

ANNUAL REPORTS

FOR FY 2016-17 AND 2015-16



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1. An Overview of Universal Service Fund

Universal Service Fund Company in a very short period of time through its innovative structure and efficient execution process has become a role-model for many countries to follow. By completing many successful programmes and laying foundation for several new projects, USF has been able to create a drastic and unprecedented digital revolution in the country and has transformed the lives of the people.

In fiscal years 2016-17 and 2015-16, USF continued its journey of success by providing 3G/Mobile internet services in rural areas, facilitated use of ICTs for females, laid optic fiber to connect un-served tehsils across the country and worked for spreading the benefits of e-services throughout the country.



2. Board of Directors



Chairperson-USF Board
Mrs. Anusha Rahman Khan



Vice Chairman-USF Board
Mr. Rizwan Bashir



Chairman-PTA
Dr. Ismail Shah



Member-Telecom
Mr. Mudassar Hussain



Nominee of Mobile Cellular Licensee
Mr. Aamir Ibrahim



Nominee of Fixed Line Licensee
Dr. Daniel Ritz



Vice President-ISP Association of Pakistan
Mr. Azfar Manzoor



Chairman-Consumer Association of Pakistan
Mr. Kaukab Iqbal



CEO USF & Secretary to the Board
Mr. Haaris M. Chaudhary

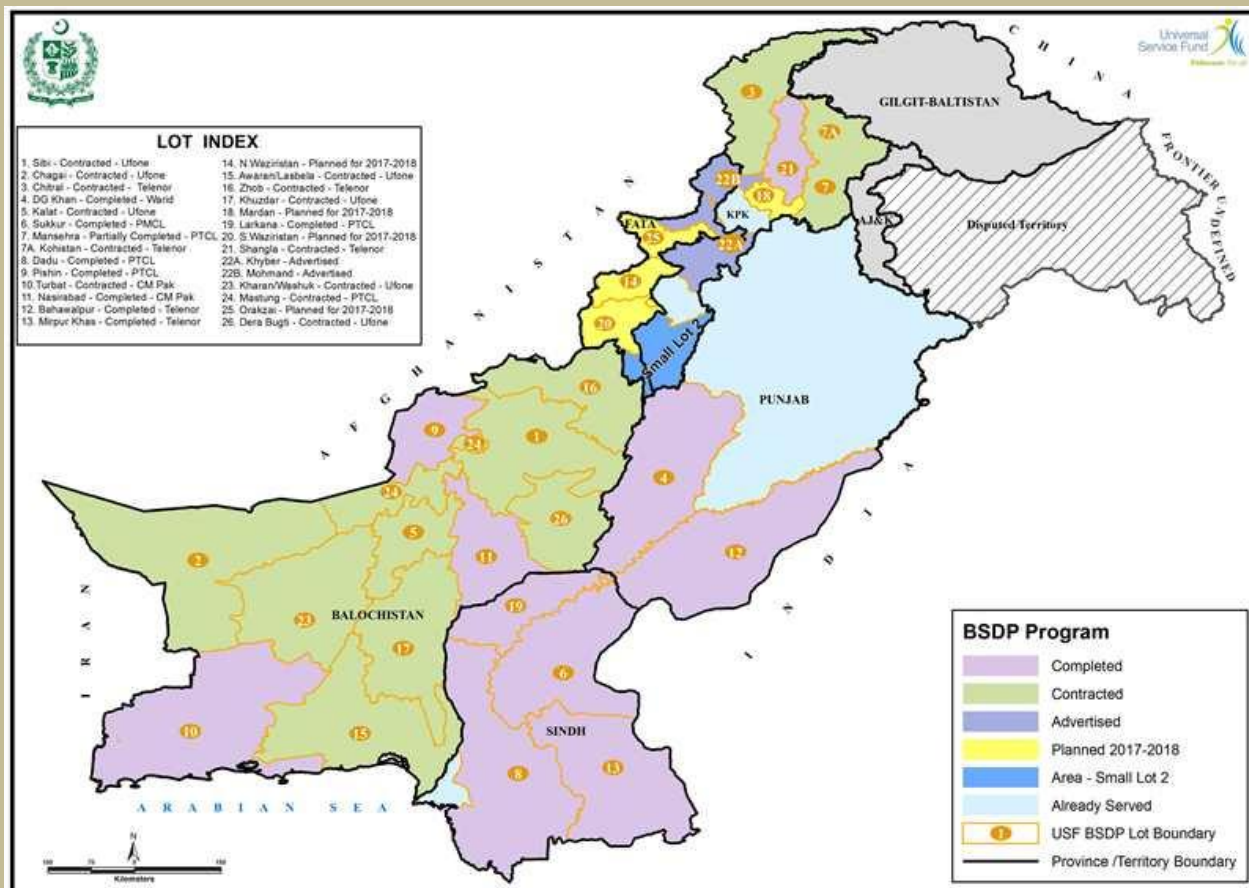
3. Programmes

a. Broadband for Sustainable Development Programme

Through the Broadband for Sustainable Development Programme, USF has been aggressively working to provide telecom services to the unserved Mauzas across the country. After the issuance of 3G/4G licenses by the Federal Government, this programme was redesigned to include the broadband equivalent data (internet) services as a compulsory component. For new projects, powering of telecommunication sites through Solar energy was also made a part of each project.



Although, the field teams faced immense hurdles in laying infrastructure in some areas but these projects started bearing fruits very soon and telecom services are currently being provided in unserved mauzas across the country.



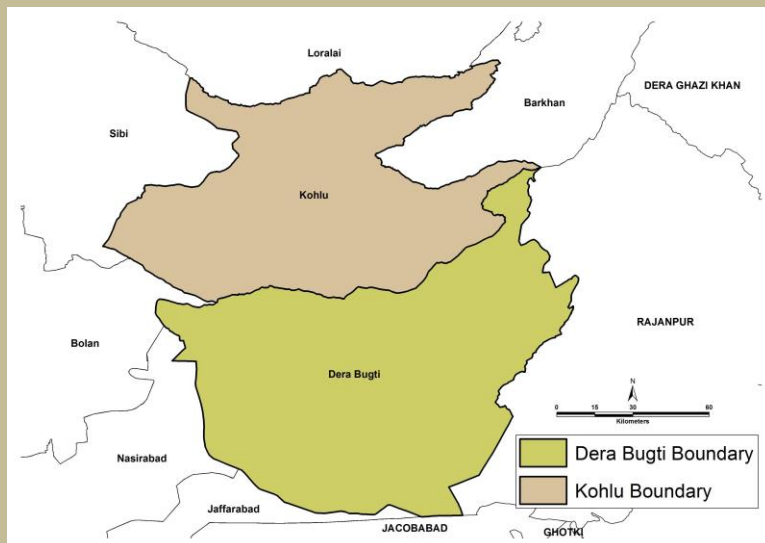
Till the end of FY 2016-17, services are being provided under following projects:

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.

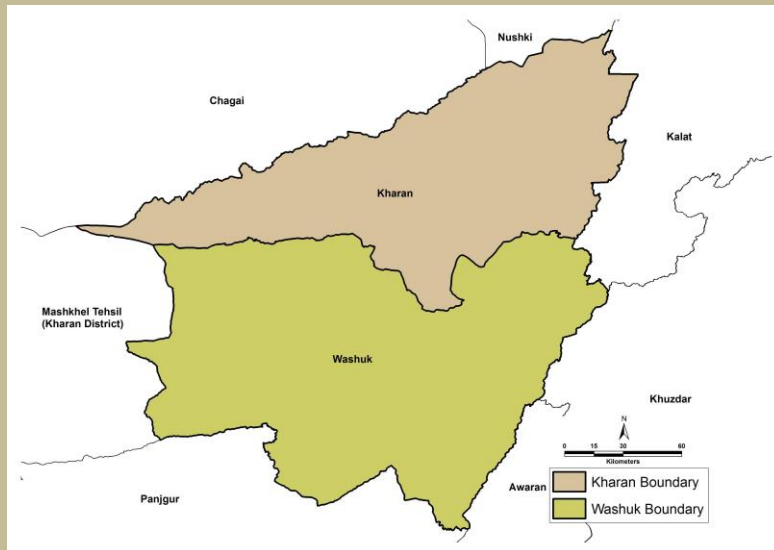


Kharan-Washuk

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.

