

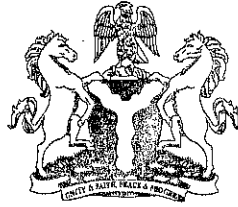


THE SENATE

FEDERAL REPUBLIC OF NIGERIA

REPORT OF THE COMMITTEE ON COMMUNICATIONS ON THE UNIVERSAL SERVICE PROVISION FUND (USPF) BUDGET PROPOSAL FOR THE YEAR ENDING 31ST DECEMBER 2019

2019



THE SENATE
FEDERAL REPUBLIC OF NIGERIA
Committee on Communications
National Assembly Complex
Three Arms Zone,
P.M.B. 141, Garki Abuja.

1. INTRODUCTION

In line with one of the objectives of the telecommunications policy of the Federal Government, namely to ensure that public telecommunications facilities are accessible to all communities in the country, the USPF, in consonance with its mandate, builds partnerships with and provides grant funds and subsidies to interested organizations to extend communications facilities to those unserved and underserved groups, build their capacity and empower them digitally.

2. UNIVERSAL SERVICE PROVISION FUND 2019 BUDGET SUMMARY

In compliance with Section 114(1) and 2(a) of the Nigerian Communications Act, 2003, the Receipts and Payments Account for the period ending 31st December 2019 shows Budgeted Income of N15.1billion. The Fund's Expenditure profile shows its Total Recurrent Expenditure as N1.9billion. Total Capital and Projects Expenditures are N102.2million and N13.0billion respectively.

SUMMARY OF USPF 2019 BUDGET

A. REVENUE PROFILE	N
INCOME FROM AOL CONTRIBUTION	13,500,000,000
RESERVES	1,671,605,072
TENDER FEES	2,520,000
TOTAL REVENUE	15,174,125,072
B. EXPENDITURES	
RECURRENT EXPENDITURE	
EMPLOYEE COSTS	979,533,560
OPERATIONAL COSTS	685,335,543
ADMINISTRATIVE COSTS	33,457,600
BOARD EXPENSES	297,860,000
BANK CHARGES	2,000,000
TOTAL RECURRENT EXPENDITURE	1,998,186,703
C. CAPITAL EXPENDITURE	
COMPUTERS	7,540,000
OFFICE EQUIPMENT	24,750,000
MOTOR VEHICLES	67,500,000
FURNITURE AND FITTINGS	2,460,000
TOTAL CAPITAL EXPENDITURE	102,250,000
D. PROJECTS EXPENDITURE	
CONNECTIVITY PROGRAMS	8,249,543,080
ACCESS PROGRAMMES	4,395,757,694
INSTITUTIONAL STRENGTHENING & CONSULTANCY PROGRAMMES	396,385,000
CONSULTANCY ON ASSETS SWAP VALUATION	32,002,595
TOTAL PROJECTS EXPENDITURE	13,073,688,369
E. TOTAL BUDGETED EXPENDITURE	15,174,125,072

The Total Budgeted Expenditure for the Year 2019 is Fifteen Billion, One Hundred and Seventy Four Million, One Hundred and Twenty Five Thousand and Seventy Two Naira (N15,174,125,072) only.

3. FINDINGS:

The Management of the Universal Service Provision Fund (USPF) led by its Secretary appeared before the Committee to defend the Fund's 2019 Budget proposal on Thursday, April 25, 2019 and after exhaustive deliberations, the Committee observes as follows:

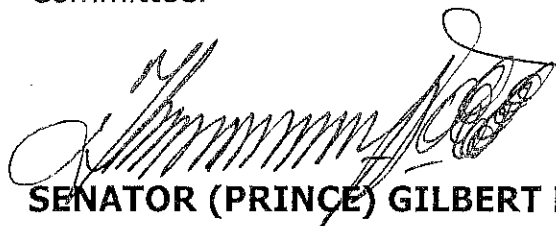
- i. The Fund's Total Budgeted Revenue for 2019 is Fifteen Billion, One Hundred and Seventy Four Million, One Hundred and Twenty Five Thousand and Seventy Two Naira (N15,174,125,072) only.
- ii. Similarly, the Fund's Total Budgeted Expenditure for 2019 is Fifteen Billion, One Hundred and Seventy Four Million, One Hundred and Twenty Five Thousand and Seventy Two Naira (N15,174,125,072) only. This consists of Secretariat's Recurrent Expenditure (N1.9billion); Secretariat's Capital Expenditure (N102.2million); and USPF Projects and Programmes (N13.0billion).

