



Universal Service Provision Fund
Strategic Management Plan (2013 – 2017)

DRAFT

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1 Background

1.1 Introduction

The Nigerian Communications Act 2003 mandated the Nigerian Communications Commission (NCC or the Commission) to establish a Universal Service Provision Fund to promote the widespread availability and usage of network services and application services throughout Nigeria by encouraging the installation of network facilities and the provision for network services and application services to institutions and in un-served, underserved areas or for underserved groups within the community. The Act also provided for the establishment of a Universal Service Provision (USP) Board and Secretariat within the Commission to administer the Universal Service Provision Fund.

The USP Board developed a 5-year Strategic Management Plan (SMP) in 2007 to guide the activities of the USP secretariat for the next five years. The SMP 2007 – 2011, which was developed in consultation with industry stakeholders, specified five goals for providing universal access to voice and data services across Nigeria. The SMP also detailed USP programmes and sample projects which will facilitate the achievement of each goal and outlined indicative key performance indicators for each programme.

1.2 Overview of the SMP 2007 - 2011

The specific thrusts of the SMP 2007 – 2011 are outlined below:

Vision

“ICT access for all”

Mission

“To achieve universal access, universal coverage and universal service through a public-private partnership that stimulates economic and social development, private sector investment and market-based provision of basic, affordable and quality ICT infrastructure and services to un-served and underserved areas, communities and populations.”

USPF Strategic Goals

- **Goal 1** - Facilitate an enabling environment for ICT: Reduce the market efficiency gap through incentives that would promote the rollout of ICT services in un-served and underserved areas.
- **Goal 2** - Promote Universal Access and Universal Service: Drive increasing access to community based data and voice services on a shared basis and provide a platform for universal service.
- **Goal 3** - Promote Universal Coverage: Facilitate the availability of transmission infrastructure and connection to the national backbone in all LGAs and ensure LGA headquarters are covered by a voice and data access network.
- **Goal 4** - Facilitate connectivity for development: Encourage and facilitate the building of an e-society in Nigeria and promote a digital lifestyle among the citizenry.
- **Goal 5** – Institutional Development: Build a USPF administration capable of meeting its challenges and effective in the delivery of its mandate.

1.2.1 Key Achievements of the SMP 2007 - 2011

The implementation of the SMP 2007 – 2011 commenced in 2007 and has recorded the following achievements¹ :

Table 1-1: SMP 2007 – 2011 -Projects Executed by USPF between 2007 and 2010

S/ N	Project Name	Project Description	Targets	Achievements
1	Community Communication Centers (CCCs)	The CCCs provide shared access to telephone and Internet services in rural areas	291 CCCs across the six geo-political zones	The USPF has subsidized a total of 224 CCCs across the six zones of Nigeria achieving 77% of their set targets.
2	Accelerated Mobile Phone Expansion – Base Transceiver Station (AMPE-BTS)	The AMPE-BTS project is aimed at subsidising the construction of Base Transceiver Stations in underserved and un-served communities	490 BTS	The USPF has awarded subsidies for 74 BTS. 62 of these have been implemented, while 12 are in progress. This represents 12% of set targets
3	Accelerated Mobile Phone Expansion – Co-location Infrastructure Project (AMPE-CIP)	The AMPE-CIP is aimed at encouraging/ subsidising the construction of shared telecom infrastructure for co-location of telecom operators	150 CIPs	The USPF has subsidized the establishment of 104 CIPs. This constitutes 69% of the planned targets
4	Rural Broadband Initiative (RUBI)	The RUBI project facilitates the roll-out of broadband services to un-served and underserved areas	109 RUBI initiatives across senatorial zones in the country	The project has been rolled out to 18 Local Government Areas to facilitate easier access to high speed Internet
5	Backbone Infrastructure Project (BTRAIN)	The BTRAIN project is aimed at accelerating (through subsidy) the build-out of backbone transmission infrastructure to all local government areas in Nigeria	1000km of Fibre backbone infrastructure	The USPF has recently concluded the process for the BTRAIN Pilot Project which will achieve the deployment of 500km of fibre
6	School Access Project (SAP)	The SAP is aimed at providing public schools with ICT hardware and	1,858 schools targeted	The SAP has been rolled out to 766 government schools representing 41% achievement of

¹ These achievements do not include the projects executed in 2011. As at the time of preparation of this report, the data for the projects executed in 2011 was still being compiled.

S/ N	Project Name	Project Description	Targets	Achievements
		funding subscriptions for broadband Internet for at least one year		set targets.
7	Tertiary Institution Access Project (TiAP)	The TiAP is aimed at providing tertiary institutions with ICT hardware and funding subscription for broadband internet for at least one year	374 Tertiary institutions targeted	The TiAP has been rolled out to 193 tertiary institutions across the country
8	The E-Library Project	The E-Library project provides Internet connections to public libraries and institutions in underserved/ unserved areas	Undefined	The E-Library project has been deployed to 74 libraries across the country

1.2.2 Lessons Learnt from the Implementation of the SMP 2007 - 2011

Although the USPF has made giant strides in extending access to ICT in underserved and un-served areas in Nigeria, some projects have not recorded as much success as expected due to a combination of internal and external challenges faced by the USP Secretariat. The key lessons learnt from the implementation of the SMP 2007 – 2011 are outlined below

1.2.2.1 Key Strengths

The SMP 2007 – 2011 presented a cohesive plan which aligned the USPF's strategic goals to its mandate. The SMP 2007 – 2011 also defined programmes and projects which were capable of supporting the achievement of the USPF's strategic goals and had the potential to deliver sustainable impact and benefits to Nigerians.

1.2.2.2 Key Weaknesses

While the programmes and project in the SMP 2007 -2011 were well articulated, the USPS encountered some impediments in executing a number of the selected projects as a result of the following:

- The SMP 2007 -2011 appeared to have outlined too many USP programmes and projects for implementation between 2007 and 2011 considering the fact that the USP Secretariat had just been established and time was required to build and strengthen the capacity of the Secretariat to implement the proposed programmes.
- Projects were designed and defined using a “one size fits all” approach and thus USP interventions, in some cases, did not directly address the specific needs of the beneficiaries.

- The SMP was not regularly reviewed on a defined, periodic basis to ensure USP initiatives are aligned with current realities.
- The development of the Secretariat's internal capability and capacity to carry out the defined USP projects was not prioritised in the past SMP.

1.2.2.3 Key Threats

The USPF also faced challenges from the external environment which hindered its ability to fully achieve its targets. These included the following:

- Inadequate funding due to delay in budget releases for the USPF.
- Poor supply of electricity in rural communities increased operational costs of running ICT infrastructure and discouraged operators from expanding to those areas. High costs incurred as a result of the poor electricity supply also hampered the sustainability of implemented community projects.
- High bandwidth costs which greatly increased operational costs and threaten the sustainability of UA/US projects aimed at providing Internet services.
- Illiteracy and limited awareness of the benefits and use of ICTs, particularly data services, by USP beneficiaries, thus curtailing demand for these services.
- Inadequate and/or lack of appropriate content to stimulate the use of ICTs.

1.2.2.4 Key Opportunities

The opportunities which the USPF may leverage to effectively deliver on its mandate in the next five years include the following:

- Increased national focus on broadband penetration with the development of an updated National ICT Policy which aims to accord ICT infrastructure the status of critical national infrastructure and has as one of its core objective, the development of a nationwide ICT infrastructure that will support national broadband connectivity.
- Near saturation of the mobile telephone market in urban areas which may stimulate operators to extend their services to rural, underserved and un-served areas to protect market share.
- Government initiatives such as the cashless policy of the Central Bank of Nigeria (CBN) which is expected to stimulate increased supply and demand for telecommunication services.

The strengths, weaknesses, opportunities and threats highlighted above have been taken into consideration in developing the SMP 2013 – 2017.

1.3 Key Changes to the USPF's Service Delivery Model

In order to address some of the challenges experienced by the USPF in implementing its SMP 2007 - 2011, the following key changes will be made to USPF's service delivery model for executing the new SMP:

1.3.1 Holistic Approach to Project Selection

The USPF will adopt a holistic approach in selecting USP projects by determining specific ICT gaps in regional clusters within the country and tailoring its projects and service delivery models to suit

identified needs in the clusters. With this approach, the USPF shall ensure that its projects are relevant and appropriate for its beneficiaries.

