

ANNUAL REPORT

FOR FY 2017-18



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1. An Overview of Universal Service Fund

Universal Service Fund (established by Ministry of Information Technology) is spreading the benefits of ICT revolution to all corners of Pakistan. USF is promoting the development of Information & Communication Technologies (ICTs) in un-served and under-served areas throughout the length and breadth of the country and is paving the way for a Digital Pakistan. Currently, USF is successfully running Broadband for Sustainable Development Programme, Optic Fiber Projects, ICT for Girls Programme, empowerment of artisans and SMEs through ecommerce and also planning projects for propagation of e-services in the country and digital inclusion.

By completing many of the above-mentioned successful programmes and laying foundation for several new projects in FY 2017-18, USF has been able to create a drastic and unprecedented digital revolution in the country and has transformed the lives of the people.



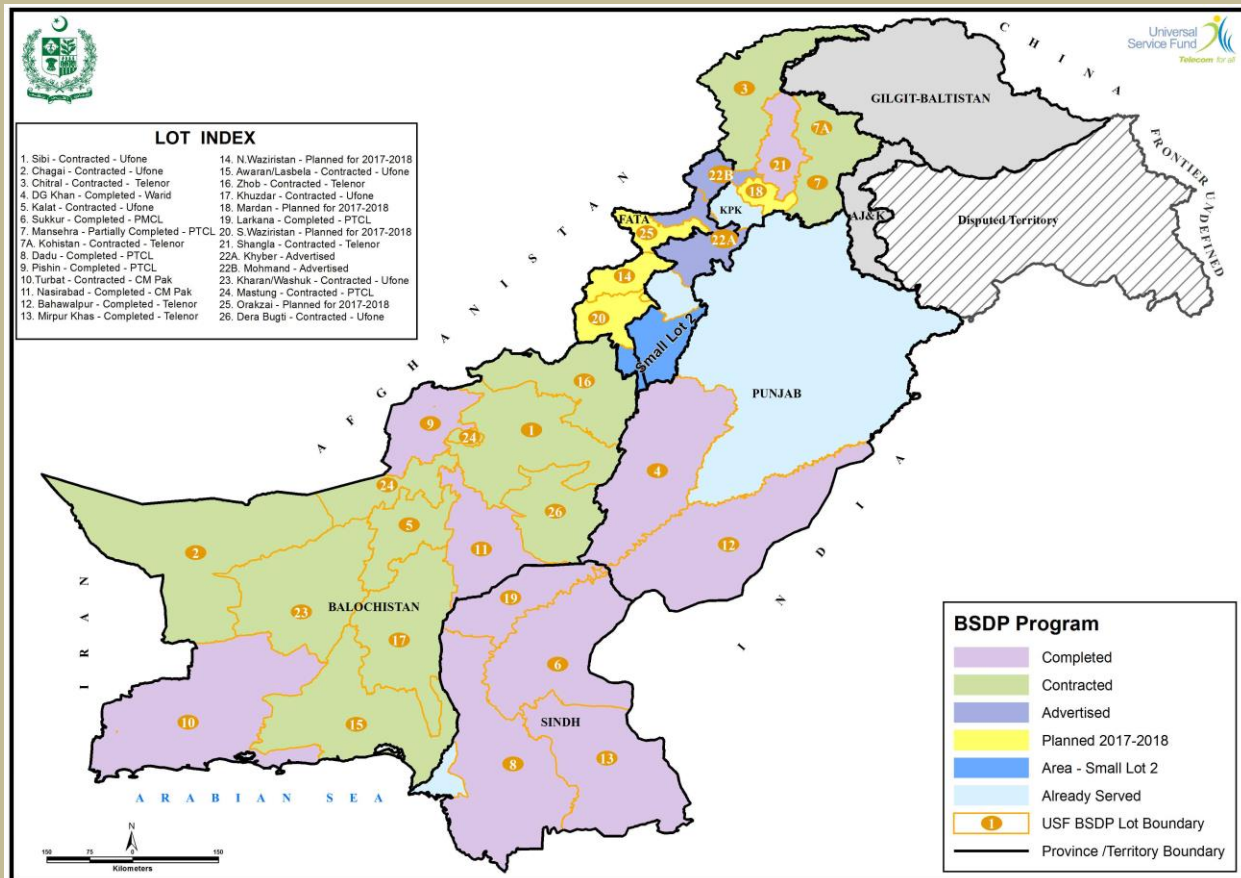
2. Board of Directors

<p>Chairman - USF Board</p>	 <p>Vice Chairman-USF Board Mr. Rizwan Bashir</p>
<p>Chairman-PTA</p>	 <p>Member-Telecom Mr. Mudassar Hussain</p>
 <p>Nominee of Mobile Cellular Licensee Mr. Aamir Ibrahim</p>	 <p>Nominee of Fixed Line Licensee Dr. Daniel Ritz</p>
 <p>Vice President-ISP Association of Pakistan Mr. Azfar Manzoor</p>	 <p>Chairman-Consumer Association of Pakistan Mr. Kaukab Iqbal</p>
 <p>CEO – Universal Service Fund Mr. Rizwan Mir</p>	

3. Programmes

a. Broadband for Sustainable Development Programme

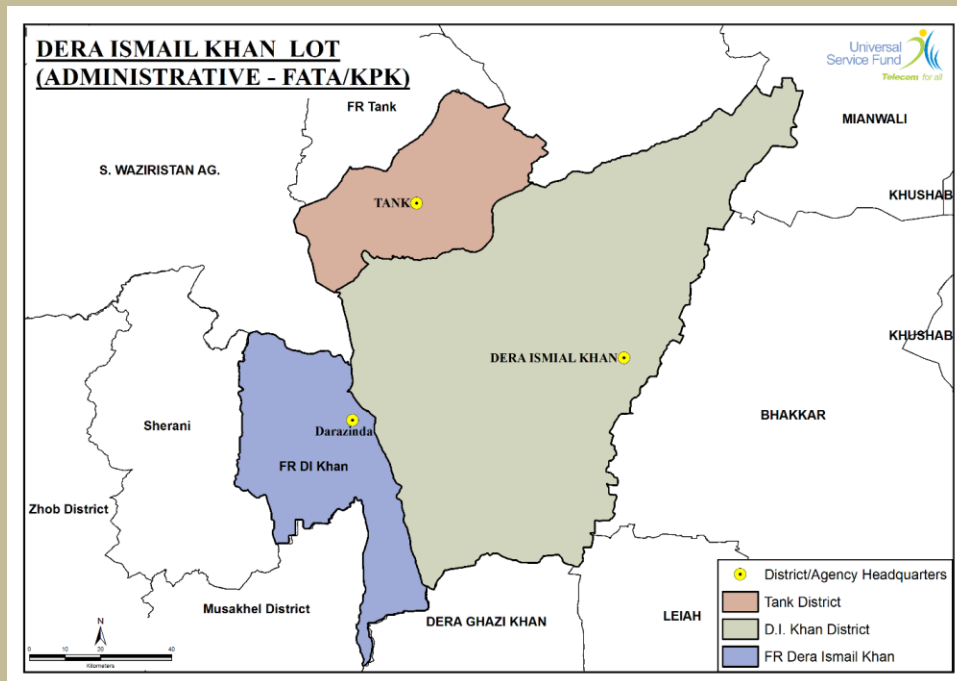
Through the Broadband for Sustainable Development Programme, USF is providing mobile broadband services to the unserved Mauzas across the country. In FY 2017-18, projects have been awarded to provide mobile broadband services in Khyber, Mohmand and DI Khan lot. Moreover, lot of progress also took place in Awaran-Lasbela, Kohistan, Kharan-Washuk, Dera Bugti, Kalat, Sibi, Zhob, Shangla, Chitral, Chagai and Khuzdar. These projects have a significant role in socio-economic prosperity of the locales and are creating valuable opportunities in far-flung areas for their progress and prosperity.



Till the end of FY 2017-18, services are being provided under following projects:

DI Khan

DI Khan lot comprises of unserved areas in Tank, DI Khan and FR DI Khan. Total mauzas in DI Khan lot are 510 with approximate rural population of 1.69 million. About 66% of the mauzas are unserved that covers 41% of rural population of this lot. USF and Telenor entered in contract to provide services in DI Khan on January 26, 2018 through contract worth PKR 596 Million.



Small Lots

Small lot Balochistan-1 comprises 55 unserved mauzas in Pishin, Quetta and Killa Abdullah districts. USF and Ufone entered in the contract worth PKR 365 Million to provide services on January 04, 2018.

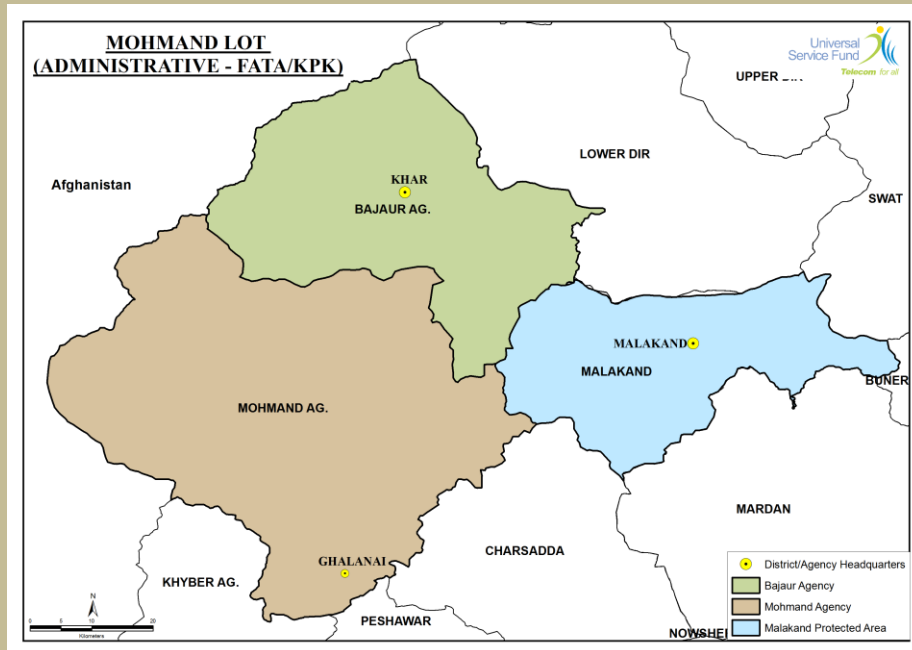
Small lot Sindh-1 consists of two unserved mauzas in Qambar, Shehdadkot and Dady districts. USF and Ufone entered in the contract worth PKR 23 Milion to provide services in this lot on January 04, 2018

Small lot Punjab 2 comprises two unserved mauzas in Dera Ghazi Khan and Muzafargarh districts. USF and Telenor entered in contract worth PKR 30.4 Million to provide services in this lot on November 03, 2018.