4. RECOMMENDATIONS:

It is hereby recommended that a sum of **Fifteen Billion, One Hundred and Seventy Four Million, One Hundred and Twenty Five Thousand and Seventy Two Naira (N15,174,125,072)** only be approved as the Universal Service Provision Fund's 2019 Budget.

5. PRAYER

That the Senate do approve the recommendation of the Committee.



SENATOR (PRINCE) GILBERT NNAJI
CHAIRMAN

**UNIVERSAL SERVICE PROVISION FUND
RECURRENT EXPENDITURE BUDGET 2019**

	2018 BUDGET	2019 BUDGET	COMM. REC.
RECURRENT EXPENDITURE	N	N	N
EMPLOYEE COSTS			
STAFF COSTS	870,806,640	979,533,560	979,533,560
TOTAL	870,806,640	979,533,560	979,533,560
OPERATIONAL COSTS			
Printing & Stationery	9,844,220	22,029,290	22,029,290
Postage & Courier Services	961,210	1,076,555	1,076,555
Advertisements & Publicity	33,000,000	33,715,000	33,715,000
Forum, Conf & Seminars Local – Logistics	80,024,000	95,270,500	95,270,500
Forum, Conf & Seminars Foreign - Logistics	179,420,000	240,213,880	240,213,880
Training & Development - Foreign	251,845,840	174,640,090	174,640,090
Sponsorship	3,500,000	4,200,000	4,200,000
Protocol	13,930,000	20,452,000	20,452,000
Newspapers & Periodicals	1,074,840	1,397,292	1,397,292
Subscriptions	3,240,000	13,510,000	13,510,000
Vehicle Running Expenses	10,900,000	12,950,000	12,950,000
Vehicle Insurance	11,861,560	10,361,555	10,361,555
Professional fees	15,292,550	14,936,041	14,936,041
Fund Managers' Fee	22,448,400	22,448,400	22,448,400
Procurement Process Expenses	38,471,000	18,134,940	18,134,940
TOTAL OPERATIONAL COST	675,813,600	685,335,543	685,335,543
ADMINISTRATIVE COSTS			
Telephone Expenses	1,950,000	7,800,000	7,800,000
Maintenance of Equipment	2,262,000	4,524,000	4,524,000
Entertainment	5,040,000	8,220,000	8,220,000
General Office Mtce/Exps	4,030,000	10,513,600	10,513,600
Search/Due Diligence Fee	2,400,000	2,400,000	2,400,000
TOTAL ADMIN COST	15,682,000	33,457,600	33,457,600
Total Board Expenses	229,104,000	297,860,000	297,860,000
Bank Charges	1,650,000	2,000,000	2,000,000
TOTAL RECURRENT EXPDT.	1,793,056,250	1,998,186,703	1,998,186,703

