



Universal Service

Provision Fund

# EVERYONE, EVERYWHERE



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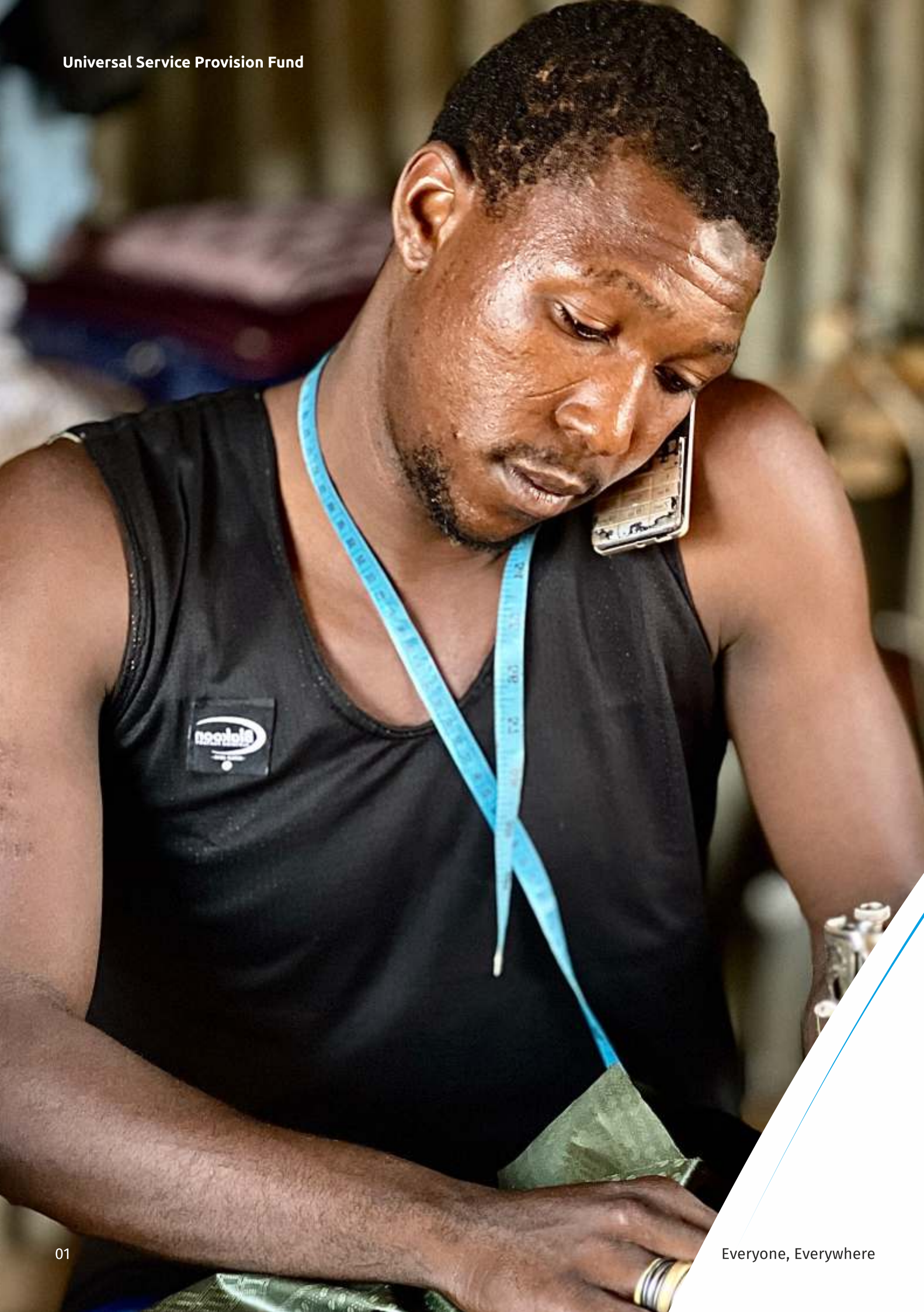
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# ANNUAL REPORT 2022







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# Chairman's Statement

In line with the mandate of the fund, we continued to provide necessary support to the Secretariat on initiatives that will reduce the digital divide within the country. This is to ensure that no Nigerian is excluded from the benefits of ICT, irrespective of geopolitical location, gender or income levels. Our efforts were geared towards making policies that will enhance the development of ICT and network services in schools, Institutions and communities in unserved and under-served areas of Nigeria.