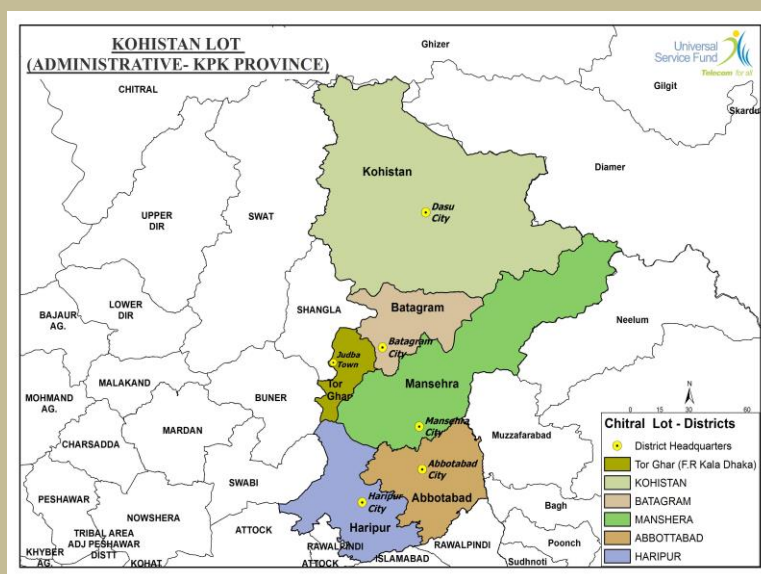
The contract for this project worth Rs. 1.185 Billion was awarded to Ufone in May 2017 for providing services in Kharan-Washuk Lot.



Kohsitan 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.

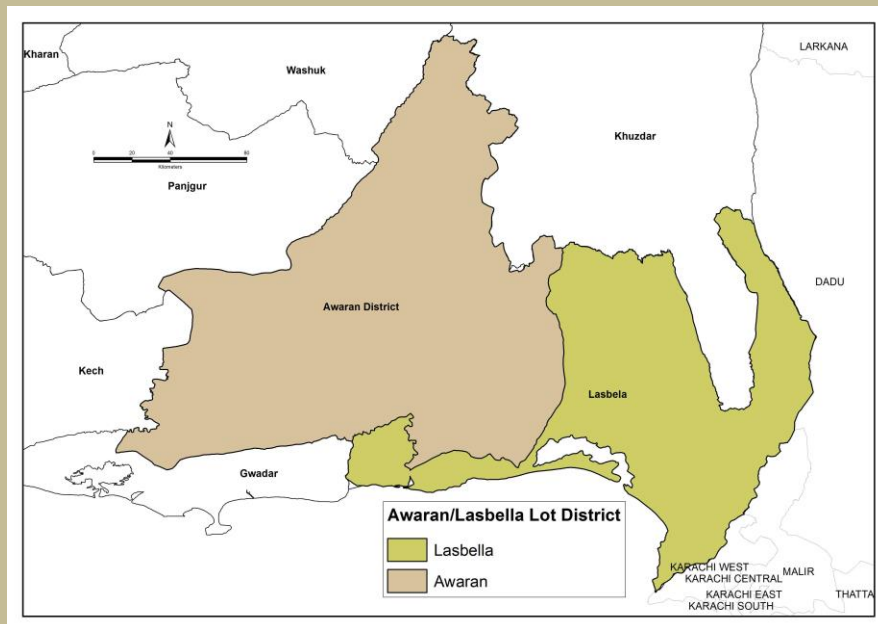
The contract for this project worth Rs. 3.5 Billion was awarded to Telenor in March 2017 for providing services in Kohistan Lot.



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 27.4482° N to 24.9055° S and from 67.4486° E to 64.1173° 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.

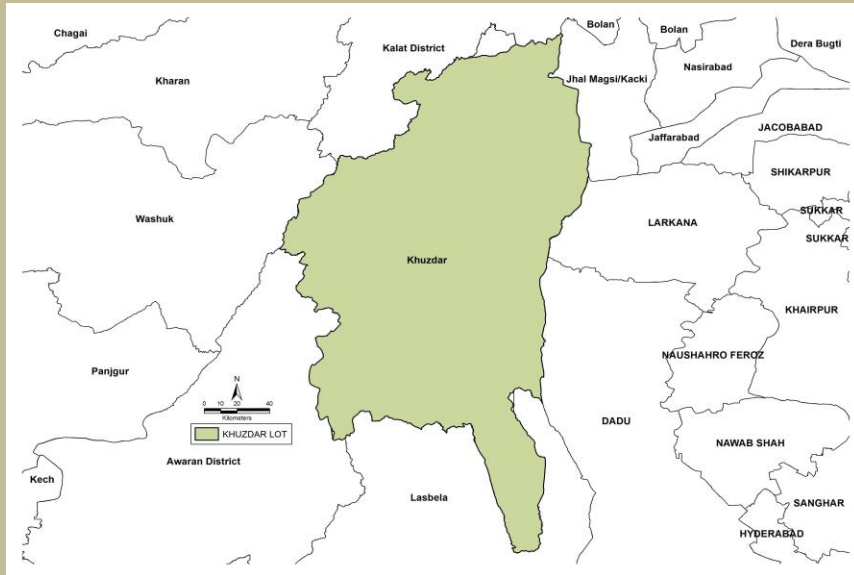
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 2.33 Billion, was signed with PTML on 2nd January 2017.



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, Awaran, Panjgoor and Washuk in the West, Kalat in North and Lasbela Districts in the South.

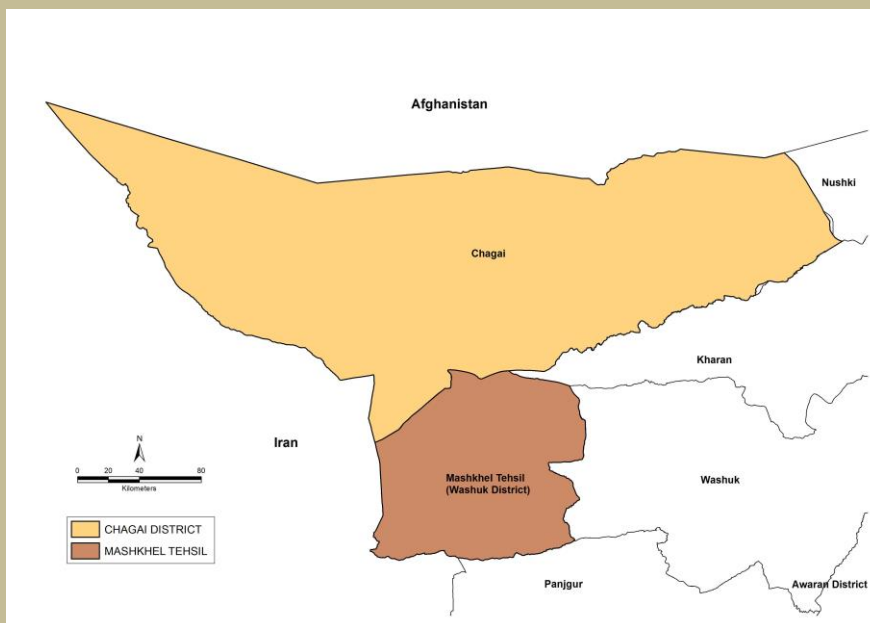
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 2.4 Billion, was signed with PTML in September 2016.