Small lot Punjab 1 consists of 43 unserved mauzas in Chakwal and Rawalpindi districts. USF and Ufone entered in contract worth PKR 120 Million to provide services in this lot on October 25, 2017

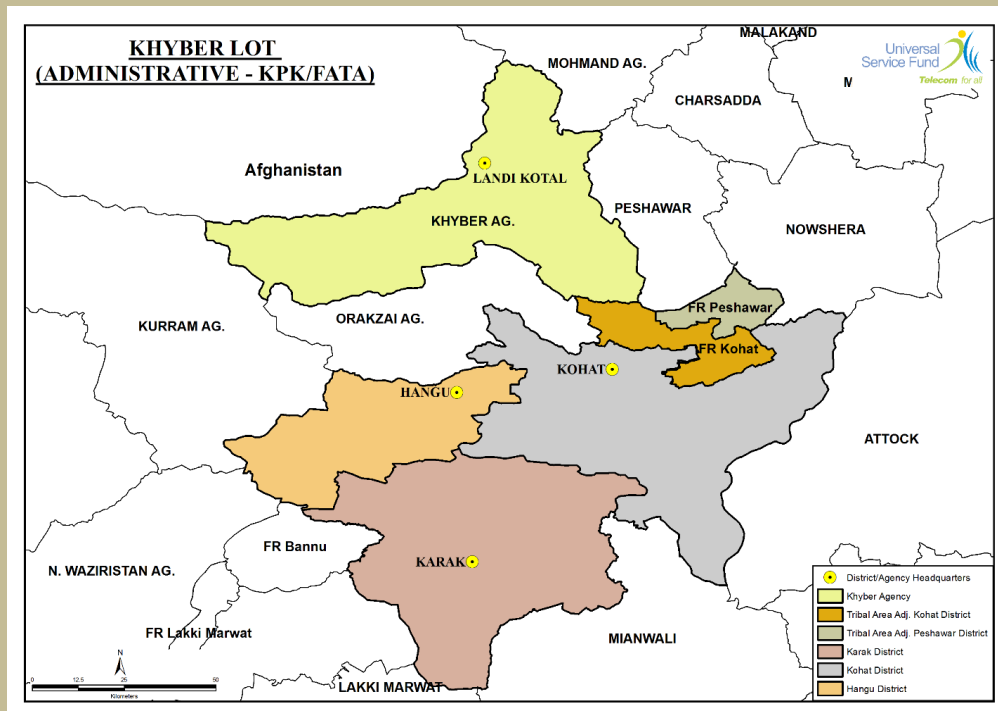
Mohmand

Mohmand lot comprises of unserved areas in Mohmand Agency, Bajaur Agency and Malakand. Total mauzas in Mohmand lot are 947 with rural population of 2.74 million. Around 72% of mauzas are unserved that covers 58% of rural population. USF and Telenor entered in contract worth PKR 849 Million to provide services in this lot on January 12, 2018.



Khyber

Khyber lot comprises of unserved areas in Khyber Agency, Karak, Hangu, FR Peshwar and FR Kohat. Total mauzas in Khyber are 720 with rural population of 3.1 million. About 70% of the mauzas are unserved which cover 56.6% of rural population. USF and Ufone entered in contract worth PKR 1.985 Billion to provide services in Khyber on October 23, 2017.

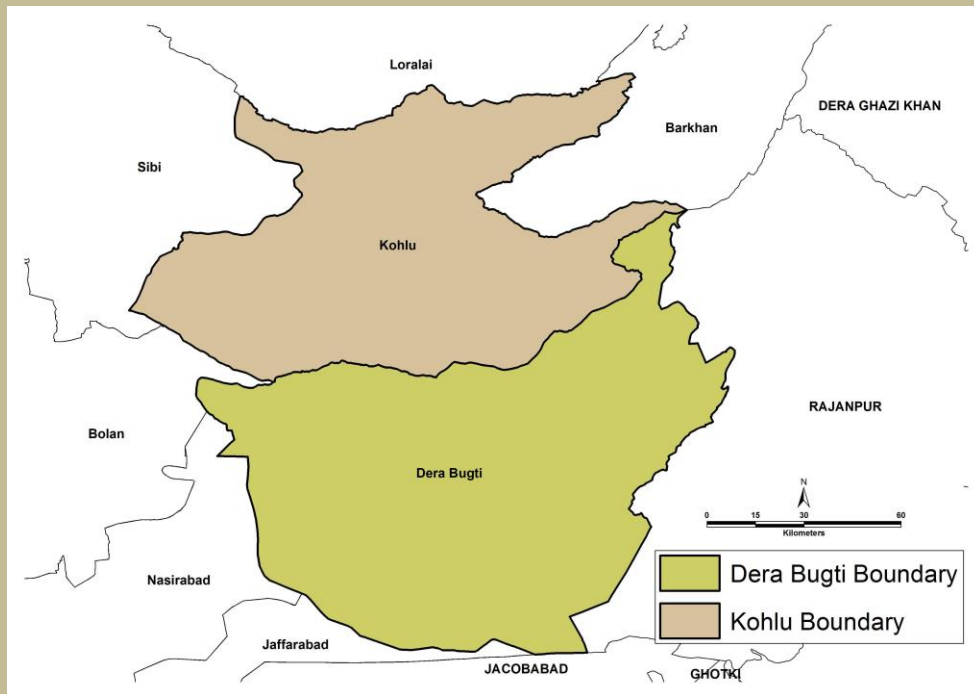


Dera Bugti

Dera Bugti Lot covers 5.1% of the area and 4.6% of the total estimated population of Balochistan and includes Dera Bugti and Kohlu districts. This Lot shares borders with Barkhan and Rajanpur Districts in the East, Loralai and Barkhan in the North, Sibi, Bolan and Nasirabad in West and Jaffarabad and Kashmore Districts in the South.

Dera Bugti and Kohlu district were created from Sibi district. The area is mostly inhabited by a nomadic or semi-nomadic population, who camps with their flocks of sheep and moves with the seasons to find pasture. The area is generally mountainous.

The contract for this project worth Rs. 1.584 Billion was awarded to Ufone in May 2017 for providing services in Dera Bugti Lot.

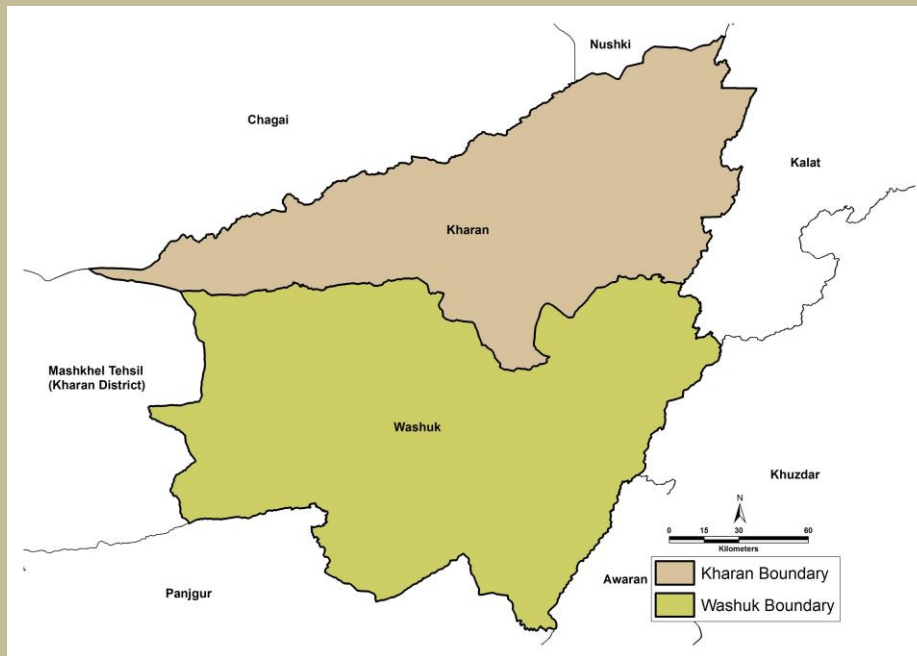


Kharan-Washuk

Kharan-Washuk Lot includes Kharan and Washuk districts. This Lot shares borders with Kalat and Khuzdar Districts in the East, Chagai in the West, Noshki and Chagai in the North and Awaran and Panjgoor Districts in the South.

Washuk District was once part of Kharan District in Balochistan province. It was declared a separate district in 2007, but its governance issues are largely managed by Kharan's district administration. The area is mostly inhabited by a nomadic or semi-nomadic population, who camps with their flocks of sheep and moves with the seasons to find pasture. The area is generally barren desert and mountainous.

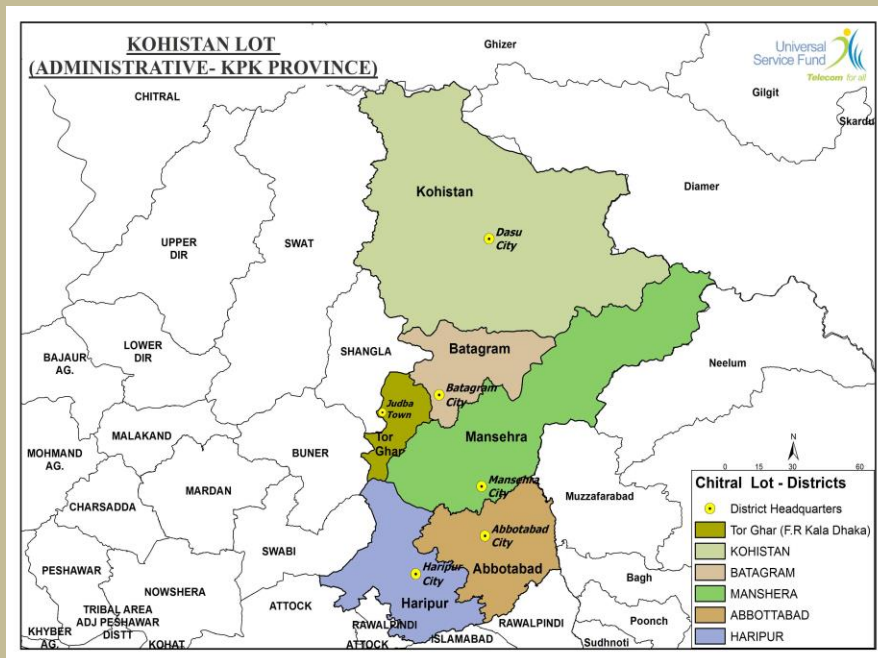
The contract for this project worth Rs. 1.185 Billion was awarded to Ufone in May 2017 for providing services in Kharan-Washuk Lot.