The expiration of the current SMP (2018-2022) in 2022 led to the development of a new SMP (2023-2027) to guide the operation of the Fund for the next 5 years.

This was done in consultation with relevant stakeholders in the ICT industry. The SMP was crafted to give more priority to ICT driven projects and innovative

solution and ideas to improve and ensure universal access to rural unserved and urban underserved areas in Nigeria.

With the vision "ICT Access for All" and in line with Pillars 2 (Digital Literacy and Skills), 3 (Solid Infrastructure) and 4 (Service Infrastructure) of the NDEPS, the overarching goals of the SMP (2023-2027) are to facilitate enabling environment for sustainable ICT, promote universal access and service, institutional development and strategic partnering and collaboration.

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

**PROF. ISA ALI PANTAMI**

FNCS, FBCS, FIIM

Chairman, USP Board and Hon. Minister of Communications and Digital Economy







# Secretary's Statement

The Universal Service Provision Fund was established to enhance and 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 objective 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 predetermined planning and implementation strategies. The project initiation processes are hinged on top-down and bottom-up design prongs. Although in recent years most of the USP projects have under gone review in order to make them more robust as well as to



increase their Socio-Economic impact to the beneficiary. This led to restructuring of the scope of some projects, change of projects name, as well as laying off of some projects like the bottom-up approach.

The year 2022 was the fifth and the last year in the 2018-2022 SMP implementation, we have learnt some lesson/challenges in the cause of its implementation. We have therefore taken measures like the Continuous engagement of relevant Stakeholders and embarking on a monitoring and evaluation framework to better sustain the projects as an effort to address the identified challenges.

The Secretariat like every year has committed resources towards the deployment/implementation of different types of projects aiming at bridging the digital divide across the nation. Interestingly, the fund has recorded successes in the following projects:

- Base Transceiver Stations (BTS): We subsidized the deployment of Forty Nine (49) Base Transceiver Stations (BTS) and Thirty (30) Rural Base Transceiver Station (RBTS) in different parts of the country.
- Tertiary Institution Digital Center (TIDC): formerly known as Tertiary Institution Knowledge Centre (TIKC). The Secretariat implemented Six (6) TIDC across the 6 geopolitical zones.
- E-Accessibility projects: In line with our vision (Equitable and sustainable ICT Access for All) and social inclusion, we implemented Twelve (12) E-Accessibility projects across Nigeria.
- Bandwidth Aggregation (BA): We supported a total of Two Hundred and Forty Three (243) USPF project locations with provision of broadband services for a period of 12 months.
- Digital Nigeria Centre (DNC): We have implemented Eleven (11) DNC across the nation.
- Development and Deployment of Local Content Applications for e-Learning (DLC): Eighty Eight (88) LCD were deployed within the year.
- Campus Connectivity Network (CCN): Fourteen (14) institutions in the 6 geopolitical zones benefited from this project.



The USP Secretariat continued to build the capacity of its staff through trainings, workshops, seminars and conferences in order to enhance and strengthen the Secretariat to effectively deliver on its mandate.

Thank you.

**AYUBA SHUAIBU**

Secretary, Universal Service Provision Fund









# About The USPF



## About the USPF

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’.





# Core Values (ICT TIPS)

Our activities are predicated on the values of:



**Integrity**



**Collaboration**



**Team Spirit**



**Transparency**



**Innovation**



**Professionalism**



**Service Excellence**

## 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.

Everyone, Everywhere

# 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.**

Two Executive Commissioners, NCC

**4.**

Representative of National Planning Commission

**5.**

Representative of Ministry of Finance

**6.**

Representative of Ministry of Communications and Digital Economy

**7.**

Four Representative of Private Sector







# **STRATEGIC MANAGEMENT**

PLAN 2023 - 2027

# STRATEGIC MANAGEMENT PLAN 2023 - 2027

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. In view of the above, a new SMP 2023 – 2027 was developed to guide the operation of the Secretariat.