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.

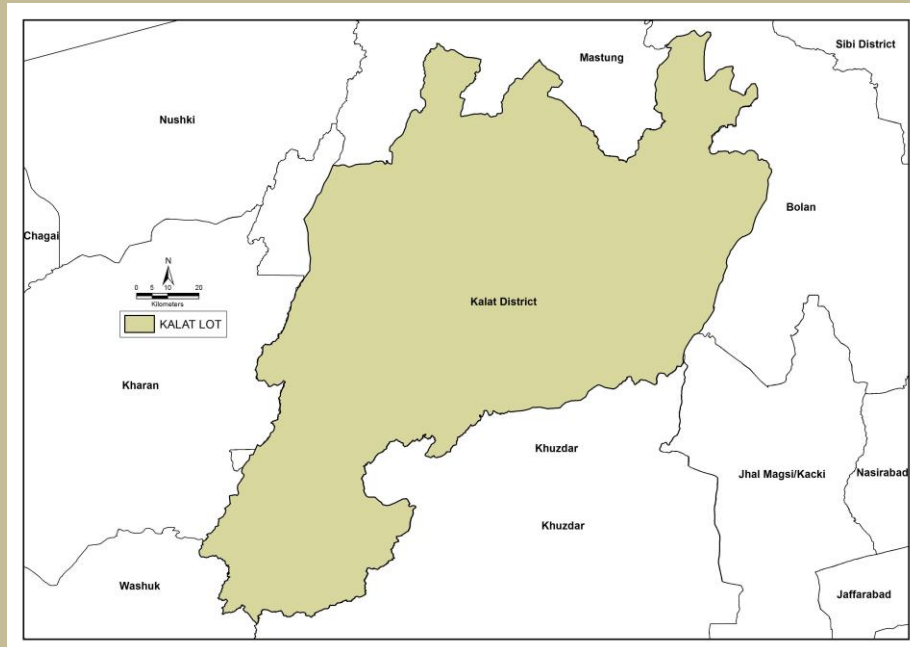
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 1.3 Billion, was signed with PTML in September 2016.



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.

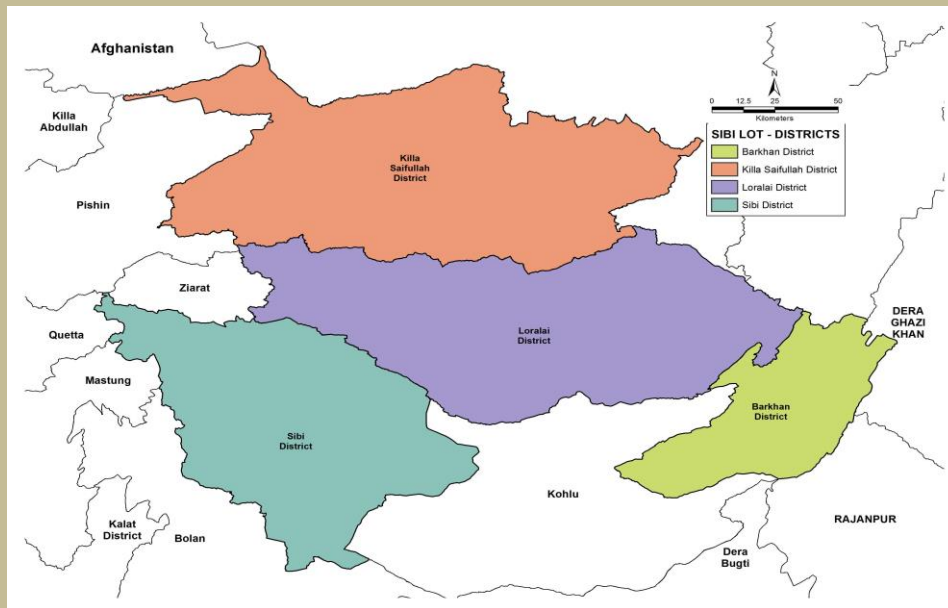
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 2.1 Billion, was signed with PTML in December 2015.



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.

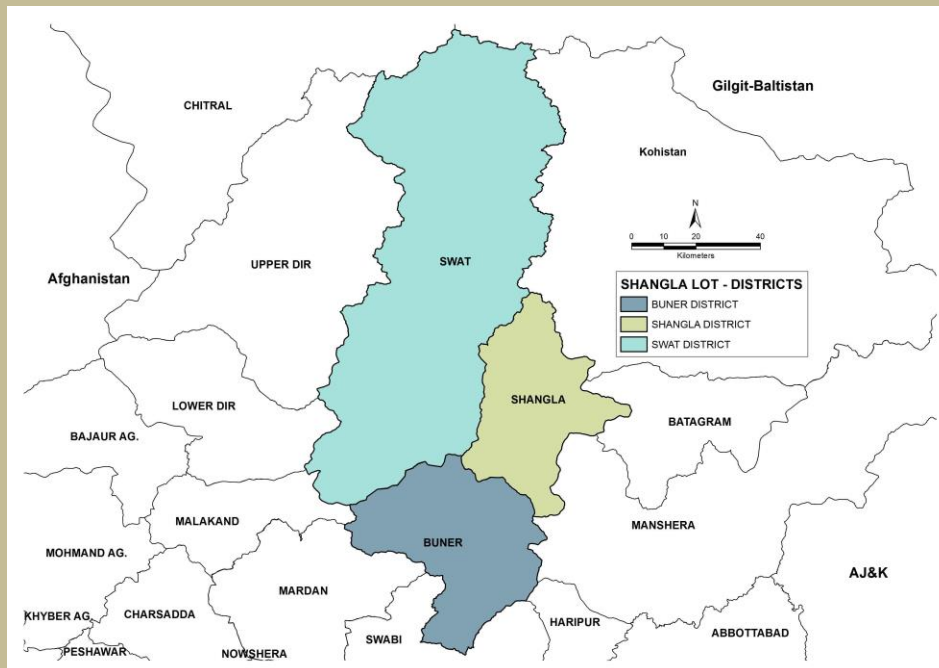
M/s Pak Telecom Mobile Limited (Ufone) was declared as the lowest qualified bidder and contract, worth Pak Rs. 3.19 Billion, was signed with PTML in September 2015.



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.

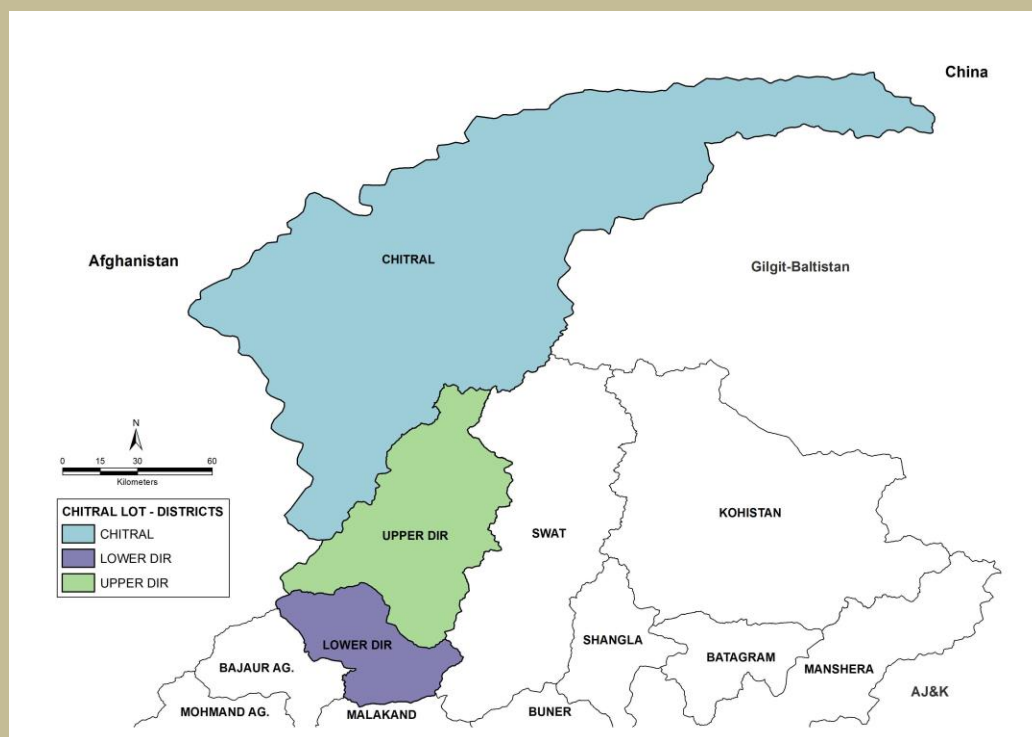
The contract for this project worth Rs. 1.95 Billion was awarded to Telenor in June 2015 for services in Shangla Lot



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.