1.3.2 Engagement of Stakeholders

The USPF has recognized the need to actively involve all stakeholder groups in the planning and execution of its programmes and projects in order to effectively address and close Nigeria's universal access and service gaps. To this end, and in line with leading practices from other jurisdictions, the USPF will establish an Advisory Council made up of the various stakeholder groups (i.e. relevant government entities, operators and service providers, Non Governmental Organisations, Community Based Organisations etc) and telecommunication experts to advise the USPF Board in the development and execution of USP programmes and projects. The rationale for this is to improve buy-in and participation of stakeholders, especially the operators in the execution of USPF's projects.

1.3.3 Quantification of Maximum Allowable Subsidies

The USPF shall utilise precise calculations in computing the maximum allowable subsidy for its USP program/plans. Subsidies shall be based on a principle which ensures that operators do not incur a loss in implementing USPF projects. Subsidies shall be estimated using a Net Present Value (NPV) model which estimates the present value of the costs and revenues attributable to each project type over a defined period. Any negative differences between the costs and revenues estimated this way will be estimated as the maximum allowable subsidies for each project. This will assist the USPF in the efficient allocation of funds to programmes and projects.

1.3.4 Subsidisation of Operational Costs

The USPF's experience over the past five years and the lessons gleaned from the review of the USP service delivery models in other jurisdictions have indicated that USP projects implemented in rural areas are often difficult to sustain due to high costs associated with operating these projects. In a number of cases, operational costs have been known to outweigh the initial capital outlay required for implementing USP projects. Consequently, the USPF will ensure its subsidies take into consideration operational costs associated with running USP projects over a defined period. This is expected to provide service providers with a "grace" period within which they will have built up a stable clientele and established demand for the service being provided. The period over which operational support will be granted will be determined based on assessment of the time required for each project to generate revenues capable of meeting its operational costs.

1.3.5 Implementation of a Monitoring and Evaluation Framework

The USPF will develop and implement a robust monitoring and evaluation framework which will define the metrics/ indicators that would be used to determine effectiveness of UAS programmes and their impact on beneficiary communities. The defined metrics should measure the relative costs and benefits of each programme and must tie back into the overarching objectives of the USPF. Effective monitoring and evaluation of USP projects will facilitate the early detection of potential project sustainability issues and help to address and rectify these issues early on in the implementation process.

1.4 Nigeria's Macroeconomic Review and Outlook

Nigeria is a middle income and emerging economy which is predominantly agricultural – agriculture is the single largest contributor to GDP and is estimated to have contributed about 40.24% of the GDP in 2011². However, while, agriculture remains the largest employer of labour, petroleum, the leading mineral in Nigeria, is currently the major source of revenue (especially foreign exchange) for the country. Macroeconomic reforms introduced within the country since 2003 have created an environment for strong and sustained economic growth over the past few years and Nigeria is currently ranked 30th in the world in terms of GDP (Purchasing Power Parity) as at 2011³.

1.4.1 Political Landscape and Outlook

Since April 1999, Nigeria has sustained a democratic government and this has greatly benefitted Nigeria's investment climate. In over 12 years of democratic governance (1999 till present), the Nigerian economy has enjoyed unprecedented levels of Foreign Direct Investment. The last general elections, conducted in April 2011, were considered to be notably fairer than previous polls, marking another important step forward for democracy in Nigeria.

The relative stability of Nigeria's political environment, however, is being threatened by the escalation of security challenges in the northern part of the country. Despite the government's attempt to combat the insecurity of lives and property with a variety of measures, there are no easy solutions to the challenges. It is probable that the unchecked spate of bombings across the country may reduce FDI inflows into the economy in the future.

1.4.2 Economic Landscape and Outlook

Nigeria's economy has enjoyed steady and sustained growth over the last five years. GDP has grown at an average of about 6.68% while 2011 recorded a growth in GDP of 7.36%, thereby making it the 3rd fastest growing economy in the world behind Mongolia (14.9%) and China (8.4%). In 2011, the three largest contributors to the national GDP were agriculture, wholesale & retail trade, and crude oil and natural gas sectors. These three sectors contributed over 70% of the nation's GDP. The GDP growth is expected to decline to about 6.5% in 2012, as a result of the existing growth concerns in the US, Euro-zone, and China and the resultant downward pressures on global demand for crude oil⁴. Key events/factors which are likely to impact Nigeria's economy in the medium term include the CBN's cashless policy, reform of the power sector, and full deregulation of the downstream oil sector, passage of the Petroleum Industry Bill and the rationalization /merging of Federal Ministries, Departments and Agencies. As a result of these, the general economic outlook remains positive in the medium term.

Despite the improved performance of the economy, its promising outlook and the country's huge human and natural resources; poverty, unemployment and huge infrastructural shortfalls remain huge problems which must be tackled.

² National Bureau of Statistics

³ National Bureau of Statistics

⁴ National Bureau of Statistics, IMF

1.4.3 Social Environment

Nigeria will continue to remain an important market for investors because of the size of its population - the country accounts for 20% of the population of Sub-Saharan Africa. The country's labour force is gradually expanding and could consequently account for a significant share of global consumption and production. Although about half of the population still lives in absolute poverty, a middle class population has emerged in the last decade.

Dramatic improvements in the socio-economic indices are not likely in the short term as significant investment is required to eradicate poverty and improve access to basic health care and protection against communicable diseases.

1.4.4 Technology Environment

The communications technology sector has witnessed over a decade of rapid expansion with the introduction of mobile telephony and accessible forms of internet. The contribution to the GDP from telecommunications has increased from 0.62% in 2000 to 5.46% in 2011. The sector also recorded a growth rate of 34.76% in 2011 and witnessed the highest growth in all sectors of the economy for the period⁵. Increased investment in this sector is expected in the next few years as operators unveil plans to embark on expansions of their existing network.

1.4.5 Key Implications for the USPF

The key implications of Nigeria's macro economy outlook for the USPF include the following:

- Nigeria has a population of over 150 million, with about 50% of the population in rural areas. While voice services are largely accessible in these areas, a wide gap still exists to be bridged in terms of provision of data services and especially broadband.
- Telecoms will remain a growing sector in Nigeria and investment is likely to be focused on the following in the medium term:
 - Infrastructure expected to boost broadband uptake and improve network coverage
 - improving quality of service in urban areas and providing service in rural areas
- Persistent and widespread poverty will continue to exert downward pressures on ARPU and may cause telecoms operators to hesitate in extending voice and data services to the rural areas
- The Government's cashless initiative is expected to result in the extension of financial services to the rural unbanked and one of the core strategies of achieving this is via mobile money services offered on the platform of telecoms services. This is expected to boost demand for telecoms services in rural areas in the next few years.

1.5 Overview of Nigeria's Telecommunication Industry

Nigeria's telecommunication industry has witnessed exponential growth and has emerged as one of the most vibrant telecoms market in Africa in terms of telecommunications investments. As at February 2012, Nigeria had about 96 million active lines and its teledensity currently stands at 69.1% up from 1.89% in 2002. Despite the still strong growth recorded by the telecoms industry, a slight

⁵ National Bureau of Statistics

decline in year-on-year growth in the past two (2) years, declining ARPUs and a decrease in Minutes of Usage (MoU) indicate that the telephony market in Nigeria is fast approaching maturity.

Data services have also witnessed strong growth over the past ten years, Internet users as a percentage of population have grown from 0.3% in 2002 to 28% in 2011. However, Internet penetration at 28%⁶ is still relatively low and the growth of the sector is still dependent on investment on infrastructure.

1.5.1 Mobile Segment

The mobile segment is the most active and fastest growing segment of the Nigerian telecommunications industry with a subscriber base of about 129 million as at February, 2012⁷. Much of this growth can be attributed to strong performance of the operators in the GSM segment of the mobile market. This segment makes up 88.3% of the entire market. The CDMA and fixed line segments account for about 9.9% and 1.8% of the market respectively as at February 2012⁸. While the GSM segment continues to exhibit strong growth, though at a slower rate, the CDMA segment has experienced a consistent decline in the number of subscribers from the second half of 2010, and CDMA subscriptions showed an average negative growth rate of about -9% through 2011.

In the medium-term, the mobile segment is expected to continue to experience growth; however, growth is expected to be primarily driven by expansion into rural areas as the urban market becomes saturated within the next few years. This segment will also continue to face increased competition as revenues will be largely dependent on the deployment of value added services. Programs like the Mobile Number Portability initiated by the NCC are also likely to increase competition and further enhance service differentiation. In contrast, the CDMA sub-segment may possibly witness mergers and acquisitions in the next few years to increase economies of scale, market share, capital base and ultimately ensure competitive advantage.