# Strategic Goals

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

## Goal 1:

### Facilitate an enabling environment for sustainable ICT

#### Objective:

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

#### 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:

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

#### Objective:

- Facilitate the availability and use of transmission infrastructure and connectivity to the national backbone in all LGAs.
- Drive increasing access to community-based ICT services on a shared basis and provide a platform for universal service.

#### Strategies:

- Provide subsidies or other forms of incentives to telecom operators and eligible service providers to extend ICT transmission infrastructure to identified un-served and underserved areas.
- Explore opportunities to deploy a full suite of universal access and universal service initiatives to build utilisation and sustainability of ICT projects.
- Ensure the co-location and sharing of infrastructure subsidised by USPF.

- Continuous consultations and collaboration with government agencies, non-profit organisations, and community based organisations 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 Secretariat to effectively deliver on its mandate.
- Continuously update organizational processes, performance measurement systems and partnerships that allow the USP Secretariat to successfully monitor, evaluate and assess the impact of USPF programmes.

### Strategies:

#### People

- Ensure the USP Board and Secretariat's structure and functions align 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.
- Identify, engage and work with world class organisations and individuals as strategic partners.

#### 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.









# USPF Programmes



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.

Section 1 (2) of the Universal Access and Universal Service Regulations 2007 states that – The ultimate objectives of the system of universal access and service provisions are as follows:

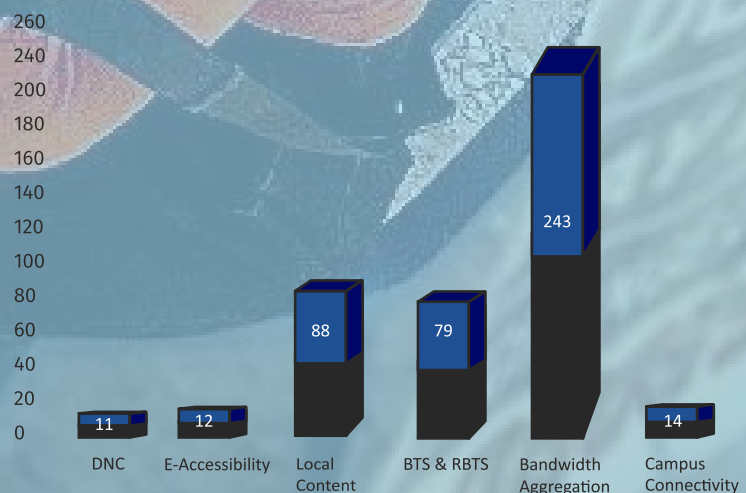


- i. Promote greater social equity and inclusion for the people of Nigeria and
- ii. Contribute to national economic, social and cultural development of Nigeria.

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.

**Number of Projects Executed in 2022**



## 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:



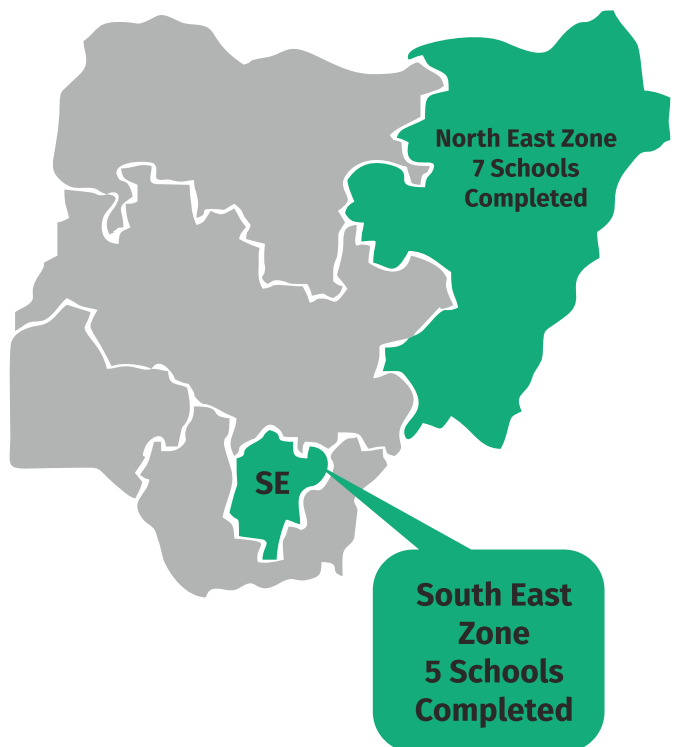
### Digital Nigeria Centre (DNC)