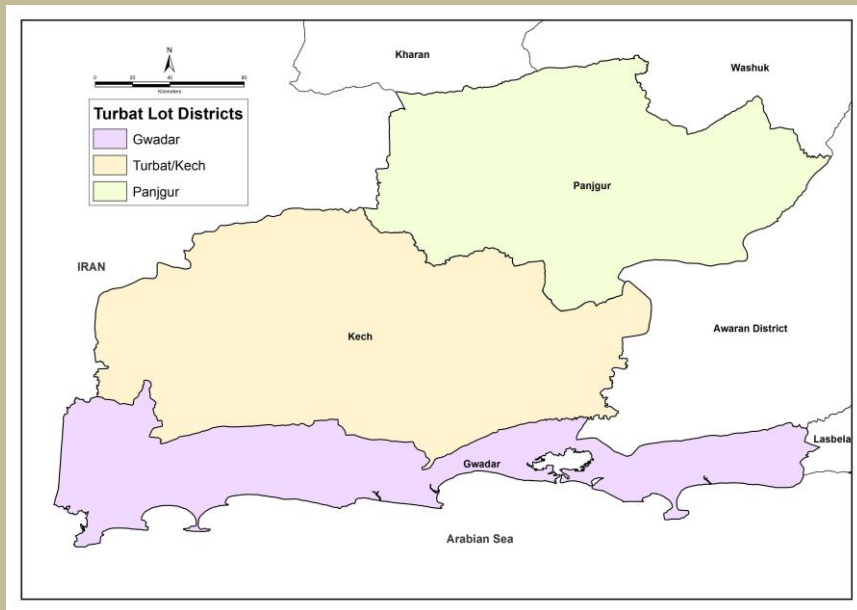
The contract for this project worth Rs. 1.905 Billion was awarded to Telenor in February 2015 for providing services in Chitral Lot.



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 Panjgor, 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

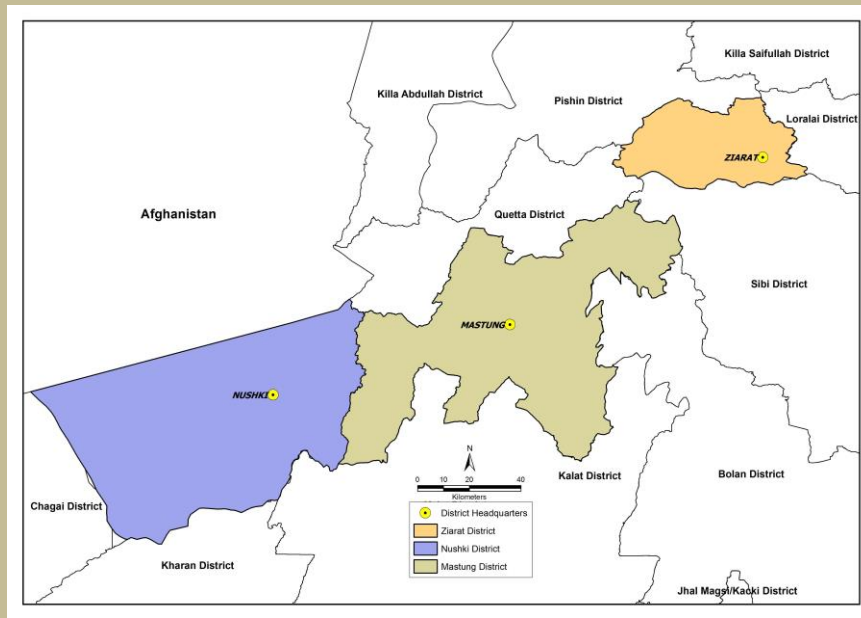
Mansehra Lot covers roughly 20% of the area of Khyber Pakhtunkhwa in the North-East and consists of the districts of Abbottabad, Batagram, Haripur, Kohistan and Mansehra and has 12 tehsils.

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.

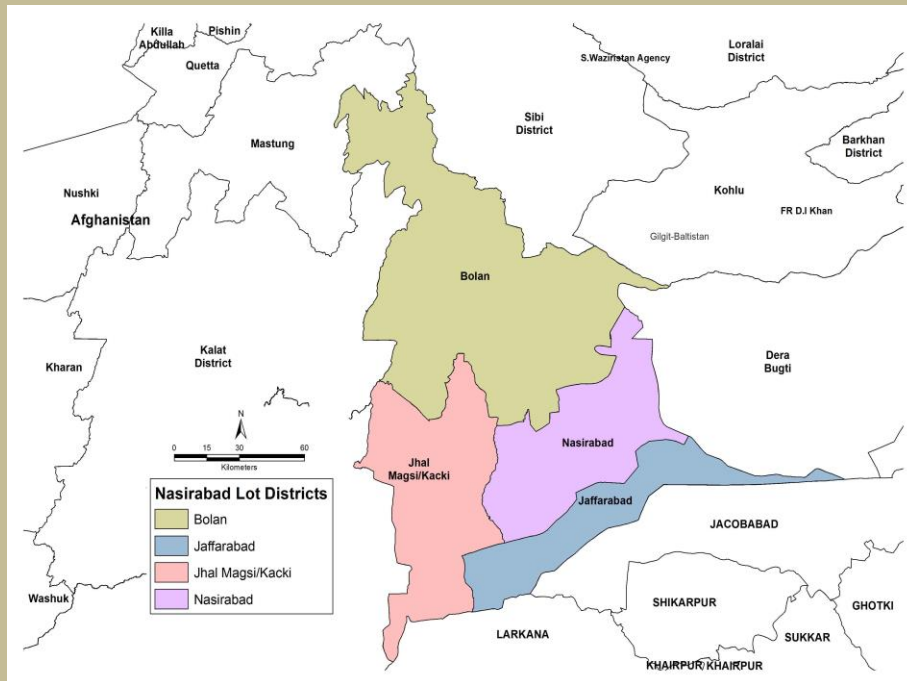
The contract for this project worth Rs. 3.15 Billion was awarded to PTCL in May 2012 for providing in Mastung lot.



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.

