



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 2016**

OCTOBER 2016



THE SENATE
FEDERAL REPUBLIC OF NIGERIA
Committee on Communications

*National Assembly Complex
Three Arms Zone;
P.M.B. 141, Garki Abuja.*

1. INTRODUCTION

The Universal Service Provision Fund's (USPF) Budget proposal for the year ending 31st December, 2016 was forwarded to the Senate by the President, C – in – C for consideration and approval and was immediately referred to the Committee on Communications for further legislative action.

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 2016 **BUDGET SUMMARY**

In compliance with the provision of the Fiscal Responsibility Act, 2007 and Section 114(1) and 2(a) of the Nigerian communications Act, 2003, the Receipts and Payments Account for the period ending 31st December 2016 shows **Budgeted Income of N16.3billion**. The Fund's Expenditure profile shows its **Total Recurrent Expenditure as N1.4billion**, while **Total Capital and Projects Expenditures are N92million** and **N14.8billion** respectively.

SUMMARY OF USPF 2016 BUDGET

A. REVENUE PROFILE		N'000
INCOME FROM AOL CONTRIBUTION		8,700,000
RESERVES		7,605,268
TENDER FEE		20,000
TOTAL REVENUE		16,325,268
B. EXPENDITURES		
TOTAL RECURRENT EXPENDITURE		1,433,553.05
TOTAL CAPITAL EXPENDITURE		92,050.00
PROJECTS EXPENDITURE		14,799,664.95
TOTAL BUDGETED EXPENDITURES..		16,325,268.00

The Total Budgeted Expenditure for the year 2016 is **N16,325,268,000 (Sixteen Billion, Three Hundred and Twenty Five Million, Two Hundred and Sixty Eight Thousand Naira 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 2016 Budget proposal and after exhaustive deliberations, the Committee observes as follows:

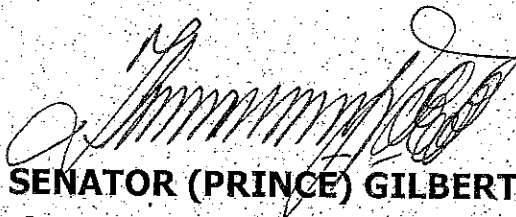
- i. The Fund's Total Revenue for 2016 is N16,325,268,000
- ii. Similarly, the Fund's Total Expenditure for 2016 is N16,325,268,000 This consists of Secretariat's Recurrent Expenditure (N1.4billion); Secretariat's Capital Expenditure (N92million); and USPF Projects and Programmes (N14.8billion).

iv. **RECOMMENDATION:**

It is hereby recommended that a sum of **N16,325,268,000 (Sixteen Billion, Three Hundred and Twenty Five Million, Two Hundred and Sixty Eight Thousand Naira)** only be approved as the Universal Service Provision Fund's 2016 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 2016

	2015	2016	2016
RECURRENT EXPENDITURE	BUDGET	BUDGET	COMM. REC.
	N(000)	N(000)	N(000)
EMPLOYEE COSTS			
STAFF COSTS	841,898	665,431	665,431
TOTAL	841,898	665,431	665,431
OPERATIONAL COSTS			
Printing & Stationery	12,200	8,090	8,090
Postage & Courier Services	3,300	3,300	3,300
Advertisements & Publicity	121,000	161,500	161,500
Forum, Conf & Seminars Local – Logistics	66,000	72,064	72,064
Forum, Conf & Seminars Foreign - Logistics	129,800	187,403	187,403
Protocol	22,500	26,690	26,690
Newspapers & Periodicals	800	1,000	1,000
Subscriptions	3,850	4,095	4,095
Vehicle Running Expenses	12,100	24,000	24,000
Vehicle Insurance	7,040	23,500	23,500
Professional fees	19,580	19,580	19,580
TOTAL OPERATIONAL COST	398,170	531,222	531,222
ADMINISTRATIVE COSTS			
Telephone Expenses	1,200	1,200	1,200
Maintenance of Equipment	1,100	1,100	1,100
Entertainment	1,500	4,200	4,200
General Office Mtce/Exps	4,800	4,800	4,800
TOTAL ADMIN COST	8,600	11,300	11,300
Total Board Expenses	220,000	220,000	220,000
Bank Charges	5,600	5,600	5,600
TOTAL RECURRENT EXPDIT.	1,474,268	1,433,553	1,433,553

