



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 2018

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 2018 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 2018 shows Budgeted Income of N12.2billion. The Fund's Expenditure profile shows its Total Recurrent Expenditure as N1.7billion. Total Capital and Projects Expenditures are N34million and N10.4billion respectively.

SUMMARY OF USPF 2018 BUDGET

A. REVENUE PROFILE	N'000
INCOME FROM AOL CONTRIBUTION	9,030,000.00
RESERVES	1,592,004.83
TENDER FEES	12,000.00
FUNDS HELD BY ASO SAVINGS & LOANS	1,600,000.00
TOTAL REVENUE	12,234,004.83

B. EXPENDITURES

RECURRENT EXPENDITURE

EMPLOYEE COSTS	870,806.64
OPERATIONAL COSTS	675,813.60
ADMINISTRATIVE COSTS	15,682.00
BOARD EXPENSES	229,104.00
BANK CHARGES	1,650.00
TOTAL RECURRENT EXPENDITURE	1,793,056.25

C. CAPITAL EXPENDITURE

COMPUTERS	3,882.00
OFFICE EQUIPMENT	5,040.00
MOTOR VEHICLES	25,000.00
FURNITURE AND FITTINGS	250.50
TOTAL CAPITAL EXPENDITURE	34,172.50

D. PROJECTS EXPENDITURE

CONNECTIVITY PROGRAMS	4,615,378.64
ACCESS PROGRAMMES	5,107,172.80
INSTITUTIONAL STRENGTHENING & CONSULTANCY	684,224.64
TOTAL PROJECTS EXPENDITURE	10,406,776.08

TOTAL BUDGETED EXPENDITURE	12,234,004.83
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The Total Budgeted Expenditure for the Year 2018 is Twelve Billion, Two Hundred and Thirty Four Million, Four Thousand Naira, Eighty Three Kobo (N12,234,004.83) 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 2018 Budget proposal on Thursday, December 13, 2018 and after exhaustive deliberations, the Committee observes as follows:

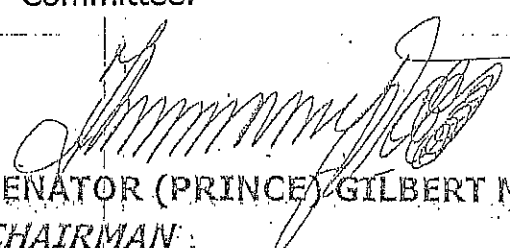
- i. The Fund's Total Budgeted Revenue for 2018 is Twelve Billion, Two Hundred and Thirty Four Million, Four Thousand Naira, Eighty Three Kobo (N12,234,004.83) only.
- ii. Similarly, the Fund's Total Budgeted Expenditure for 2018 is Twelve Billion, Two Hundred and Thirty Four Million, Four Thousand Naira, Eighty Three Kobo (N12,234,004.83) only. This consists of Secretariat's Recurrent Expenditure (N1.7billion); Secretariat's Capital Expenditure (N34million); and USPF Projects and Programmes (N10.4billion).

iv. RECOMMENDATIONS:

It is hereby recommended that a sum of **Twelve Billion, Two Hundred and Thirty Four Million, Four Thousand Naira, Eighty Three Kobo (N12,234,004.83)** only be approved as the Universal Service Provision Fund's 2018 Budget.

v. PRAYER

That the Senate do approve the recommendation of the Committee.



