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 2017

MARCH 2018

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 2017 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 2017 shows Budgeted Income of N9.7billion. The Fund's Expenditure profile shows its Total Recurrent Expenditure as N1.1billion. Total Capital and Projects Expenditures are N66million and N8.5billion respectively.

SUMMARY OF USPF 2017 BUDGET

A.	**REVENUE PROFILE**	**N'000**
	INCOME FROM AOL CONTRIBUTION	7,112,434.93
	ESTIMATED ACCUMMULATED FUND	928,827.68
	TENDER FEES	10,000.00
	FUNDS HELD BY ASO SAVINGS & LOANS	1,700,000.00
	TOTAL REVENUE	**9,751,262.61**
B.	**EXPENDITURES**	
	RECURRENT EXPENDITURE	
	EMPLOYEE COSTS	617,289.59
	OPERATIONAL COSTS	363,204.77
	ADMINISTRATIVE COSTS	10,900.00
	BOARD EXPENSES	171,582.77
	BANK CHARGES	1,500.00
	TOTAL RECURRENT EXPENDITURE	**1,164,477.13**
C.	**CAPITAL EXPENDITURE**	
	COMPUTERS	1,650.00
	OFFICE EQUIPMENT	7,740.00
	MOTOR VEHICLES	57,000.00
	FURNITURE AND FITTINGS	250.00
	TOTAL CAPITAL EXPENDITURE	**66,640.00**
D.	**PROJECTS EXPENDITURE**	
	CONNECTIVITY PROGRAMS	6,320,880.20
	ACCESS PROGRAMMES	1,934,436.96
	INSTITUTIONAL STRENGHTENNG & CONSULTANCY	264,828.33
	TOTAL PROJECTS EXPENDITURE	**8,520,145.49**
	TOTAL BUDGETED EXPENDITURE	**9,751,262.61**

The Total Budgeted Expenditure for the year 2017 is N9,751,262,000.61 (Nine Billion, Seven Hundred and Fifty One Million, Two Hundred and Sixty Two Thousand Naira, Sixty One Kobo 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 2017 Budget proposal on Tuesday, February 20, 2018 and after exhaustive deliberations, the Committee observes as follows:

i. The Fund's Total Revenue for 2017 is N9,751,262,000.61

ii. Similarly, the Fund's Total Expenditure for 2017 is N9,751,262,000.61. This consists of Secretariat's Recurrent Expenditure (N1.1billion); Secretariat's Capital Expenditure (N66million); and USPF Projects and Programmes (N8.5billion).

iv. **RECOMMENDATIONS:**

a. It is hereby recommended that a sum of **N9,751,262,000.61 (Nine Billion, Seven Hundred and Fifty One Million, Two Hundred and Sixty Two Thousand Naira, Sixty One Kobo)** only be approved as the Universal Service Provision Fund's 2017 Budget.

b. We also recommend that this Budget should be allowed to run till 30th June, 2018.

v. **PRAYER**

That the Senate do approve the recommendation of the Committee.