UNIVERSAL SERVICE PROVISION FUND
CAPITAL EXPENDITURE BUDGET 2016

	EXPENDITURE ITEM	2015 BUDGET		2016 BUDGET	COMMITTEE RECOMM.
QTY		N	QTY	N	N
	COMPUTERS				
5	Computers	1,050,000	5	1,250,000	1,250,000
2	Equipment for e- documentation	8,000,000	-	-	-
5	Printers	750,000	7	2,100,000	2,100,000
10	UPS	200,000	5	100,000	100,000
8	Laptops	2,400,000	5	1,250,000	1,250,000
LOT	Accessories	-	LOT	800,000	800,000
	Computer Screen Protector	-	12	360,000	360,000
	SUB TOTAL	12,400,000		5,860,000	5,860,000
	OFFICE EQUIPMENT				
2	Copier	-	4	11,200,000	11,200,000
2	Shredding Machine	-	3	150,000	150,000
LOT	Legal Library Upgrade	-	LOT	3,000,000	3,000,000
LOT	Binding Machine (Manual)	2,000,000	2	700,000	700,000
	Automatic Coil Binding Machine	-	1	500,000	500,000
	Scanner-Digitalization	-	3	9,000,000	9,000,000
	Digital Conversion	-	3	6,600,000	6,600,000
	Project Monitoring Tools	-	LOT	5,000,000	5,000,000
	Board Member's working Tools	-	LOT	4,000,000	4,000,000
LOT	Legal Software	20,000,000	LOT	5,000,000	5,000,000
	SUB TOTAL	22,000,000		45,150,000	45,150,000
	MOTOR VEHICLES				
	Project Vehicles		5	-	40,000,000
	SUB TOTAL				40,000,000
	FURNITURE AND FITTINGS				
LOT	Furniture and Fittings	12,000,000		-	-
	Executive Chair	-	1	250,000	250,000
	Visitors' Chair	-	2	180,000	180,000
	Side Stool	-	1	50,000	50,000
	Office Chairs	-	2	200,000	200,000
	File Cabinet	-	2	360,000	360,000
	SUB TOTAL	12,000,000		1,040,000	1,040,000
	TOTAL	46,400,000		92,050,000	92,050,000

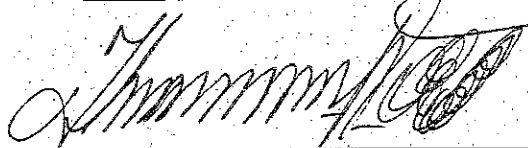
**UNIVERSAL SERVICE PROVISION FUND
PROJECTS AND PROGRAMMES (2016)**

	BUDGET	BUDGET	COMMITTEE
	2015	2016	RECOMM
	N	N	N
CONNECTIVITY PROGRAMMES			
Base Transceiver Station (BTS)	4,000,000,000	1,000,000,000	1,000,000,000
Base Transceiver Station (BTS) Operational Expenditure	400,000,000	263,000,000	263,000,000
Universities Inter-Campus Connectivity (UniCC OFC) Project	1,500,000,000	1,071,000,000	1,071,000,000
Universities Inter-Campus Connectivity (UniCC End User) Project	-	1,543,500,000	1,543,500,000
Stakeholders Initiated Projects	500,000,000	2,000,000,000	2,000,000,000
Bandwidth Aggregation	3,000,000,000	2,500,000,000	2,500,000,000
SUB TOTAL - CONNECTIVITY PROGRAMMES	9,400,000,000	8,377,500,000	8,377,500,000
ACCESS PROGRAMMES			
Schools Knowledge Centre (SKC)	3,844,334,000	4,578,000,000	4,578,000,000
Tertiary Institutions knowledge Centre (TIKC) E-Health Project	346,492,000	415,368,450	415,368,450
E-Assesability/ICT for Challenged Groups	500,000,000	492,796,500	492,796,500
Development of Local Contents & Applications	-	315,000,000	315,000,000
SUB-TOTAL	4,690,826,000	5,801,164,950	5,801,164,950
INSTITUTIONAL STRENGTHNING AND CONSULTANCY			
Board and Management Retreat	35,000,000	25,000,000	25,000,000
Preparation and Publishing of Annual Reports	10,000,000	15,000,000	15,000,000
Impact Assessment	-	120,000,000	120,000,000
Active Participation/Subscription to International Universal Access & Service Organisations	5,000,000	-	-
Website Management	2,500,000	3,000,000	3,000,000
Insurance for all Projects	400,000,000	-	-
Capacity Building of Community based	30,000,000	160,000,000	160,000,000