SENATOR (PRINCE) GILBERT NNAJI
CHAIRMAN

UNIVERSAL SERVICE PROVISION FUND
RECURRENT EXPENDITURE BUDGET 2018

	2017 BUDGET	2018 BUDGET	COMM. REC.
RECURRENT EXPENDITURE	N(000)	N(000)	N(000)
EMPLOYEE COSTS			
STAFF COSTS	617,289.59	870,806.64	870,806.64
TOTAL	617,289.59	870,806.64	870,806.64
OPERATIONAL COSTS			
Printing & Stationery	8,552.75	9,844.22	9,844.22
Postage & Courier Services	739.39	961.21	961.21
Advertisements & Publicity	24,550.00	33,000.00	33,000.00
Forum, Conf & Seminars Local – Logistics	64,912.50	80,024.00	80,024.00
Forum, Conf & Seminars Foreign - Logistics	164,328.77	179,420.00	179,420.00
Training & Development - Foreign	-	251,845.84	251,845.84
Sponsorship	3,000.00	3,500.00	3,500.00
Protocol	11,620.00	13,930.00	13,930.00
Newspapers & Periodicals	826.80	1,074.84	1,074.84
Subscriptions	1,950.00	3,240.00	3,240.00
Vehicle Running Expenses	19,210.00	10,900.00	10,900.00
Vehicle Insurance	10,361.56	11,861.56	11,861.56
Professional fees	12,500.00	15,292.55	15,292.55
Fund Managers' Fee	19,500.00	22,448.40	22,448.40
Procurement Process Expenses	21,153.00	38,471.00	38,471.00
TOTAL OPERATIONAL COST	363,204.77	675,813.60	675,813.60
ADMINISTRATIVE COSTS			
Telephone Expenses	1,500.00	1,950.00	1,950.00
Maintenance of Equipment	1,740.00	2,262.00	2,262.00
Entertainment	4,560.00	5,040.00	5,040.00
General Office Mtce/Exps	3,100.00	4,030.00	4,030.00
Search/due Diligence Fee		2,400.00	2,400.00
TOTAL ADMIN COST	10,900.00	15,682.00	15,682.00
Total Board Expenses	171,582.77	229,104.00	229,104.00
Bank Charges	1,500.00	1,650.00	1,650.00
TOTAL RECURRENT EXPDT.	1,164,477.13	1,793,056.25	1,793,056.25

UNIVERSAL SERVICE PROVISION FUND
CAPITAL EXPENDITURE BUDGET 2018

	EXPENDITURE ITEM	2017 BUDGET (N'000)		2018 BUDGET (N'000)	COMMITTEE RECOMM. (N'000)
QTY			QTY		
	COMPUTERS				
3	Computers	750	2	500	500
-	Equipment for e- documentation	-		-	-
-	Printers	-	2	300	300
-	UPS	-	5	375	375
3	Laptops	900	6	2,250	2,250
LOT	Accessories	-	-	-	-
-	Computer Screen Protector	-	1	458	458
	SUB TOTAL	1,650		3,883	3,883
	OFFICE EQUIPMENT				
-	Automatic Thermal Binding Machine	-	2	800	800
1	Automatic Coil Binding Machine	500	-	-	-
1	Digital Conversion	3,000	-	-	-
LOT	Board Member's working Tools	4,240	LOT	4,240	4,240
	SUB TOTAL	7,740		5,040	5,040
	MOTOR VEHICLES				
2	Secretariat Vehicles – SUV (2017) & Hilux (2018)	57,000	1	25,000	25,000
	SUB TOTAL	57,000		25,000	25,000
	FURNITURE AND FITTINGS				
1	Executive Chair	250	1	250	250.50
	SUB TOTAL	250		250	250.50
	TOTAL	66,640		34,173	34,173

**UNIVERSAL SERVICE PROVISION FUND
PROJECTS AND PROGRAMMES (2018)**

	BUDGET	BUDGET	COMMITTEE
	2017	2018	RECOMM
	(N'000)	(N'000)	(N'000)
CONNECTIVITY PROGRAMMES			
Base Transceiver Station (BTS): Conventional	2,198,737.56	1,540,745.60	1,540,745.60
Base Transceiver Station (BTS): Non- Conventional/Rural	349,545.08	715,157.57	715,157.57
Rural Broadband Initiative (RUBI)	-	784,355.41	784,355.41
University Inter Campus Connectivity (UniCC OFC) Project	602,439.20	-	-
University Inter Campus Connectivity (UniCC End User) Project	883,233.70	202,461.28	202,461.28
Stakeholders Initiated Projects	480,000.00	-	-
Bandwidth Provisioning/Aggregation	1,806,924.66	1,372,658.78	1,372,658.78
SUB TOTAL – CONNECTIVITY PROGRAMMES	6,320,880.20	4,615,378.64	4,615,378.64
ACCESS PROGRAMMES			
Schools Knowledge Centre (SKC)	-	3,117,188.84	3,117,188.84
Tertiary Institutions knowledge Centres (TIKC)	291,808.11	401,236.15	401,236.15
E-Health	512,805.99	329,050.51	329,050.51
Schools Knowledge Centre (SKC) Sustainability	-	11,446.47	11,446.47
E-Accessibility/ICT for Challenged Groups	492,796.50	552,547.27	552,547.27
Deployment of Local Contents & Applications	220,704.00	144,687.61	144,687.61
E-Library	416,322.36	551,015.96	551,015.96
SUB-TOTAL	1,934,436.96	5,107,172.80	5,107,172.80
INSTITUTIONAL STRENGTHNING AND CONSULTANCY			
Board and Management Retreat	26,500.00	31,300.00	31,300.00
Preparation and Publishing of Annual Reports	7,250.00	10,700.00	10,700.00
Development of five year strategic management plan 2018 – 2022	58,000.00	-	-
Industry Consultations on New Strategic Management Plan	15,490.00	-	-
Website Management	6,240.00	6,240.00	6,240.00