SENATOR (PRINCE) GILBERT NNAJI

CHAIRMAN

UNIVERSAL SERVICE PROVISION FUND
RECURRENT EXPENDITURE BUDGET 2017

RECURRENT EXPENDITURE	2016 BUDGET	2017 BUDGET	2017 COMM. REC.
	N(000)	N(000)	N(000)
EMPLOYEE COSTS			
STAFF COSTS	665,431	617,289.59	617,289.59
TOTAL	**665,431**	**617,289.59**	**617,289.59**
OPERATIONAL COSTS			
Printing & Stationery	8,090	8,552.75	8,552.75
Postage & Courier Services	3,300	739.39	739.39
Advertisements & Publicity	161,500	24,550.00	24,550.00
Forum, Conf & Seminars Local – Logistics	72,064	64,912.50	64,912.50
Forum, Conf & Seminars Foreign - Logistics	187,403	164,328.77	164,328.77
Sponsorship	-	3,000.00	3,000.00
Protocol	26,690	11,620.00	11,620.00
Newspapers & Periodicals	1,000	826.80	826.80
Subscriptions	4,095	1,950.00	1,950.00
Vehicle Running Expenses	24,000	19,210.00	19,210.00
Vehicle Insurance	23,500	10,361.56	10,361.56
Professional fees	19,580	12,500.00	12,500.00
Fund Managers' Fee	-	19,500.00	19,500.00
Procurement Process Expenses	-	21,153.00	21,153.00
TOTAL OPERATIONAL COST	**531,222**	**363,204.77**	**363,204.77**
ADMINISTRATIVE COSTS			
Telephone Expenses	1,200	1,500.00	1,500.00
Maintenance of Equipment	1,100	1,740.00	1,740.00
Entertainment	4,200	4,560.00	4,560.00
General Office Mtce/Exps	4,800	3,100.00	3,100.00
TOTAL ADMIN COST	**11,300**	**10,900.00**	**10,900.00**
Total Board Expenses	220,000	171,582.77	171,582.77
Bank Charges	5,600	1,500.00	1,500.00
TOTAL RECURRENT EXPDT.	**1,433,553**	**1,164,477.13**	**1,164,477.13**

UNIVERSAL SERVICE PROVISION FUND
CAPITAL EXPENDITURE BUDGET 2017

QTY	EXPENDITURE ITEM	2016 BUDGET (N'000)	QTY	2017 BUDGET (N'000)	COMMITTEE RECOMM. (N'000)
	COMPUTERS				
5	Computers	1,250	3	750	750
	Equipment for e-documentation	-	-	-	-
7	Printers	2,100	-	-	-
5	UPS	100	-	-	-
5	Laptops	1,250	3	900	900
LOT	Accessories	800	LOT	-	-
12	Computer Screen Protector	360	-	-	-
	SUB TOTAL	**5,860**		**1,650**	**1,650**
	OFFICE EQUIPMENT				
4	Copier	11,200	-	-	-
3	Shredding Machine	150	-	-	-
LOT	Legal Library Upgrade	3,000	-	-	-
2	Binding Machine (Manual)	700	-	-	-
1	Automatic Coil Binding Machine	500	1	500	500
3	Scanner-Digitalization	9,000	-	-	-
3	Digital Conversion	6,600	1	3,000	3,000
LOT	Project Monitoring Tools	5,000	LOT	-	-
LOT	Board Member's working Tools	4,000	LOT	4,240	4,240
LOT	Legal Software	5,000	-	-	-
	SUB TOTAL	**45,150**		**7,740**	**7,740**
	MOTOR VEHICLES				
5	Project Vehicles	40,000	-	-	-
-	Secretariat Vehicles - SUV	-	2	57,000	57,000
	SUB TOTAL			**57,000**	**57,000**
	FURNITURE AND FITTINGS				
-	Furniture and Fittings	-	-	-	-
1	Executive Chair	250	1	250	250
2	Visitors' Chair	180	-	-	-
1	Side Stool	50	-	-	-
2	Office Chairs	200	-	-	-
2	File Cabinet	360	-	-	-
	SUB TOTAL	**1,040**	**1**	**250**	**250**
	TOTAL	**92,050**		**66,640**	**66,640**

UNIVERSAL SERVICE PROVISION FUND PROJECTS AND PROGRAMMES (2017)