Kohistan Lot

Kohistan Lot covers 22.9% of the area and 6.13 % of the total estimated population of Khyber Pakhtunkhwa and includes Kohistan, Batagram, Mansehra, Haripur and Abbotabad districts. The areas included in Kohistan Lot span from 33.725352° To 35.888504° N and from 72.544045° to 74.134687° E. This Lot is bounded by Northern Areas in the North, Azad Jammu and Kashmir in the East, Rawalpindi, Islamabad and Attock Districts in the South, Swabi, Buner and Shangla Districts in the West and Swat District in the North-West.

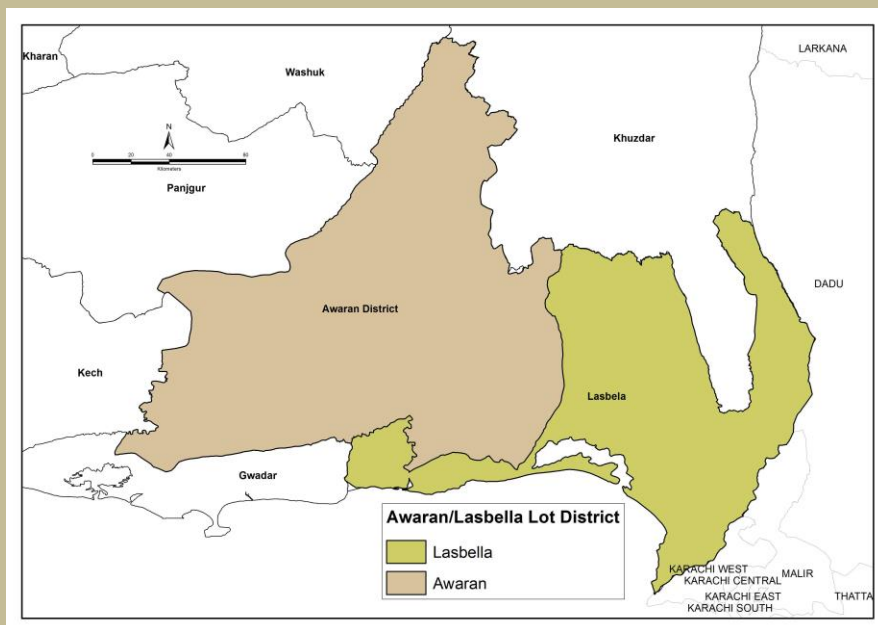
The contract for this project worth Rs. 3.5 Billion was awarded to Telenor in March 2017 for providing services in Kohistan Lot.



Awaran-Lasbela II

This Lot covers 12.8% of the area and 6.5% of the total estimated population of Balochistan and includes the Awaran and Lasbela districts. The areas included in Awaran-Lasbela Lot spans from 27.4482o N to 24.9055o S and from 67.4486o E to 64.1173o W. This Lot shares borders with Karachi and Dadu Districts in the East, Khuzdar and Washuk in the North, Panjgoor and Kech in West and Gwadar Districts in the South.

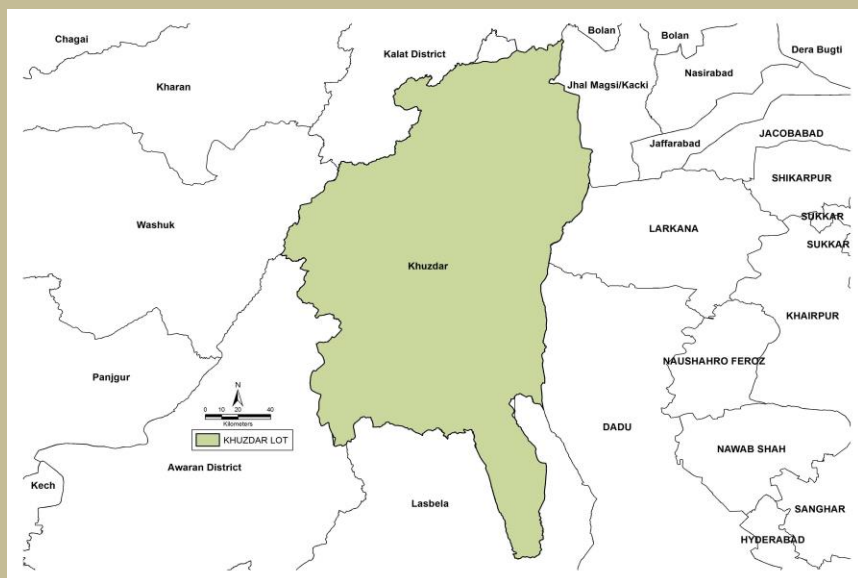
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 2.33 Billion, was signed with PTML on 2nd January 2017.



Khuzdar

Khuzdar Lot covers 10% of the area and 6.3% of the total estimated population of Balochistan and includes Khuzdar districts. The areas included in Khuzdar Lot span from 25.714242° to 28.861427° N and from 65.564013° to 67.429590° E. This Lot shares borders with Larkana and Dadu Districts in the East, Aawran, Panjgoor and Washuk in the West, Kalat in North and Lasbela Districts in the South.

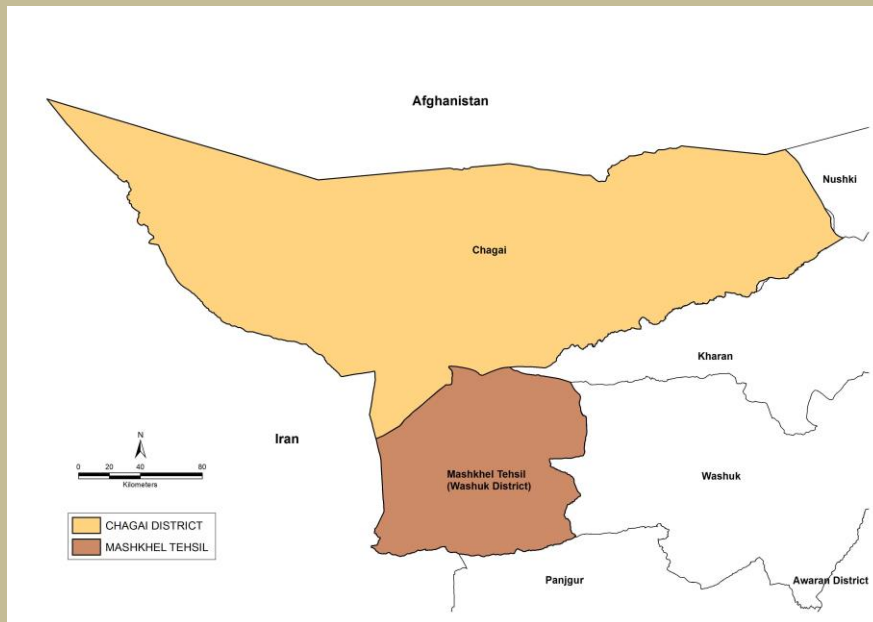
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 2.4 Billion, was signed with PTML in September 2016.



Chagai

Chagai Lot covers 18% of the area and 2.65% of the total estimated population of Balochistan and includes Chagai district and Mashkhel tehsil. The areas included in Chagai Lot span from 27.184303° - 29.898803°N and 60.869401°- 65.523777° E. This Lot shares borders with Noshki, Kharan, Washuk and Panjgoor districts of Pakistan and triangular border with Afghanistan and Iran.

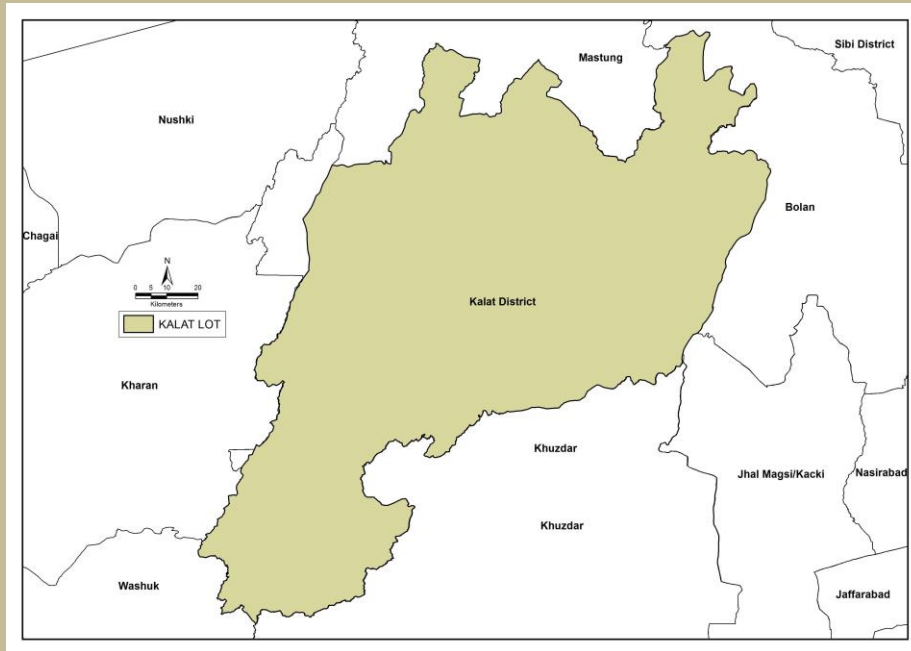
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 1.3 Billion, was signed with PTML in September 2016.



Kalat

Kalat Lot covers 4% of the area and 3% of the total estimated population of Baluchistan, and includes Kalat district. This lot spans from 28° 0' N to 29° 42' N and 65° 51' E to 67° 28' E, covering the Central-Western region of Baluchistan. This lot shares borders with Mastung and Nushki in North, Kharan in the West and Bolan Districts in North-East, and Khuzdar District in South East.