GIS Development	10,590.00	10,650.00	10,650.00
Capacity Building of Community Based Organisations	-	46,050.00	46,050.00
Focused Industry Session	18,560.00	21,260.00	21,260.00
Consultative Forum/Geo-Political For a	-	160,000.00	160,000.00
Project Monitoring, Evaluation & Commissioning	29,788.33	53,795.00	53,795.00
Innovative ICT Solution and Services	62,410.00	78,825.00	78,825.00
USPF Database Management	10,000.00	4,100.00	4,100.00
Capacity Building On USF Subsidy Optimization	20,000.00	15,000.00	15,000.00
Universal Service/Universal Access Study Visit for USPF Board	-	96,304.64	96,304.64
ICT Penetration Analysis and Needs Assessment	-	150,000.00	150,000.00
Geopolitical Zone	-	160,000.00	160,000.00
SUB-TOTAL	264,828.33	684,224.64	684,224.64
TOTAL – PROJECT & PROGRAMME COST	8,520,145.49	10,406,776.08	10,406,776.08

UNIVERSAL SERVICE PROVISION FUND Y2018 BUDGET

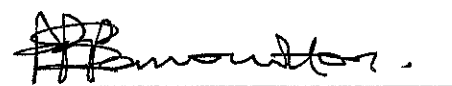
ENDORSEMENT SHEET



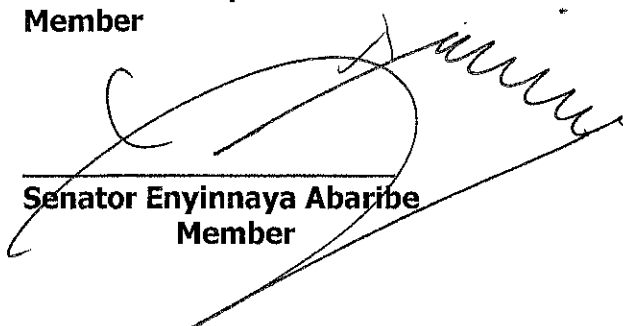
Senator Gilbert Nnaji
Chairman



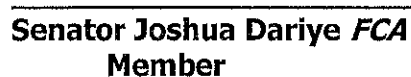
Senator Ademola N. Adeleke
Vice Chairman



