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ANNUAL
REPORT



Universal Service

Provision Fund



2010 annual report



Universal Service Provision Fund



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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, unserved 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.

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





USPF 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 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



2007-2011 STRATEGIC GOALS OF THE USPF

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.





CHAIRMAN'S STATEMENT



It is with great pleasure that I present this remark for the USP Secretariat's Annual Report for 2010.

As we are all aware, the year under review has been a challenging year that saw most countries of the world been revamped from the economic recession. Nevertheless, despite these challenges, the USPF has been able to make appreciable progress on several fronts. This is due to the resilience of the Organization, the commitment of its Board and management; and the dedication of the entire staff of the USP Secretariat.

It is pertinent to note under this fiscal year that, USPF was able to surmount some challenges and was able to record some worthy achievements as elucidated in the Annual Report.

Of utmost importance were the achievements recorded at strategic levels. Firstly, the conduct of the Stakeholders' Forum and Capacity Building Workshop in the six (6) Geo-Political zones of the country and secondly, the strengthening of the relationship between USPF and Commonwealth Telecommunications Organization (CTO) as it collaborated with the USPF in ensuring the success of the Capacity Building Workshop.



“
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”

In USPF, we believe in our vision of “ICT access for all”. This has formed a major point in the delivery of our projects across the country. On this platform, we operate on the dictum of World Summit on Information Society (WSIS) that “Everyone; everywhere should have the opportunity to participate and no one should be excluded from the benefits the information society offers”. Therefore, we try to bridge identified ICT gaps with various projects/programs to ensure ICT access at all points.

The last operational year has not been without its challenges as we all know. USPF initiatives were greatly impaired by budget approval delays and some security issues which in essence have led to a shift in the delivery of some projects.

It is my duty to thank Mr. President, the Senate and all other stakeholders' in the ICT sector for their sacrifices and the commitment shown in the face of adversity towards implementation of our programmes. It is my belief that the giant strides in the delivery of projects recorded under this arduous circumstances are a corroboration of management's theory that crisis could improve organizations by bringing people together, strengthening working relationship and compelling the taking of urgent measures to resolve the crisis.

I am certain that the USPF, having been able to successfully carry out its functions from inception to now, will not only survive but also continue to make impact in the delivery of its mandate for years to come.

Thank you all for your support and encouragement.

Mr. Labaran Maku

Hon. Minister of Information & Communication



SECRETARY'S MESSAGE

The Year 2010 was a remarkable year and a year of great opportunities and challenges for the USP Secretariat. My enthusiasm in reporting on the achievement of this remarkable Secretariat keeps rising as we gradually move towards an ICT for all generation.

Whatever has been delivered in terms of infrastructure, ICT services, capacity building and awareness creation was all the effort and contribution of the various stakeholders' commitment, passion and dedication without which we would not have achieved the excellent result we recorded so far.

Today, over 730 Public Secondary Schools, 190 Universities and 224 Community communication centres are internet enabled. More so, we are also consolidating on existing projects and completing new ones.

Our major challenges are: delay in approval of our budget, lack of security in some project sites which has led to time over run in the delivery of some projects and lack of access roads to some selected projects sites.

Nevertheless, we continue to collaborate with viable partners to ensure that we achieve our five years Strategic Management Plan. We held a Stakeholders' Consultation Forum and Capacity Building Workshops in all the six (6) geo-political zones of the country to encourage participation, appreciation, capacity building and sustainability for the USPF projects. The



“
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”

forum further strengthened our partnership with the relevant stakeholders in government, local community leaders', unserved, underserved, rural community and Nigeria at large.

In addition to encourage participation and promote a culture of community-owned, community-managed and/or community-based ICT infrastructures and services, the USPF invited Commonwealth Telecommunications Organization (CTO) to share its experience acquired across the developing world on best practices on community participation in the capacity building part of the Forum. Participants were implored to develop the necessary partnerships required to implement each community-specific programme that are socially desirable and economically viable.

It is no doubt that in trying assiduously to bridge the ICT gap between the information rich and the information poor, the USPF will work towards the implementation of its set goals for Nigeria and Nigerian people. The Secretariat has to monitor global trends as the driver of national development and deliver converged services that will propel us towards achieving universal access, universal coverage, and universal service through a public private peoples' partnership that will ultimately stimulate economic and social development.

It is my belief that with the level of ICT

infrastructures and services deployed across the country, the achievement of the millennium development goal will be a thing of history in our five years strategic plan.

Finally, the Secretariat will not relent in collaborating with all the stakeholders' towards an ICT for all generation in Nigeria.