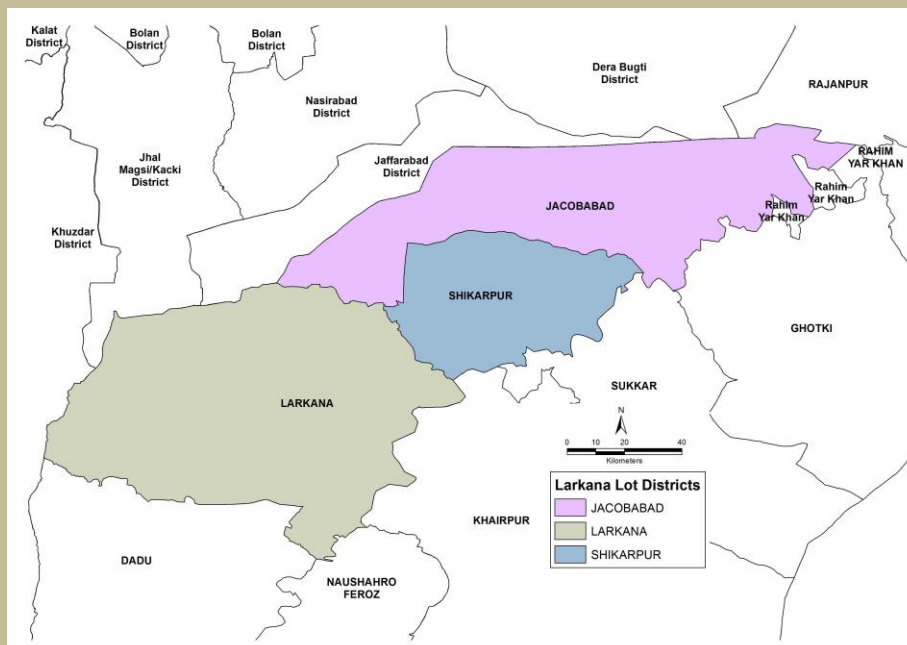
The contract for this project worth Rs. 1.57 Billion was awarded to CM Pak for providing basic telephony and data services in Nasirabad lot in July 2009.



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.

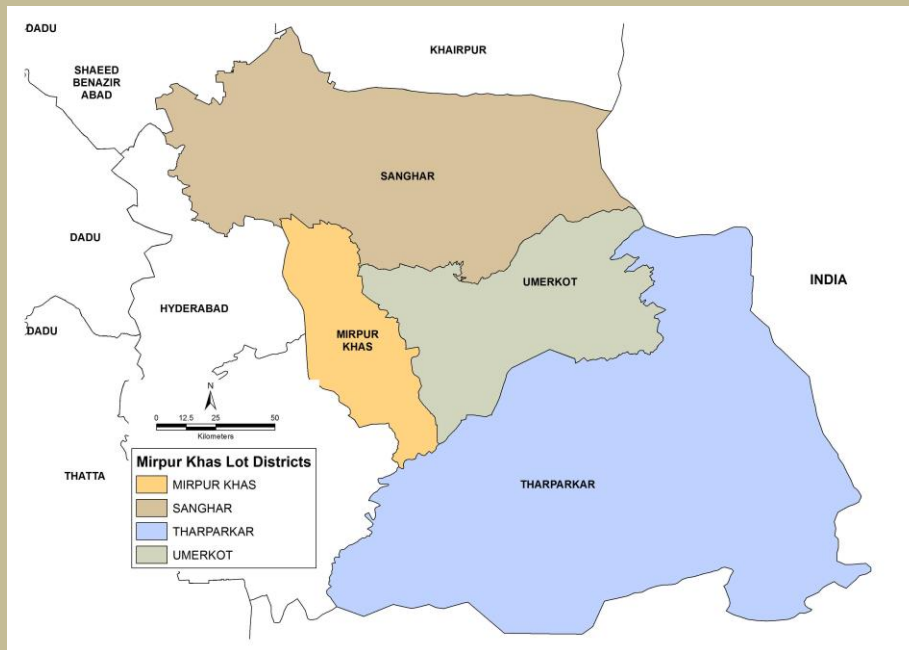
USF awarded this contract to PTCL on May 17, 2009 for a subsidy of Rs. 228 Million.



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.

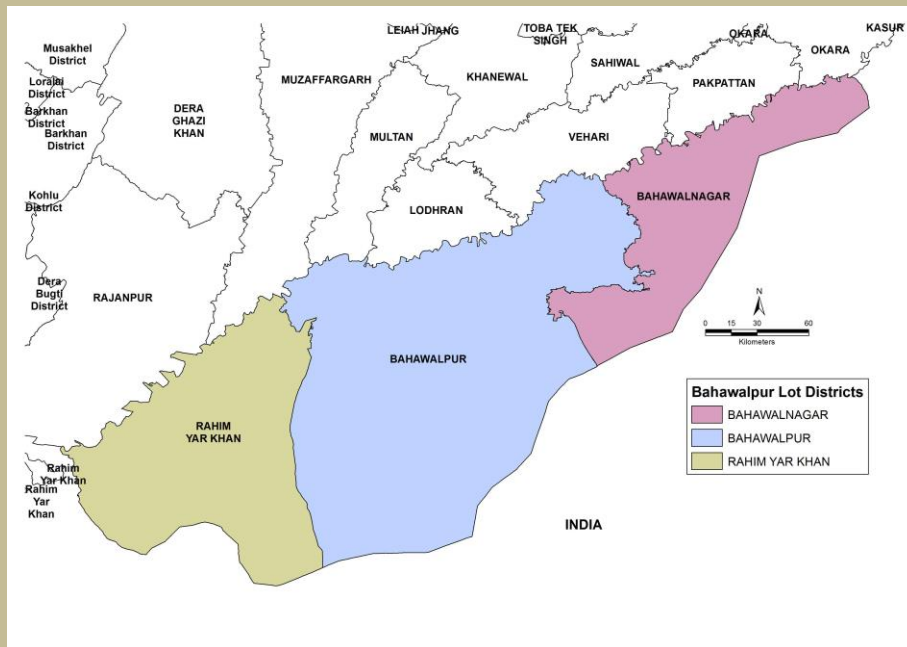
USF and Telenor entered into a Rs. 930 Million contract to provide basic telephony and data services to the population in the un-served areas of Mirpur Khas on March 13, 2009.



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.

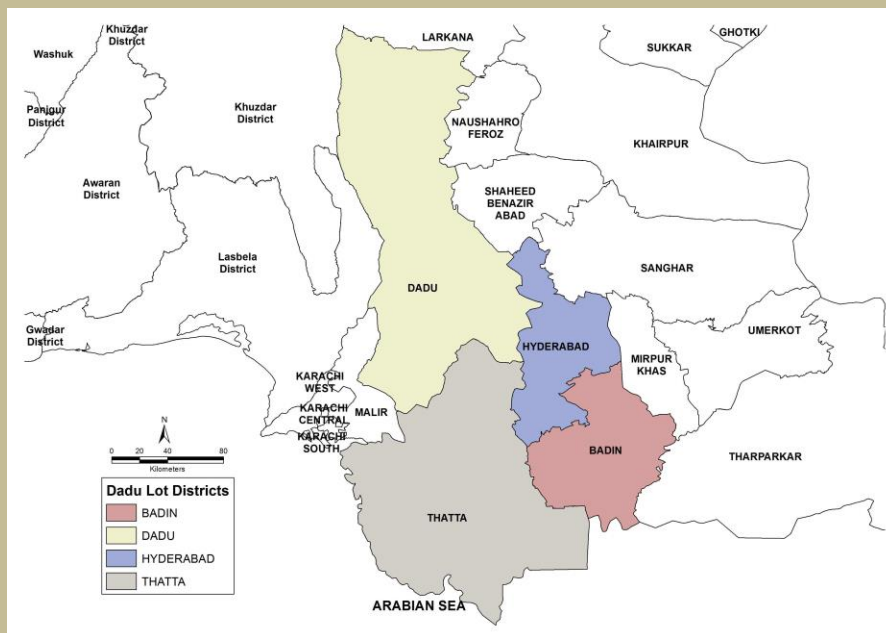
This contract was signed on September 22, 2008 for a subsidy of 248 Million.



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.