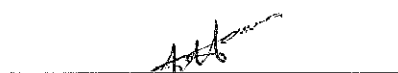
Senator Phillip Aduda
Member



Senator Enyinnaya Abaribe
Member



Senator Joshua Dariye FCA
Member



Senator Isa Hama
Member



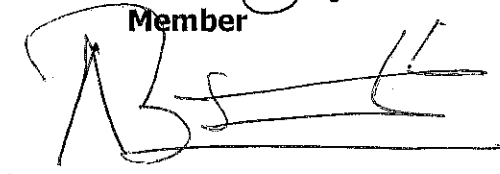
Senator Abdul-aziz Nyako
Member



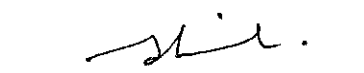
Senator Abu Ibrahim
Member



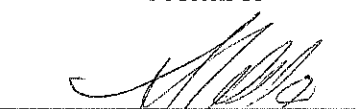
Senator Biodun Olujimi
Member



Solomon A. Olamilekan
Member



Senator Ubali Shittu
Member



Senator Gbolahan Dada
Member



Senator Osinakachukwu Ideozu
Member



Kolawole E. Kayode
Committee Clerk

UNIVERSAL SERVICE PROVISION FUND
EXPECTED FUNDS RECEIPTS

YEAR	2017	2018
	₦'000	₦'000
REVENUE:		
AOL Transfer from NCC	7,112,434.93	9,030,000.00
Reserves	928,827.68	1,592,004.83
Funds Held by Aso Savings & Loans	1,700,000.00	1,600,000.00
Tender Fees	10,000.00	12,000.00
TOTAL FUNDS	9,751,262.61	12,234,004.83

**UNIVERSAL SERVICE PROVISION FUND
SUMMARY OF BUDGET PROPOSAL FOR 2018**

YEAR DESCRIPTION	2017 BUDGET N'000	2018 BUDGET N'000
TOTAL FUNDS	9,751,262.61	12,234,004.83
EXPENDITURES:		
TOTAL RECURRENT EXPENDITURE	1,164,477.13	1,793,056.25
CAPITAL EXPENDITURE	66,640.00	34,172.50
PROJECTS & PROGRAMS EXPENDITURE	8,520,145.48	10,406,776.08
TOTAL EXPENDITURES	9,751,262.61	12,234,004.83

**UNIVERSAL SERVICE PROVISION FUND
SUMMARY OF BUDGET PROPOSAL FOR 2018
RECEIPTS AND PAYMENTS ACCOUNT**

YEAR DESCRIPTION	2017 BUDGET N'000	2018 BUDGET N'000
RECEIPTS:		
FUNDS	9,751,262.61	12,234,004.83
TOTAL FUNDS	9,751,262.61	12,234,004.83
PAYMENTS:		
RECURRENT EXPENDITURE:		
EMPLOYEES COSTS	617,289.59	870,806.64
OPERATIONAL COSTS	363,204.77	675,813.60
ADMINISTRATIVE COSTS	10,900.00	15,682.00
BOARD EXPENSES	171,582.77	229,104.00
BANK CHARGES	1,500.00	1,650.00
TOTAL RECURRENT EXPENDI	1,164,477.13	1,793,056.25
CAPITAL EXPENDITURE	66,640.00	34,172.50
PROJECTS EXPENDITURE	8,520,145.48	10,406,776.08
TOTAL EXPENDITURE	9,751,262.61	12,234,004.83

**UNIVERSAL SERVICE PROVISION FUND
PROGRAMS & PROJECTS COSTS FOR BUDGET YEAR 2018**

YEAR			
DESCRIPTION	2017 BUDGET ₦'000	2018 BUDGET ₦'000	
PROJECTS AND PROGRAMMES			
A) CONNECTIVITY PROGRAMS:			
Base Transceiver Station (BTS): Conventional	2,198,737.56	1,540,745.60	
Base Transceiver Station (BTS) : Non- Conventional/Rural	349,545.08	715,157.57	
Rural Broadband Initiative (RUBI)	-	784,355.41	
University Inter Campus Connectivity (UniCC OFC)	602,439.20	-	
University Inter campus connectivity (UniCC End User)	883,233.70	202,461.28	
Bandwidth Provisioning /Aggregation	1,806,924.66	1,372,658.78	
Stakeholder Initiated Project	480,000.00	-	
Sub-total for (A)	6,320,880.20	4,615,378.64	
B) ACCESS PROGRAMS:			
School Knowledge Centres (SKC)	-	3,117,188.84	
Tertiary Institutions Knowledge Centres (TIKC)	291,808.11	401,236.15	
E-Accessibility/ICT for Challenged Groups	492,796.50	552,547.27	
E-Health	512,805.99	329,050.51	
School Knowledge Centres (SKC) Sustainability	-	11,446.47	
Deployment of Local Contents & Applications	220,704.00	144,687.61	
E-Library	416,322.35	551,015.96	
Sub-total for (B)	1,934,436.95	5,107,172.80	
C) INSTITUTIONAL STRENGTHENING & CONSULTANCY (C)			
Board & Management Retreat	26,500.00	31,300.00	
Preparation and Publishing of Annual Reports	7,250.00	10,700.00	
Development of Five Year Strategic Management Plan 2018 - 2022	58,000.00	-	
Industry Consultations on New Strategic Management Plan 2018 - 2022	15,490.00	-	
Website Management	6,240.00	6,240.00	
GIS Development	10,590.00	10,650.00	
Capacity Building of Community Based Organisations	-	46,050.00	
Focused industry Session	18,560.00	21,260.00	
Project Monitoring, Evaluation & Commissioning	29,788.33	53,795.00	
Innovative ICT Solutions and Entrepreneurship Development	62,410.00	78,825.00	
Universal Service/Universal Access Study Visit for USPF Board	-	96,304.64	
Capacity Building On USP Subsidy Optimization	20,000.00	15,000.00	
USPF Database Management	10,000.00	4,100.00	
ICT Penetration Analysis and Needs Assessment	-	150,000.00	
Consultancy for the update of USPF Access Gap in six Geopolitical zone	-	160,000.00	
Sub-total for (C)	264,828.33	684,224.64	
TOTAL PROJECTS & PROGRAMS COSTS	8,520,145.48	10,406,776.08	