	BUDGET 2016 (N'000)	BUDGET 2017 (N'000)	COMMITTEE RECOMM (N'000)
CONNECTIVITY PROGRAMMES			
Base Transceiver Station (BTS): Conventional	1,000,000.00	2,198,737.56	2,198,737.56
Base Transceiver Station (BTS): Non-Conventional/Rural	-	349,545.08	349,545.08
Base Transceiver Station (BTS) Operational Expenditure	263,000.00	-	-
University Inter Campus Connectivity (UniCC OFC) Project	1,071,000.00	602,439.20	602,439.20
University Inter Campus Connectivity (UniCC End User) Project	1,543,500.00	883,233.70	883,233.70
Stakeholders Initiated Projects	2,000,000.00	480,000.00	480,000.00
Bandwidth Provisioning/Aggregation	2,500,000.00	1,806,924.66	1,806,924.66
SUB TOTAL – CONNECTIVITY PROGRAMMES	**8,377,500.00**	**6,320,880.20**	**6,320,880.20**
ACCESS PROGRAMMES			
Schools Knowledge Centre (SKC)	4,578,000.00	-	-
Tertiary Institutions knowledge Centres (TIKC)	415,368.45	291,808.11	291,808.11
E-Health	-	512,805.99	512,805.99
E-Accessability/ICT for Challenged Groups	492,796.50	492,796.50	492,796.50
Deployment of Local Contents & Applications	315,000.00	220,704.00	220,704.00
E-Library	-	416,322.36	416,322.36
SUB-TOTAL	**5,801,164.95**	**1,934,436.96**	**1,934,436.96**
INSTITUTIONAL STRENGTHNING AND CONSULTANCY			
Board and Management Retreat	25,000.00	26,500.00	26,500.00
Preparation and Publishing of Annual Reports	15,000.00	7,250.00	7,250.00
Development of five year strategic management plan 2018 - 2022	-	58,000.00	58,000.00
Industry Consultations on New Strategic Management Plan	-	15,490.00	15,490.00
Impact Assessment	120,000.00	-	-
Website Management	3,000.00	6,240.00	6,240.00
GIS Development	20,000.00	10,590.00	10,590.00

Capacity Building of Community Based Organisations	160,000.00	-	-
Focused Industry Session	16,000.00	18,560.00	18,560.00
Consultative Forum/Geo-Political For a	-	-	-
Project Monitoring, Evaluation & Commissioning	52,000.00	29,788.33	29,788.33
Innovative ICT Solution and Services	90,000.00	62,410.00	62,410.00
USPF Database Management	-	10,000.00	10,000.00
Capacity Building On USF Subsidy Optimization	-	20,000.00	20,000.00
Mid-Term Review of the Strategic Management Plan 2013-2017	25,000.00	-	-
Universal Service/Universal Access Study Visit for USPF Board	75,000.00	-	-
USPF Database Management	-	10,000.00	10,000.00
Capacity Building on USF Subsidy Optimization	-	20,000.00	20,000.00
SUB-TOTAL	**601,000.00**	**264,828.33**	**264,828.33**
Fund Managers Fees	20,000.00	-	-
TOTAL – PROJECT & PROGRAMME COST	**14,799,664.95**	**8,520,145.49**	**8,520,145.49**

UNIVERSAL SERVICE PROVISION FUND Y2017 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 (USPF)

YEAR 2017 BUDGET PROPOSALS

UNIVERSAL SERVICE PROVISION FUND
EXPECTED FUND RECEIPTS

YEAR	2016	2017
	₦'000	₦'000
FUNDS SOURCES:		
AOL Contribution from NCC	8,700,000.00	7,112,434.93
Estimated Accumulated Fund	7,605,268.00	928,827.68
Funds Held by Aso Savings & Loans	-	1,700,000.00
Tender Fees	20,000.00	10,000.00
ESTIMATED FUNDS	**16,325,268.00**	**9,751,262.61**

UNIVERSAL SERVICE PROVISION FUND
SUMMARY OF BUDGET PROPOSAL FOR 2017

YEAR	2016	2017
DESCRIPTION	BUDGET	BUDGET
	₦'000	₦'000
TOTAL FUNDS	**16,325,268.00**	**9,751,262.61**
EXPENDITURES:		
TOTAL RECURRENT EXPENDITURE	1,433,553.05	1,164,477.13
CAPITAL EXPENDITURE	92,050.00	66,640.00
PROJECTS EXPENDITURE	14,799,664.95	8,520,145.48
TOTAL EXPENDITURES	**16,325,268.00**	**9,751,262.61**
ESTIMATED ACCUMULATED FUND	-	**0.00**