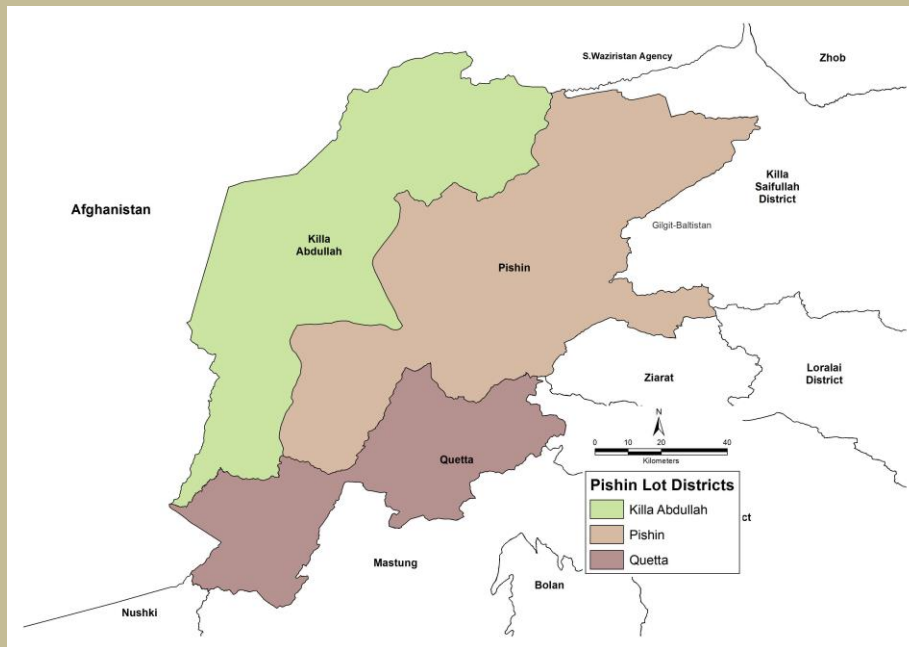
USF and PTCL entered this contract on July 25, 2008 for a subsidy of Rs. 250 Million.



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.

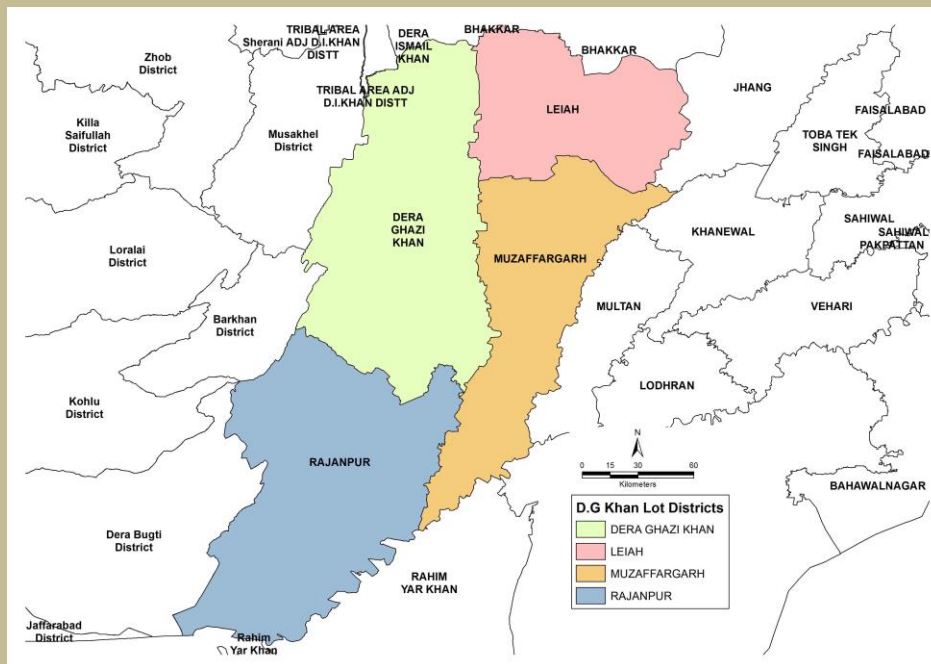
USF and PTCL entered in this contract on May 29, 2008 for a subsidy of Rs. 175 Million.



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.

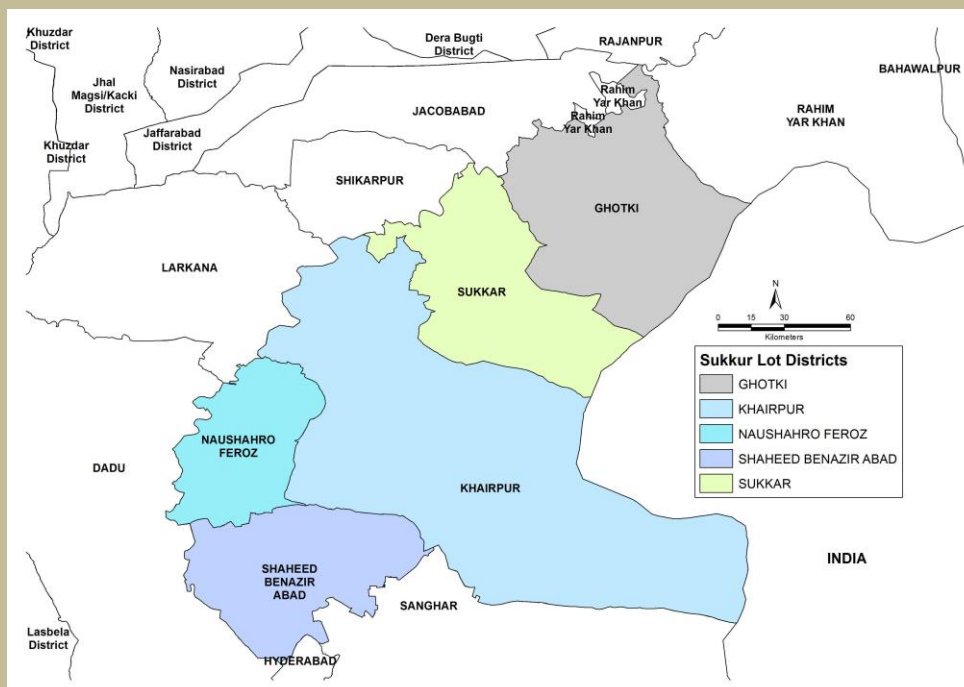
USF and Warid Telecom entered in this contract on February 07, 2008 for a subsidy of Rs. 91 Million.



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

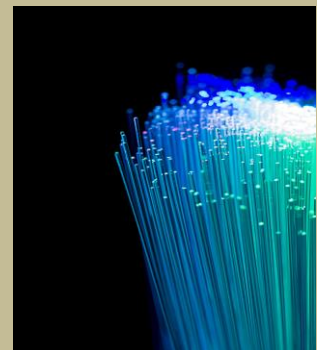
USF Project “ICTs for Girls” is playing a colossal role for knowledge enhancement and ultimately the financial independence of women in Pakistan. Microsoft has collaborated in this project to provide training to young girls which will empower and accredit them to participate in socio-economic development of the country and will bridge the gender digital-divide. Through this program, thousands of girls at Pakistan Baitulmal are being trained at the state of the art computer labs under the coaching and training program. This specialized program includes training on coding, computing and communication skills coupled with coaching from industry experts.