Thank you

Funso Fayomi

Secretary, Universal Service Provision Fund

BOARD OF DIRECTORS

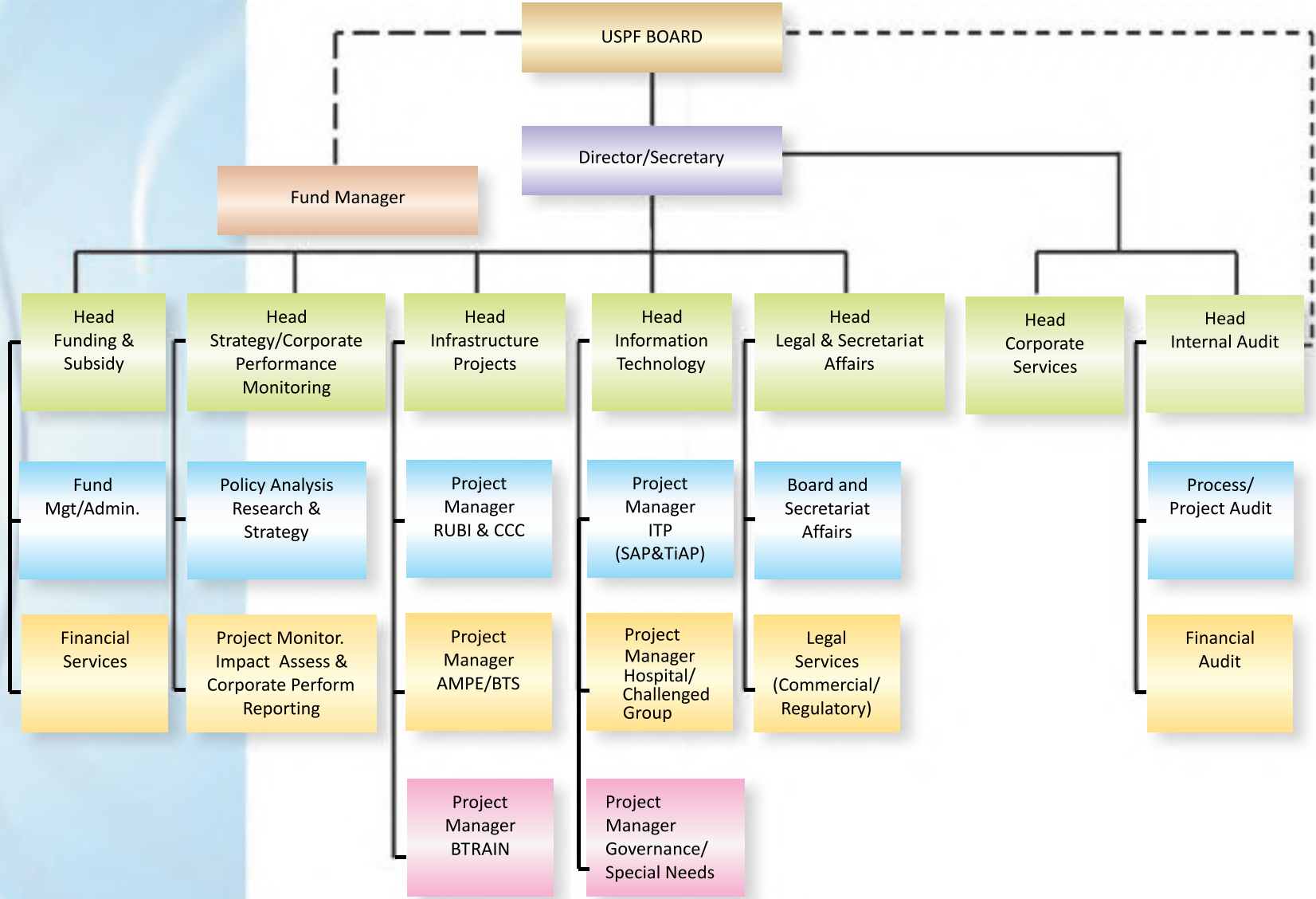
In accordance with the provisions of Section 116 of the NCA 2003, the USP Board is constituted as follows:

- | | | |
|-----|-------------------------|--|
| 1. | Hon. Labaran Maku | Honorable Minister of Information & Communication (Chairman) |
| 2. | Chief Peter Egbe Igoh | NCC Chairman (Vice Chairman) |
| 3. | Dr. E. I. Juwah | Executive Vice Chairman, NCC (Member) |
| 4. | Mr. Okechukwu Itanyi | Executive Commissioner, NCC (Member) |
| 5. | Engr. Anthony Ozodinobi | Rep. Ministry of Information & Communication (Member) |
| 6. | Mr. B. G. Mohammed | Rep. Ministry of Finance |
| 7. | Engr. I. O. Adegun | Rep. National Planning Commission (Member) |
| 8. | | Private Sector Representative ¹ |
| 9. | | Private Sector Representative ¹ |
| 10. | | Private Sector Representative ¹ |
| 11. | | Private Sector Representative ¹ |



¹The position of the private sector representatives whose tenure expired remained vacant during the period.

USPF Organogram





2010 Approved Operating Plan



Approved Operating Plan 2010

GOALS	PROGRAMMES	PROJECT IN 2010	KEY PERFORMANCE INDICATORS (KPIs)	TARGETS CURRENT YEAR	TARGETS LAST YEAR	TARGETS FINAL YEAR (2011)	COMMENTS
1 Facilitate an Enabling Environment for ICTs	RESEARCH STUDIES/ SURVEYS:	ICT penetration analysis using the recently released census figures	Number of topical studies completed and published	At least one studies/survey	At least two studies/survey annually	Research on infrastructure gap in Nigeria through GIS mapping of ICT infrastructure.	The National Survey and GIS Mapping of ICT Infrastructure, Gap Analysis and Subsidy Estimates in Nigeria would be concluded the 1st quarter 2010
						Universal access gap and subsidy estimate study	This is collaboration with the NPC (National Population Commission) and would provide data to assist investors in planning for unserved regions.
						ICT penetration analysis using the recently released census figures	Study has been budgeted for in 2010
1 Facilitate an Enabling Environment for ICTs	CONSULTATION & AWARENESS CREATION:	Stakeholder Consultations	Number of successful consultative meetings held	Six Stakeholders Consultation fora in the 6 geo-political regions	At least two Consultative fora Annually	Regional Consultative Stakeholders fora	The PPPP (Public-Private-Peoples-Partnership) initiative to implement innovative rural access programmes shall be developed from the collaboration with Common-wealth Telecommunications Organisation
		Commonwealth African Rural Connectivity Initiative: Capacity Building Workshop	Number of novel / innovative ideas developed	At least one consultation with other Government agencies	At least one consultation with other Government agencies annually	Focused Industry Strategic Sessions Consultation with other Government agencies on constraints to ICT roll-out.	

