number of ICT development and incubation centres established		-ICTs for All Nigerians (ICtAN) Initiative project. -Energy to ICTs (E2ICT) project	e-Health pilot project would be launched this year Energy 2 ICT research project would be awarded this year
	3. ICT for government and governance	-Finance at least two bottom-up project annually -Provide for connectivity to at least two challenged group annually	-Number of bottom-up project received, evaluated and financed -Number of government institutions connected		-Collaboration with private sectors, NGOs and International organizations to produce cheap ICT devices for schools -Tropically adaptable and innovative solutions project	3 ICT incubation/Development centre shall be established or funded
5. Institutional Development	1. USPF sustainability	-Staff the USPF Secretariat by the end of 2008 -Develop all operations manuals by end of 2008 -Timely compliance with all statutory reporting requirements on time -Design and deploy ICT and knowledge management infrastructure by end of 2008 -Engage a USPF Fund Manager by 2 nd quarter of 2007.	-Number of staff in relation to requirement -Number of manuals developed and published as against actual requirement -Number of reports published on due date -Infrastructure in place by end of 2008 -Fund Manager in place by 2 nd quarter 2007		-Human capital Management Strategy Project -Manual Development project -Statutory Reporting Project -ICT and knowledge Management Infrastructure project -Fund Management Project	Broadband internet with at least 100Mbps to 74 Senatorial districts with backbone connectivity



Approved Operating Plan 2009

GOALS	PROGRAMMES	TARGETS	KEY PERFORMANCE INDICATORS (KPIs)	PROJECTS IN 2009	PROJECTS 2007 – 2011	REMARKS
		<div>-Deploy full enterprise Resource Planning (ERP) System by end of 2008.</div> <div>-Develop USPF human capital through specialized training, workshops, seminars and conferences</div> <div>-Benchmark good practices for replication through study tours annually</div> <div>-Carry out inter Agency coordination at least once annually.</div> <div>-Set up systems</div>	<div>-ERP system in place by end of 2008</div> <div>-Number of specialized training attended and distribution within the secretariat</div> <div>-Number of relevant benchmark study proposed and number of study tour carried out</div> <div>-Number of coordination meetings arranged and held</div> <div>-Monitoring and evaluation system in place by end of 2008</div>	<div>A World Bank partly sponsored tour to one country in South America</div>	<div>-Enterprise Resource Planning Project</div> <div>-Corporate Governance Strategy Project</div> <div>-Inter-Agency Coordination Project</div> <div>-System Monitoring and Evaluation Project</div>	



2009 USPF

Activities and Projects

P R O J E C



USPS Activities and Projects in 2009

The USP Secretariat commenced full operations in August, 2006. Over the years, the USPF encountered numerous challenges ranging from operational hiccups to delay in budgets approvals. The year under review (January–December, 2009) in particular, the USPF budget was approved in August 2009 by the National Assembly. Nevertheless, the Secretariat was able to record operational accomplishments during the year.

This section of the report highlights achievements recorded in the year 2009; limitations and problems encountered.

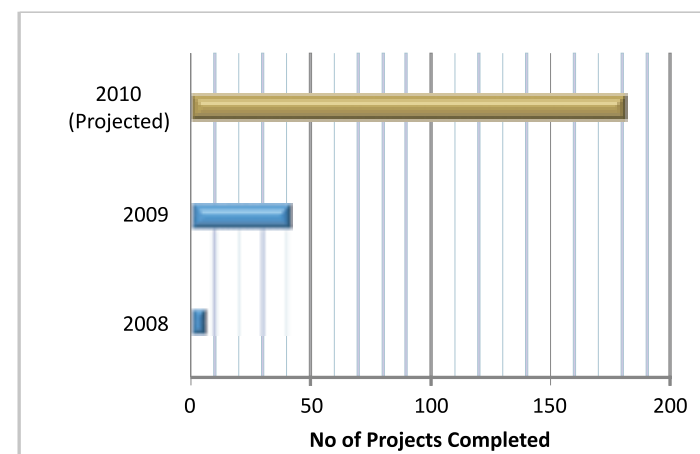


Figure 1: Cumulative Number of CCC Projects Completed (2008-2010)

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**To facilitate an
 Enabling
 Environment.**
*Consultation and
 Awareness
 Creation
 Programme*
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a. **Community Communications Centre (CCC) Project**

The Secretariat in its bid to extend ICT services to rural areas of the country is in the process of issuance of award letters to the successful eighteen (18) proponents for the construction of one hundred and nine (109) CCC II (three (3) CCCs in each of the thirty-six (36) States of the Federation and one (1) in the Federal Capital Territory (FCT) for 2009 CCC project. Thirty (32) CCCs under the 2008 project have been commissioned, and the remaining are at various degrees of completion.