The Digital Nigeria Centre (DNC) - formerly 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). Targeted beneficiaries are public secondary schools in urban and rural areas where the schools have a classroom fortified as the ICT laboratory and used as ICT class for the teachers and students. We have implemented Eleven (11) DNC across Nigeria.





# 2.

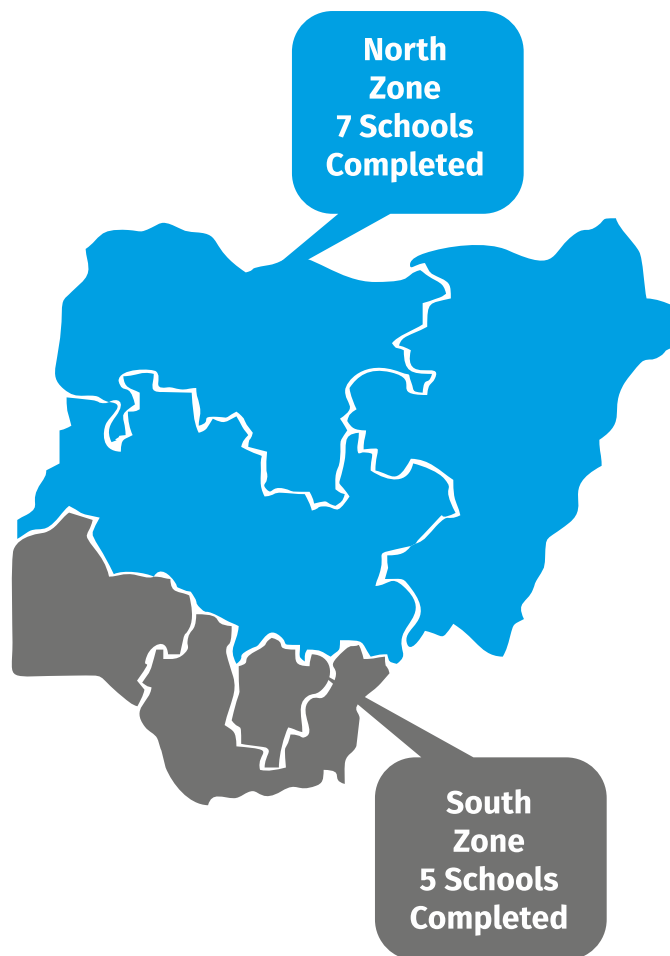
## E-Accessibility Project

The USPF through its project Implementers is providing ICTs and Assistive Technology solutions to some institutions catering to the needs of different categories of persons living with disabilities.

The main objective of the e-Accessibility 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 provided by USPF include: Hearing aid, Desktop Computers, Braille Embossers, Screen Reader, etc.

USPF has implemented Twelve (12) e-Accessibility projects across Nigeria, with Seven (7) sites, in the North and Five (5) in the South.









## Development and Deployment of Local Content Applications for e-Learning (DLC)

The Development and Deployment of Local Content Applications for e-Learning (DLC) was formally known as the Local Content Development and Deployment (LCD). The objective of Development and Deployment of Local Content Applications for e-Learning (DLC) project of the USPF 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 Eighty Eight (88) DLC in the year 2022. This includes all sites in the South and the North.













A person's arm is visible on the left side of the frame, wearing a white short-sleeved shirt with a blue and grey geometric pattern. A black watch with a metal link band is visible on the wrist. The background is dark and out of focus.