**UNIVERSAL SERVICE PROVISION FUND
CAPITAL EXPENDITURE BUDGET 2018
SECRETARIAT (USPF) REQUIREMENTS**

YEAR	YEAR 2017			YEAR 2018		
	BUDGET			BUDGET		
EXPENDITURE ITEM	Unit	Unit Price (N'000)	Amount (N'000)	Unit	Unit Price (N'000)	Amount (N'000)
1 COMPUTERS						
Computers	3	250	750	2	250	500
Printers				2	150	300
UPS	-	-	-	5	75	375
Laptops	3	300	900	6	375	2,250
Computer Projector				1	458	458
SUB TOTAL			1,650			3,883
2 OFFICE EQUIPMENT						
Automatic Thermal Binding Machine	-	-	-	2	400	800
Automatic Coil Binding Machine	1	500	500	-	-	-
Digital conversion	1	3,000	3,000	-	-	-
Project Monitoring Tools	LOT	-	-	LOT	-	-
Board Members working tools	LOT	4,240	4,240	LOT	4,240	4,240
SUB TOTAL			7,740			5,040
3 MOTOR VEHICLES						
Secretariat Vehicles -SUV (2017) & Hilux (2018)	2	28,500	57,000	1	25,000.00	25,000
SUB TOTAL			57,000			25,000
4 FUNITURE AND FITTINGS						
Executive Chair	1	250	250	1	250	250
SUB TOTAL			250			250
TOTAL			66,640			34,173

**UNIVERSAL SERVICE PROVISION FUND
RECURRENT EXPENDITURE BUDGET PROPOSAL FOR 2018**

YEAR	2017 BUDGET N'000	2018 BUDGET N'000
RECURRENT EXPENDITURE:		
EMPLOYEES COSTS		
Staff Costs	617,289.59	870,806.64
TOTAL	617,289.59	870,806.64
OPERATIONAL COSTS		
Printing & Stationery	8,552.75	9,844.22
Postage & Courier Services	739.39	961.21
Advertisements & Publicity	24,550.00	33,000.00
Forum, Conf & Seminars Local - Logistics	64,912.50	80,024.00
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Vehicle Running Expenses	19,210.00	10,900.00
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Fund Managers Fee	19,500.00	22,448.40
Procurement Process Expenses	21,153.00	38,471.00
TOTAL OPERATIONAL COSTS	363,204.77	675,813.60
ADMINISTRATIVE COSTS		
Telephone Expenses	1,500.00	1,950.00
Maintenance of Equipment	1,740.00	2,262.00
Entertainment	4,560.00	5,040.00
General Office Expenses	3,100.00	4,030.00
Search/Due Diligence Fee	-	2,400.00
TOTAL ADMINISTRATIVE COSTS	10,900.00	15,682.00
Total Board Expenses	171,582.77	229,104.00
Bank Charges	1,500.00	1,650.00
TOTAL RECURRENT EXPENDITURE	1,164,477.13	1,793,056.25