USPS Activities and Projects in 2009



b. Accelerated Mobile Phone Expansion (AMPE) Programmes

The programme consists of 3 projects:

- i. **Co-location Infrastructure Project (CIP)**
The project is designed to encourage the provision of shareable (passive) telecommunication infrastructure in rural areas for co-location of telecommunication companies.
The Secretariat embarked on construction of fifty-four (54) CIP. The successful implementers have started the process of mobilization.
- ii. **Base Transceiver Station (BTS) Project**
The Secretariat has issued letter of subsidy

award for the construction of fifty-one (51) BTS sites, out of which thirty (30) have been commissioned into service by the network providers.

- iii. **Solar-Powered GSM for Rural Network Project**
The Solar-Powered GSM for Rural Network Project is designed to address the problem associated with power for BTS that are located in rural areas; the project is aimed at powering BTS via solar-power.

- c. **Rural Broadband Initiative (RUBI) Project**
RUBI project is designed to provide wholesale Internet bandwidth to Community Communication Centers (CCC), Cybercafés, Rural Internet Service Providers (RISE), School Access Project (SAP), Tertiary Institution

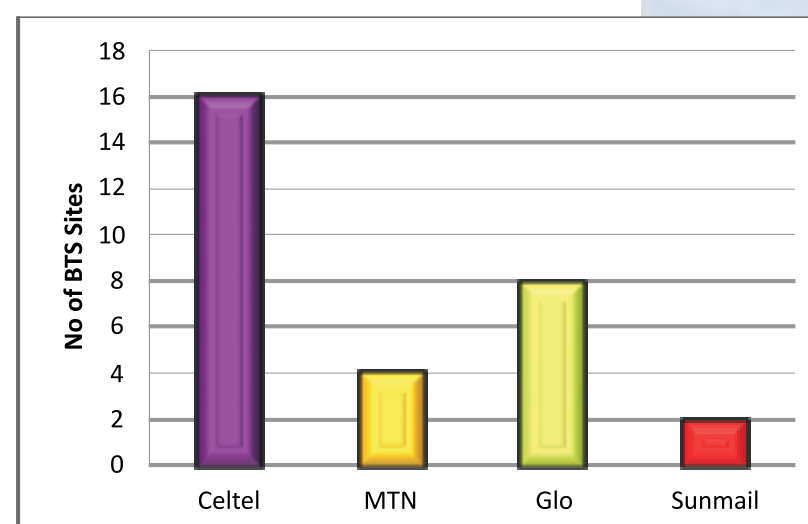
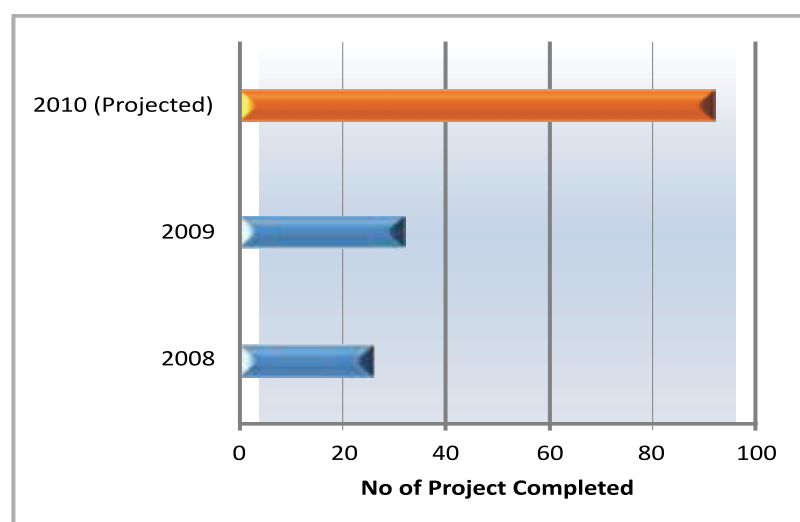


Figure 2: Cumulative Number of BTS Projects Completed (2008-2010) Figure 3: Deployment of BTS Sites by Operators as at 2009



USPS Activities and Projects in 2009



Access Project (TIAP) and similar institutions etc in rural communities in Nigeria. RUBI will also enable private operators to, provide and operate broadband network in rural areas. RUBI Operators will provide for extension of Broadband Internet connectivity to communities located within a given geographical area.