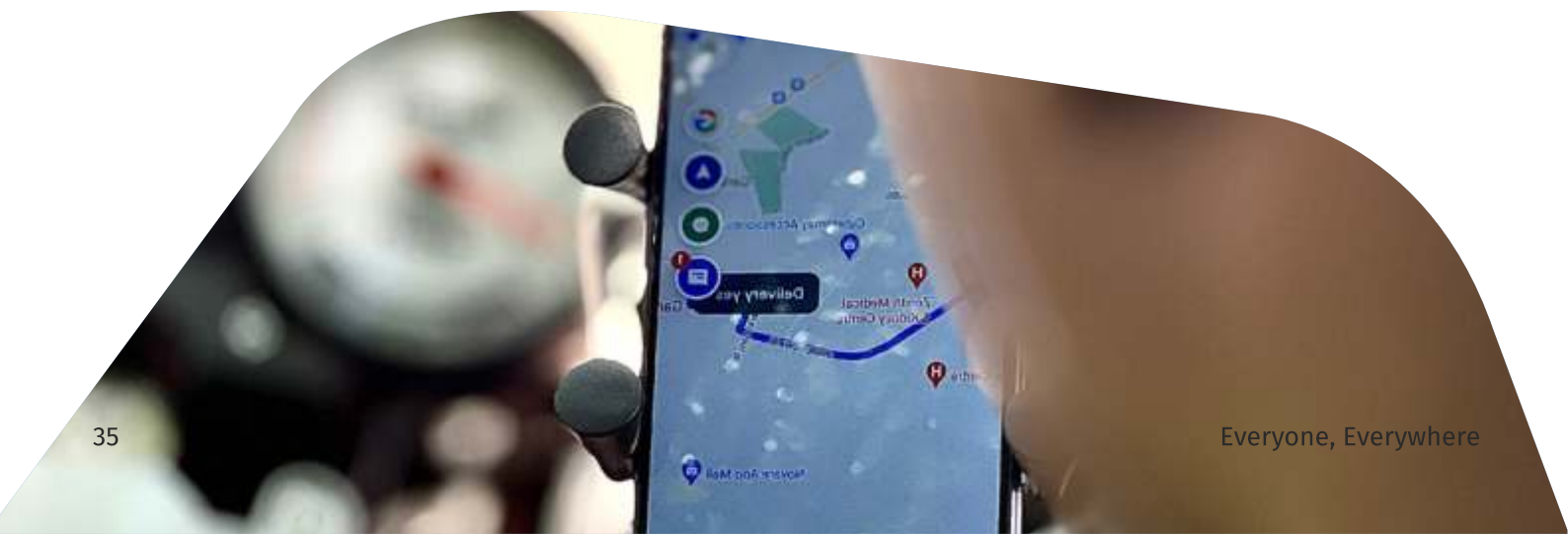
# Connectivity Programme





# Connectivity Programme

The Connectivity programme of the Fund comprised of 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:



1.

## Base Transceiver Station (BTS) & Rural Base Transceiver Station (RBTS)

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. This year the Secretariat implemented **Forty Nine (49) BTS and Thirty (30) RBTS** thereby making the total number of both to Seventy Nine (79) across the country.



## 2.

# Bandwidth Aggregation (BA) for All USPF Projects

The Bandwidth Aggregation project involves the provision of bulk internet bandwidth to satisfy the connectivity requirement of USPF projects such as DNC, TIDC, e-Health, e-Accessibility, e-library and others across the 109 Senatorial Districts of the Country. Under this project, each USPF project location is guaranteed a minimum broadband internet speed of 2048kbps downlink and 1024kbps uplink for a dedicated subscription period of 12 months. In the year 2022 a **total of Two Hundred and Forty Three (243) USPF project** locations were supported and provided with the required broadband service for a period of 12 months.