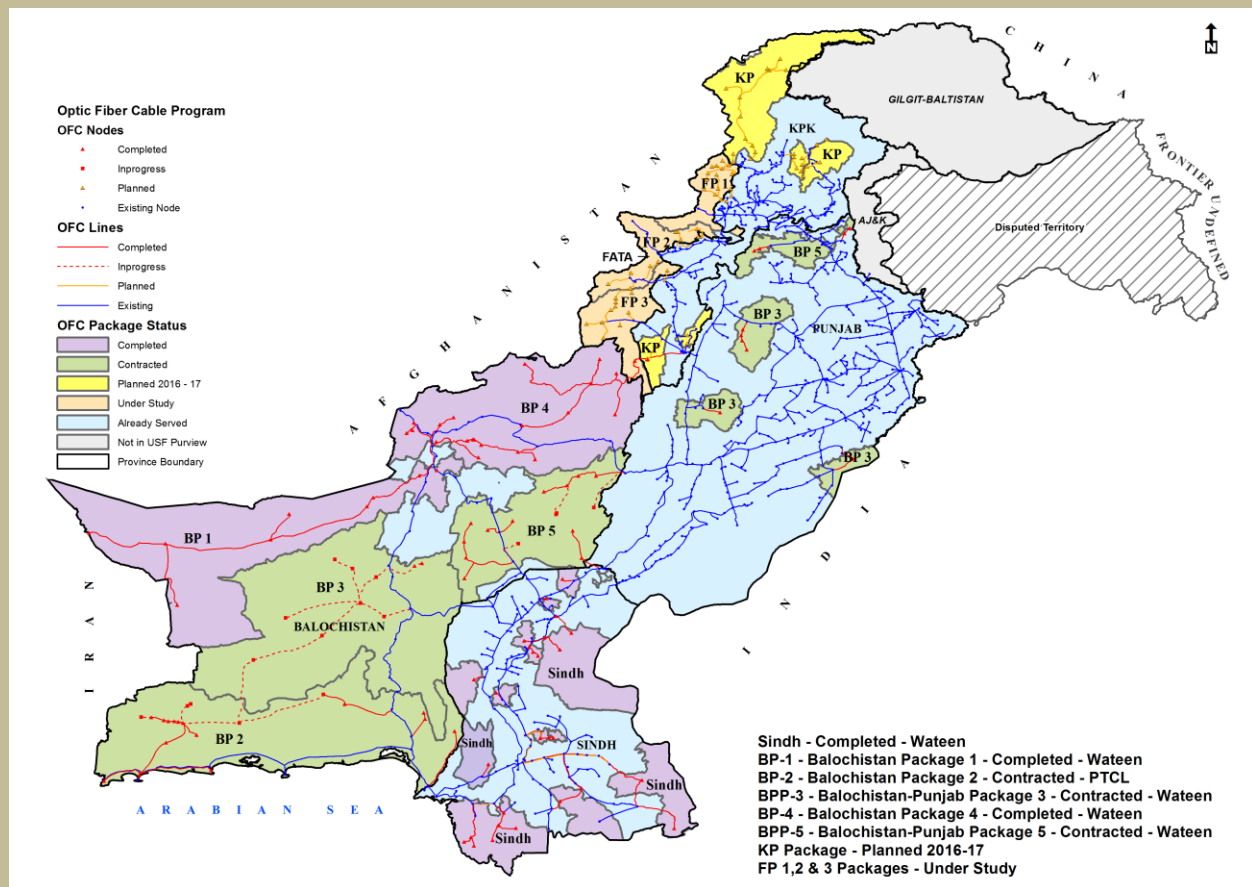


The 2nd wave of this program is covering girls' schools in Islamabad to provide digital learning to thousands of students in one cycle. Through this programme, computer labs are being established in Government Girls's schools in Islamabad Capital Territory and students and teachers will be provided training by Microsoft. The aim of this program is to increase the employability potential of girls, so that they are financially empowered to take care of their families in future.

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 and connectivity will be provided in KPK province in FY 2017-18.



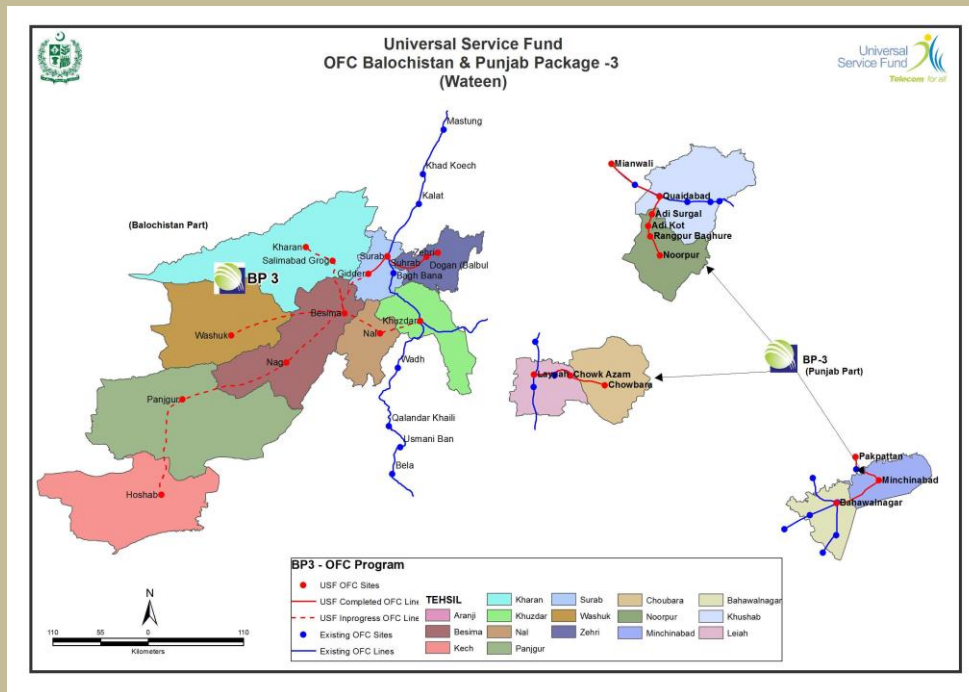


Un-served Tehsils in Central Balochistan (Balochistan Punjab Package 5)

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

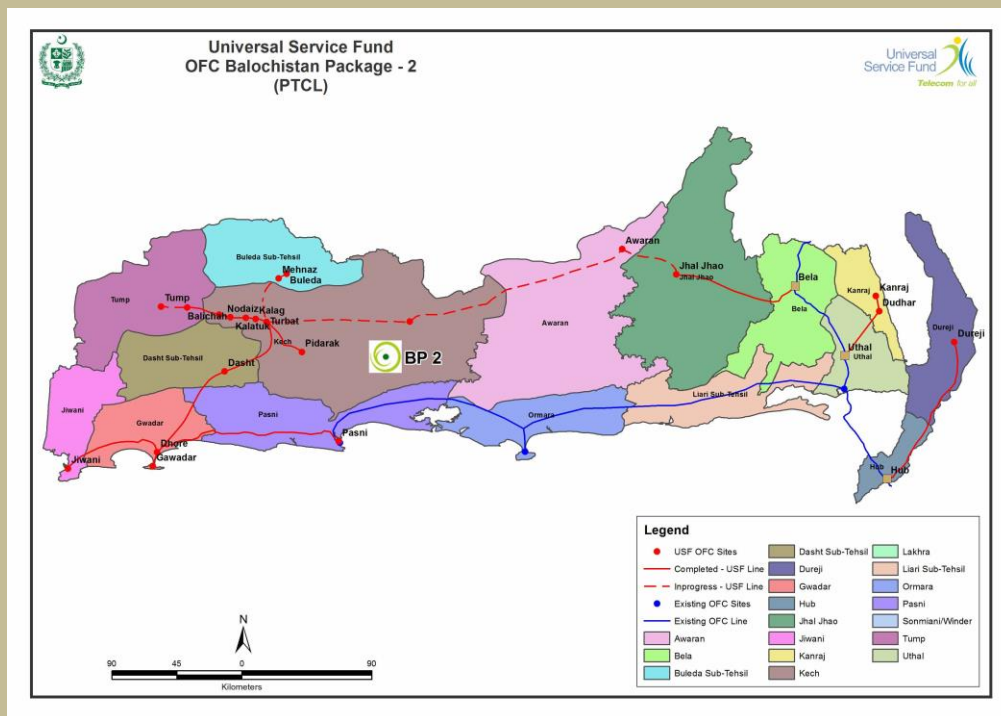
Un-served tehsils in Central Balochistan (Balochistan Punjab Package 3)

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.