**UNIVERSAL SERVICE PROVISION FUND
CAPITAL EXPENDITURE BUDGET 2019**

	EXPENDITURE ITEM	2018 BUDGET		2019 BUDGET	COMMITTEE RECOMM.
QTY		N	QTY	N	N
	COMPUTERS				
2	Computers	500,000	6	1,920,000	1,920,000
2	Printers	300,000	5	1,500,000	1,500,000
5	UPS	375,000	5	450,000	450,000
6	Laptops	2,250,000	7	2,625,000	2,625,000
1	Computer Projector	457,500	1	797,000	797,000
	Computer Projector Screen	-	1	53,000	53,000
	Computer Accessories		3	195,000	195,000
	SUB TOTAL	3,882,500		7,540,000	7,540,000
	OFFICE EQUIPMENT				
2	Automatic Thermal Binding Machine	800,000	-	-	-
-	Automatic Coil Binding Machine	-	1	300,000	300,000
	Manual Binding Machine	-	5	250,000	250,000
	Digital Document Conversion	-	2	24,000,000	24,000,000
	Shredding Machine	-	4	200,000	200,000
LOT	Board Member's working Tools	4,240,00	-	-	-
	SUB TOTAL	5,040,000	-	24,750,000	24,750,000
	MOTOR VEHICLES				
1	Secretariat Vehicles – SUV (2017) & Hilux (2018).	25,000,000	3	67,500,000	67,500,000
	SUB TOTAL	25,000,000		67,500,000	67,500,000
	FURNITURE AND FITTINGS				
1	Executive Chair	249,500	2	500,000	500,000
	File Cabinet	-	8	1,600,000	1,600,000
	Visitors Chair	-	2	360,000	360,000
	SUB TOTAL	249,500		2,460,000	2,460,000
	TOTAL	34,172,500		102,250,000	102,250,000

**UNIVERSAL SERVICE PROVISION FUND
PROJECTS AND PROGRAMMES (2019)**

	BUDGET	BUDGET	COMMITTEE
	2018	2019	RECOMM
	N	N	N
CONNECTIVITY PROGRAMMES			
Base Transceiver Station (BTS): Conventional	1,540,745,600	3,091,352,482	3,091,352,482
Base Transceiver Station (BTS): Non- Conventional/Rural	715,157,570	2,289,160,169	2,289,160,169
Rural Broadband Initiative (RUBI)	784,355,410	1,044,993,305	1,044,993,305
University Inter Campus Connectivity (UniCC End User) Project	202,461,280	753,606,080	753,606,080
Bandwidth Provisioning/Aggregation	1,372,658,780	1,070,431,044	1,070,431,044
SUB TOTAL – CONNECTIVITY PROGRAMMES	4,615,378,640	8,249,543,080	8,249,543,080
ACCESS PROGRAMMES			
Schools Knowledge Centre (SKC)	3,117,188,840	3,248,788,031	3,248,788,031
Tertiary Institutions knowledge Centres (TIKC)	401,236,150	286,606,774	286,606,774
E-Health	329,050,510	204,624,442	204,624,442
Schools Knowledge Centre (SKC) Sustainability	11,446,470	-	-
E-Accessibility/ICT for Challenged Groups	552,547,270	541,984,355	541,984,355
Deployment of Local Contents & Applications	144,687,610	113,754,092	113,754,092
E-Library	551,015,960	-	-
SUB-TOTAL	5,107,172,810	4,395,757,693	4,395,757,694
INSTITUTIONAL STRENGTHNING AND CONSULTANCY			
Board and Management Retreat	31,300,000	17,520,000	17,520,000
Preparation and Publishing of Annual Reports	10,700,000	15,400,000	15,400,000
Website Management	6,240,000	6,240,000	6,240,000
GIS Development	10,650,000	24,400,000	24,400,000
Capacity Building of Community Based Organisations	46,050,000	-	-
Focused Industry Session	21,260,000	17,095,000	17,095,000
Project Monitoring, Evaluation & Commissioning	53,795,000	117,120,000	117,120,000
Innovative ICT Solution and Services	78,825,000	74,725,000	74,725,000
USPF Database Management	4,100,000	12,410,000	12,410,000
Capacity Building On USF Subsidy	15,000,000	-	-

Optimization			
Universal Service/Universal Access Study Visit for USPF Board	96,304,640	52,542,000	52,542,000
ICT Penetration Analysis and Needs Assessment	15,000,000	-	-
Update of Access Gap Clusters	160,000,000	31,680,000	31,680,000
Consultation with Relevant Government Agencies	-	15,103,000	15,103,000
USPF Corporate Visibility	-	12,150,000	12,150,000
SUB-TOTAL	684,224,640	396,385,000	396,385,000
CONSULTANCY ON ASSETS SWAP VALUATION	-	32,002,595	32,002,595
SUB-TOTAL	-	32,002,595	32,002,595
TOTAL – PROJECT & PROGRAMME COST	10,406,776,090	13,073,688,369	13,073,688,369