1.5.2 Fixed Line

The fixed line segment of Nigeria's telecommunications industry has been in a decline since 2009. The number of active fixed line subscribers currently stand at 599,335 subscribers as at March 2012 and the sector recorded a year-on-year decline of about 35% and 46% in 2010 and 2011 respectively⁹. Fixed line subscriptions currently account for about 1.8% of the total telephony subscriptions¹⁰. Due to inadequate deployment of an integrated national fibre backbone infrastructure, a significant portion of fixed telephony is deployed through wireless technology.

There may be possible consolidation of existing players in this segment to improve economies of scale and ability to compete. However, as significant growth in the number of fixed lines is not expected over the long term, the eventual survival of this segment is in doubt

⁶ The World Bank (measured as the percentage of internet users over total population)

⁷ Nigerian Communications Commission, ncc.gov.ng – Industry data

⁸ Nigerian Communications Commission, ncc.gov.ng – Industry data

⁹ Nigerian Communications Commission, ncc.gov.ng – Industry data

¹⁰ The World Bank

1.5.3 Data and Internet

The Data and Internet market in Nigeria is still relatively underdeveloped despite having grown significantly in the last eight years. As at 2004, Internet penetration (based on percentage of internet users per population) was at only 3%, but as at the end of 2011, it was estimated to be about 28%. However, this penetration rate is still relatively low when compared with other countries such as Malaysia (at 62%), Chile (at 59%) and Tunisia (at 36%)¹¹. The Internet market in Nigeria is currently dominated by wireless and satellite operators due to the limited and inadequate fixed line backbone infrastructure.

Factors such as the increasing Internet demand by youth to access social networking sites, growth of e-commerce via the mobile money initiatives of the financial services industry and the increasing accessibility and affordability of smart phones are expected to drive significant investments in the domestic fibre optic backbone in the next few years.

1.5.4 Infrastructure Providers

Telecoms operators are beginning to explore the option of site co-location/ sharing of infrastructure as means of unbundling the telecom value chain and ensuring focus on core aspects of the business. In the future, passive infrastructure companies may play a key role in reducing the overall infrastructure and energy costs associated with telecom network expansion through innovation in site design and adoption of energy efficient solutions

1.5.5 Key Implications for the USPF

The key implications of the outlook of the Nigerian Telecoms Industry for the USPF include the following:

Voice Services

- As the voice segment of the industry approaches maturity, it is expected that the increased competition and a possible loss in market share may stimulate expansion into un-served/underserved areas.
- However, the risk exists that operators may consider switching to higher value services such as mobile data for wealthier urban consumers as opposed to extending low value voice and SMS services to rural dwellers. Thus, the USPF will continue to ensure its efforts and emphasis are placed on motivating operators to extend their services to the underserved/un-served areas.

Internet Services

- The penetration of internet services in Nigeria is still at a low level with a wide gap to be bridged in terms of infrastructure. To bridge these gaps, the USPF (along with other key players; NCC and Ministry of Communications technology) will exert its efforts on the following initiatives:
 - Extension of the national fibre optic backbone from major cities/towns where they are currently existent to surrounding Local Government Areas to enable affordable and sustainable access to data services.

¹¹ The World Bank

- Continue to support the development of community centres where rural dwellers can benefit from the lower prices associated with shared data services.
- Explore opportunities to implement programmes targeted at creating awareness of the benefits of Internet usage and training end users of the Internet in un-served and underserved areas.
- Support the development of local content and applications (i.e. m-health, m-learning, m-banking, m-government applications) which stimulate demand for Internet services and provide sustained socio-economic benefits for recipients of these services.

2 USPF's Strategic Outlook (2013-2017)

2.1 Overview of the Approach Adopted in Developing the SMP 2013-2017

The following activities were carried out in developing the Strategic Management Plan (2013 - 2017):

- A review of the Nigeria Telecommunications industry was conducted to assess the current level of supply and demand for voice and data services across Nigeria with particular reference to under-served and un-served communities and groups.
- A benchmark study of the key strategies, priorities and interventions of the universal service provision funds in selected benchmark countries to acquire insights on successful practices in those jurisdictions.
- An assessment of the USPF's performance with respect to the implementation of the last SMP (2007-2011) and the internal capacity of the USPF to deliver on its mandate in order to identify gaps and areas for improvement that should be addressed in the SMP 2013-2017.
- Consultation with a representative sample of telecommunications operators in order to understand challenges faced by the operators in implementing USP initiatives and key recommendations for the USPF in the next five years.
- A Strategy Retreat with Board Members and Management staff of the USPF to define and agree the strategic direction of the USPF for the next five years (2013 – 2017).
- An industry and stakeholder consultation forum to obtain comments and consensus on the key thrusts of the draft Strategic Management Plan (2013 – 2017).

Relevant national policy directives and projects which impact the demand and supply of telecommunication services in Nigeria were also considered in developing the SMP 2013 – 2017.

2.2 USPF's Vision, Mission and Core Values

The USPF's mandate is clearly embodied in its new Vision, Mission and Core Values as outlined below:

2.2.1 Vision

Equitable ICT Access for All

2.2.2 Mission

To facilitate the achievement of universal access to ICT and universal service, through market-based investment, which stimulate development in rural, un-served and underserved communities?

2.2.3 Core Values – "ICT TIPS"

- Integrity
- Collaboration
- Team Spirit
- Transparency
- Innovation
- Professionalism
- Service Excellence

2.2.4 Guiding Principles

The following principles have been formulated to provide focus and guidance in implementation of USPF Programs and projects:

- **Co-location/infrastructure Sharing:** It shall be obligatory for operators/service providers to share all infrastructure funded by the USPF with other operators/service providers at reasonable prices to ensure the USPF does not fund the creation of local monopolies.
- **Social Inclusion:** All USPF projects shall be designed and implemented in a manner which ensures equitable access to ICT services by vulnerable groups and disadvantaged interests i.e. the elderly, physically challenged, women and children in the community.
- **Geographic Coverage:** USPF programs and projects will be developed for states of the federation, and will provide service to un-served and underserved areas and communities.
- **Promote Private Sector Investment:** USPF programs and projects will stimulate increased private sector investments in un-served and underserved areas.
- **Encourage Competition:** USPF programs and projects will encourage competition, as much as possible, between operators and by using transparent and competitive mechanisms to allocate USPF financing and subsidies.
- **Promote Consumer Interest:** USPF programs and projects will promote consumer interest by facilitating access to affordable, readily available and reliable ICT services.
- **Sustainability:** the USPF will give priority to programs and projects that are self sustaining and do not require subsidies on continuous basis.
- **Foster Economic and Social Development:** USPF programs and projects will stimulate productive use of ICTs for economic, social and cultural development.
- **Consultation, Transparency and Accountability:** the USPF will develop and periodically update its programs and projects through public consultations with all key public, private and civil society stakeholders.
- **Quality of Service:** the USPF will enforce compliance with quality of service standards with respect to its projects.
- **Technology Neutrality:** USPF programs and projects will be guided by the principle of technology neutrality and allow the market place to define the best technology solutions.

2.3 Key Universal Access and Service Definitions

The following are the proposed definitions of key universal access and service terms:

2.3.1 Universal Access

This means that 100% of a designated population can obtain at a minimum, public access to a particular service at a specified quality, through reasonably available and affordable public or community services. "Particular services" with respect to universal access means: (a) the ability to place a telephone call through a shared telephone that is within reasonable rate; and (b) the ability to use the internet through a shared internet access point that is within a reasonable distance of a designated population.

2.3.2 Universal Coverage

This means that 100% of a designated population are (a) covered by a useable cellular, mobile or fixed telephone signal, (b) reside within the coverage areas of a broadband network, and (c) they are within a reasonable distance of a backbone interconnection point.

2.3.3 Universal Service

This means that 100% of a designated population can privately subscribe to and use a particular service at an affordable rate on an individual, household or institutional basis

2.3.4 Basic ICT Infrastructure

These are types of ICTs that may be approved by the USP Board for inclusion under universal access, universal coverage and universal service programmes.

2.3.5 Reasonable Distance

USPF operational plans and other USPF project documents may define minimum average distances for basic ICT infrastructure and services.