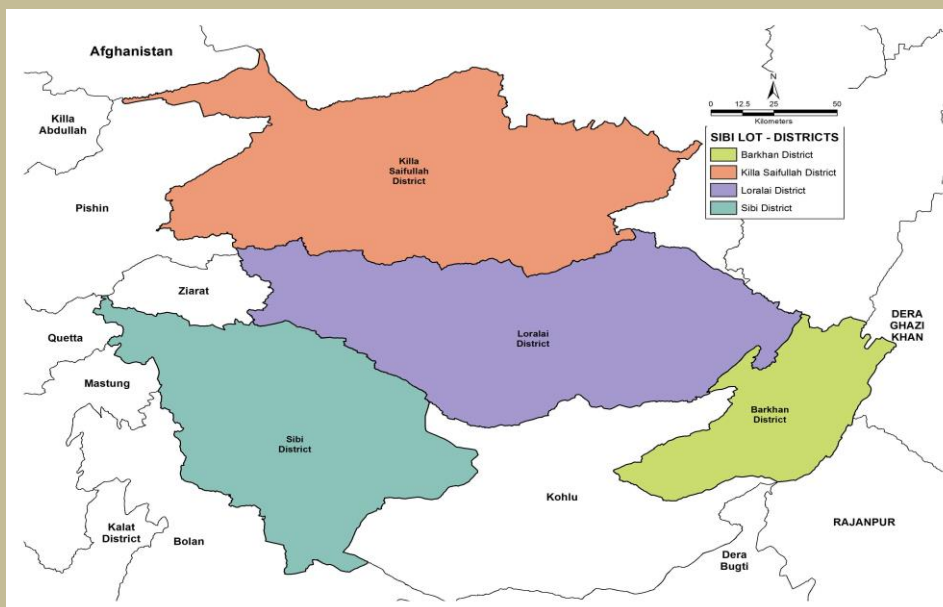
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 2.1 Billion, was signed with PTML in December 2015.



Sibi

Sibi Lot covers 8% of the area and 9% of the total estimated population of Baluchistan Province and includes Barkhan, Sibi, Killa Saifullah and Loralai Districts. The areas included in Sibi Lot span from 29° 32' to 31° 25' N Latitudes and from 67° 14' to 70° 2' E Longitudes. The Lot shares borders with Dera Ghazi Khan and Rajanpur Districts in the East, Zhob and Musakhel Districts in the North, Dera Bugti and Kohlu Districts in the South and Bolan, Quetta and Mastung Districts in the West.

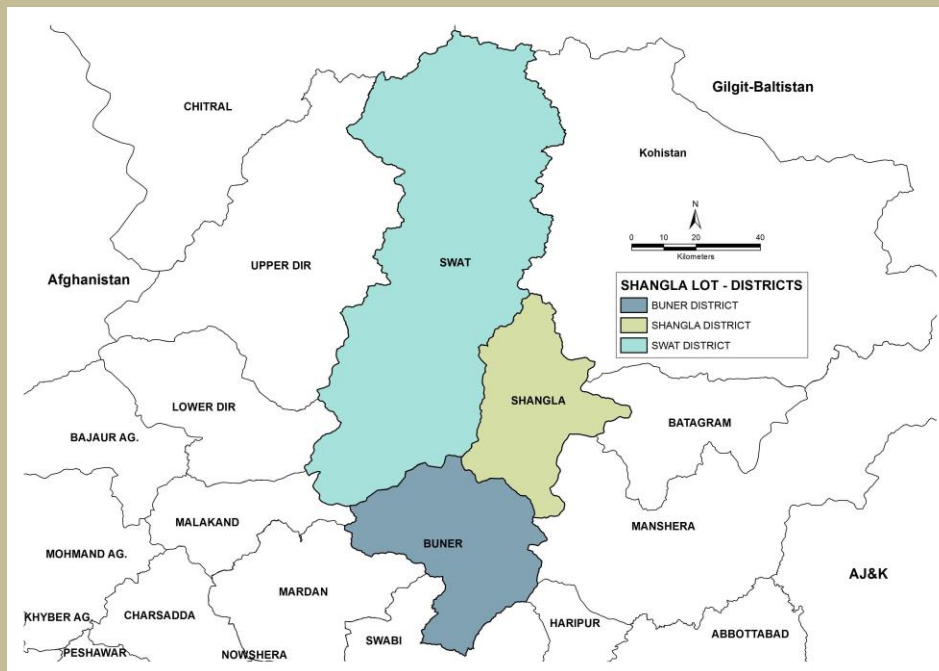
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 3.19 Billion, was signed with PTML in September 2015.



Shangla

Shangla Lot covers 12% of the area and 15% of total estimated population of Khyber Pakhtunkhwa province. It includes Shangla, Swat and Buner districts. This Lot shares borders with Battagram and Kohistan Districts in the North, Dir and Malakand in West, Mardan and Swabi Districts in the South-East, and Mansehra District in the East.

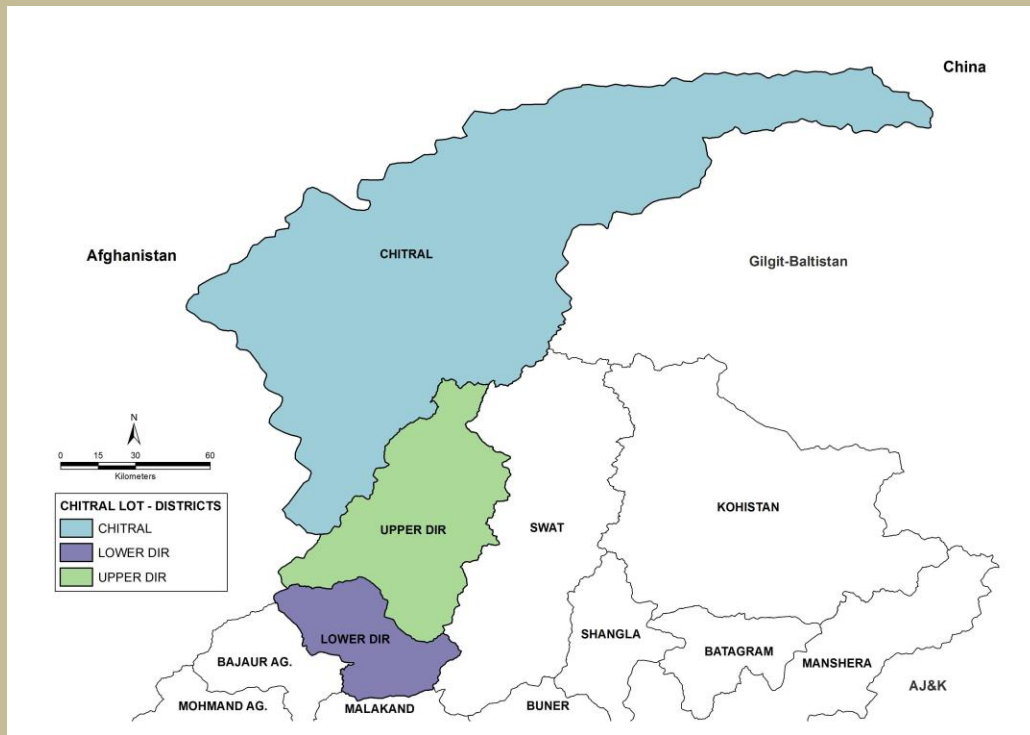
The contract for this project worth Rs. 1.95 Billion was awarded to Telenor in June 2015 for services in Shangla Lot



Chitral

Chitral Lot covers 27% of the area and 10% of total estimated population of Khyber Pakhtunkhwa province and includes Chitral, Upper Dir and Lower Dir districts. This Lot shares borders with Afghanistan in the North and West, Swat District and Gilgit- Baltistan in East and Bajaur Agency and Malakand in south.

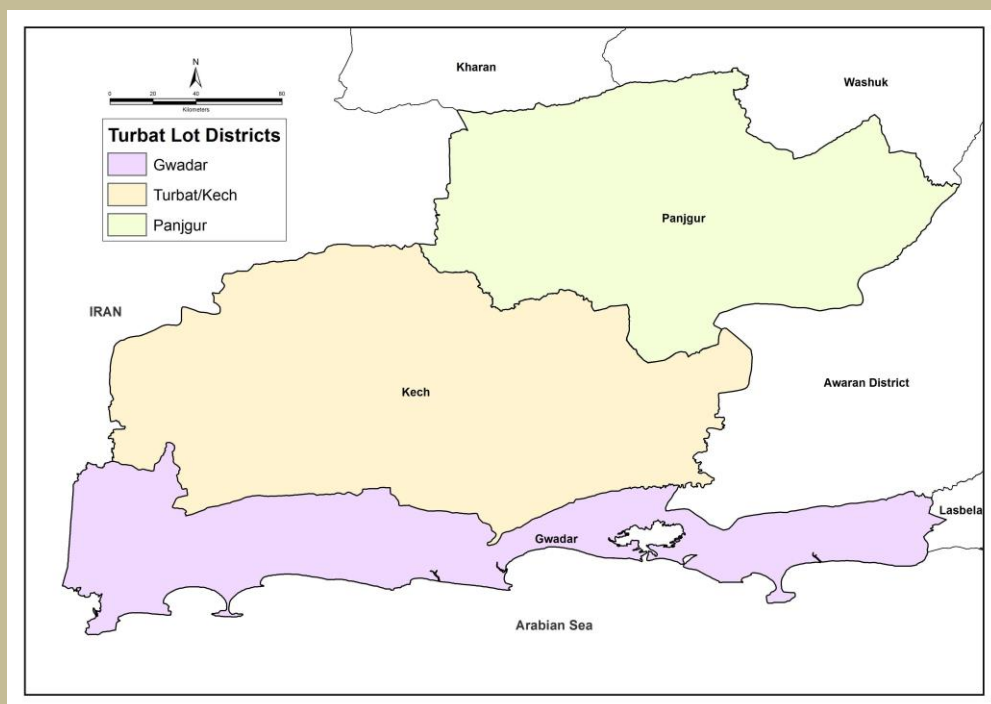
The contract for this project worth Rs. 1.905 Billion was awarded to Telenor in February 2015 for providing services in Chitral Lot.



Turbat

Turbat Lot covers 10% of the area and 8% of the total population of Balochistan. The lot covers strategically located warm waters' port of Gwadar and Turbat (Kech) districts. Turbat lot consists of Panjgoor, Gawadar and Trubat districts.