## Campus Connectivity Network (CCN)

The objective of the CCN project is to provide both wired and wireless high speed broadband internet in the Tertiary Institutions for research, learning and academic activities for staff and students. The project will spur digital learning and encourage cross border collaboration between academicians. Fourteen (14) Tertiary Institutions in the Six (6) geo-political zones and the FCT benefited from the CCN project. See table below for details:

S/N	INSTITUTION NAME	ZONES
1	National Open University Abuja	FCT
2	Federal Medical Center, Gwagwalada	FCT
3	Kwara State Polytechnic	North-Central
4	Federal College of Forestry Jos	North-Central
5	College of Health Technology Mubi	North-East
6	Gombe State Polytechnic Bajoga	North-East
7	Audu Bako College of Agriculture, Danbatta	North-West
8	Kebbi State Polytechnic Kebbi	North-West
9	National Institute of Nigerian Language	South-East
10	Imo State College of Education	South-East
11	Federal College of Education Asaba	South-South
12	Akwa Ibom State College of Education	South-South
13	Adeyemi College of Education Ondo	South-West
14	Federal College of Education Iwo	South-West





## Update of USPF Access Gap Clusters 2022

In 2013, the Universal Service Provision Fund (USPF) carried out a study with the objective of identifying clusters of voice telephony and transport network gap in the country. The result of the study would assist the USPF in designing projects and strategies to cover these gaps and ensure that everyone irrespective of locality is connected in the 21st century Nigeria. An update of the report was carried out during the period.

The estimated number of people living in the unserved and underserved areas declined from 33.7 million in 2015 to 31.16 million in 2019, while the number of clusters dropped from 207 to 114 during the period. Based on the outcome of the new study in 2022, the number of clusters have further dropped from 114 to 97 clusters with an estimated population of 27.91 million.



# Impact of USPF Projects

During the year under review, the USP Secretariat conducted a study to assess the impact of completed projects on the social, economic and human development indices in communities that have benefited from USPF projects. The study was expected to provide reliable evidence of the diverse impact of USPF projects on beneficiaries. The outcome of the study was expected to guide and assist in strategic planning as well as to justify allocations of funds expended on projects.

## **Outlined here are some of the impacts of the USPF projects**

- Faster telephony coverage to remote places.
- Promotes universal access to ICT.
- Easier information dissemination.
- Supports a wide range of other value-added services in the under-served and unserved areas.
- Inclusion of people living with disabilities into the knowledge economy.
- Enables persons with disabilities to live independently.
- Improved access to information and services.
- Encouragement of independent and active learning by persons with disabilities.
- Improved capacity of the institutions and teacher.
- ICT-enhanced health care delivery for more efficient health management.
- Access to remote health care services.
- The presence of broadband stimulates demand for ICT at the community level.
- Facilitates the adoption of ICT by the local people for economic and social development.
- 100% of USPF supported projects will have access to cost-effective bandwidth.
- Increased ICT-driven small and medium scale businesses.
- Employment generation.
- Improved computer literacy in the schools that have benefited from the project.
- The schools are able to register students for, and check results of WAEC, NECO and other examinations without travelling to the city.
- Entrenched digital life style in rural schools and communities.
- Adoption of ICT in teaching and learning.
- Access to remote learning resources.
- Encouragement of independent and active learning by students.
- The presence of DNC contributes to ICT appreciation in the host community personalized learning.
- Enhanced research.
- Better student-teacher engagement.
- Access to remote learning resources.
- Promote the use of ICTs in rural, unserved and underserved areas of the country.
- Provide relevant information/solutions to Secondary Schools.

# MAJOR LIMITATIONS/ CHALLENGES

The USPF 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:**

Absence of national grid is a big challenge, consequently, facilities deployed in some locations not being optimally utilized.

## **c) Security Concerns:**

Implementation delays and project time overrun due to insecurity, which also hampers the extension of telecommunication and ICT services to some parts of the country. Similarly, shut down of telecommunication operation in some parts of the country in an attempt to curtail this menace affected the implementation of the BTS/RBTS project.

## **d) Lack of Cooperation from Relevant Stakeholders:**

Inadequate 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 failure 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.