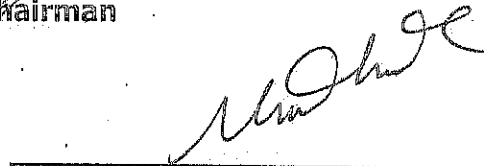
**UNIVERSAL SERVICE PROVISION FUND Y2019 BUDGET REPORT
ENDORSEMENT SHEET**



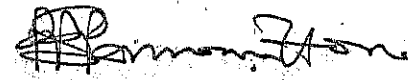
**Senator Gilbert Nnaji
Chairman**



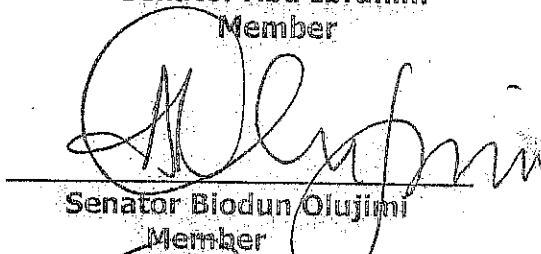
**Senator Ademola N. Adeleke
Vice Chairman**



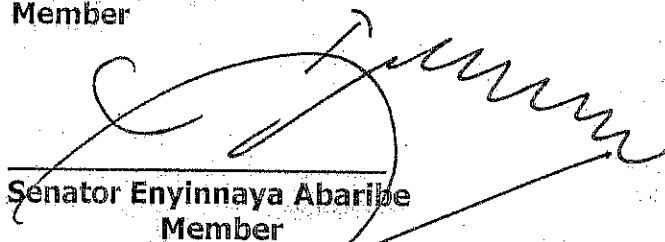
**Senator Abu Ibrahim
Member**



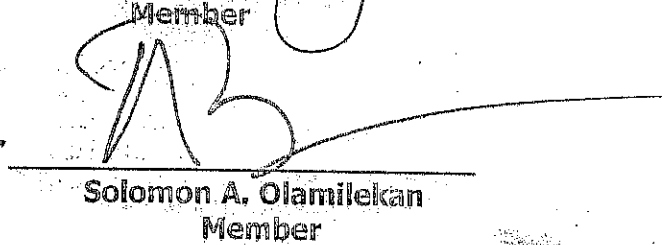
**Senator Phillip Aduda
Member**




**Senator Biodun Olujimi
Member**



**Senator Enyinnaya Abaribe
Member**




**Solomon A. Olamilekan
Member**



**Senator Joshua Dariye FCA
Member**



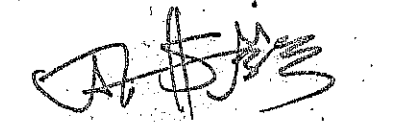
**Senator Ubali Shittu
Member**



**Senator Isa Hamma
Member**



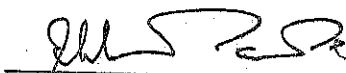
**Senator Gbolahan Dada
Member**



**Senator Abdul-aziz Nyako
Member**



**Senator Osinakachukwu Ideozu
Member**



**Kolawole E. Kayode
Committee Clerk**

**UNIVERSAL SERVICE PROVISION FUND
EXPECTED REVENUE RECEIPTS
FOR BUDGET YEAR 2019**

YEAR	2018	2019
	₦	₦
REVENUE:		
Transfer of Annual Operating Levy (AOL) from NCC	9,030,000,000	13,500,000,000
Reserves	1,592,004,830	1,671,605,072
Funds Held by Aso Savings & Loans	1,600,000,000	-
Tender Fees	12,000,000	2,520,000
TOTAL REVENUE	12,234,004,830	15,174,125,072

**UNIVERSAL SERVICE PROVISION FUND
SUMMARY OF BUDGET PROPOSAL FOR 2019**

YEAR DESCRIPTION	2018 BUDGET ₦	2019 BUDGET ₦
TOTAL REVENUE/FUNDS (A)	12,234,004,830	15,174,125,072
EXPENDITURES:		
TOTAL RECURRENT EXPENDITURE	1,793,056,240	1,998,186,703
CAPITAL EXPENDITURE	34,172,500	102,250,000
PROJECTS & PROGRAMS EXPENDITURE	10,406,776,090	13,073,688,369
TOTAL EXPENDITURES (B)	12,234,004,830	15,174,125,072
SURPLUS/(DEFICIT): (A) - (B)	-	-