Approved Operating Plan 2010



GOALS	PROGRAMMES	PROJECT IN 2010	KEY PERFORMANCE INDICATORS (KPIs)	TARGETS CURRENT YEAR	TARGETS LAST YEAR	TARGETS FINAL YEAR (2011)	COMMENTS
2. Promote Universal Access and Universal Service	Accelerated Mobile Phone Enhancement Programme-Base Transceiver Station (AMPE-BTS)	Provision of BTS infrastructure, enabling community access to basic telephony, public payphone, internet access and messaging	Average distance covered to access community telephone to reduce to 25Km. Number of villages/towns with at least 1 community telephone to increase by 145.	Additional 145 towns/villages across 774 LGAs to have telephone access.	145 towns/villages to have telephone access	200 towns/villages to have telephone access	This project is dependent of licensed operators submitting proposals that meet USPF criteria for AMPS-BTS projects
2. Promote Universal Access and Universal Service	Accelerated Mobile Phone Enhancement Programme- Co- location Infrastructure Project (AMPE-CIP)	Provision of secure BTS infrastructure housing (Shelter, Tower, Power & security)for co - location of multiple operators Base Station	Increase in number of co- location infrastructures	50 CIP infrastructures to be built	Nil	100 CIP infrastructures to be built	
	Community Communication Centre (CCC)	Provision of purpose built communication centres, Public payphone, Cyber café, Wireless Access points, VoIP services and ICT training facilities and other ICT services	Average distance to travel to reach a shared communications centre to reduce to 45Km.	Additional 73 communities to have shared internet access each.	109 CCCs to be built across the country	109 CCCs to be built across the country	
3. Promote Universal Coverage	Promotion of Universal Coverage/Access via the extension of broadband internet band width to rural areas	Rural Broadband Internet Project (RuBI)	Whole sale broadband bandwidth and infrastructure provision to rural communities	Broadband internet with at least 100Mbps to 37 Senatorial districts with backbone connectivity	Extension of broadband internet access to 109 out 774 LGA HQs.	Broadband internet with at least 100Mbps to 74 Senatorial districts with backbone connectivity	
	Backbone Transmission Infrastructure Network (BTRAIN)	Accelerate the extension of backbone telecommunications transmission network (fiber/microwave) to rural areas. <input type="checkbox"/> Consultancy to be awarded <input type="checkbox"/> Project to be awarded at end of consultancy	109 Communities to be connected to a transmission backbone in project design: ✓ Management approval of Consultancy ✓ Award of the project for implementation	Target to be determine upon management acceptance of the Consultancy Study	NA	1,000 Km of Backbone to be extended	



Approved Operating Plan 2010

GOALS	PROGRAMMES	PROJECT IN 2010	KEY PERFORMANCE INDICATORS (KPIs)	TARGETS CURRENT YEAR	TARGETS LAST YEAR	TARGETS FINAL YEAR (2011)	COMMENTS
4. Connectivity For Development (C4D)	SCHOOLS ACCESS PROGRAMME (SAP)	SAP 2009 & 2010	Number of Secondary & Primary institutions with broadband connection.	(550 Schools), 15 per a state and 10 for FCT.	(327 Schools), 9 per a state and 3 for FCT.	981 Schools to be covered	
	Tertiary Institution Access Program (TiAP)	TiAP 2010 Phase 4	Number of Tertiary Institution with broadband connections.	60 Schools to be covered	132 Schools covered	192 Institution s to be covered	TIAP reviewed downward to 60 institutions
5. Institutional Development	ICT to All Nigerians (ICtAN)	E-health & Challenge Group	Number of E-health & Physical challenged Group Centers that are covered.	6 to be covered, 1 in each geographical zone	None	12 institutions to be covered.	
	ICT to All Nigerians (ICtAN)	Digital Library Project	Provision of Virtual Learning centres in Public Libraries	Number of Public Libraries connected	74 Public Libraries and Abuja	148 Public Libraries to be covered	
	USPF Sustainability	Procurement Manual for USPF Projects	Approval of Procurement Manual by USPS Management	Develop Procurement manual	Develop operations manuals	Production of Operations Manual for USPS	The manual is based on BPP requirements
		Annual Reporting Project	Annual Report published on due date	Timely compliance with all statutory reporting requirements	Timely compliance with all statutory reporting requirements	Institutionalization of Corporate Governance	Annual report of the previous year to be ready May to ensure its submission to the National Assembly by June

Approved Operating Plan 2010



GOALS	PROGRAMMES	PROJECT IN 2010	KEY PERFORMANCE INDICATORS (KPIs)	TARGETS CURRENT YEAR	TARGETS LAST YEAR	TARGETS FINAL YEAR (2011)	COMMENTS
5. Institutional Development	USPF Sustainability	Board and Management Retreat	Number of Retreats held each year	Conduct two Retreats	Conduct two Retreats		Two Board Retreat shall be arranged in the 1st & 3rd quarters
		USP Board Meetings	Approval of schedule of USP Board meetings by the Board	Ensure the holding of five Ordinary Meetings	Ensure the holding of four Ordinary Meetings	Ensure the holding of four Ordinary Meetings	The Board has approved the proposed four Ordinary meetings subject to the convening of a meeting in March, 2010. In January, the first quarter USP Board was held.
		USP Board Committee meetings	Number of Committee meetings in a year	Conduct one Committee meeting per quarter	Conduct one Committee meeting per quarter	Conducts two Committee meeting per quarter	The Committee meetings will facilitate the quick execution of projects and also reduced the workload of the USP Board.
	Institutional Support	Impact Assessment Project	Report of Assessment approved by Management	Commencement of Impact Assessments of USPF Programmes and Projects	Conduct Impact Assessments on USPF projects	Impact Assessment of the USPF Projects and Programmes	Mid Term Review of the Strategic Plan – we shall include the review of the Strategic Plan as part of the consultancy on Impact Assessment of Programmes/ Projects
		Project Monitoring	Percentage of Projects monitored	Monitor all USPF Projects	Monitor all USPF Projects		
		Procurement Consultancy	Percentage of Procurement processes monitored	75% of procurement shall be by competitive bids	Nil	100% of Procurement shall be by Competitive bids	