The project will be rolled out in one hundred and nine (109) Local Government Areas i.e. three (3) in each State and one (1) in the FCT in the first phase.

d. Backbone Transmission Infrastructure (BTRAIN) Project

The Backbone Transmission Infrastructure (BTRAIN) Project is scheduled to commence in the year 2011. The project is conceived to address the dearth and inadequacies of fiber

optic backbone networks and transmission links in rural Nigeria, which adversely affects network performance, quality of service, expansion of ICT access, service delivery and the economic development of Nigeria.

The BTRAIN is aimed at accelerating the build-out of backbone transmission infrastructure in Local Government Areas (LGAs) where the construction of backbones will either be severely delayed (e.g. by 2 to 5 years) or will not be built-out without a smart subsidy. BTRAIN is planned on phased implementation with priority given to LGAs that are being or will be served by the Accelerated Mobile Phone Expansion Project (AMPE) and Community Communications Centres (CCC) Project, School Access Program (SAP) as well as State Accelerated Broadband Internet (SABI) Project of NCC.

In view of this, the Secretariat is in the process of publishing an EOI requesting the services of a Technical Consultant to kick start the project. The consultancy will facilitate Connection to National Backbone Transmission Infrastructure Programme which it intends to deliver by harnessing the enormous capabilities of Information and Communications Technology (ICTs) that would assist the country to meet the Millennium Development Goal (MDG) targets. This is in line with global acknowledgment of ICT as a tool for fighting poverty, especially in developing economies like Nigeria.

USPS Activities and Projects in 2009

e. Schools Access Project (SAP)

The Schools Access Programme (SAP) is aimed at achieving the Connectivity for Development (C4D) goal in line with the mandate of the Fund to promote the connection of government schools, libraries and institutions in rural underserved and unserved areas to broadband internet. The aim is to facilitate digital lifestyle in the schools as well as in the school communities. Each institutions/school is provided with 100 Classmate PCs, with school.net content and accessories along with high speed internet connectivity. The schools are encouraged to share these facilities with their surrounding communities on a commercial basis to support maintenance and ensure sustainability where specified.

In recognition of the tremendous success achieved in the execution of the first phase of the project and the positive impact generated

in the select schools communities, the Secretariat, in 2009 budget made provision for additional 290 government schools across the country comprising of 9 schools per state and 3 in FCT. Same figures were approved for 2010. They are of various stages of completion.

f. Tertiary Institution Access Project (TiAP)

The TiAP project is aimed at facilitating connectivity to broadband Internet with speed of up to 1Mbps to tertiary institutions. The beneficiary institutions will receive 100 computers, 2 printers each including network facilities and fire walls with broadband Internet connectivity.

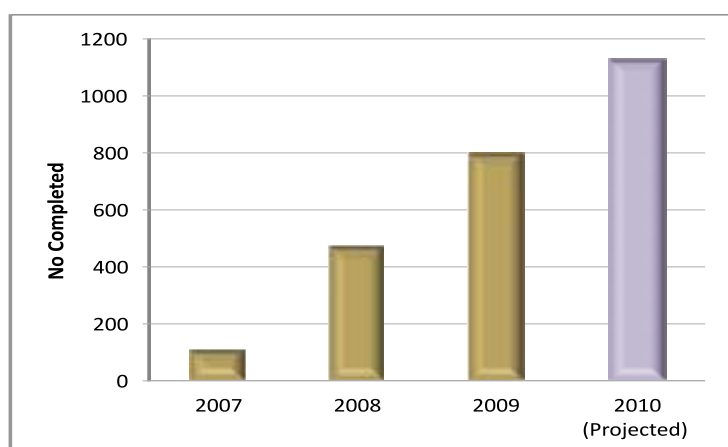


Figure 4: Cumulative Number of SAP Projects Completed (2007-2010)



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**To promote
Universal
Coverage**
Connection to the
national
transmission
backbone
infrastructure
programme
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USPS Activities and Projects in 2009

Further to the approval of the USPF 2007 budget by the National Assembly, the Secretariat in liaison with the relevant committee of the USPF Board has implemented the project in seventy three (73) tertiary institutions, made up of two (2) in each State of the Federation and one (1) in the FCT.