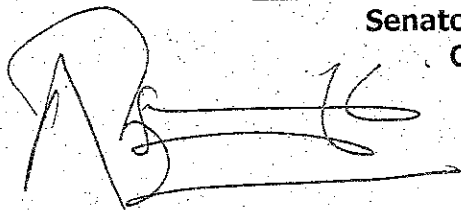
Organisations			
Focused Industry Session	15,000,000	16,000,000	16,000,000
Consultative Forum/Geo-Political Fora	15,000,000	-	-
GIS Development	40,000,000	20,000,000	20,000,000
Project Monitoring, Evaluation & Commissioning	150,000,000	52,000,000	52,000,000
Innovative ICT Solution and Services	-	90,000,000	90,000,000
Mid-Term Review of the Strategic Management Plan 2013-2017	-	25,000,000	25,000,000
Universal Service/Universal Access Study Visit for USPF Board	-	75,000,000	75,000,000
SUB-TOTAL	507,500,000	601,000,000	601,000,000
Fund Managers Fees	35,000,000	20,000,000	20,000,000
TOTAL – PROJECT & PROGRAMME COST	14,633,326,000	14,799,664,950	14,799,664,950

UNIVERSAL SERVICE PROVISION FUND 2016 BUDGET

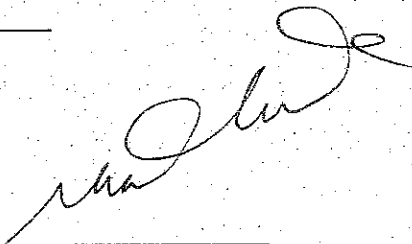
ENDORSEMENT SHEET



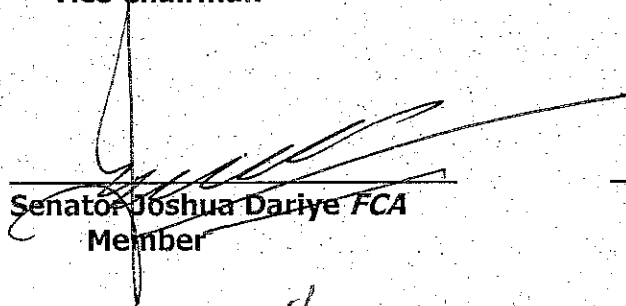
Senator Gilbert Nnaji
Chairman



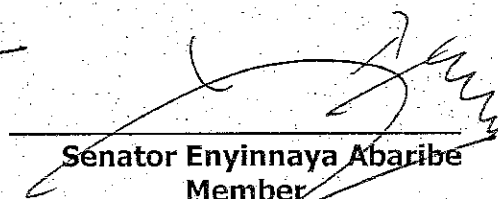
Senator Solomon A. Olamilekan
Vice Chairman



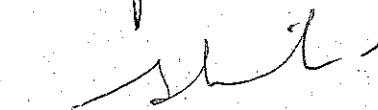
Senator Abu Ibrahim
Member



Senator Joshua Dariye FCA
Member



Senator Enyinnaya Abaribe
Member



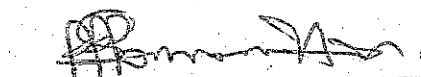
Senator Ubali Shittu
Member



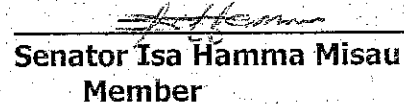
Senator Abdul-aziz Nyako
Member



Senator Biodun Olujimi
Member



Senator Phillip Aduda
Member



Senator Isa Hama Misau
Member



Senator Gbolahan Dada
Member



Kolawole E. Kayode
Committee Clerk

30th September, 2015

The Honourable Minister
Federal Ministry of Communication Technology
Phase 1, Annex II
Federal Secretariat Complex
Abuja



Honourable Minister,

SUBMISSION OF 2016 BUDGET PROPOSAL OF THE UNIVERSAL SERVICE PROVISION FUND

In line with the relevant provisions of the Nigerian Communications Act 2003, I forward herewith, the 2016 budget proposal of the Universal Service Provision Fund for onward presentation the National Assembly, through the Presidency.