Approved Operating Plan 2010

GOALS	PROGRAMMES	PROJECT IN 2010	KEY PERFORMANCE INDICATORS (KPIs)	TARGETS CURRENT YEAR	TARGETS LAST YEAR	TARGETS FINAL YEAR (2011)	COMMENTS
Institutional Development	Institutional Support	Contract Agreements	A contract Agreement for every award	Ensure all projects have in place a duly executed Contracts Agreements	Ensure all projects have in place a duly executed Contracts Agreements	Ensure all projects have in place a duly executed Contracts Agreements	Ensure all projects have in place a duly executed Contracts Agreements
		Contract Administration	Effective and efficient Management of contract performance	Monitor the performance of USPF contracts from inception to commissioning			Contract Administration is a core function of the Secretariat
		APG/Performance Bonds	All APGs reviewed should be received by end users within 4 days of receipt by L & S dept	Ensure all projects have an acceptable APG/Performance Bond in place	Ensure all projects have an acceptable APG/Performance Bond in place	Ensure all projects have an acceptable Performance Bond in place	To lend protection to the Fund, the USP Board and the USP Secretariat
		e – Board Book	To have in place an e – Board Book	To manage the affairs of the Board efficiently	To manage the affairs of the Board efficiently		To Effectively manage Board Affairs and; Incorporate revolving Corporate Governance features
		Partitioning of 9th Floor Office space	Provision of more office space for the USPS	Ensure the completion of 9th floor office space			
		Commissioning of USPF Projects	Ensure that projects are commissioned within 12 months of completion	Ensure that at least some projects are commissioned per quarter	Ensure that at least some projects are commissioned per quarter		
		Legal Advisory	Compliance of all Secretariat activities to all relevant legislations	To attend to departments on their legal advisory requirements	To attend to departments on their legal advisory requirements		Ensure that: 1) The USP Board & Secretariat activities are in tandem with requisite laws & legislations. 2) All aspects of legal work are effectively carried out

Approved Operating Plan 2010

GOALS	PROGRAMMES	PROJECT IN 2010	KEY PERFORMANCE INDICATORS (KPIs)	TARGETS CURRENT YEAR	TARGETS LAST YEAR	TARGETS FINAL YEAR (2011)	COMMENTS
Institutional Development	Institutional Support	Corporate Governance	Visibly enhance corporate governance in the USP Board and Secretariat	Develop a module for Code of Conduct among stakeholders	Develop a module of achieving good working relationships among stakeholders	Ensure the application of the code of conduct module	The idea is to make knowledge of good corporate governance and code of conduct readily available to Board members, staff, administrators, etc
		Provision of Network Operating System at the Secretariat to Monitor connectivity in all Project centres <u>(Network Operating Centre (NOC))</u>	Provision of purpose built Centre for monitoring, Operation and Maintenance of all broadband infrastructures. Number of project centres that are connected to the NOC	Ability to monitor at least 50% of all internet bandwidth availability and speed.	NA	Provide NOC infrastructure and software for monitoring all internet bandwidth for USPF projects.	
		Bandwidth Aggregation : Aggregation of internet bandwidth for the various programmes requiring bandwidth	Aggregation of bandwidth all projects in 2007 and 2008	Ability to aggregate at least 50% of all internet bandwidth availability in each of the 6 geopolitical regions	Nil	Aggregation of bandwidth all projects in 2009 and some 2010	Some Projects are structured in a manner that the Implementers have to provide the internet as well as support for one – two years.



2010

USPF Major Projects



MAJOR EVENTS OF THE UNIVERSAL SERVICE PROVISION SECRETARIAT IN 2010

This section present highlights of achievements of the USP Secretariat recorded during the year as well as limitations and problems encountered.

a. School Access Program (SAP)

This School Access Program (SAP) is to promote the connection of government schools in underserved, unserved and rural areas to broadband internet. This program is aimed at facilitating digital lifestyle in schools as well as in the communities around the schools. Each beneficiary school received computers and accessories along with high speed internet connectivity.

The schools were encouraged to share these facilities with their surrounding communities on a commercial basis to

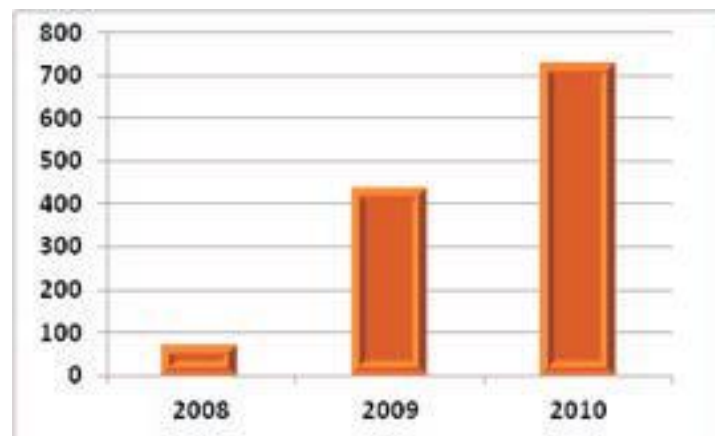


Figure 1: Trend in number of schools that have benefitted from SAP

support maintenance and ensure sustainability. In 2010, Two Hundred and Ninety (290) schools benefitted from the program.