UNIVERSAL SERVICE PROVISION FUND
SUMMARY OF BUDGET PROPOSAL FOR 2017
RECEIPTS AND PAYMENTS ACCOUNT

YEAR DESCRIPTION	2016 BUDGET ₦'000	2017 BUDGET ₦'000
RECEIPTS:		
ESTIMATED FUNDS	16,325,268.00	9,751,262.61
TOTAL FUNDS	**16,325,268.00**	**9,751,262.61**
PAYMENTS:		
RECURRENT EXPENDITURE:		
EMPLOYEES COSTS	665,431.45	617,289.59
OPERATIONAL COSTS	531,221.60	363,204.77
ADMINISTRATIVE COSTS	11,300.00	10,900.00
BOARD EXPENSES	220,000.00	171,582.77
BANK CHARGES	5,600.00	1,500.00
TOTAL RECURRENT EXPENDITURE	**1,433,553.05**	**1,164,477.13**
CAPITAL EXPENDITURE	**92,050.00**	**66,640.00**
PROJECTS EXPENDITURE	**14,799,664.95**	**8,520,145.48**
TOTAL BUDGET	**16,325,268.00**	**9,751,262.61**
ESTIMATED ACCUMULATED FUND	**-**	**0.00**

UNIVERSAL SERVICE PROVISION FUND
PROJECTS & PROGRAMS BUDGET PROPOSAL FOR 2017

YEAR DESCRIPTION	2016 BUDGET ₦'000	2017 BUDGET ₦'000
A) CONNECTIVITY PROGRAMS:		
Base Transceiver Station (BTS): Conventional	1,000,000.00	2,198,737.56
Base Transceiver Station (BTS) : Non- Conventional/Rural	-	349,545.08
Base Transceiver Station (BTS) Operational Expenditure	263,000.00	-
University Inter Campus Connectivity (UniCC OFC)	1,071,000.00	602,439.20
University Inter Campus Connectivity (UniCC End User)	1,543,500.00	883,233.70
Bandwidth Provisioning /Aggregation	2,500,000.00	1,806,924.66
Stakeholder Initiated Project	2,000,000.00	480,000.00
Sub-total for (A)	**8,377,500.00**	**6,320,880.20**
B) ACCESS PROGRAMS		
School Knowledge Centres (SKC)	4,578,000.00	-
Tertiary Institutions Knowledge Centres (TIKC)	415,368.45	291,808.11
E-Accessability/ICT for Challenged Groups	492,796.50	492,796.50
E-Health	-	512,805.99
Deployment of Local Contents & Applications	315,000.00	220,704.00
E-Library	-	416,322.35
Sub-total for (B)	**5,801,164.95**	**1,934,436.95**

USPF YEAR 2017 BUDGET CON'D

	2016 BUDGET ₦'000	2017 BUDGET ₦'000
C) INSTITUTIONAL STRENGTHENING & CONSULTANCY (C)		
Board & Management Retreat	25,000.00	26,500.00
Preparation and Publishing of Annual Reports	15,000.00	7,250.00
Development of Five Year Strategic Management Plan 2018 - 2022	-	58,000.00
Industry Consultations on New Strategic Management Plan	-	15,490.00
Impact Assessment	120,000.00	-
Website Management	3,000.00	6,240.00
GIS Development	20,000.00	10,590.00
Capacity Building of Community Based Organisations	160,000.00	-
Focused industry Session	16,000.00	18,560.00
Project Monitoring, Evaluation & Commissioning	52,000.00	29,788.33
Innovative ICT Solutions and Entrepreneurship Development	90,000.00	62,410.00
Mid-Term review of Strategic Management Plan 2013-2017	25,000.00	-
Universal Service/Universal Access Study Visit for USPF Board	75,000.00	-
USPF Database Management	-	10,000.00
Capacity Building On USF Subsidy Optimization	-	20,000.00
Sub-total for (C)	**601,000.00**	**264,828.33**
Fund Managers Fees	20,000.00	-
TOTAL PROJECTS & PROGRAMS COSTS	**14,799,664.95**	**8,520,145.48**