2.3.6 USPF Programmes

These are general framework initiatives aimed at achieving one or more USPF objectives, typically over the course of several years. USPF programmes will define specific targets in terms of specific ICT infrastructure and or services to be implemented in stages over a five-year period of time

2.3.7 USPF Projects

These are the specific implementation activities carried out under USPF programmes. One or more projects may be implemented at the same time under a given USPF programme.

2.3.8 Smart Subsidies

These are one-time subsidies that are allocated using competitive tender procedures and that are provided to operators and that are targeted to enable commercially unviable projects to become commercially viable.

2.3.9 Geographic Targeting/ Classification

2.3.9.1 Served Areas

Geographic areas where universal coverage for a particular service can be obtained on demand.

2.3.9.2 Underserved Areas

Geographic areas where there is some coverage for a particular basic service but it cannot be obtained universally or where the quality of the service is very low or uneven.

2.3.9.3 Unserved Areas

Geographic areas where universal coverage for a particular basic service cannot be obtained on demand.

2.3.9.4 Regional Clusters

Regional clusters are groups of target areas which are clustered on the basis of identified ICT needs and the type/class of infrastructure and/or service required to address the identified need.

2.3.10 Commercial Viability Classifications

2.3.10.1 Commercially Profitable Projects/ Areas

Projects or Areas that the USPF estimate to be commercially profitable on a sustainable basis and will not attract any USPF subsidy.

2.3.10.2 Commercially unprofitable projects/ Areas

Projects that serve a designated population or area that the USPF estimates to be commercially profitable on a sustainable basis if the USPF provide a subsidy in a range to be defined by the fund.

2.3.10.3 Commercially unviable projects/ Areas

A designated population or area that the USPF estimates to be commercially viable on a sustainable basis only if (a) the USPF needs to provide a subsidy above the threshold range to be specified by the Fund, or (b) the project requires ongoing and long-term USPF subsidies. The USPF will initially not finance commercially unviable projects, except in limited cases when the USP Board agrees such project is a National priority.

2.3.11 Market Efficiency Gap

This refers to those areas where private operators could provide service to on a commercially sustainable basis without public sector subsidies but are yet to invest in or do not have plans to invest in within a reasonable period of time because of company plans/ priorities or because of policy, legal, regulatory or institutional barriers.

2.3.12 Access Gap

This refers to remote and rural areas where private operators will not invest in or provide service without public sector subsidies because they are not commercially sustainable, due to high capital investment costs, high recurring operational costs and/ or insufficient demand or ability to pay.

2.4 Strategic Goals

The USPF has identified three (3) broad strategic goals to drive the achievement of its mandate for the next five years i.e. from 2013 to 2017. In articulating its strategic goals, the USPF recognised the need to place priority on building the organizational capacity of the USP Secretariat and ensuring the possession of relevant, up-to-date information on the ICT industry to guide the design and implementation of USP projects, while the other two (2) strategic goals are geared towards what the USPF aims to achieve with respect to its vision. The strategic goals of the USPF are outlined below:

2.4.1 Goal 1: Facilitate an enabling environment for ICT

Objective:

Identify the market efficiency and access gaps and design incentives that would promote the rollout of sustainable ICT services in rural, un-served and underserved areas.

Strategies:

- Carry out relevant research and studies to determine the market efficiency and true access gap for different categories of ICT services within the country.
- Consult with key players in the telecommunications industry to identify the barriers/issues which prevent the market from functioning effectively.
- Consult and collaborate with the Nigerian Communications Commission and relevant government agencies to design, plan and implement incentives that will facilitate the reduction of market efficiency gaps.

2.4.2 Goal 2: Promote universal access and universal service that facilitate connectivity for development

Objectives:

- Facilitate the availability of transmission infrastructure and connection to the national backbone in all LGAs.
- Drive increasing access to community-based data and voice services on a shared basis and provide a platform for universal service.

Strategies

- Provide subsidies or other forms of incentives to telecom operators and eligible service providers to extend ICT transmission infrastructure to identified un-served and underserved areas.
- Explore opportunities to deploy a full suite of universal access and universal service initiatives to build utilisation and sustainability of ICT projects.
- Ensure the co-location and sharing of infrastructure subsidised by USP funds.
- Consult/collaborate with government agencies, not-for-profit organisations, community based organisations to facilitate connectivity for development initiatives.
- Encourage community ownership of universal service projects and consequently, promote entrepreneurship in target communities.

2.4.3 Goal 3: Institutional Development

Objectives:

Strengthen the capability of the USP institution to effectively deliver on its mandate

Strategies:

- People
 - Ensure alignment of the USP Secretariat's structure and functions with the vision and strategic goals of the USPF.
 - Identify and execute capacity building initiatives which will equip the USP secretariat with the relevant skills required to drive the achievement of the USPF's strategic goals.
- Process
 - Develop and implement processes which will drive standardisation and efficient service delivery in the Secretariat.

3 USPF Programmes and Projects

3.1 Overview of USPF Programmes

This section provides an overview of the programmes selected to achieve the USPF's strategic goals over the period 2013 – 2017.

3.1.1 GOAL 1: FACILITATE AN ENABLING ENVIRONMENT FOR ICT

3.1.1.1 Program 1: Research Studies and Surveys

This program will focus on gathering the current ICT penetration statistics for each Local Government Area in the country, to provide an indication of which areas are currently underserved and un-served with respect to ICT services. The programme will also provide a baseline against which the future achievements of the USPF can be measured. Where it is available, the USPF will rely on data provided by the Nigerian Communications Commission in this regard.

This program will also involve conducting research studies to assess which areas within the country are currently un-served by telecommunication facilities/ infrastructure within the period defined by the SMP. The studies will not only assess the current situation but will attempt to predict future communications service coverage, through consultations with Industry Operators, in order to ensure that the USPF's resources are expended only on communities/areas within the true access gap zone.

The expected outcome of this program shall be clustering of target areas into groups or regions based on identified ICT needs and the type/class of interventions required to address these needs.

3.1.1.2 Program 2: Subsidy and Incentive Design

As follow-on to the identification of un-served and underserved areas, this programme will be targeted at designing incentives and quantifying/estimating the subsidies required to provide the required ICT service to the regional clusters identified in Programme 1. These estimates shall be determined based on the evaluation of factors such as demand levels, population density, topography, and current infrastructure etc and shall also analyse the revenue potential and average cost to provide each service. This assessment shall be carried out at the LGA/community level depending on what is appropriate for each type of service to be provided.

The expected output from this programme shall be the quantification of maximum allowable subsidies for each identified cluster. The program is expected to be completed by the end of 2013 and may be updated within the period 2014 – 2017 to reflect current realities.

3.1.1.3 Program 3: Consultation and Awareness Creation

Through this program, the USPF will engage its key stakeholder groups in project selection, planning and implementation. The consultations with key stakeholder groups will provide a platform for identifying barriers, bottlenecks and disincentives to service expansion to un-served/underserved areas. It will also provide the necessary input for the design of non-monetary incentives which will stimulate expansion into those areas. This program shall also provide an opportunity to develop key strategic alliances and foster collaborations with key stakeholder groups in implementing and operating ICT development projects.

A key objective of the program will be to increase the involvement and participation of ICT Industry Operators, key government agencies and communities in the delivery of USP projects. This program shall be carried out on an on-going basis for the duration of the SMP 2013 – 2017.

3.1.2 GOAL 2: PROMOTE UNIVERSAL ACCESS AND UNIVERSAL SERVICE THAT FACILITATES CONNECTIVITY FOR DEVELOPMENT

3.1.2.1 Program 1: National Backbone Connectivity

This programme will be focused on the rollout of network infrastructure to close identified gaps and will strive to achieve the deployment of optic fibre network rings across identified target areas. Specifically, this programme will provide incentives to industry operators to build out the optic fibre cable network from major cities/towns where they currently exist to surrounding communities which have been classified as un-served in terms of internet infrastructure and adjudged to be economically viable with the aid of smart subsidies.

This programme shall be executed as one major project; however, it shall be divided into sub-projects which will group target areas across the six geopolitical zones into bundle/clusters for bidding. In sequencing the target areas for intervention under this programme, targets areas shall be clustered and ranked on the basis on the extent of support/subsidy required to implement the project. Bundled areas shall be ranked in order of the lowest to the highest subsidy estimates and implemented in that order.