The contract for this project worth Rs. 3.95 Billion was awarded to CM Pak in February 2013 for providing services in Turbat Lot.



Mansehra

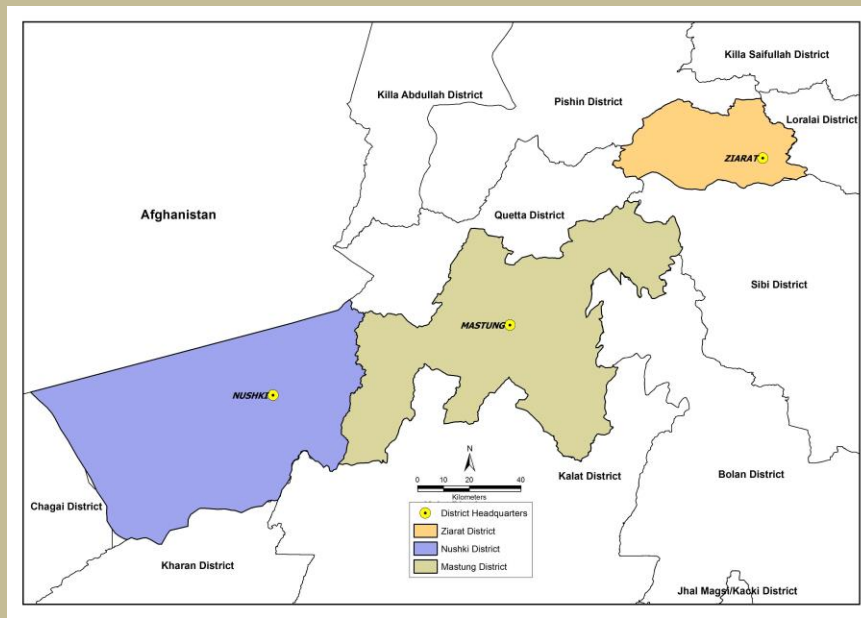
Mansehra Lot covers roughly 20% of the area of Khyber Pakhtunkhwa in the North-East and consists of the districts of Abbottabad, Batagram, Haripur, Kohistan and Mansehra and has 12 tehsils.

USF and PTCL entered this contract on June 24, 2008. A subsidy of Rs. 300 Million is being provided to PTCL for providing services through this project.

Mastung

Mastung covers 6% of total population and 4% of the area of Balochistan, which includes Mastung, Nushki and Ziarat districts. Climate of Mastung Lot is hot in summers but cold in winters due to cold Siberian currents.

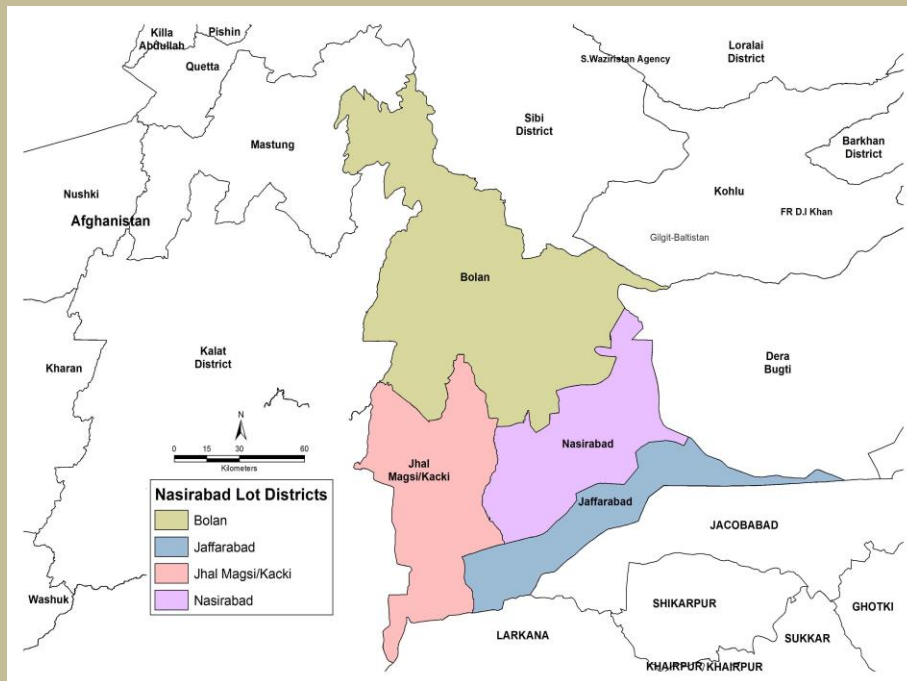
The contract for this project worth Rs. 3.15 Billion was awarded to PTCL in May 2012 for providing in Mastung lot.



Nasirabad

This project aims to provide basic telephony and data services in Nasirabad lot which covers roughly 5% of the area of Balochistan in the Central East. Generally, Nasirabad Lot has an arid climate with moist cold winters and hot dry summers. This lot comprises Bolan, Jaffarabad, Jhal Magsi and Nasirabad districts of Balochistan.

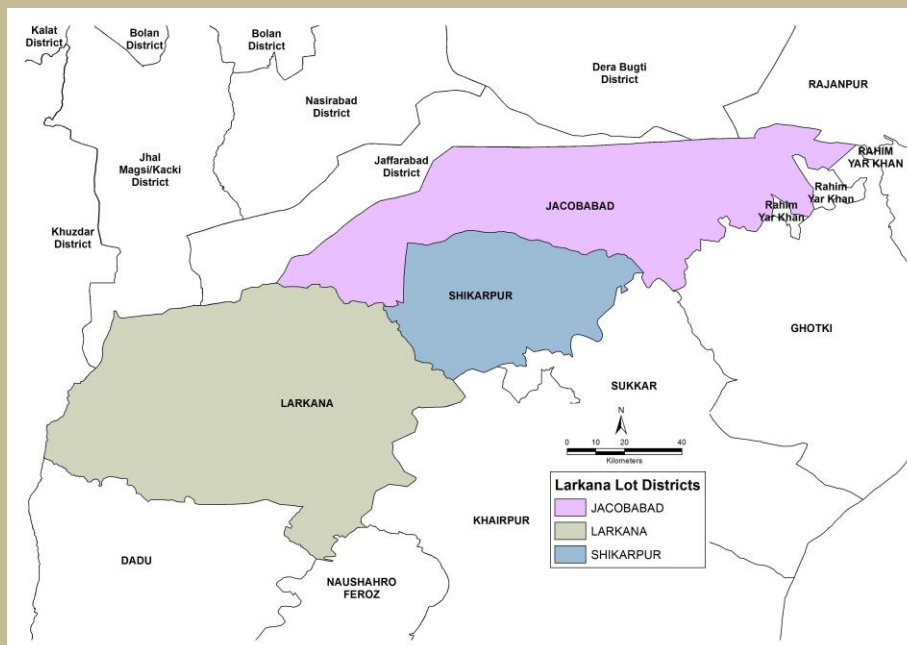
The contract for this project worth Rs. 1.57 Billion was awarded to CM Pak for providing basic telephony and data services in Nasirabad lot in July 2009.



Larkana

Larkana Lot covers 7% of the area and 10% of the total estimated population of Sindh. It shares borders with two provinces – Balochistan in the West and Punjab in the North. It consists of Larkana, Jacobabad and Shikarpur districts and has an un-served population of 165,000.

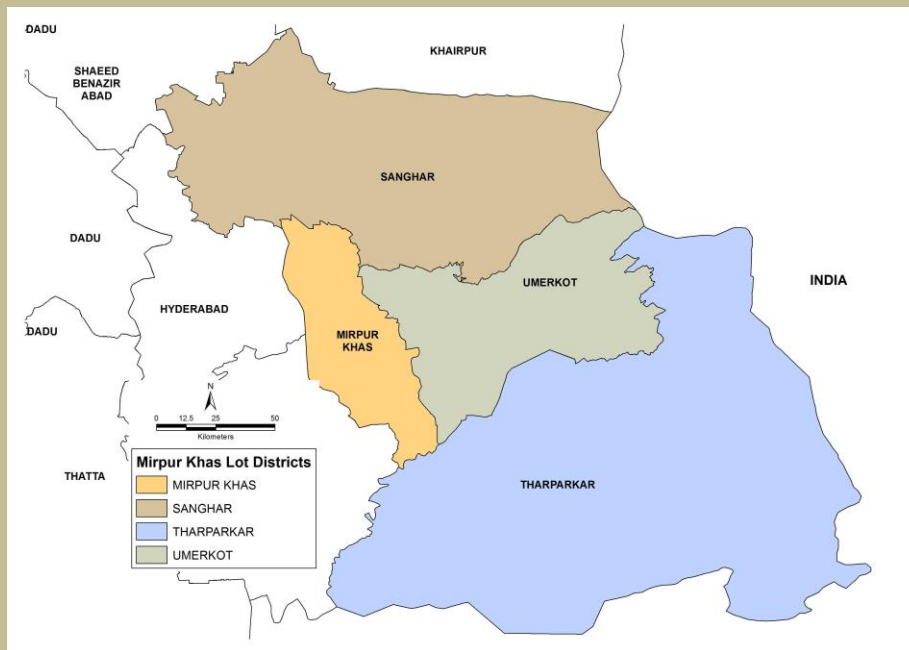
USF awarded this contract to PTCL on May 17, 2009 for a subsidy of Rs. 228 Million.



Mirpur Khas

Mirpur Khas Lot covers 28% of the area and 13% of the total estimated population of Sind Province. It consists of Sanghar, Tharparkar, Umerkot and Mirpur Khas districts and has an un-served population of around 1.13 million.