UNIVERSAL SERVICE PROVISION FUND
CAPITAL EXPENDITURE BUDGET 2017
SECRETARIAT (USPF) REQUIREMENTS

YEAR	YEAR 2016			YEAR 2017		
	BUDGET			BUDGET		
EXPENDITURE ITEM	Unit	Unit Price (₦000)	Amount (₦'000)	Unit	Unit Price (₦000)	Amount (₦'000)
1 COMPUTERS						
Computers	5	250	1,250	3	250	750
Printers	7	300	2,100	-	-	-
UPS	5	20	100	-	-	-
Laptops	5	250	1,250	3	300	900
Computer Accessories	LOT	-	800	-	-	-
Computer Screen Protector	12	30	360	-	-	-
Equipment for E-documentation						
SUB TOTAL			5,860			1,650
2 OFFICE EQUIPMENT						
Copier	4	2,800	11,200	-	-	-
Shredding Machine	3	50	150	-	-	-
Legal Library Upgrade	LOT		3,000	-	-	-
Binding Machine (Manual)	2	350	700	-	-	-
Automatic Coil Binding Machine	1	500	500	1	500	500
Scanner-Digitalization	3	3,000	9,000	-	-	-
Digital conversion	3	2,200	6,600	1	3,000	3,000
Project Monitoring Tools	LOT	5,000	5,000	LOT	-	-
Board Members working tools	LOT	4,000	4,000	LOT	4,240	4,240
Legal Software	LOT	-	5,000		-	-
SUB TOTAL			45,150			7,740
3 MOTOR VEHICLES						
Project Vehicles - Sedan	5	8,000	40,000		-	-
Secretariat Vehicles -SUV	-	-	-	2	28,500	57,000
SUB TOTAL			40,000			57,000
4 FUNITURE AND FITTINGS						
Furniture and Fittings						
Executive Chair	1	250	250	1	250	250
Visitors Chair	2	90	180	-	-	-
Side Stool	1	50	50	-	-	-
Office Chairs	2	100	200	-	-	-
File Cabinets	2	180	360	-	-	-
SUB TOTAL			1,040			250
TOTAL			92,050			66,640

UNIVERSAL SERVICE PROVISION FUND
RECURRENT EXPENDITURE BUDGET PROPOSAL FOR 2017

YEAR	2016 BUDGET ₦'000	2017 BUDGET ₦'000
RECURRENT EXPENDITURE:		
EMPLOYEES COSTS		
Staff Costs	665,431.00	617,289.59
TOTAL	**665,431.00**	**617,289.59**
OPERATIONAL COSTS		
Printing & Stationery	8,090.00	8,552.75
Postage & Courier Services	3,300.00	739.39
Advertisements & Publicity	161,500.00	24,550.00
Forum, Conf & Seminars Local - Logistics	72,064.00	64,912.50
Forum, Conf & Seminars Foreign - Logistics	187,403.00	164,328.77
Sponsorship	-	3,000.00
Protocol	26,690.00	11,620.00
Newspapers & Periodicals	1,000.00	826.80
Subscriptions	4,095.00	1,950.00
Vehicle Running Expenses	24,000.00	19,210.00
Vehicle Insurance	23,500.00	10,361.56
Professional Fees	19,580.00	12,500.00
Fund Managers Fee	20,000.00	19,500.00
Procurement Process Expenses	-	21,153.00
TOTAL OPERATIONAL COSTS	**551,222.00**	**363,204.77**
ADMINISTRATIVE COSTS		
Telephone Expenses	1,200.00	1,500.00
Maintenance of Equipment	1,100.00	1,740.00
Entertainment	4,200.00	4,560.00
General Office Expenses	4,800.00	3,100.00
TOTAL ADMINISTRATIVE COSTS	**11,300.00**	**10,900.00**
Total Board Expenses	220,000.00	171,582.77
	-	-
Bank Charges	5,600.00	1,500.00
TOTAL RECURRENT EXPENDITURE	**1,453,553.00**	**1,164,477.13**