This programme shall run from 2013 through to 2017 and expected targets shall be to connect 40% of all LGAs in Nigeria with optic fibre cable by 2017. The expected outcome of this programme is to increase/improve access to the Internet.

3.1.2.2 Program 2: Local Access Network and Facilities

The thrust of this programme shall be to subsidise the costs of providing Internet services to an identified target population on a shared or individual basis. The projects under this programme shall target youths in secondary and tertiary institutions across Nigeria and also provide a means for entire communities to access and use the Internet. This programme shall take advantage of the optic fibre infrastructure deployed under Programme 1 to provide target groups with Internet services.

Target areas shall be prioritised based on the availability of network infrastructure required to provide internet access and/ or the proximity of existing network infrastructure to target areas. The USPF shall aim to connect about 200 communities, about 2000 public schools (representing 10% of the total number of public schools as at 2011) and collaborate with other stakeholders (i.e. NUC, World Bank Step B) to connect all tertiary institutions in the country by 2017.

3.1.2.3 Program 3: Accelerated Mobile Phone Expansion

The objective of this programme shall be to subsidise the deployment of Base Transceiver Stations (BTS) and other passive infrastructure in underserved and un-served communities in Nigeria in order to achieve 100% coverage of Local Government Wards in Nigeria and reduce the proportion of underserved LGAs across the country. This infrastructure will be expected to support the extension of voice services to un-served and underserved areas.

The programme will run through 2013 – 2017 and is expected to result in an increase in telephone and internet penetration as well as coverage of 90% of Nigeria's inhabited land mass with telecommunications services by 2017.

3.1.2.4 Program 4: Local Content Development

The USPF shall sponsor or subsidise the development of local content and applications which promote the use of ICTs in rural, un-served and underserved areas of the country and integrate ICT on the daily lives of Nigerians in these areas. USPF's strategy shall be to partner with relevant government/non-governmental agencies to support the development of application in local languages which provide relevant information to target groups. Target groups for this programme shall be identified as individuals who share similar requirements for information e.g. students, community dwellers in specific professions such as farming and fishing, primary health professional.

The USPF's target shall be to support the development of at least two local content applications on an annual basis starting from 2013.

3.1.2.5 Expected Socio-Economic Impact/ Benefits of the USPF's Universal Access and Service Programmes

The socioeconomic impact expected to result from the USPF's programmes include the following:

- Reduced costs to businesses in the community through time and travel costs saved in coordinating operational activities
- Access to timely and accurate general information which improve the national and social integration of isolated communities
- Access to timely and accurate specific information which could improve business efficiency, promote market awareness, reduce health risks and lead to the awareness of job opportunities
- Improved access to educational and research material which provides a platform for improving the quality of education and academic success
- Reduced costs and improvement in communication with family and friends in emergency and non-emergency situations
- Increased business activity through the entrance of new enterprises which will take advantage of the availability of internet infrastructure
- Creation of more job opportunities as a direct result of the increased business activity
- Improved economic empowerment and increased household incomes as a result of the increase in job opportunities

3.1.2.6 Criteria for Selecting and Prioritising USP Projects

The following criteria shall be used in selecting and prioritising projects to be executed under each USP programme:

- The alignment of the project with the USPF's overall goals, vision and mandate
- The anticipated effect of short and medium term government policies which have an impact on the ICT environment and the delivery of USP projects
- The nature and distribution of the expected benefits to be gained from the execution of the project – Projects can be analysed to determine the extent to which a project will empower the

poor, vulnerable and disadvantaged groups in the community as well as the degree or nature of local participation in project design, implementation and ownership.

- The ease of the USPF's exit from providing operational support to USP projects and the extent to which projects will remain viable and self-sustaining following the withdrawal of operational support from the USPF.
- The total costs associated with deploying the project - Projects can be evaluated to determine if they will require subsidies for capital expenditure only or also require operational support for a number of years. Project costs can also be further analysed to determine the estimated cost per beneficiary in order to rank projects in order of cost efficiency.
- The specific ICT needs and requirements of targeted beneficiaries.

Projects will be selected and prioritised by assigning weights to each parameter outlined above and determining and ranking the total weighted score assigned to each project.

In addition, the USPF will also consider the following parameters in tailoring the type/class of ICT services to the varied target areas:

- The extent of existing ICT infrastructure and its proximity to the selected community/area.
- The population density of the community/area.
- Economic conditions such as average household income levels, presence of institutions (e.g. schools, hospitals, government offices etc) and level of commercial and business activities.

3.1.3 GOAL 3: INSTITUTIONAL DEVELOPMENT

3.1.3.1 Program 1: People: Human Capital Development

This programme will consist of a number of projects focused on developing the human capital of the USP Secretariat with respect to the skills and competencies required to effectively deliver on the USPF's mandate.

3.1.3.2 Program 2: Process: Review and Standardisation of Manuals

This programme will review the adequacy of the USP Secretariat's internal processes in supporting the execution of its mandate and the achievement of its vision. The programme will also determine interventions to bridge any identified gaps. The programme is expected to be carried out within the first year of implementation of the SMP in order to prepare the USP Secretariat to provide efficient and effective service in the execution of USP projects.

3.2 USPF Project Outline

The table below provides an outline of the sample projects which the USPF may execute under its defined Programmes for the period 2013 – 2017. The outline articulates the expected outcomes of each project, the metrics which will be used to measure success as well as indicative targets for each project. The outline is not meant to be all-inclusive and it is expected that the plan will be revised and expanded annually through the operational planning process to reflect current realities and new developments.

Table 3-1: USPF Project Plan

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
Goal 1 – Facilitate an Enabling Environment for ICT							
1.1	Research Studies and Surveys	<i>Research on Infrastructure Gaps</i> This projects shall involve the identification of ICT infrastructure deployed across the country i.e. BTS, Internet PoPs, Fibre etc and the determination of the adequacy of deployed infrastructure to support access to basic	N/A	<ul style="list-style-type: none"> Detailed mapping of ICT infrastructure in the country Determination and quantification of the true access gap where the USPF may focus its interventions Identification of 	<ul style="list-style-type: none"> Existence of a comprehensive, up-to-date research study 	<ul style="list-style-type: none"> Research study concluded by December 2013 	Head, Strategy and Corporate Performance Monitoring

¹⁴ Targets are indicative only and will be further refined to reflect the outcome of the relevant research studies and surveys

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
		voice/data services		<ul style="list-style-type: none"> target areas (i.e. unserved and underserved areas) for USP interventions Creation of regional clusters which will group target areas on the basis of needs and required infrastructure 	<ul style="list-style-type: none"> Existence of regional clusters 	<ul style="list-style-type: none"> Regional clusters identified by March 2013 	
		<p>ICT Penetration Analysis</p> <p>This project shall aim to determine the penetration of ICT services (i.e. voice and data/broadband) in the country.</p>	N/A	<ul style="list-style-type: none"> Percentage voice penetration by State/LGAs Percentage Internet and broadband penetration by State/LGAs Identification of target areas (i.e. unserved and underserved areas) for USP interventions Creation of regional clusters which will group target areas on the basis of needs and required infrastructure 	<ul style="list-style-type: none"> Existence of a comprehensive, up-to-date research study Existence of regional clusters 	<ul style="list-style-type: none"> Research study concluded by December 2013 Regional clusters identified by June 2013 	Head, Strategy and Corporate Performance Monitoring

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
1.2	Subsidy and Incentive Design	<p>Universal Access Gap and Subsidy Estimate Study</p> <p>This project shall involve the estimation of the total maximum allowable subsidy required for bridging the identified true access gap with respect to voice and data services.</p> <p>Study on the impact of relevant Laws/Policy/Regulations on the execution of the USPF's mandate</p> <p>This project will examine/ review the effect/ consequence of relevant government Laws/ Policy/ Regulations on the USPF's operations</p>	<ul style="list-style-type: none"> Research on Infrastructure gaps ICT Penetration Analysis 	<p>Quantification of subsidy estimates for each identified regional cluster</p> <ul style="list-style-type: none"> Obtain interpretations for any overlaps/ ambiguities in government laws/ regulations /policies which impact the USPF's operations Alignment of USPF's processes with government laws/regulations/ policies 	<ul style="list-style-type: none"> Existence of a comprehensive, up-to-date research study Existence of subsidy clusters <ul style="list-style-type: none"> Level of compliance with government laws/ regulations/ policies measured as number of exceptions identified 	<ul style="list-style-type: none"> Research study concluded by June 2013 Subsidy clusters identified by June 2013 <p>Zero exceptions</p>	Head, Strategy and Corporate Performance Monitoring
1.3	Consultation and Awareness Creation	<p>Focused Industry Session</p> <p>The project shall provide a forum for the discussion of on-going issues/challenges faced by operators in extending ICT to the rural, unserved and underserved areas and possible steps for resolving such issues. The</p>	N/A	<p>Improved/increased involvement of industry operators in the planning and implementation of USP Programmes and Projects</p>	<ul style="list-style-type: none"> Number of sessions held Response rate to bid invitations targeted at industry operators 	<ul style="list-style-type: none"> One session held annually. At least 70% response rate to bid invitations for projects targeted at industry operators 	Head, Strategy and Corporate Performance Monitoring