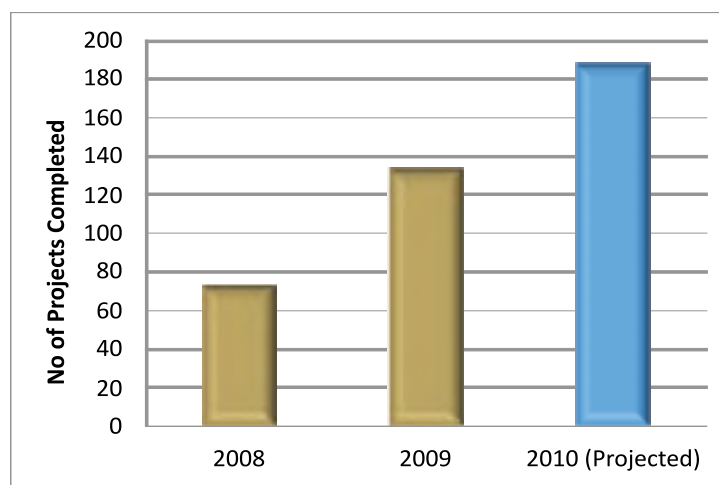


Figure 5: Cumulative Number of TiAP Projects Completed (2008-2010)

Following the tremendous success and impact the project generated in the selected institutions, additional 60 institutions were provided in the 2008 budget the implementation of which is on-going and has reached an advance stage of completion. In 2009 an additional of 60 schools were provided and the selection process through competitive bidding process is on-going, after which the contract will be awarded to the winning bidders.

g. **Geographic Information Systems Mapping of ICTs Infrastructure, Gap Analysis and Subsidy Estimates in Nigeria.**

The National Survey and GIS mapping of ICTs Infrastructure, Gap Analysis and Subsidy Estimates in Nigeria is a value added project embarked upon by the Fund. The GIS survey is aimed at developing a detailed GIS mapping of ICT infrastructure that will link geographic data with socio-economic data and information on coverage of existing or planned ICT infrastructure in Nigeria that is linked to key demographic, socio-economic and geo-political information that can be used by the USPF to target and prioritize USPF Programs and Projects. Information from the GIS mapping can also be used to estimate and update the market gap and access gap in Nigeria.

The GIS was successfully installed in the secretariat during the year under review.

h. **Human Resource and Capacity Development**

The forte of USP Secretariat is its strong human resource base. Guided by the Federal Government's Policy on capacity building for Civil Servants, USPF ensures that relevant and appropriate capacity are built to enable Staff meet challenges ahead.

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To facilitate
Connectivity for
Development
(C4D)
School Access
Programme (SAP)
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Challenges and Constraints



Despite having in place a well articulated and conceptualized five (5) year Strategic Plan (2007 – 2011), the Secretariat has not been able to fully implement all the respective programmes in the Plan as scheduled for a number of reasons which include:

a) Delay in Approval of budget and Securing Due Process No-Objection from Bureau of Public Procurement (BPP):

Delay in approval of the USPF 2010 budget by the National Assembly, (the USPF budget was approved in December, 2010) and securing necessary approvals required, contributes immensely in slowing down the pace of USPF project implementation in the previous year. This is a serious bottleneck that has been identified and which must be smoothened if USPF intervention effort in facilitating the provision of ICT facilities is to be sustained at fast pace.

b) Dearth of network infrastructures: Some USPF projects require existing network infrastructures such as national transmission backbone, Point of Interconnection (POI), Internet Exchange Points (IXP), etc. to ride on

for successful project implementation and deployment. For instance, the backbone transmission infrastructure project of the USPF is designed to connect rural areas from the national transmission backbone infrastructure and this will almost be impossible to implement without a national transmission backbone in place first.

c) Dearth of suitable real estate and public infrastructures in rural areas: The lack of suitable buildings to house network infrastructures and the non-availability of adequate public infrastructure such as accessible roads in rural areas is a challenge. Another constraint is the difficulties in acquiring landed properties (real estate) for projects in rural areas due to the prevalence of family and communal feud over land ownership in rural areas. Hence, the Secretariat has witnessed delay in construction of CCCs in such locations.

d) Non-availability or inadequate public power supply: The cost of providing alternative power source to power network equipment has the disadvantages of driving higher the total cost (CAPEX and OPEX) of

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*To enable
Institutional
Development
USPF
sustainability
programme*
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Challenges and Constraints

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**To enable
Institutional
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USPF
sustainability
programme
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project implementation and deployment. It is evident that power outages are more prevalent in rural areas than in urban areas, hence, in 2009 budget the Secretariat made provision for research and development of alternative source of energy that will facilitate the provision of ICT to all.