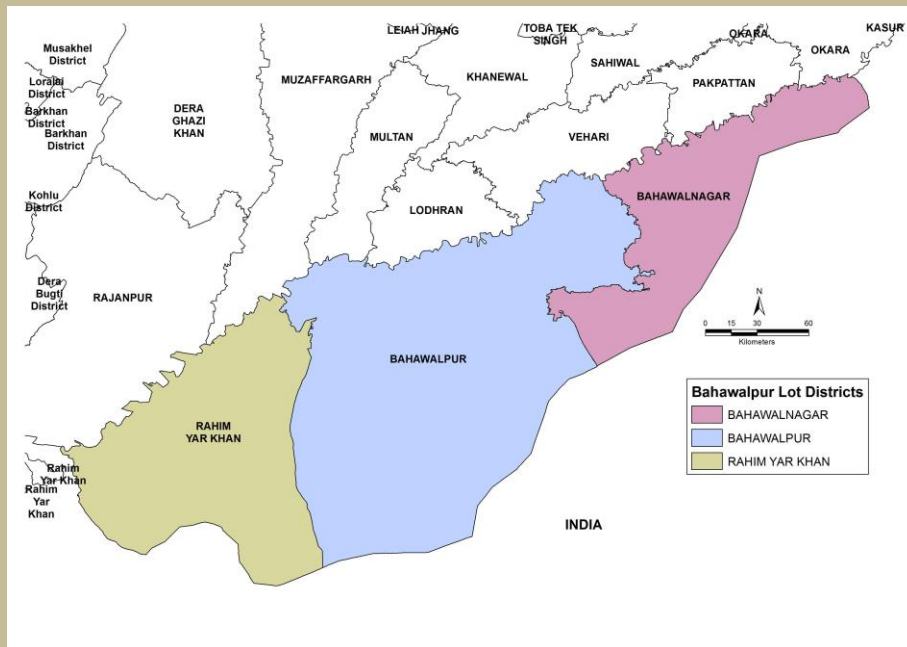
USF and Telenor entered into a Rs. 930 Million contract to provide basic telephony and data services to the population in the un-served areas of Mirpur Khas on March 13, 2009.



Bahawalpur

Bahawalpur Lot covers 22% of the area and 11% of the total estimated population of Punjab Province and includes Bahawalnagar, Bahawalpur and Rahim Yar Khan Districts. This lot has an un-served population of around 242,144 people.

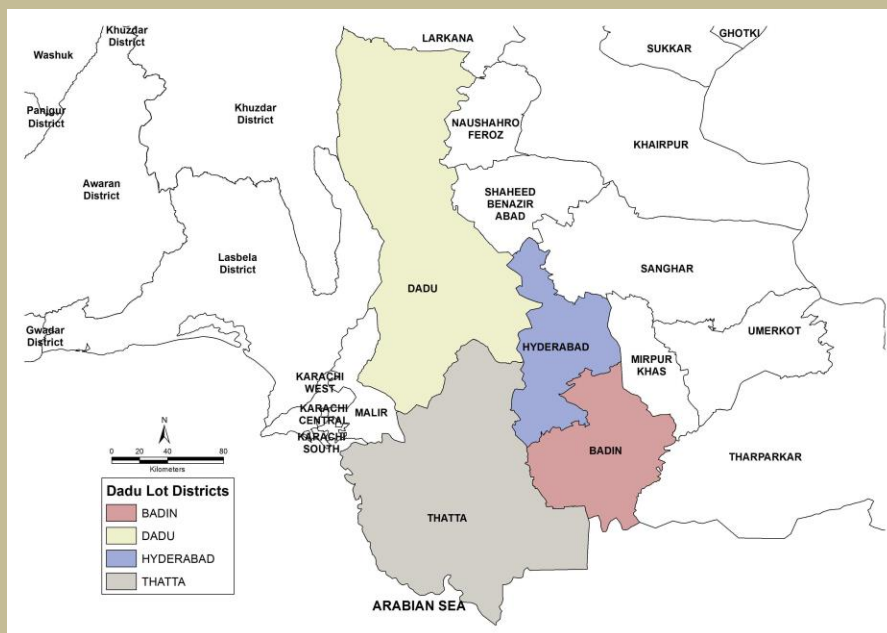
This contract was signed on September 22, 2008 for a subsidy of 248 Million.



Dadu

Dadu Lot roughly covers 14% of the total area of Sindh and lies from South-Central region to North-West of Sindh. It consists of the districts of Badin, Dadu, Hyderabad and Thatta and 12 tehsils.

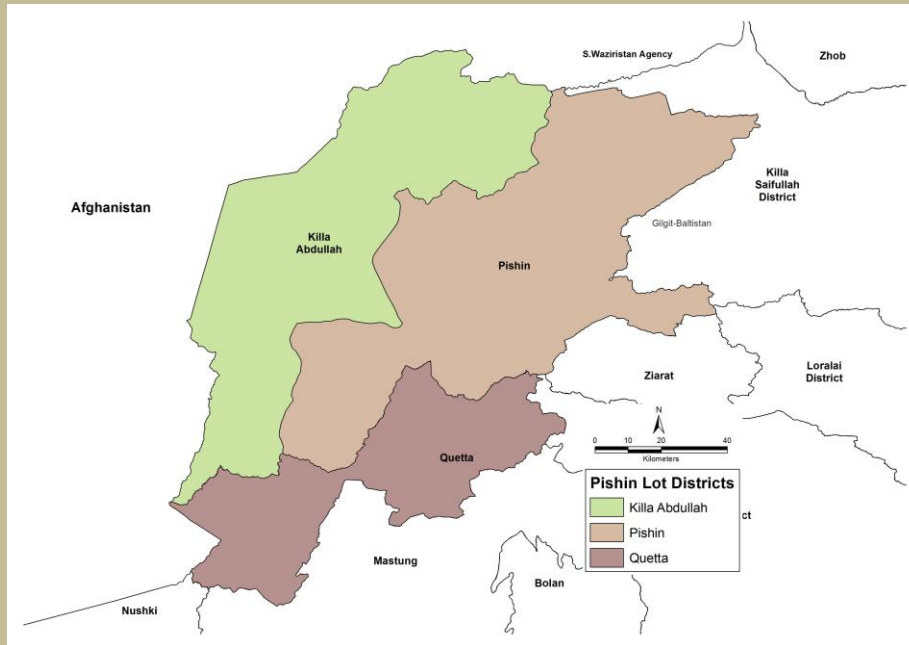
USF and PTCL entered this contract on July 25, 2008 for a subsidy of Rs. 250 Million.



Pishin

Pishin Lot covers roughly 5% in the North – Western part of Baluchistan province. It consists of the districts of Killa Abdullah, Pishin and Quetta.

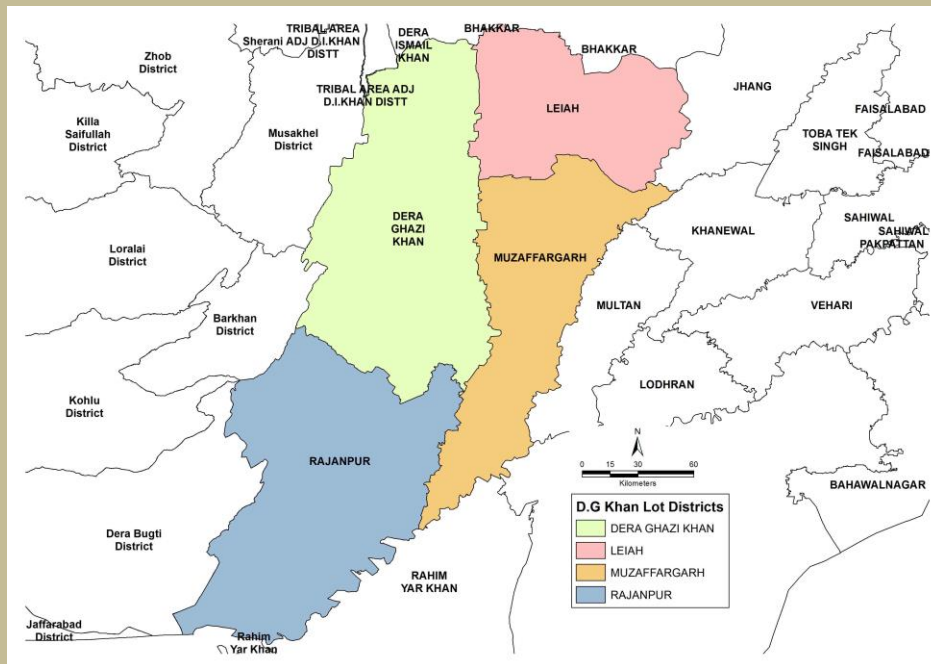
USF and PTCL entered in this contract on May 29, 2008 for a subsidy of Rs. 175 Million.



DG Khan

Dera Ghazi Khan is one of the most populous cities in Southern Punjab and it is the largest district in Punjab in terms of area. This lot covers the extreme South-Western area of Punjab province, covering roughly 20% of the total Punjab area. It consists of the districts of DG Khan, Rajanpur, Layyah and Muzaffargarh.

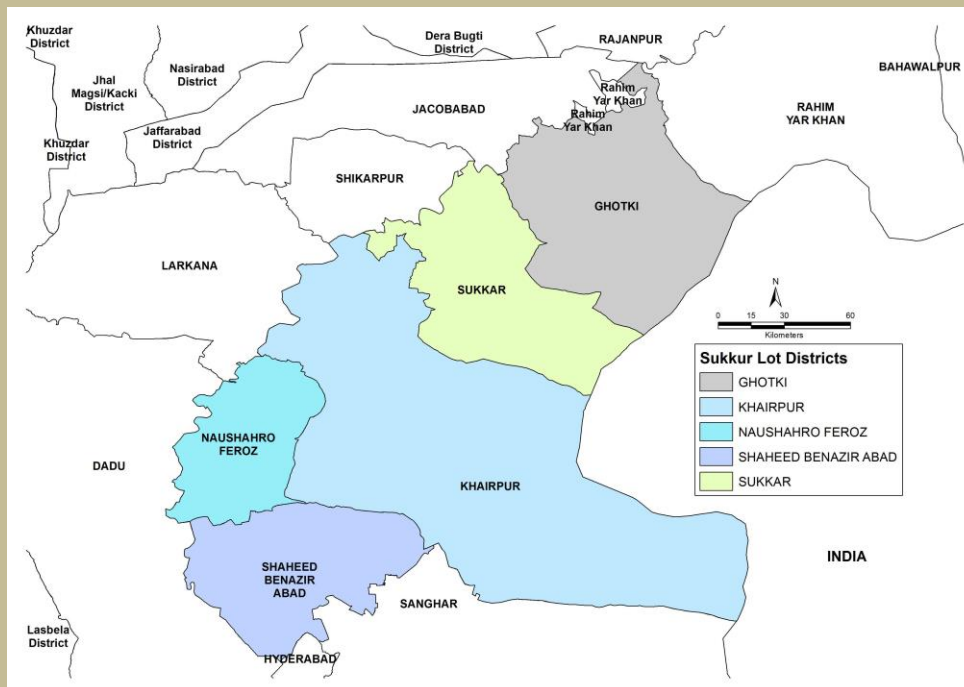
USF and Warid Telecom entered in this contract on February 07, 2008 for a subsidy of Rs. 91 Million.