**UNIVERSAL SERVICE PROVISION FUND
SUMMARY OF BUDGET PROPOSAL FOR 2019
RECEIPTS AND PAYMENTS ACCOUNT**

YEAR DESCRIPTION	2018 BUDGET ₦	2019 BUDGET ₦
RECEIPTS:		
REVENUE	12,234,004,830	15,174,125,072
TOTAL FUNDS (A)	12,234,004,830	15,174,125,072
PAYMENTS:		
RECURRENT EXPENDITURE:		
EMPLOYEES COSTS	870,806,640	979,533,560
OPERATIONAL COSTS	675,813,600	685,335,543
ADMINISTRATIVE COSTS	15,682,000	33,457,600
BOARD EXPENSES	229,104,000	297,860,000
BANK CHARGES	1,650,000	2,000,000
TOTAL RECURRENT EXPENDITURE	1,793,056,240	1,998,186,703
CAPITAL EXPENDITURE	34,172,500	102,250,000
PROJECTS & PROGRAMMES EXPENDITURE	10,406,776,090	13,073,688,369
TOTAL BUDGET EXPENDITURE (B)	12,234,004,830	15,174,125,072
SURPLUS/(DEFICIT): (A) - (B)	-	-

**UNIVERSAL SERVICE PROVISION FUND
PROGRAMMES & PROJECTS COSTS FOR YEAR 2019 BUDGET**

YEAR	2018	2019
DESCRIPTION		
PROJECTS AND PROGRAMMES:	₦	₦
A) CONNECTIVITY PROGRAMMES:		
Base Transceiver Station (BTS): Conventional	1,540,745,600	3,091,352,482
Base Transceiver Station (BTS) : Non-Conventional/Rural	715,157,570	2,289,160,169
Rural Broadband Initiative (RUBI)	784,355,410	1,044,993,305
Backbone Transmission Infrastructure (BTRAIN)	-	-
University Inter-Campus Connectivity (UniCC End User)	202,461,280	753,606,080
Bandwidth Provisioning /Aggregation	1,372,658,780	1,070,431,044
Sub-total for (A)	4,615,378,640	8,249,543,080
B) ACCESS PROGRAMMES:		
School Knowledge Centres (SKC)	3,117,188,840	3,248,788,031
Tertiary Institutions Knowledge Centres (TIKC)	401,236,150	286,606,774
E-Accessibility/ICT for Challenged Groups	552,547,270	541,984,355
E-Health	329,050,510	204,624,441
School Knowledge Centres (SKC) Sustainability	11,446,470	-
Deployment of Local Contents & Applications	144,687,610	113,754,092
E-Library	551,015,960	-
Sub-total for (B)	5,107,172,810	4,395,757,693
C) INSTITUTIONAL STRENGTHENING & CONSULTANCY PROGRAMMES:		
Board & Management Retreat	31,300,000	17,520,000
Preparation and Publishing of Annual Reports	10,700,000	15,400,000
Website Management	6,240,000	6,240,000
Geographic Information System (GIS)Development	10,650,000	24,400,000
Capacity Building of Community Based Organisations	46,050,000	-
Focused industry Session	21,260,000	17,095,000
Project Monitoring, Evaluation & Commissioning	53,795,000	117,120,000
Innovative ICT Solutions and Entrepreneurship Development	78,825,000	74,725,000
Universal Service/Universal Access Study Visit for USPF Board	96,304,640	52,542,000
Capacity Building On USF Subsidy Optimization	15,000,000	-
USPF Database Management	4,100,000	12,410,000
ICT Penetration Analysis and Needs Assessment	150,000,000	-
Update of Access Gap Clusters	160,000,000	31,680,000
Consultations with Relevant Government Agencies	-	15,103,000
USPF Corporate Visibility	-	12,150,000
Sub-total for (C)	684,224,640	396,385,000
D) Consultancy on Assets Swap Valuation	-	32,002,595
TOTAL PROJECTS & PROGRAMS COSTS	10,406,776,090	13,073,688,369