- e) **Environmental and Security Concerns:** Security of lives of personnel of operating companies and network equipment is a concern that may hamper the extension of telecommunication and ICT services to some parts of the country.



Critical Success Factors for Year 2010

For a successful implementation of the USPF programmes/projects, the Secretariat has identified some critical success factors which include but not limited to the following:

- **Approvals for USPF budgets:** Early approval of USPF budgets is critical to timely implementation of projects.
- **Approvals for USPF Projects & Programmes:** Early and fast approval process for USPF projects is critical for achieving success in 2008 and ensuring that projects are implemented and commissioned as scheduled.
- **Embarking on Aggressive Awareness Campaign:** The need to educate and enlighten the public on the activities of USPF is

crucial to the success of USPF projects. This will assist in ameliorating some of the identified problems, stimulate public acceptance and cooperation. The Secretariat is in the process of engaging advertising companies to assist in its enlightenment campaign.

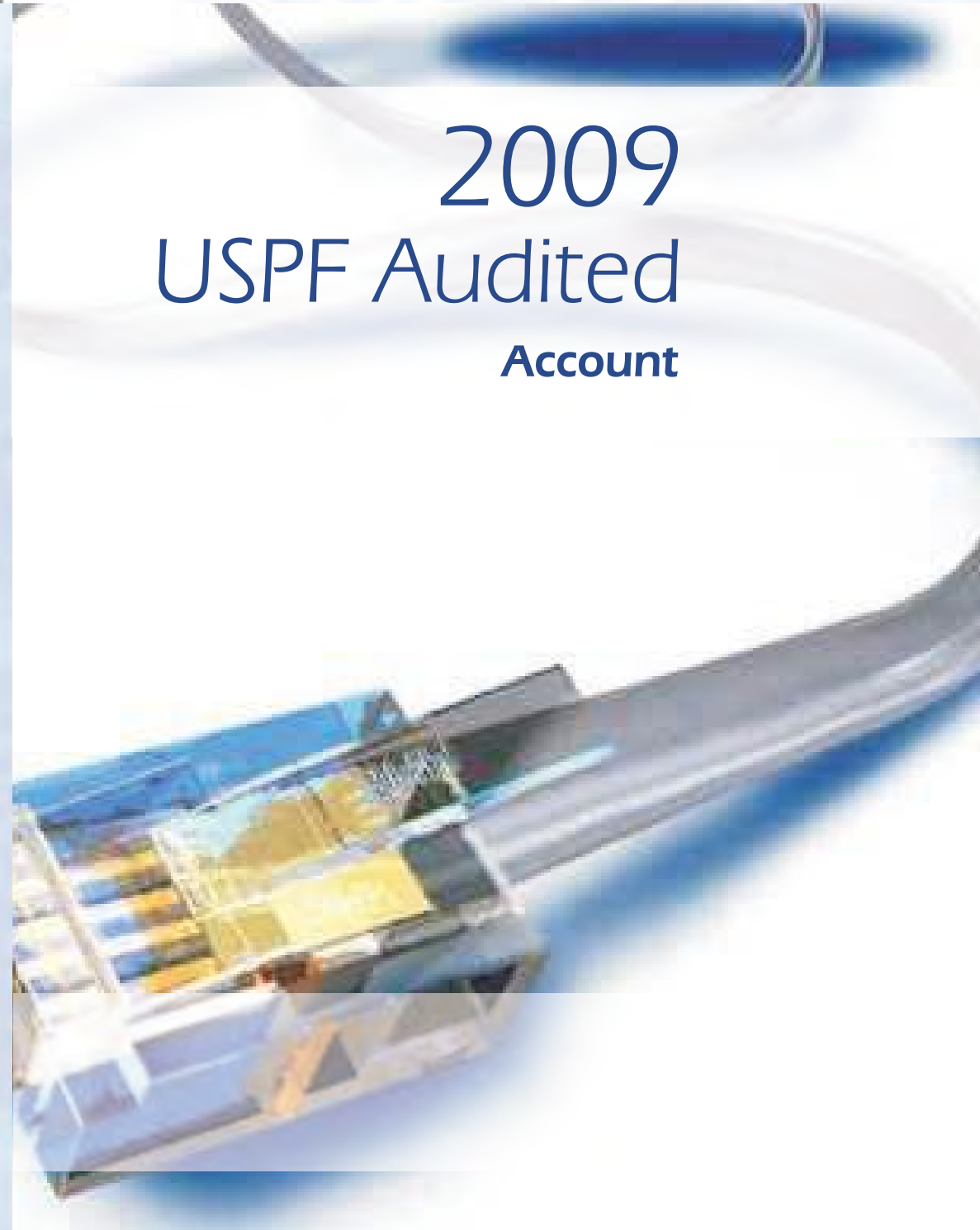


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*To promote
Universal
Coverage
Connection to the
national
transmission
backbone
infrastructure
programme*
”





2009 USPF Audited Account



USPF Audited Account for 2009

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2009

BALANCE SHEET

	2009	2008
	N	N
Fixed Assets (Net Book Value)	36,710,562	44,250,030
CURRENT ASSETS		
Stock	7,269,343	4,893,000
Debtors and Prepayments	3,678,101,204	2,885,932,284
Short Term Investment	20,504,895,757	15,854,895,757
Cash & Bank	90,899,059	162,695,799
	<u>24,281,165,363</u>	<u>18,908,416,840</u>
CURRENT LIABILITIES		
Creditors: Amount Falling due within One Year	693,390,956	271,963,638
	<u>693,390,956</u>	<u>271,963,638</u>
NET CURRENT ASSETS	<u>23,587,774,407</u>	<u>18,636,453,202</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>23,624,484,969</u>	<u>18,680,703,232</u>
NET ASSETS	<u>23,624,484,969</u>	<u>18,680,703,232</u>
Financed By:		
ACCUMULATED FUND	<u>23,624,484,969</u>	<u>18,680,703,232</u>
	<u>23,624,484,969</u>	<u>18,680,703,232</u>