Students using CMPCs provided by the USPF



MAJOR EVENTS OF THE UNIVERSAL SERVICE PROVISION SECRETARIAT IN 2010

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*To facilitate
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 (C4D)
 School Access
 Programme (SAP)*
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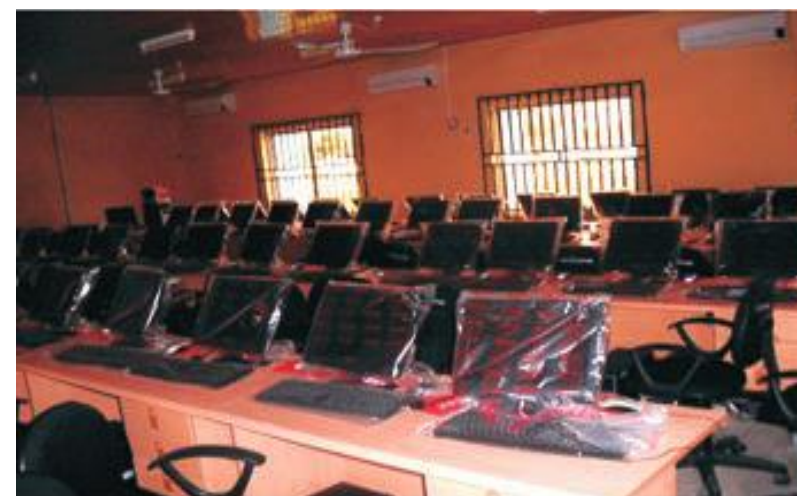
The table below shows the number of schools spread across the country that have benefitted from the School Access program of the USPF:

YEAR	NUMBER OF SCHOOLS
2008	75
2009	365
2010	290
Total	730

Table 1: Number of schools that have benefitted from SAP as at 2010

b. Tertiary Institutions Access Program (TiAP)

Under the Tertiary Institutions Access Program (TiAP), the USPF intends to promote the connection of government tertiary institutions to broadband internet. The project is aimed at facilitating a digital lifestyle in the institutions and enhancing teaching and research works amongst students and lecturers in higher institutions. Each institution received one hundred (100) computers and accessories along with high speed internet connectivity.



Computer Units at a Tertiary Institution Access Project Site

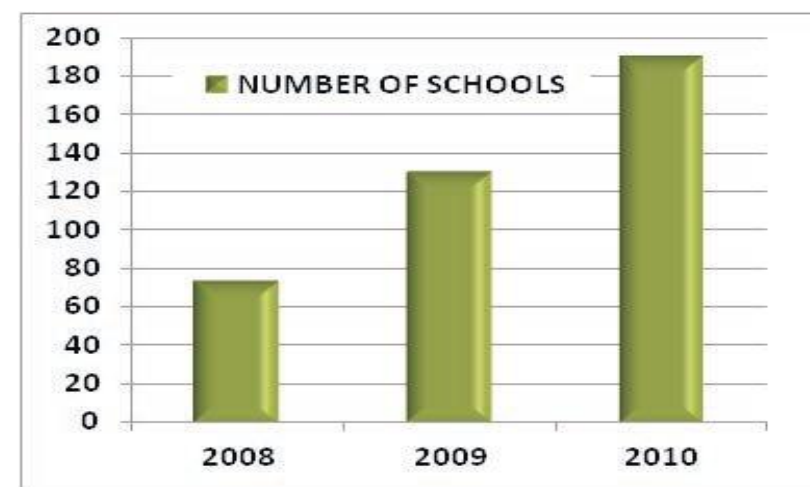


Figure 2: Trend in number of tertiary institutions connected as at 2010.

MAJOR EVENTS OF THE UNIVERSAL SERVICE PROVISION SECRETARIAT IN 2010

Again, as in School Access Program (SAP), beneficiary institutions are expected to share these facilities with their surrounding communities on a commercial basis to promote universal access, support maintenance and ensure sustainability of the project. During the year under review, a total of sixty (60) tertiary institutions with at least two in each state benefitted from the program.

YEAR	NUMBER OF SCHOOLS
2008	73
2009	57
2010	60
Total	190

Table 2: The number of tertiary institutions connected as at 2010.

c. **Community Communication Centres (CCCs)**

One of the problems responsible for the low spread of ICT in most developing countries like Nigeria is lack of facilities such as computer systems, telephones, internet access and ICT training especially in the rural areas. Therefore, the rationale to bridge the digital divide led to the conceptualization of the Community Communication Centres (CCCs) project as an intervention to spread ICT services to rural and semi-urban locations.

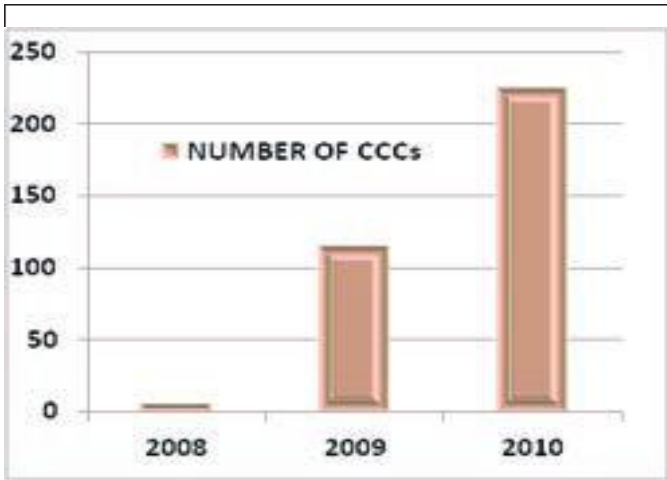


Figure3: Trend in number of Community Communication Centres completed as at 2010.

