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 STRENGHTENNG & CONSULTANCY	684,224.64
TOTAL PROJECTS EXPENDITURE	**10,406,776.08**
TOTAL BUDGETED EXPENDITURE	**12,234,004.83**

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, 3018and after exhaustive deliberations, the Committee observes as follows:

i. The Fund's Total BudgetedRevenue 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 BudgetedExpenditure 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

QTY	EXPENDITURE ITEM	2017 BUDGET (N'000)	QTY	2018 BUDGET (N'000)	COMMITTEE RECOMM. (N'000)
	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 2017 (N'000)	BUDGET 2018 (N'000)	COMMITTEE RECOMM (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-Accessability/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 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 FUNDS RECEIPTS

YEAR	**2017** **₦'000**	**2018** **₦'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 ₦'000	2018 BUDGET ₦'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** **₦'000**	**2018** **BUDGET** **₦'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-Accessability/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 USF 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 / EXPENDITURE ITEM	YEAR 2017 BUDGET			YEAR 2018 BUDGET		
		Unit	Unit Price (₦000)	Amount (₦'000)	Unit	Unit Price (₦000)	Amount (₦'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 ₦'000	2018 BUDGET ₦'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
Forum, Conf & Seminars Foreign - Logistics	164,328.77	179,420.00
Training & Development - Foreign	-	251,845.84
Sponsorship	3,000.00	3,500.00
Protocol	11,620.00	13,930.00
Newspapers & Periodicals	826.80	1,074.84
Subscriptions	1,950.00	3,240.00
Vehicle Running Expenses	19,210.00	10,900.00
Vehicle Insurance	10,361.56	11,861.56
Professional Fees	12,500.00	15,292.55
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**