**UNIVERSAL SERVICE PROVISION FUND
CAPITAL EXPENDITURE FOR YEAR 2019 BUDGET
SECRETARIAT (USPF) REQUIREMENTS**

YEAR	YEAR 2018			YEAR 2019		
	BUDGET			BUDGET		
EXPENDITURE ITEM	Unit	Unit Price (₦)	Amount (₦)	Unit	Unit Price (₦)	Amount (₦)
1 COMPUTERS						
Computers	2	250,000	500,000	6	320,000	1,920,000
Printers	2	150,000	300,000	5	300,000	1,500,000
UPS	5	75,000	375,000	5	90,000	450,000
Laptops	6	375,000	2,250,000	7	375,000	2,625,000
Computer Projector	1	457,500	457,500	1	797,000	797,000
Computer Projector Screen	-	-	-	1	53,000	53,000
Computer Accessories	-	-	-	3	65,000	195,000
SUB TOTAL			3,882,500			7,540,000
2 OFFICE EQUIPMENT						
Automatic Thermal Binding Machine	2	400,000	800,000	-	-	-
Automatic Coil Binding Machine	-	-	-	1	300,000	300,000
Manual Binding Machine	-	-	-	5	50,000	250,000
Digital Document Conversion	-	-	-	2	12,000,000	24,000,000
Shredding machine	-	-	-	4	50,000	200,000
Board Members working tools	LOT	4,240,000	4,240,000	0	-	-
SUB TOTAL			5,040,000			24,750,000
3 MOTOR VEHICLES						
Project Vehicles	1	25,000,000	25,000,000	3	22,500,000	67,500,000
SUB TOTAL			25,000,000			67,500,000
4 FURNITURE AND FITTINGS						
Executive Chair	1	249,500.0	249,500	2	250,000	500,000
File Cabinet	-	-	-	8	200,000	1,600,000
Visitors Chair				2	180,000	360,000
SUB TOTAL			249,500			2,460,000
TOTAL			34,172,500			102,250,000

**UNIVERSAL SERVICE PROVISION FUND
RECURRENT EXPENDITURE FOR YEAR 2019 BUDGET PROPOSAL**

YEAR	2018 BUDGET ₦	2019 BUDGET ₦
RECURRENT EXPENDITURE:		
EMPLOYEES COSTS		
Staff Costs	870,806,640	979,533,560
TOTAL	870,806,640	979,533,560
OPERATIONAL COSTS		
Printing & Stationery	9,844,220	22,029,290
Postage & Courier Services	961,210	1,076,555
Advertisements & Publicity	33,000,000	33,715,000
Training, Conference & Seminars Logistics - Local	80,024,000	95,270,500
Forum, Conf & Seminars Foreign Logistics - Foreign	179,420,000	240,213,880
Training & Development- Foreign	251,845,836	174,640,090
Sponsorship	3,500,000	4,200,000
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Newspapers & Periodicals	1,074,840	1,397,292
Subscriptions	3,240,000	13,510,000
Vehicle Running Expenses	10,900,000	12,950,000
Vehicle Insurance	11,861,544	10,361,555
Professional Fees	15,292,550	14,936,041
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Procurement Process Expenses	38,471,000	18,134,940
TOTAL OPERATIONAL COSTS	675,813,600	685,335,543
ADMINISTRATIVE COSTS		
Telephone Expenses	1,950,000	7,800,000
Maintenance of Equipment	2,262,000	4,524,000
Entertainment	5,040,000	8,220,000
General Office Expenses	4,030,000	10,513,600
Search/Due Diligence Fee	2,400,000	2,400,000
TOTAL ADMINISTRATIVE COSTS	15,682,000	33,457,600
Total Board Expenses	229,104,000	297,860,000
Bank Charges	1,650,000	2,000,000
TOTAL RECURRENT EXPENDITURE	1,793,056,240	1,998,186,703