The strategy adopted by the USPF is to subsidize the construction of at least one CCC site in each senatorial district of Nigeria each year. Each Community Communication Centre is provided with internet service, computer appreciation/training, fax/emergency telephony services, VoIP. The facilities/services under the CCCs program are expected to be available for surrounding communities.



USPF SAP project in Kano being commissioned by Hon. Minister of Information & Communications, Prof. Dora Akunyili

“
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MAJOR EVENTS OF THE UNIVERSAL SERVICE PROVISION SECRETARIAT IN 2010

“
**To enable
Institutional
Development**
USPF
sustainability
programme
”

Having commissioned thirty two (32) CCCs in the 2008 fiscal year, the USPF is embarking on at least one CCC in each senatorial district and one in the Federal Capital Territory (FCT) Abuja making a total of one hundred and nine (109) across Nigeria in the year 2010.

YEAR	NUMBER OF CCCs
2007	6
2008	109
2009	109
Total	224

Table 3: Number of Community Communication Centre completed as at 2010.

d. Backbone Transmission Infrastructure Network

In order to facilitate the connection of rural and semi urban areas to national transmission backbone infrastructure, the Backbone Transmission Infrastructure Network (BTRAIN) Project was conceived with the sole aim of harnessing the enormous capabilities of information and Communications Technology (ICT) to assist the country meet the Millennium Development Goal (MDG) targets.

The major objective of BTRAIN project is to address the dearth and inadequacies of fibre optics backbone networks and transmission links in rural Nigeria, which has adverse effects on network performance, quality of

service, expansion of ICT access and service delivery. It is also aimed at accelerating the build-out of backbone transmission infrastructure in rural and semi urban areas where construction by private operators may be delayed without immediate USPF intervention.

The USP Secretariat is on the verge of concluding the procurement process to award contract for the implementation of this project as at December 2010.

e. Accelerated Mobile Phone Expansion Program (AMPE)

The major rationale behind this program was to address the huge digital gap that exist as a result of telephone and other ICT services in the urban areas where the operators are prevalent because of the economic viability potentials without regard to rural and semi-urban areas. In order to bridge this gap and also pursue its goals of universal access and universal service, the USPF conceptualized a two pronged approach as follows:

i. Co-location Infrastructure Project (CIP)

Since the cost of deploying telecommunication services is largely influenced by the cost of telecommunication infrastructures such as shelter, tower/mast, fencing, security, generators etc., and in

MAJOR EVENTS OF THE UNIVERSAL SERVICE PROVISION SECRETARIAT IN 2010

order to facilitate rapid roll-out and enable cheaper services, the concept of shareable telecommunication infrastructure was initiated in order to alleviate some of the issues mentioned. The CIP project was conceived as a way of intervention to support operators towards deploying services in commercially unviable areas towards rapid spread of telecommunication and other ICT services to rural and semi-urban locations. In this regard, the USPF provides subsidy for the construction of CIP sites to qualified and eligible proponents.

As at the end of 2010, fifty four (54) sites have been commissioned and are operational. During the year under review, Seven (7) bids received for the CIP project have been evaluated by the Project Consultant and are awaiting awards to successful bidders.

ii. Base Transceiver Station (BTS) Project



USPF Subsidized Base Transceiver Station (BTS) Project

Under this project, the USPF provides subsidy for the construction of BTS infrastructure in unserved and underserved locations across the country by the mobile telephone operators for the provision of services in areas that are not commercially attractive. This is to enable operators roll out services and maintain breakeven profit margin while providing services. A total of 27 BTS sites were awarded in 2010 plus the existing 12 that were awarded in 2009. As at 2010, nineteen (19) sites have been completed and commissioned. The remaining 20 BTS sites are at various stages of completion.

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***To promote
Universal
Coverage
Connection to the
national
transmission
backbone
infrastructure
programme***
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MAJOR EVENTS OF THE UNIVERSAL SERVICE PROVISION SECRETARIAT IN 2010

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To promote
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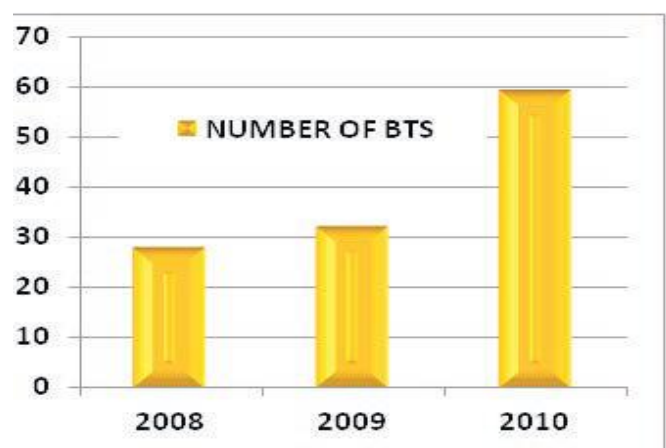


Figure 4: Trend in number of BTS completed as at 2010

YEAR	NUMBER OF BTS
2008	28
2009	4
2010	27
Total	59

Table 4: Number of BTS completed and commissioned as at 2010

f. Rural Broadband Initiative (RUBI) Project

The Universal Service Provision Fund (USPF) seeks to bridge the digital divide between the urban and rural areas of Nigeria through the rural broadband initiative which seeks to support the establishment of core delivery mechanisms for broadband services in the rural / semi-urban areas of Nigeria. The RUBI project is aimed at:

- Providing wholesale internet bandwidth services
- Establishing internet distribution hub

- Providing internet pooling services and
- Ensuring Public-Private-Community-Partnership (PPCP).