Yours faithfully,

For: Nigerian Communications Commission

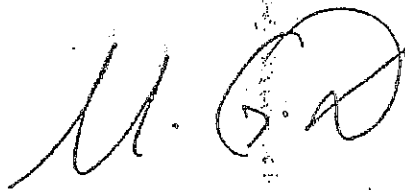
Professor Umar Garba Danbatta

Ag. Executive Vice Chairman/Chief Executive

UNIVERSAL SERVICE PROVISION FUND

EXPECTED REVENUE RECEIPTS

YEAR	2015	2016
	N'000	N'000
INCOME :		
AOL from NCC	8,682,751	8,700,000
Reserves	7,471,243	7,605,268
Tender Fee	-	20,000
TOTAL INCOME	16,153,994	16,325,268

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UNIVERSAL SERVICE PROVISION FUND
SUMMARY OF BUDGET PROPOSAL FOR 2016

RECEIPTS AND PAYMENTS ACCOUNT

DESCRIPTION	2015	2016
	BUDGET	BUDGET
TOTAL FUNDS	16,153,994.00	16,325,268.00
EXPENDITURES:		
TOTAL RECURRENT EXPENDITURE		
CAPITAL EXPENDITURE BUDGET	1,474,268.00	1,433,553.05
PROJECTS EXPENDITURE	46,400.00	92,050.00
TOTAL EXPENDITURES	14,633,326.00	14,799,664.95
BUDGET SURPLUS/(DEFICIT)	16,153,994.00	16,325,268.00
		0.00

M. B. K.

UNIVERSAL SERVICE PROVISION FUND
SUMMARY OF BUDGET PROPOSAL FOR 2016

RECEIPTS AND PAYMENTS ACCOUNT

	2015	2016
DESCRIPTION	BUDGET	BUDGET
RECEIPTS	N'000	N'000
REVENUE	16,153,994.00	16,325,268.00
TOTAL FUNDS	16,153,994.00	16,325,268.00
PAYMENTS:		
RECURRENT EXPENDITURE:		
EMPLOYEES COSTS	841,898.00	665,431.45
OPERATIONAL COSTS	398,170.00	531,221.60
ADMINISTRATIVE COSTS	8,600.00	11,300.00
BOARD EXPENSES	220,000.00	220,000.00
BANK CHARGES	5,600.00	5,600.00
TOTAL RECURRENT EXPENDITURE	1,474,268.00	1,433,553.05
CAPITAL EXPENDITURE BUDGET	46,400.00	92,050.00
PROJECTS EXPENDITURE	14,633,326.00	14,799,664.95
TOTAL BUDGET	16,153,994.00	16,325,268.00
BUDGET SURPLUS / (DEFICIT)	-	0.00

M. G. D.

BUDGET PROPOSALS (PROJECTS & PROGRAMS) FOR YEAR 2016

YEAR	BUDGET 2015 =N='000	BUDGET 2016 =N='000
A) CONNECTIVITY PROGRAMS		
Base Transceiver Station (BTS)	4,000,000.00	1,000,000.00
Base Transceiver Station (BTS) Operational Expenditure	400,000.00	263,000.00
Universities Inter Campus Connectivity (UniCC OFC) Project	1,500,000.00	1,071,000.00
Universities Inter Campus Connectivity (UniCC End User) Project	-	1,543,500.00
Bandwidth Aggregation	3,000,000.00	2,500,000.00
Stakeholder Initiated Project	500,000.00	2,000,000.00
Sub -Total For (A)	9,400,000.00	8,377,500.00
B) ACCESS PROGRAMS		
Schools Knowledge Centre (SKC)	3,844,334.00	4,578,000.00
Tertiary Institutions Knowledge Centre (TIKC)	346,492.00	415,368.45
E-Assessability / ICT for Challenged Groups	500,000.00	492,796.50
Development of Local Contents & Applications	-	315,000.00
Sub -Total For (B)	4,690,826.00	5,801,164.95
		Page 1 of 2