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
		<p>forum shall also provide a platform for collaboration with industry operators</p> <p>Geo-political Consultative Fora</p> <p>This initiative is expected to provide a forum for sensitising the public on USPF's programmes as well as provide a platform for community participation in the planning and implementation of USP projects.</p>		<ul style="list-style-type: none"> Public awareness of USPF's purpose, focus and initiatives Identification of varied community requirements Improved community buy-in and participation in USPF projects 	<ul style="list-style-type: none"> Number of sessions held The degree of public awareness of the USPF's objectives and programmes 	<ul style="list-style-type: none"> At least one consultation in each geo-political zone every two years 60% public awareness level of the USPF and its programs by 2017 measured by surveys/questionnaires 50% of USPF community projects operated by community members 	<p>Head, Strategy and Corporate Performance Monitoring</p>
		<p>Consultation with other Government Agencies</p> <p>These consultations are aimed at promoting coordination and linkage of USPF's projects with other ministries/agencies/departments and</p>	N/A	<p>Involvement of relevant government agencies in the conception and implementation of ICT related projects</p>	<ul style="list-style-type: none"> Number of Inter-agency collaborations 	<p>At least two successful collaborations/memoranda of understanding with relevant government agencies by 2017</p>	<ul style="list-style-type: none"> Head, Strategy and Corporate Performance Monitoring

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
Goal 2 - Promote Universal Access and Universal Service that Facilitates Connectivity for Development							
2.1	Fibre Optic Backbone Connectivity	Last Mile Fibre Network Rollout This project shall provide subsidies to facilitate the extension of the existing fibre network to specified target areas to aid access to the internet/ broadband services	<ul style="list-style-type: none"> Research on Infrastructure gaps ICT Penetration Analysis Universal Access Gap and Subsidy Estimate Study 	Creation of fibre network in target areas	Number of businesses, institutions and groups connected to the fibre network	85% of identified target areas connected to the fibre network	Head, Infrastructure Projects
2.2	Local Access Network & Facilities	Community Communication Centres (CCC) This project shall provide subsidies to facilitate the establishment of community centres which will provide shared access to telephone and internet services in target areas identified by the	<ul style="list-style-type: none"> Research on Infrastructure gaps ICT Penetration Analysis Universal Access Gap and Subsidy Estimate Study Fibre Network 	<ul style="list-style-type: none"> Increase in the number of internet users Improved access to internet services 	<ul style="list-style-type: none"> Number of CCCs established Average users per CCC 	<ul style="list-style-type: none"> At least one CCC established in each defined target area At least 40% of the population in the community 	Head, Infrastructure Projects

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
		USPF	Rollout		<ul style="list-style-type: none"> The degree of sustainability of CCCs measured by the proportion of implemented CCCs which remain profitable after a defined interval 	<ul style="list-style-type: none"> 90% of implemented CCCs record a profit each annum 	
		<p>Schools Access Project (SAP) This project will provide ICT hardware, internet access and relevant content and/or applications to public secondary schools across the country</p>	<ul style="list-style-type: none"> Research on Infrastructure gaps ICT Penetration Analysis Universal Access Gap and Subsidy Estimate Study Fibre Network Rollout 	Entrench the use of ICT as a tool for teaching and learning	<ul style="list-style-type: none"> Number of secondary schools provided ICT tools and connectivity Number of teachers trained in the use of ICT tools Number of subjects taught through the use of ICT tools Improvement in the quality of education measured as % increase 	<ul style="list-style-type: none"> 1500 schools provided with ICT tools and connectivity each annum At least 80% of teachers trained in the use of the ICT as a tool for teaching At least 60% of all subjects taught through the use of ICT tools 20% increase in examination pass rate amongst students who 	Head, IT Projects

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
		<p>Tertiary Institution Access Project (TIAP)</p> <p>The project is aimed at encouraging the use of the internet in teaching and learning through the provision of internet access to Tertiary Institutions at a subsidised cost</p>	<ul style="list-style-type: none"> • Research on Infrastructure gaps • ICT Penetration Analysis • Universal Access Gap and Subsidy Estimate Study • Fibre Network Rollout 	<ul style="list-style-type: none"> • Entrench the use of ICT as a tool for teaching, learning and research 	<ul style="list-style-type: none"> • Examination pass rate before and after implementation • Number of subjects taught through the use of ICT tools • Improvement in the quality of education measured as % increase in examination pass rate before and after implementation 	<ul style="list-style-type: none"> • At least 60% of all subjects taught through the use of ICT tools • 20% increase in examination pass rate amongst students who are direct beneficiaries of the project 	<p>Head, IT Projects</p>
2.3	Accelerated Mobile Phone Expansion	<p>Base Transceiver Station project</p> <p>This project shall subsidise the costs of deploying Base Transceiver stations in underserved and un-served communities in Nigeria which the market will not ordinarily reach</p>	<ul style="list-style-type: none"> • Research on Infrastructure gaps • ICT Penetration Analysis • Universal Access Gap and Subsidy Estimate Study 	<ul style="list-style-type: none"> • Increase in voice coverage 	<ul style="list-style-type: none"> • Number of BTS deployed • Number of target areas covered by deployed BTS 	<ul style="list-style-type: none"> • 90% of the country's land mass covered by voice services 	<p>Head, Infrastructure Projects</p>

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
2.4	Local Content Development	<i>Development of local application and content;</i> Provide subsidies/grants to promote the development of local content ICT applications	<ul style="list-style-type: none"> Consultation with other Government Agencies 	Provision of support to entrepreneurs with respect to the development of local content and application	Number of local content applications developed	At least two local content application developed annually from 2013	Head, IT Projects
Goal 3 - Institutional Development							
3.1	Review of Organisation and Human Resource Capacity Development	<i>Alignment of Job Functions to the USPF's Goals and Programmes</i> This project is aimed at aligning departmental roles and job functions with the USPF's Mandate and Vision. The project will also identify the mix of skills and competencies required to support the achievement of the USPF's Vision and specify manning requirements for each function/team within the organisation	<ul style="list-style-type: none"> USPF strategic goals The type and class of universal projects selected by the USPF 	<p>The design and implementation of an organisation structure which:</p> <ul style="list-style-type: none"> Prevents duplication/overlap of roles to ensure optimal staff utilisation Supports proper clustering of related tasks to promote specialisation Is flexible and adaptable to support the USPF's future growth needs 	Redesigned Organisation Structure	Redesigned organisation structure completed by June 2013	Secretary, USPF

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
		<p><i>Human Development</i></p> <p>This project will involve the identification of skills and competency gaps within the USPF and define interventions for bridging those gaps</p>	<p>Review and Update of Operational Policies and manuals</p>	<p>Ensure staff possess the appropriate mix of skills and competencies required to achieve the USPF's Vision</p>	<p>Proportion of skills gaps identified which have been bridged through training interventions by December 2013</p>	<p>100%</p>	<p>Secretary, USPF</p>
		<p><i>Performance Management</i></p> <p>Articulate and implement a framework for managing individual, team and organisational performance within the USPF</p>	<p>N/A</p>	<ul style="list-style-type: none"> Linkage of individual targets to organisational goals Clarity regarding work expectations and performance standards Institution of a performance-based culture within the Secretariat which enables a system for the reward and recognition of high performance 	<p>% improvement in organisational performance measured by % of achievement of organizational targets</p>	<p>50% improvement in organizational performance year on year</p>	<p>Secretary, USPF</p>