This project which was slated for implementation in the year 2010 budget has been advertised. Sequel to the advertisement, a total of sixteen (16) bids were received and evaluated by the Project Consultant.

g. Solar – Base Transceiver Station (S-BTS)

The establishment of a Solar Powered Base Transceiver Station (BTS) was conceptualized and considered as the basic solution to ensuring adequate power supply to BTS that will lead to improved quality of service and rapid spread of telecommunication in the country.

This project is aimed at providing end-to-end telecommunications services to rural unserved or underserved areas of Nigeria via the use of energy efficient solar powered BTS and associated equipments such as Mobile Switching Centres (MSC), Base Controller Stations (BCS), Transmission Equipment (microwave/fibre etc) which will go a long way to reduce cost of providing telecommunication infrastructure.

In 2010, Six (6) bids were received and evaluated. The project will be awarded in 2011 to successful bidders.

h. Conduct of Stakeholders Consultations Forum and Capacity Building Workshops

The USPF as part of its strategic mandate to ensure the availability and the use of Information

MAJOR EVENTS OF THE UNIVERSAL SERVICE PROVISION SECRETARIAT IN 2010

REGION	PLACE	DATE	NO. OF DELEGATES
South West	Ibadan	18 – 19 February, 2010	600
North East	Yola	24 – 25 February, 2010	300
South East	Awka	18 – 19 March, 2010	600
North west	Minna	15 – 16 March, 2010	500
North Central	Kano	26 – 27 April, 2010	600
South South	Calabar	29 – 30 April, 2010	550

Table 5: Stakeholders' Forum & Capacity Building Workshops in the Six Geo-political zones of the country

Communication Technology (ICT) in every nook and cranny of the country organized a stakeholders consultative workshop in the six Geo-political zones of the nation during the year 2010. The Stakeholders Consultation Forum and Capacity Building Workshop which was held in collaboration with Commonwealth Telecommunications Organization (CTO) were well attended.

One of the objectives of the consultation is to sensitize the people on the various programmes embarked upon by USPF and how the communities can benefit from such programme. The forum was also to provide a bottom-up approach in the conception of projects as the people were encouraged to come up with community specific needs so as to ensure that the people have direct benefits of the projects.

i. Conclusion of GIS Mapping of ICTs Infrastructure Project

The National Survey and GIS mapping of ICTs Infrastructure, Gap Analysis and Subsidy Estimates in Nigeria was 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. The project has been concluded with the training of USPS Staff and submission of final reports of the study. The GIS has been setup for use by the Secretariat Staff.



Participants at the Stakeholders' Forum and Capacity Building Workshop in Yola, Adamawa State.

“
Participants
were implored to
develop the
necessary
partnerships
required to
implement each
community-
specific
programmes that
are socially
desirable and
economically
viable.

”



MAJOR EVENTS OF THE UNIVERSAL SERVICE PROVISION SECRETARIAT IN 2010

“
To facilitate an
Enabling
Environment.
Consultation and
Awareness
Creation
Programme
”



Figure 5: GIS Map showing locations of BTS Infrastructure in Nigeria

j. Network Operating Centre (NOC)

This project is aimed at monitoring and maintaining the quality and availability of service of the various USPF assisted projects in each of the six (6) geopolitical regions of the country from the USP Secretariat. It is expected that this project will ensure compliance in bandwidth provision for the stipulated time.

The NOC project is also aimed at ensuring that all computers and associated IT devices are working optimally throughout all the USPF assisted project locations. Additionally, the NOC should also be able to provide systems usage statistics and also generate various reports. The process towards the award of the project is being finalized.

k. Training And Capacity - Building

The year 2010 saw the continuation of staff preparation for the challenges ahead to effectively deliver on its mandate. Training and capacity building was streamlined to ensure that staff are abreast of technology changes to enable them viable develop projects that meet international standard.





MAJOR CHALLENGES IN 2010

In accordance with Part VI, (38) of the Universal Access and Universal Service Regulations 2007, the USP Secretariat implemented an approved Annual Operating Plan for the year 2010. However, some of the activities and projects could not be fully accomplished due to some draw backs. Some of the challenges were:

a. Delay in Approval of the 2010 Budget

The passage of budget for the year 2010 under review was delayed till December 2010. Consequently, the delay affected the pace of USPF project implementation process in the year 2010.

b. Public Power Supply

The cost of providing alternative power source to power network equipment and other USP projects remains a big challenge during the period. Power outage is more rampant and prevalent in rural areas where most of USP projects are sited. Consequently, the operation and sustainability of such projects was a big challenge due to high cost of running generating sets to power the projects.

c. Basic ICT Infrastructure

Some USPF projects require existing network infrastructures such as National Transmission Backbone, Point of Interconnection (POI) and Internet Exchange Points (IXP) to ride on. Most of these

infrastructures are nonexistent, thus hindering the implementation of some proposed projects of the Fund.

d. Real Estate Acquisition Process

The process of securing Right of Way and C of O for the purpose of erecting co-location tower takes a long time, which often result in delay in project execution. Consequently, the Secretariat witnessed some delay in construction of Community Communications Center (CCC) in some locations due to inability of implementers to acquire landed properties for the project due to the prevalence of family and communal feud over land ownership in such areas.

e. Access Road

Lack of access roads to some unserved and underserved locations led to delay in the delivery and execution of projects in some rural areas of the nation. Sometimes, executions of projects are delayed till the dry season when the areas are accessible by the implementers.

f. Security

Security of lives of personnel of project implementers and network equipment remains a concern during the period. This to a great extent hampers the extension of telecommunication and ICT services to some parts of the country.