USPF Audited Account for 2009

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2009

INCOME AND EXPENDITURE

	2009	2008
INCOME	N	N
Contribution from NCC	7,303,847,359	5,900,204,826
Other Income	2,211,879,207	1,410,818,135
	<u>9,515,726,566</u>	<u>7,311,022,961</u>
EXPENDITURE		
Project & Programme Cost	4,054,862,309	1,729,512,245
Operating Cost	41,424,750	32,750,276
Fund Management Fees	81,654,520	81,654,520
Administrative Cost	57,815,442	30,753,045
Employees' Compensation & Benefits	166,809,774	64,395,776
Training and Development	81,805,590	61,554,921
Board Expenses	80,162,657	52,288,602
	<u>4,564,535,042</u>	<u>2,052,909,385</u>
Surplus of Income over Expenditure	4,951,191,524	5,258,113,576
Balance brought forward	<u>18,680,703,232</u>	<u>13,422,589,656</u>
Balance carried to Balance Sheet	<u>23,631,894,756</u>	<u>18,680,703,232</u>

USPF Audited Account for 2009

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2009

CASH FLOW STATEMENT

	2009	2008
	N	N
Surplus of Income over Expenditure	4,951,191,524	5,258,113,576
Add:		
Prior Year Adjustments	(7,409,786)	-
Depreciation	13,350,487	8,833,579
Surplus before Working Capital Changes	4,957,132,225	5,266,947,156
Working Capital Changes:		
(Increase)/Decrease in Debtors and Prepayments	(673,974,512)	(371,142,282)
(Increase)/Decrease in investment receivable	(118,194,408)	(100,646,856)
(Increase)/Decrease in Stocks	(2,376,343)	(4,893,000)
Increase in Payables	421,427,318	43,853,999
Net Cash Generated from Operating Activities	4,584,014,280	4,834,119,017
Cash flow from Investing Activities:		
Purchase of Fixed Assets	(5,811,020)	(35,946,786)
Net Cash from Investing Activities	(5,811,020)	(35,946,786)
Net Cash Generated from Financing Activities	-	-
Net Cash Flow and Cash Equivalent during the Year	4,578,203,261	4,798,172,231
Cash and Cash Equivalent at 1/1/09	16,017,591,555	11,219,419,324
Cash and Cash Equivalent 31/12/09	20,595,794,816	16,017,591,555
Comprising		
Short Term Investments	20,504,895,757	15,854,895,757
Cash & Bank	90,899,059	162,695,798
	20,595,794,816	16,017,591,555



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*In USPF,
we believe
in “ICT
access for
all”.*

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