Sukkur

Sukkur lot covers the area in the North-Eastern part of Sind province, covering roughly 25% of the total area of Sind. It consists of the districts of Sukkur, Ghotki, Khairpur, Nawabshah and Naushahro Froze.

USF and Mobilink entered in this contract on January 15, 2008 for a subsidy of Rs. 112 Million.



b. ICTs for Girls

Universal Service Fund is running 'ICT for Girls' programme since 2015 to bridge the gender digital divide which is paving the way for socio economic uplift of this very important segment of our society. USF is running two different projects under ICT for Girls programme. The first project is in Women Empowerment Centers of Pakistan Bait-ul-Mal and the second project is running in all girl schools of Federal Directorate of Education.

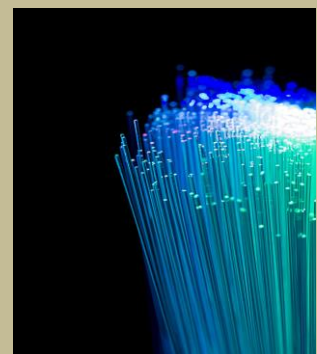
The primary purpose of the programme is to provide ICT facilities to increase the employability potential of the girls in Pakistan, so that they are financially empowered to take care of their families and themselves. In collaboration with Microsoft, trainers have been trained on 21st century super skills focusing on coding, computing, coaching and communication.

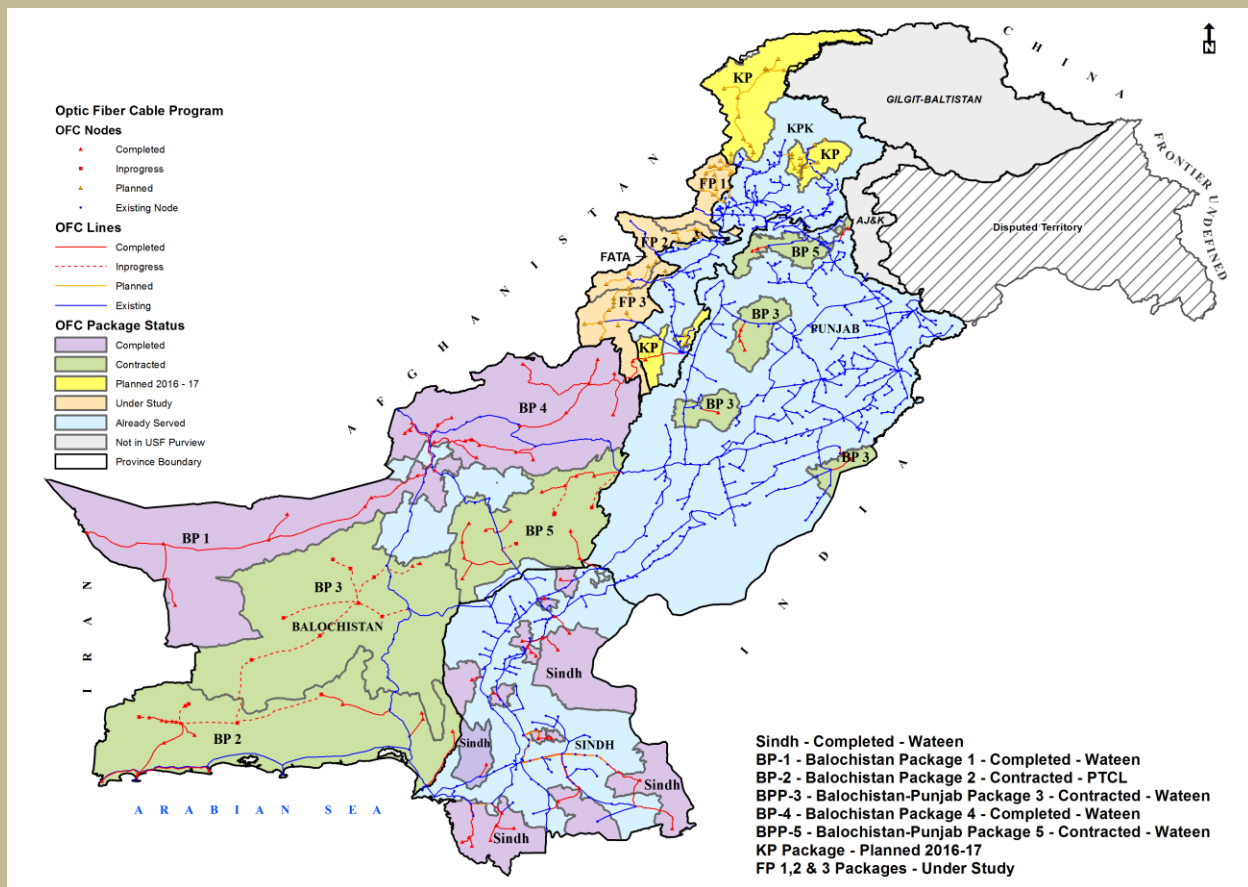
In the first project, 144 ICT Model Labs have been established at Women Empowerment Centers of Pakistan Bait-ul-Mal which are devoted to capacity building of needy and poor women all across the country. Through this programme, over 15,000 girls will be trained annually at state-of-the-art facilities.

In the second project, 226 Girl Schools of Federal Directorate of Education have been provided with ICT facilities. 202 teachers have been placed at these institutions and 110,000 girl students will benefit annually from this programme.

c. Optic Fiber Programme

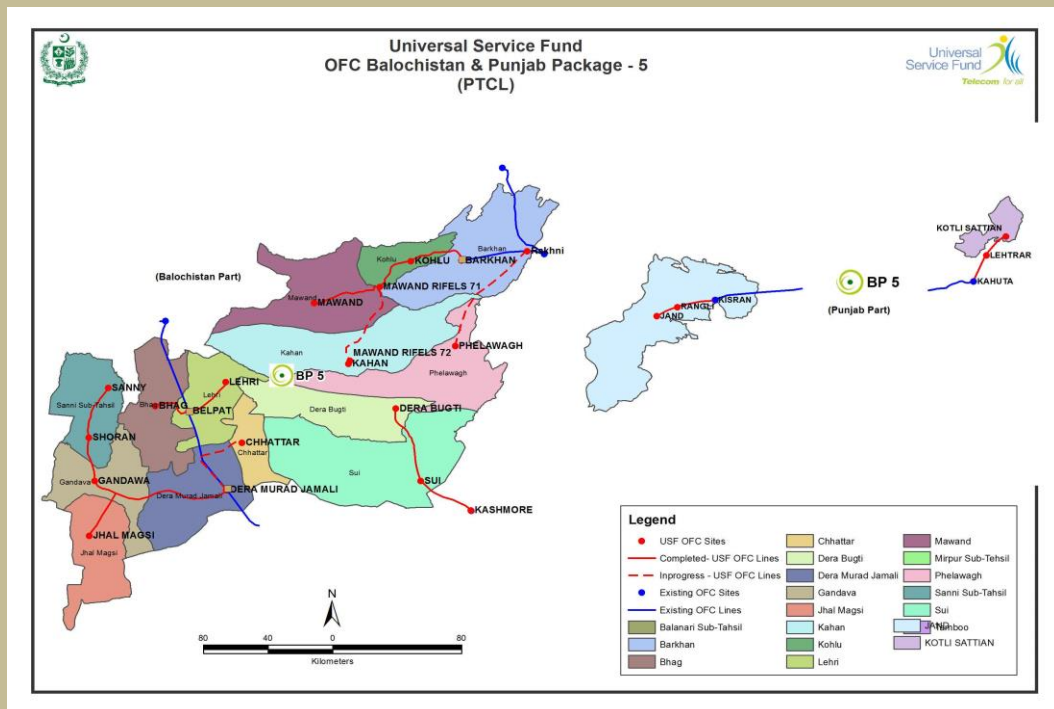
USF is promoting development of telecommunication services in un-served and under-served rural areas of Pakistan to make basic voice telephony and data services, available throughout the country. Under this programme USF is providing unserved Tehsil Headquarters and Major Towns with Optical Fiber Connectivity. Optical Fiber Connectivity provides cost effective, reliable and scalable backhaul medium over which Voice and Data (Internet) traffic is carried from one location to another. Up till now, USF has provided optic fiber connectivity to Balochistan, Punjab and Sindh Province.





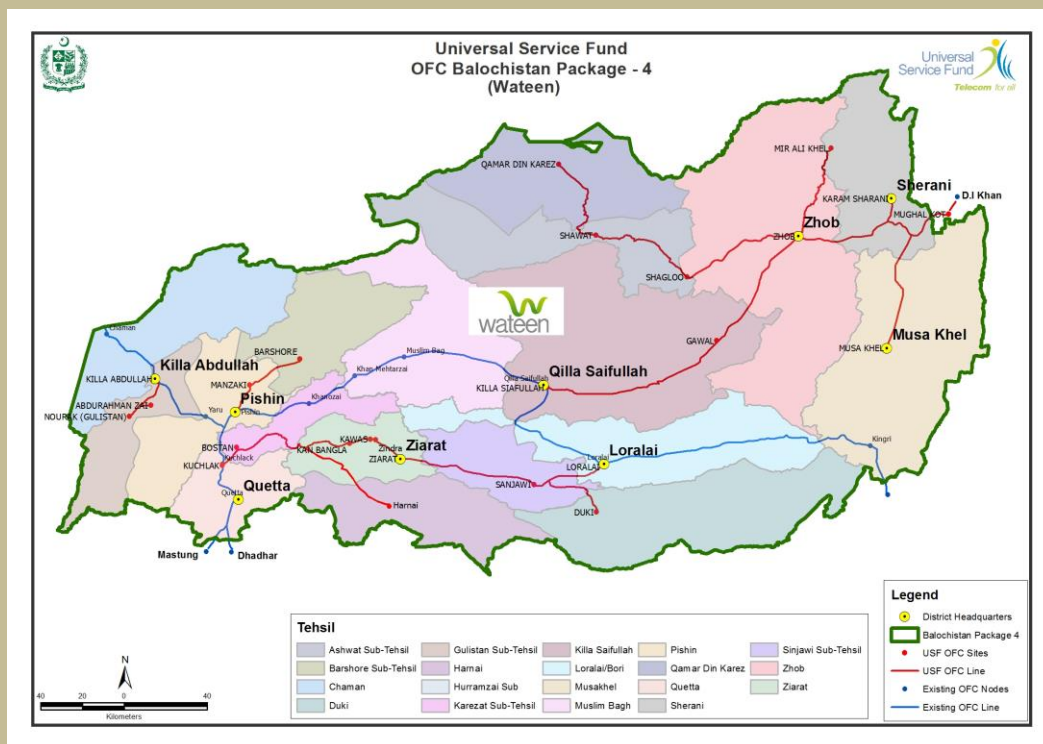
Un-served Tehsils in Central Balochistan (Balochistan Punjab Package 5)