“
It is my belief that with the level of ICT infrastructures and services deployed across the country, the achievement of the millennium development goal will be a thing of history in our five years strategic plan.
”



CRITICAL SUCCESS FACTORS FOR 2011

“
Finally, the Secretariat will not relent in collaborating with all the stakeholders' towards an ICT for generation in Nigeria.
”

For a successful implementation of the Universal Service Provision Fund programmes and projects, the Secretariat has identified some critical success factors that will enable it perform better in 2011:

- I. 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.
- II. 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 and USP projects for all operations and expenses and a budget for all operations and expenses. Based on this, it is pertinent for the Board to meet at regular intervals to determine and approve the proposed USP Secretariat budget, programs and projects for timely implementation.
- III. Board and Management Retreat: In the pursuant of its vision of “ICT access for all”, the

USP Fund has projects at that require Board and Management evaluation at various stages. On that note, it is important for a retreat for Board and Management to hold at regular intervals.

- IV. Branding and Awareness Campaign: In other to ensure that beneficiaries/stakeholders appreciate various ICT project in their various locations, it is important to brand all projects of USPF. It is also important to carry out awareness campaign for stakeholders buy-in and acceptability of USPF projects to ensure sustainability.



2010 USPF Audited Account

BALANCE SHEET AS AT 31ST DECEMBER, 2010

	2010 ₦	2009 ₦
Property, Plant and Equipment (Net Book Value)	66,372,436.00	36,710,562.00
Current Assets		
Stock	4,546,950.00	7,269,343.00
Debtors and Prepayments	8,559,796,253.00	3,678,101,204.00
Short Term Investment	19,874,677,178.00	20,504,895,757.00
Cash & Bank	2,350,008,859.00	90,899,059.00
	<u>30,789,029,240.00</u>	<u>24,281,165,363.00</u>
Current Liabilities		
Creditors: Amount Falling due within One Year	<u>(21,733,160,490)</u>	<u>(693,390,956)</u>
Net Current Assets	<u>9,055,868,750.00</u>	<u>23,587,774,407.00</u>
Net Assets	<u>9,122,241,186.00</u>	<u>23,624,484,969.00</u>
Financed By:		
Accumulated Fund	<u>9,122,241,186.00</u>	<u>23,624,484,969.00</u>
	<u>9,122,241,186.00</u>	<u>23,624,484,969.00</u>

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010 N	2009 N
Income		
Contribution from NCC	9,924,006,350	7,303,847,359
Other Income	<u>1,403,197,585</u>	<u>2,211,879,208</u>
	<u>11,327,203,935</u>	<u>9,515,726,567</u>
 Expenditure		
Project & Programme Cost	25,139,794,413	4,054,862,309
Operating Cost	34,903,551	41,424,750
Fund Management Fees	81,654,520	81,654,520
Administrative Cost	73,221,749	57,815,442
Employees' Compensation & Benefits	194,484,265	166,809,774
Training & Development	170,080,537	81,805,590
Board Expenses	<u>135,308,682</u>	<u>80,162,657</u>
	<u>25,829,447,717</u>	<u>4,564,535,042</u>
 Excess of Expenditure over Income for the year	(14,502,243,782)	4,951,191,525
 Accumulated Fund Brought Forward	<u>23,624,484,968</u>	<u>18,680,703,231</u>
 Accumulated Fund Carried Forward	<u>9,122,241,186</u>	<u>23,631,894,756</u>



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010 ₦	2009 ₦
Excess of Expenditure over Income	(14,502,243,782)	4,951,191,525
Add:		
Prior Year Adjustments	-	(7,409,786)
Depreciation	<u>20,566,774</u>	<u>13,350,487</u>
Operating Excess Income before Working Capital Changes	(14,481,677,008)	4,957,132,226
Working Capital Changes:		
(Increase)/Decrease in Investment Prepayment	(5,134,870,496)	(673,974,512)
Decrease/(Increase) in Debtors and Receivable	253,175,447	(118,194,408)
Decrease/(Increase) in Stocks	2,722,393	(2,376,343)
Increase/(Decrease) in Payables	<u>21,039,769,534</u>	<u>421,427,318</u>
Net Cash Generated From Operating Activities	<u>1,679,119,869</u>	<u>4,584,014,281</u>
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	<u>(50,228,648)</u>	<u>(5,811,020)</u>
Net Cash from Investing Activities	<u>(50,228,648)</u>	<u>(5,811,020)</u>
Cash Flow From Financing Activities	<u>-</u>	<u>-</u>
Net Cash Generated from Financing Activities	<u>-</u>	<u>-</u>
Net Cash Flow and Cash Equivalents During the Year	1,628,891,221	4,578,203,261
Cash and Cash Equivalents at 1/1/2010	<u>20,595,794,816</u>	<u>16,017,591,555</u>
Cash and Cash Equivalents at 31/12/2010	<u>22,224,686,037</u>	<u>20,595,794,816</u>
Comprising		
Short Term Investments	19,874,677,178	20,504,895,757
Cash & Bank	<u>2,350,008,859</u>	<u>90,899,059</u>
	<u>22,224,686,037</u>	<u>20,595,794,816</u>

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