## **f) Sustainability Issues:**

Poor maintenance culture and lack of technical know-how by the beneficiaries of these projects under the Access Program, leads to early wear and tear of the equipment supplied for the projects.

## **g) Forex and Inflation**

Increase in inflation rate as well as fluctuation and inaccessibility to forex affected the implementation of all projects.









# **USPF Statement of Financial Performance for the year**

# Universal Service Provision Fund (USPF)

## Statement of Financial Performance For the year Ending 31st December 2022

	2022 N	2021 N
<b>REVENUE</b>		
Fees	-	3,200
Interest Earned	182,224,874	170,009,658
Domestic Grants/AOL Contribution from NCC	10,000,000,000	9,333,333,333
	<b>10,182,224,874</b>	<b>9,503,346,191</b>
<b>Accumulated Fund</b>		
Transfer from Accumulated Funds	1,324,847,408	6,201,717,128
<b>Total Revenue</b>	<b>11,507,072,282</b>	<b>15,705,063,319</b>
<b>EXPENDITURE</b>		
Projects & Programmes Cost/Grants & Subsidies	5,485,586,752	8,671,104,870
Personnel Costs	1,256,241,910	1,281,578,391
Overhead Cost	413,715,165	175,180,667
Repairs and Maintenance Services	7,213,406	3,293,277
Consulting & Professional Services	340,824,600	394,075,386
Financial Charges	6,493,052	2,856,607
Depreciation Charges	26,560,296	7,222,465
Consolidated Revenue Fund (CRF) Revenue Remittance	2,500,000,000	2,333,333,333
Impairment Loss on Financial & Non-Financial Assets	130,876,619	34,503,317
<b>Total Expenditure</b>	<b>10,167,511,800</b>	<b>12,834,141,679</b>
<b>Surplus/(Deficit) from Operating Activities for the period</b>	<b>1,339,560,482</b>	<b>2,870,921,640</b>
<b>Non-Operating Revenue/(Expenses)</b>		
Gain/(Loss) on Foreign Exchange Transaction	4,470,669	6,544,619
<b>Total Non-Operating Revenue/(Expenses)</b>	<b>4,470,669</b>	<b>6,544,619</b>
<b>Surplus/(Deficit) from Ordinary Activities</b>	<b>1,344,031,151</b>	<b>2,877,466,259</b>
<b>Net Surplus/(Deficit) for the Period</b>	<b>1,344,031,151</b>	<b>2,877,466,259</b>

# Universal Service Provision Fund (USPF)

## Statement of Financial Position as at 31st December 2022

	2022 N	2021 N
<b>ASSETS</b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	16,111,832,808	16,694,707,136
Receivables	4,539,520,612	6,970,932,529
Prepayments		3,264,417
Inventories	15,008,228	11,042,557
<b>Total Current Assets</b>	<b><u>20,666,361,648</u></b>	<b><u>23,679,946,639</u></b>
<b><u>Non-Current Assets</u></b>		
Property, Plant and Equipment	154,015,682	94,896,354
Technical Library Books	8,885,250	8,885,250
Fixed Asset Clearing	118,250,000	19,380,000
<b>Total Non-Current Assets</b>	<b><u>281,150,932</u></b>	<b><u>123,161,604</u></b>
<b>TOTAL ASSETS</b>	<b><u>20,947,512,580</u></b>	<b><u>23,803,108,243</u></b>
<b>LIABILITIES</b>		
<b><u>Current Liabilities</u></b>		
Unremitted Deductions	169,350,813	-
Payables	9,659,689,896	12,738,053,522
<b>Total Current Liabilities</b>	<b><u>9,829,040,709</u></b>	<b><u>12,738,053,522</u></b>
<b>Total Liabilities</b>	<b><u>9,829,040,709</u></b>	<b><u>12,738,053,522</u></b>
<b>Net Assets/(Liabilities)</b>	<b><u>11,118,471,871</u></b>	<b><u>11,065,054,721</u></b>
<b>NET ASSETS/EQUITY</b>		
<b>Accumulated Fund</b>	<b><u>11,118,471,871</u></b>	<b><u>11,065,054,721</u></b>