USF signed the contract for providing optic fiber connectivity to un-served tehsils of Central Balochistan and Punjab on May 17, 2010. PTCL is being provided a subsidy of Rs. 1.5 Billion for laying 786 Kms of Optic Fiber Cable



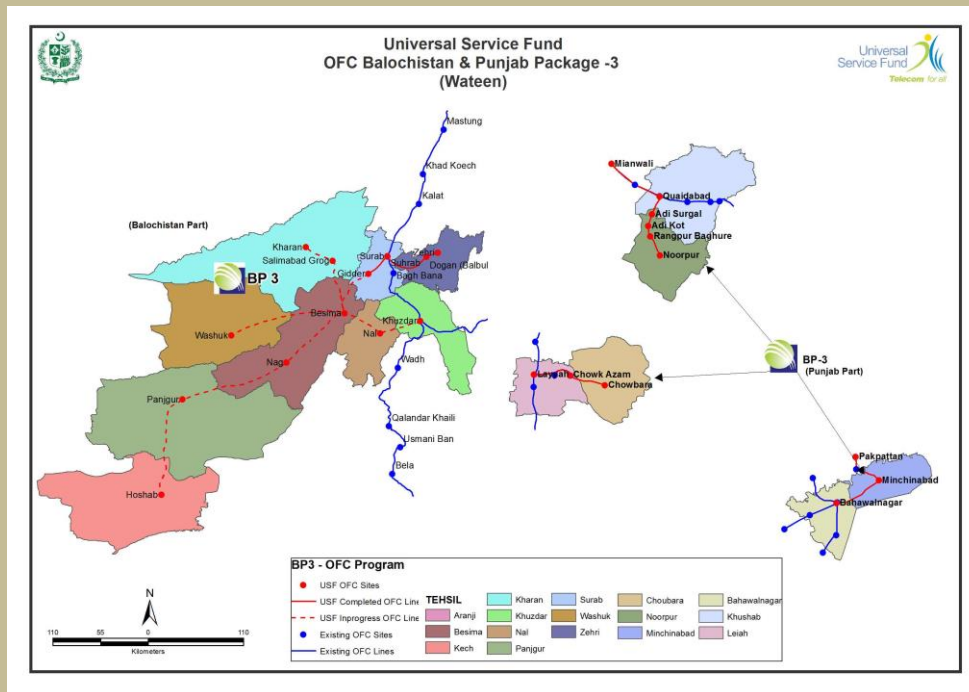
Un-served Tehsils in Central Balochistan (Balochistan Package 4)

USF signed a contract for providing optic fiber connectivity to un-served tehsils of Balochistan which includes Barshor, Musa Khel, Zhob and Ziarat on July 13, 2011. Wateen Telecom is being provided subsidy of Rs. 1.97 Billion for laying 1,285 KMs of optic fiber cable.



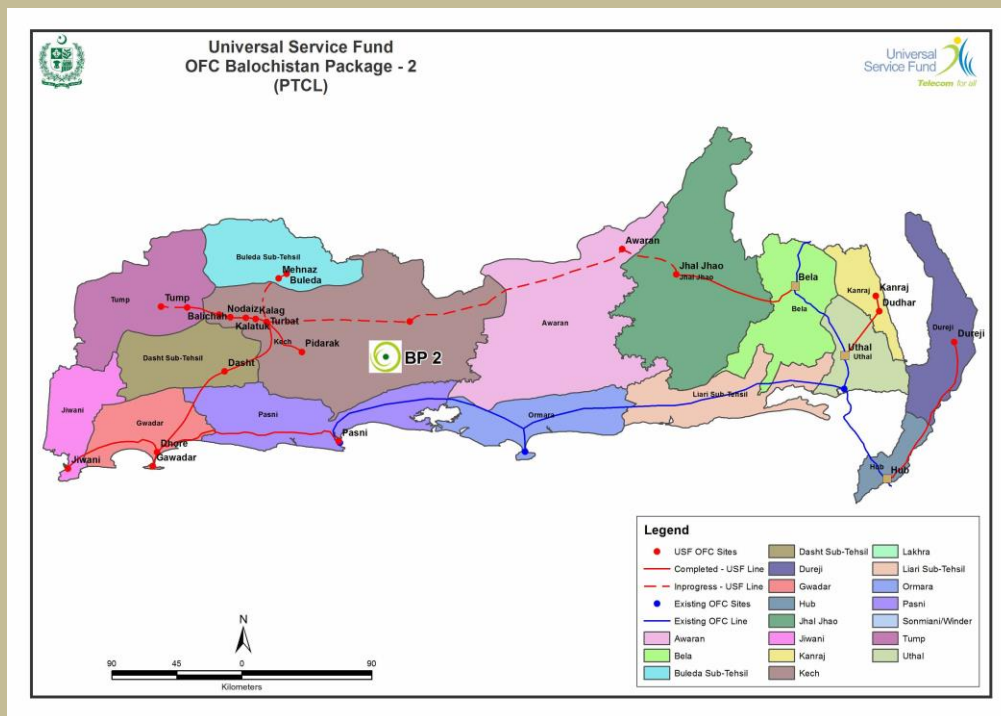
Un-served tehsils in Central Balochistan (Balochistan Punjab Package 3)

USF signed the contract for providing optic fiber connectivity to the un-served tehsils of Central Balochistan and Punjab on November 24, 2009. Wateen Telecom is being paid Rs. 986 Million for laying more than 1,361 kms of optic fiber.



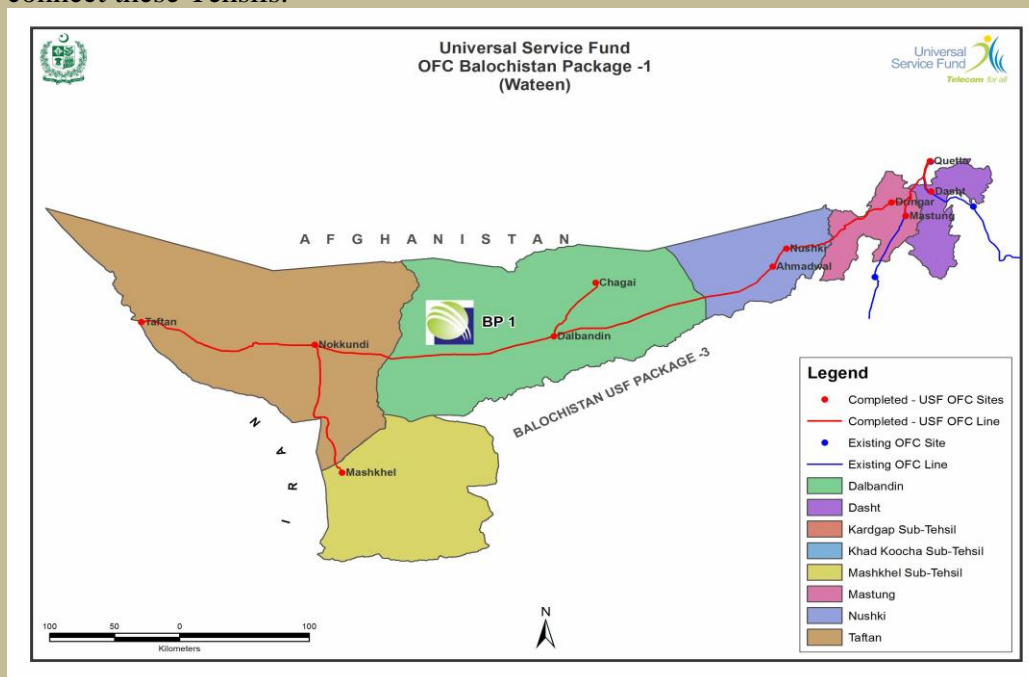
Un-served Tehsils in Southern Balochistan (Balochistan Package 2)

Contract worth Rs. 1.2 Billion was awarded to PTCL for laying almost 1,400 Km of Optic Fiber cable in Southern Balochistan on June 25, 2009.



Un-served Tehsils in Western Balochistan (Balochistan Package 1)

USF awarded another contract worth Rs. 374 million to Wateen Telecom to provide Optic Fiber connectivity on May 17, 2009. Wateen Telecom laid 895 kilometers of Optic Fiber Cables to connect these Tehsils.



Un-served Tehsils in Sindh

USF signed a contract worth Rs. 449 Million with Wateen Telecom to provide Optic Fiber Connectivity to every un-served Tehsil in Sindh province on February 11, 2009. The approximated route length of cable laid to connect Tehsils is 1,186 Kms.

d. Empowerment of artisans through Ecommerce

USF aims to utilize Information & Communication Technologies (ICTs) in the delivery of Services to bridge the digital divide in un-served and under-served areas. Supporting artisanal craft through harnessing the potential of E-commerce is an opportunity to preserve culture, create cohesion and increase the GDP of Pakistan. Many craft SME/MSMEs have talented and skilled artisans in producing crafts. However, they are unable to access the internet due to lack of digital literacy and financial constraints and do not have the funds or the know how to create their e-Commerce site.

The project “Empowerment of Craft SME/MSMEs through e-Commerce: Developing and Managing the Value Chain” has been launched by USF to develop a complete e-Commerce value chain. The objective is to facilitate a comprehensive e-Commerce value-chain and ecosystem and assist in the crucial factors determining the functionality of the ecosystem, allowing any partner or player to take advantage of the e-Commerce ecosystem created by USF for economic opportunities among craft M/SMEs (Micro, Small & Medium Enterprises).

Financial Highlights till the end of FY 17-18

Program		Balance Commitment Subsidy till the end of FY 2017-18 (in Rs)	Subsidy Disbursed till the end of FY 2017-18 (in Rs)
1	Broadband for Sustainable Development	12,755,872,045	26,618,216,048
2	Broadband Program	524,788,341	8,871,399,492
3	Optic Fiber Project	2,733,600,000	5,538,400,000
4	Special Projects	587,507,569	693,206,557
Total		16,601,767,955	41,721,222,097