M. G. K.

	2015	2016
INSTITUTIONAL STRENGTH AND CONSULT	=N=	=N=
Board and Management Retreat	35,000.00	25,000.00
Preparation and Publishing of Annual reports	10,000.00	15,000.00
Impact Assessment	-	120,000.00
Active Participation /Subscription to International Universal Access & Service organisations viz: ITU, ATU, WATRA etc	5,000.00	-
Website Management	2,500.00	3,000.00
GIS Development	40,000.00	20,000.00
Insurance for all Projects	400,000.00	-
Capacity Building of Community based organisations	30,000.00	160,000.00
Focused Industry Session	15,000.00	16,000.00
Consultative Forum / Geo Political Fora	15,000.00	-
Project Monitoring, Evaluation & Commissioning	150,000.00	52,000.00
Innovative ICT Solution and Services	-	90,000.00
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
Sub -Total	702,500.00	601,000.00
Fund Managers Fees	35,000.00	20,000.00
TOTAL PROJECT & PROGRAMS COSTS	14,828,326.00	14,799,664.95

U. G. D.

UNIVERSAL SERVICE PROVISION FUND
CAPITAL EXPENDITURE BUDGET 2016
SECRETARIAT REQUIREMENTS

	YEAR					BUDGET	BUDGET
		2015	2016	2015	2016	2015	2016
	EXPENDITURE ITEM	QTY/UNIT	QTY/UNIT	UNIT PRICE (N000)	UNIT PRICE (N'000)	AMOUNT(N'000)	AMOUNT(N'000)
1	COMPUTERS						
	Computers	5	5	210	250	1,050	1,250
	Printers	5	7	150	300	750	2,100
	UPS	10	5	20	20	200	100
	Laptops	8	5	300	250	2,400	1,250
	Computer Accessories	LOT	LOT			-	800
	Computer Screen Protector	0	12	-	30	-	360
	Equipment for E-documentation	2		4,000		8,000.00	
	SUB TOTAL					12,400	5,860
2	OFFICE EQUIPMENT						
	Copier	0	4	2,000	2,800	-	11,200
	Shredding Machine	0	3	75	50	-	150
	Legal Library Upgrade		LOT	-			3,000
	Binding Machine (Manual)	LOT	2	950	350	2,000	700
	Automatic Coil Binding Machine		1		500		500
	Scanner-Digitalization	0	3	-	3,000	-	9,000
	Digital conversion	0	3	-	2,200	-	6,600
	Project Monitoring Tools	0	LOT	-	5,000	-	5,000
	Board member's working tools	0	LOT	-	4,000	-	4,000
	Legal Software	LOT	LOT			20,000	5,000
	SUB TOTAL					22,000	45,150
3	MOTOR VEHICLES						
	Project Vehicles	0	5	0	8000	-	40,000
	SUB TOTAL						40,000
3	FUNITURE AND FITTINGS						
	Furniture and Fittings		LOT				12,000
	Executive Chair	0	1	-	250	-	250
	Visitors Chair	0	2	-	90	-	180
	Side Stool	0	1	-	50	-	50
	Office Chairs	0	2	-	100	-	200
	File Cabinets		2		180		360
	SUB TOTAL						12,000
	TOTAL						46,400
							92,050

M. G. D.

UNIVERSAL SERVICE PROVISION FUND
CURRENT EXPENDITURE BUDGET 2016

	2015	2016
RECURRENT EXPENDITURE:	BUDGET	BUDGET
	N(000)	N(000)
EMPLOYEES' COSTS		
Staff costs	841,898	665,431
TOTAL	841,898	665,431
OPERATIONAL COSTS		
Printing & Stationery	12,200	8,090
Postage & Courier Services	3,300	3,300
Advertisements & Publicity	121,000	161,500
Forum, Conf & Seminars Local - Logistics	66,000	72,064
Forum, Conf & Seminars Foreign - Logistics	129,800	187,403
Protocol	22,500	26,690
Newspapers & Periodicals	800	1,000
Subscriptions	3,850	4,095
Vehicle Running Expenses	12,100	24,000
Vehicle Insurance	7,040	23,500
Professional fees	19,580	19,580
TOTAL OPERATIONAL COST	398,170	531,222
ADMINISTRATIVE COSTS		
Telephone Expenses	1,200	1,200
Maintenance of Equip	1,100	1,100
Entertainment	1,500	4,200
General Office Mtce / Exps	4,800	4,800
TOTAL ADMINISTRATIVE COST	8,600	11,300
Total Board Expenses	220,000	220,000.00
Bank Charges	5,600	5,600
TOTAL RECURRENT EXPENDITURE	1,474,268	1,433,553

U. G. D.