S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
3.2	Development of Policies and Procedures Manuals	<p><i>Review and update of existing operational policies and procedures manuals and/or documentation of relevant operational manuals.</i></p> <p>Specifically, the review will focus on the following processes:</p> <ul style="list-style-type: none"> • Procurement • Programme/Project Management • Funds management • Monitoring and Evaluation <p>The project will also involve the implementation of these processes</p>	N/A	<ul style="list-style-type: none"> • Published Policies and Procedures Manual for each key process • Uniformity, completeness and consistency in the performance of key tasks and processes 	<ul style="list-style-type: none"> • Numbers of reviews conducted between 2013 - 2017 • Number of users formally trained on updated policies and processes • Improved service delivery measured by <ul style="list-style-type: none"> - % error rates in carrying out activities/tasks - Turnaround time in carrying out activities/tasks 	<ul style="list-style-type: none"> • One review annually • All process operators • Specific targets will be defined for each process based on the review and/or update 	Secretary, USPF
3.3	Review of Corporate Governance	<p><i>Study on the impact of relevant Government Laws/Policy/Regulations on the execution of the USPF's mandate</i></p> <p>This project will examine/ review the effect/ consequence of relevant</p>	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Obtain interpretations for any overlaps/ambiguities in government laws/regulations/policies which impact the USPF's operations 	<ul style="list-style-type: none"> • Level of compliance with government laws/regulations/policies measured as number of exceptions identified 	Zero exceptions	Head, Legal and Secretariat Affairs

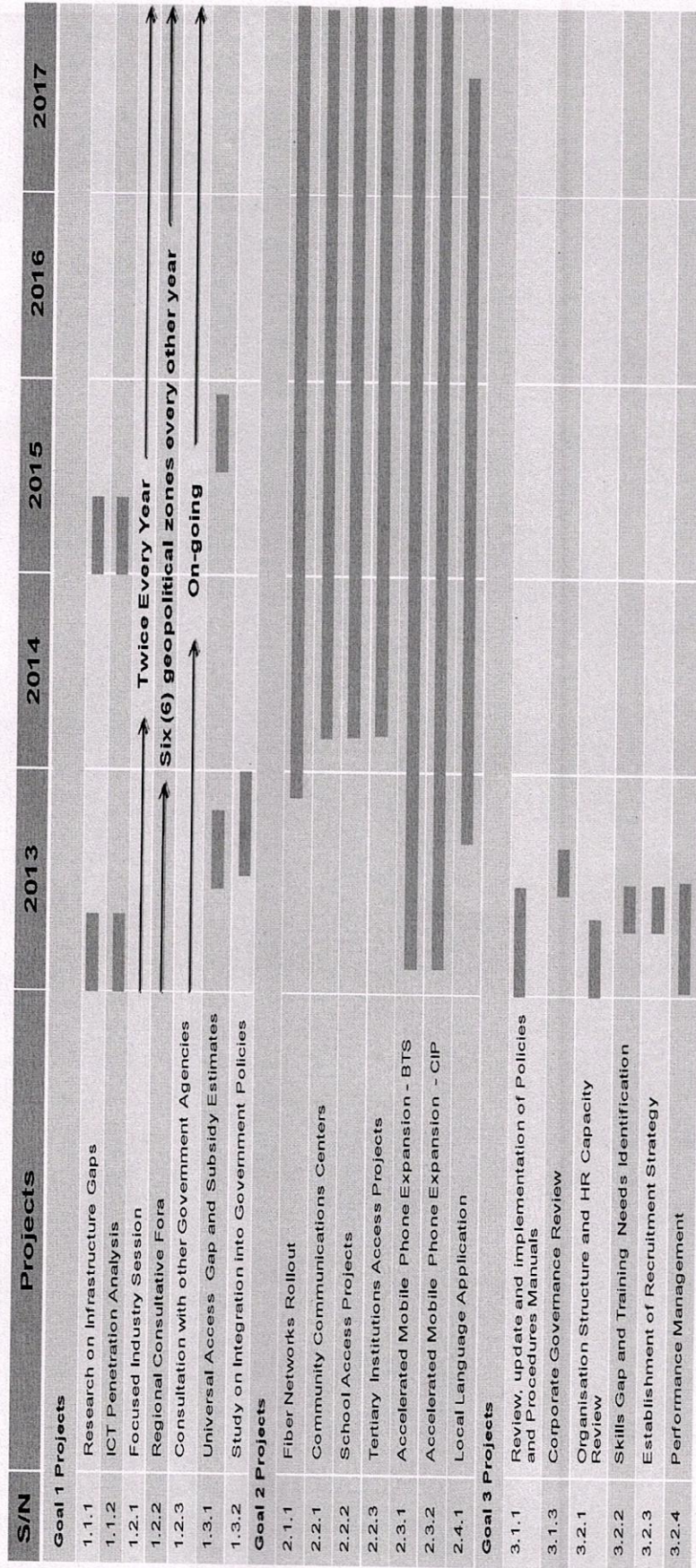
S/N	USPF Programme	Sample Projects	Dependencies	Expected Outcomes	KPIs	Targets ¹⁴	Project Owner
		<p>government Laws/ Policy/ Regulations on the USPF's operations</p> <p><i>Corporate Governance Review</i> This project shall determine the regulatory and statutory reporting requirements which the USPF is subject to</p>	<p>Consultation with other Government Agencies</p>	<p>Alignment of USPF's processes with government laws/regulations/policies</p> <p>Production of relevant reports</p>	<p>Timely production of required reports</p>	<p>100% compliance</p>	<p>Head, Legal and Secretariat Affairs</p>
3	Capacity Building	<p><i>Review of the Strategic Management Plan</i> The objective of this project shall be to review and update the Strategic Management Plan on an annual basis to ensure the USPF's strategic goals and programmes are in line with current realities</p> <p><i>Development of an Annual Operating Plan</i> The objective of this project shall be to develop a plan which will highlight the specific activities which the USPF will carry out to achieve its goals each year</p>	<p>NA</p>	<p>Updated Strategic Management Plan</p>	<p>Numbers of reviews conducted between 2013 - 2017</p>	<p>One review annually</p>	<ul style="list-style-type: none"> • Secretary, USPF • Head, Strategy and Corporate Performance Monitoring
			<p>NA</p>	<p>An Operating Plan for each financial year</p>	<p>Number of Operating Plans developed by 2017</p>	<p>An Operating Plan developed for each financial year</p>	<ul style="list-style-type: none"> • Secretary, USPF • Head, Strategy and Corporate Performance Monitoring

*Universal Service Provision Fund
Strategic Management Plan (2013 – 2017)
Draft for Discussion Purposes
June 2012*

3.3 High-Level Project Timeline

The schematic below presents a high-level timeline for executing the projects defined in the SMP 2013 – 2017. The timeline for each project is defined in consideration of the dependencies and targets outlined for the project.

Figure 3-1 : SMP 2012 – 2017 – High Level Project Timeline



Appendix

Appendix 1.1 – Proposed Annual Targets

The table below outlines the proportion of the overall targets for the period 2013 – 2017 the USPF will strive to achieve in each year:

Table: USPF Project Plan

S/N	Programme	Project Name	Overall Target	Annual Targets					
				Year 1 – 2013	Year 2 – 2014	Year 3 – 2015	Year 4 – 2016	Year 5 – 2017	
1.1	Research Studies and Surveys	Research on Infrastructure Gaps	<ul style="list-style-type: none"> Research study concluded by December 2013 Regional clusters identified by March 2013 	<ul style="list-style-type: none"> Concluded study Identified regional clusters identified 	N/A	N/A	N/A	N/A	N/A
		ICT Penetration Analysis	<ul style="list-style-type: none"> Research study concluded by December 2013 Regional clusters identified by June 2013 	<ul style="list-style-type: none"> Concluded study Identified subsidy clusters identified 	N/A	N/A	N/A	N/A	N/A
1.3	Consultation and Awareness Creation	Focused Industry Session	<ul style="list-style-type: none"> One session held annually. At least 70% response rate to bid invitations for projects targeted at industry operators 	<ul style="list-style-type: none"> One session held with Industry stake holders 50% response rate to bid invitations 	<ul style="list-style-type: none"> One session held with Industry stake holders 60% response rate to bid invitations 	<ul style="list-style-type: none"> One session held with Industry stake holders 70% response rate to bid invitations 	<ul style="list-style-type: none"> One session held with Industry stake holders 70% response rate to bid invitations 	<ul style="list-style-type: none"> One session held with Industry stake holders 70% response rate to bid invitations 	<ul style="list-style-type: none"> One session held with Industry stake holders 70% response rate to bid invitations

S/N	Programme	Project Name	Overall Target	Annual Targets				
				Year 1 – 2013	Year 2 - 2014	Year 3 - 2015	Year 4 - 2016	Year 5 - 2017
		Geo-Political Zone Consultative Fora	<ul style="list-style-type: none"> At least one consultation per geo-political zone every two years 60% public awareness level of the USPF and its programs by 2017 measured by surveys/questionnaires 50% of USPF community projects operated by community members 	<ul style="list-style-type: none"> One consultation held in each of the 6 geopolitical zones 25% public awareness level of the USPF and its programs 20% of USPF community projects operated by community members 	<ul style="list-style-type: none"> 30% public awareness level of the USPF and its programs 25% of USPF community projects operated by community members 	<ul style="list-style-type: none"> One consultation held in each of the 6 geopolitical zones 40% public awareness level of the USPF and its programs 35% of USPF community projects operated by community members 	<ul style="list-style-type: none"> 50% public awareness level of the USPF and its programs 45% of USPF community projects operated by community members 	<ul style="list-style-type: none"> One consultation held in each of the 6 geopolitical zones 60% public awareness level of the USPF and its programs 50% of USPF community projects operated by community members
		Consultation with other Government Agencies	<ul style="list-style-type: none"> At least two successful collaborations/memoranda of understanding with relevant government agencies by 2017 	<ul style="list-style-type: none"> Identify relevant government agencies and communicate intention to create a platform for collaboration Develop modalities for fora with identified government agencies 	<ul style="list-style-type: none"> Conduct consultation fora with identified government agencies 	<ul style="list-style-type: none"> One successful collaboration with relevant government agencies 	<ul style="list-style-type: none"> Conduct consultation fora with identified government agencies 	<ul style="list-style-type: none"> One successful collaboration with relevant government agencies

S/N	Programme	Project Name	Overall Target	Annual Targets				
				Year 1 – 2013	Year 2 - 2014	Year 3 - 2015	Year 4 - 2016	Year 5 - 2017
2.1	Fibre Backbone Connectivity	Last Mile Fibre Network Rollout	<ul style="list-style-type: none"> 85% of identified target areas connected to the fibre network 	<ul style="list-style-type: none"> Documented technical specifications for project Developed RFP and bid documents for pilot project Award of projects 	<ul style="list-style-type: none"> 15% of identified target areas connected to the fibre networks 	<ul style="list-style-type: none"> 35% of identified target areas connected to the fibre networks 	<ul style="list-style-type: none"> 60% of identified target areas connected to the fibre networks 	<ul style="list-style-type: none"> 85% of identified target areas connected to the fibre networks
2.2	Local Access Network & Facilities	Community Communication Centres (CCC)	<ul style="list-style-type: none"> At least one CCC established in each defined target area At least 40% of the population in the community utilise the CCC 90% of implemented CCCs record a profit each annum 	<ul style="list-style-type: none"> At least one CCC established in 10% of defined target area At least 20% of the population in the community utilise the CCC 90% of implemented CCCs record a profit each annum 	<ul style="list-style-type: none"> At least one CCC established in 20% of defined target area At least 30% of the population in the community utilise the CCC 90% of implemented CCCs record a profit each annum 	<ul style="list-style-type: none"> At least one CCC established in 35% of defined target area At least 40% of the population in the community utilise the CCC 90% of implemented CCCs record a profit each annum 	<ul style="list-style-type: none"> At least one CCC established in 65% of defined target area At least 40% of the population in the community utilise the CCC 90% of implemented CCCs record a profit each annum 	<ul style="list-style-type: none"> At least one CCC established in 100% of defined target area At least 40% of the population in the community utilise the CCC 90% of implemented CCCs record a profit each annum
		Schools Access Project (SAP)	<ul style="list-style-type: none"> 300 schools provided with ICT tools and connectivity each annum 	<ul style="list-style-type: none"> 300 schools provided with ICT tools and connectivity 	<ul style="list-style-type: none"> 300 schools provided with ICT tools and connectivity 	<ul style="list-style-type: none"> 300 schools provided with ICT tools and connectivity 	<ul style="list-style-type: none"> 300 schools provided with ICT tools and connectivity 	<ul style="list-style-type: none"> 300 schools provided with ICT tools and connectivity

S/N	Programme	Project Name	Overall Target	Annual Targets				
				Year 1 - 2013	Year 2 - 2014	Year 3 - 2015	Year 4 - 2016	Year 5 - 2017
2.3	Local Content and Application Development	Tertiary Institution Access Project (TiAP)	<ul style="list-style-type: none"> At least 60% of all subjects taught through the use of ICT tools 20% increase in examination pass rate amongst students who are direct beneficiaries of the project 	<ul style="list-style-type: none"> At least 10% of all subjects taught through the use of ICT tools 10% increase in exam pass rate 	<ul style="list-style-type: none"> At least 25% of all subjects taught through the use of ICT tools 20% increase in exam pass rate 	<ul style="list-style-type: none"> At least 40% of all subjects taught through the use of ICT tools 20% increase in exam pass rate 	<ul style="list-style-type: none"> At least 60% of all subjects taught through the use of ICT tools 20% increase in exam pass rate 	<ul style="list-style-type: none"> At least 60% of all subjects taught through the use of ICT tools 20% increase in exam pass rate
				<ul style="list-style-type: none"> At least 10% of all subjects taught through the use of ICT tools 10% increase in exam pass rate 	<ul style="list-style-type: none"> At least 25% of all subjects taught through the use of ICT tools 20% increase in exam pass rate 	<ul style="list-style-type: none"> At least 40% of all subjects taught through the use of ICT tools 20% increase in exam pass rate 	<ul style="list-style-type: none"> At least 60% of all subjects taught through the use of ICT tools 20% increase in exam pass rate 	<ul style="list-style-type: none"> At least 60% of all subjects taught through the use of ICT tools 20% increase in exam pass rate
		Development of local application and content	At least one local content application developed annually from 2013	At least one local content application developed	At least one local content application developed	At least one local content application developed	At least one local content application developed	At least one local content application developed

S/N	Programme	Project Name	Overall Target	Annual Targets				
				Year 1 – 2013	Year 2 - 2014	Year 3 - 2015	Year 4 - 2016	Year 5 - 2017
2.4	Local Content and Application Development	Development of local application and content;	At least one local content application developed annually from 2013	At least one local content application developed	At least one local content application developed	At least one local content application developed	At least one local content application developed	At least one local content application developed
3	Review of Organisation and Human Resource Capacity Development	Alignment of Job Functions to the USPF's Goals and Programmes Human Capacity Development	Redesigned organisation structure completed by June 2013 100% identified skills gaps closed by December 2013	Redesigned organisation structure 100% identified skills gaps closed	N/A N/A	N/A N/A	N/A N/A	N/A N/A
3.2	Development of Policies and Procedures Manuals	Review and update of existing operational policies and procedures manuals and/or documentation of relevant operational manuals	One review annually	50% improvement in organizational performance annually Annual review of policies and procedures manual	50% improvement in organizational performance Annual review of policies and procedures manual	50% improvement in organizational performance Annual review of policies and procedures manual	50% improvement in organizational performance Annual review of policies and procedures manual	50% improvement in organizational performance Annual review of policies and procedures manual

S/N	Programme	Project Name	Overall Target	Annual Targets				
				Year 1 - 2013	Year 2 - 2014	Year 3 - 2015	Year 4 - 2016	Year 5 - 2017
3.3	Corporate Governance Review	Study on the impact of relevant Government Laws/Policy/Regulations on the execution of the USPFI's mandate	Level of compliance with government regulations/policies/laws/	• 100% compliance	• 100% compliance	• 100% compliance	• 100% compliance	• 100% compliance
		Corporate Governance Review	Timely production of required reports	100% compliance	• 100% compliance	• 100% compliance	• 100% compliance	• 100% compliance
3.4	Capacity Building	Review of the Strategic Management Plan	One review annually	One review annually	One review annually	One review annually	One review annually	One review annually
		Development of an Annual Operating Plan	An Operating Plan developed for each financial year	An Operating Plan developed in the first two (2) months of the year	An Operating Plan developed in the first two (2) months of the year	An Operating Plan developed in the first two (2) months of the year	An Operating Plan developed in the first two (2) months of the year	An Operating Plan developed in the first two (2) months of the year