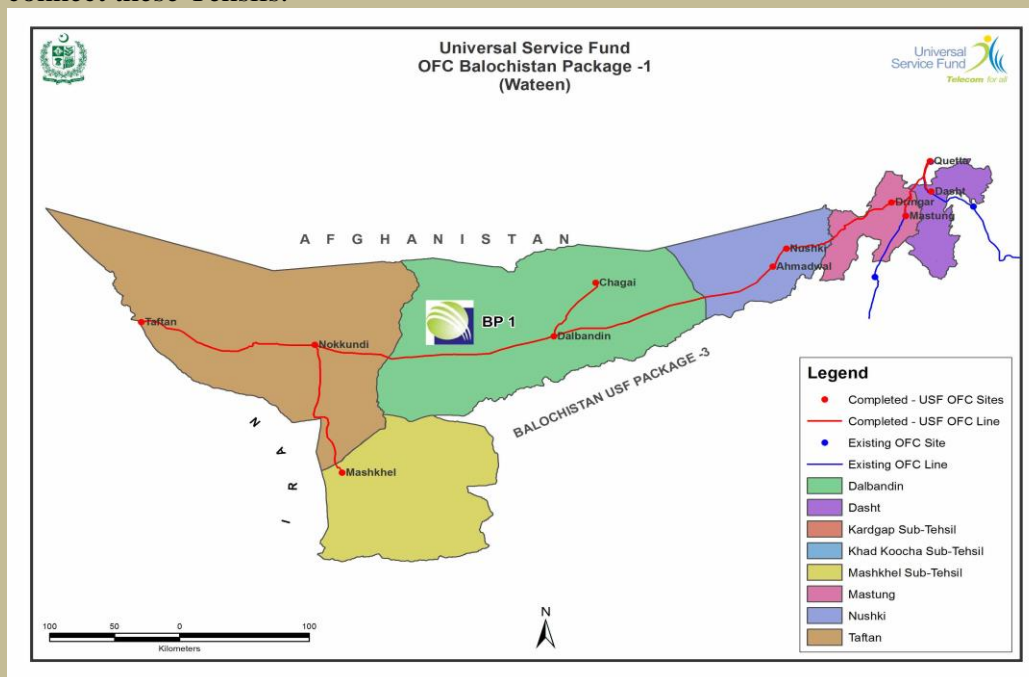
Un-served Tehsils in Southern Balochistan (Balochistan Package 2)

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 Rs. 449 Million contract 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.

Broadband in unserved urban areas has been merged with Broadband for Sustainable Development Programme. This programme was initially designed to establish necessary telecommunication infrastructure and to provide broadband internet services to the urban areas of 2nd and 3rd tier cities. Additionally shared access points called Broadband Centers have also been created for community as well as educational institutions like schools, colleges and libraries.



Rawalpindi Telecom Region-1 consists of the districts of Attock, Chakwal, Jhelum and Rawalpindi.

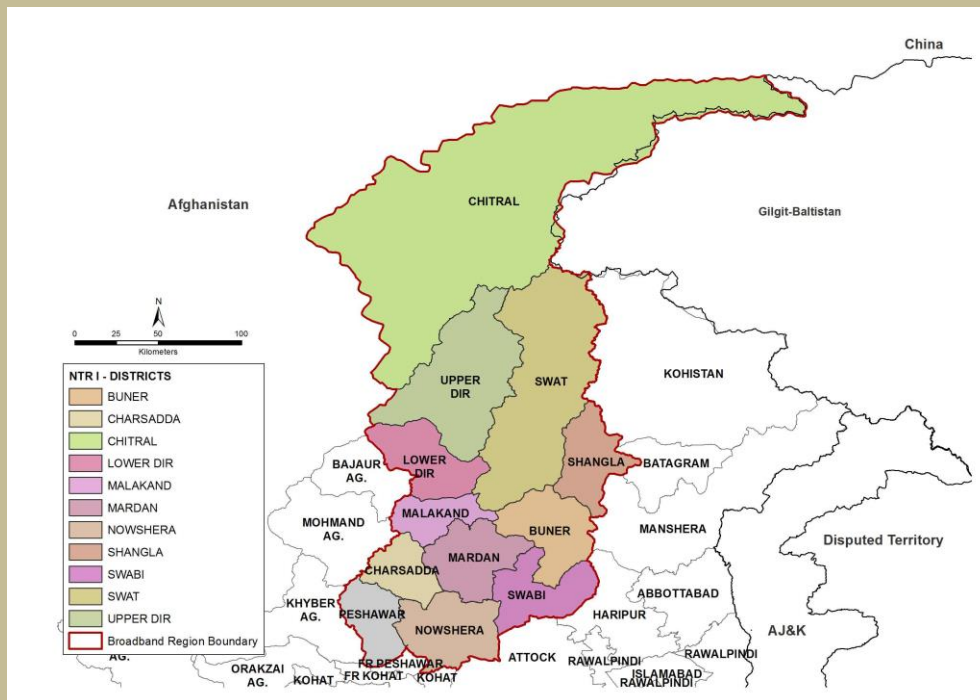
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Northern Telecom Region –I

Northern Telecom Region-I (NTR-I) consists of the districts of Buner, Charsadda, Chitral, Lower Dir, Malakand, Mardan, Nowshera, Shangla, Swabi, Swat and Upper Dir.

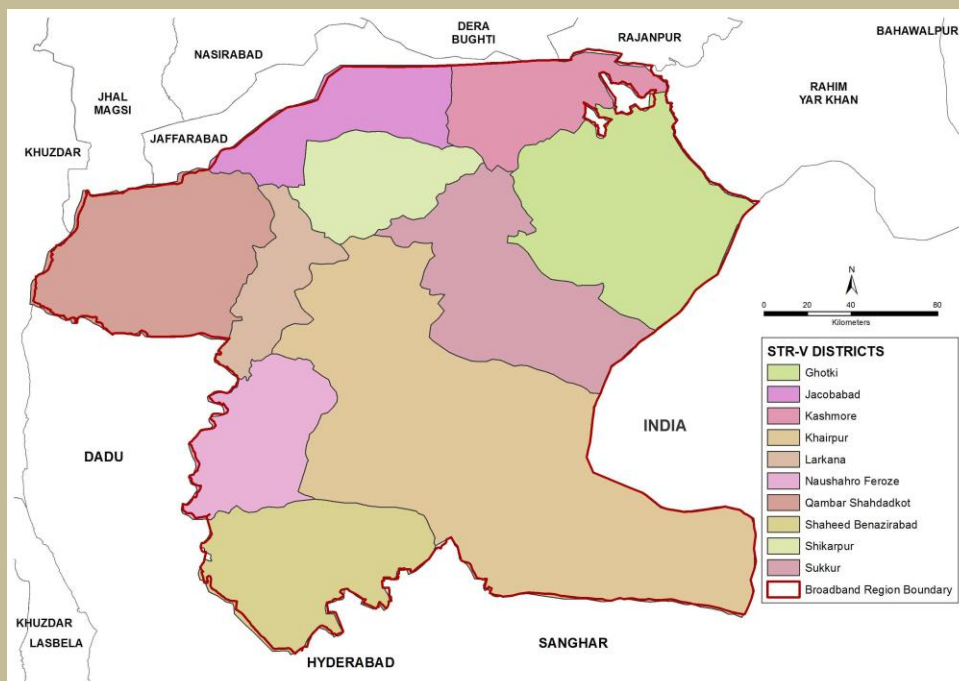
PTCL is being provided subsidy of Rs. 1.16 billion by USF as per the contract signed on June 24, 2013.



Southern Telecom Region (STR V)

This region comprises of Ghotki, Joccoabad, Kambar Shahdadkot, Kashmor, Khairpur, Larkana, Naushero Feroze, Shaheed Benazirabad (Nawab Shah), Shikarpur and Sukkur districts.

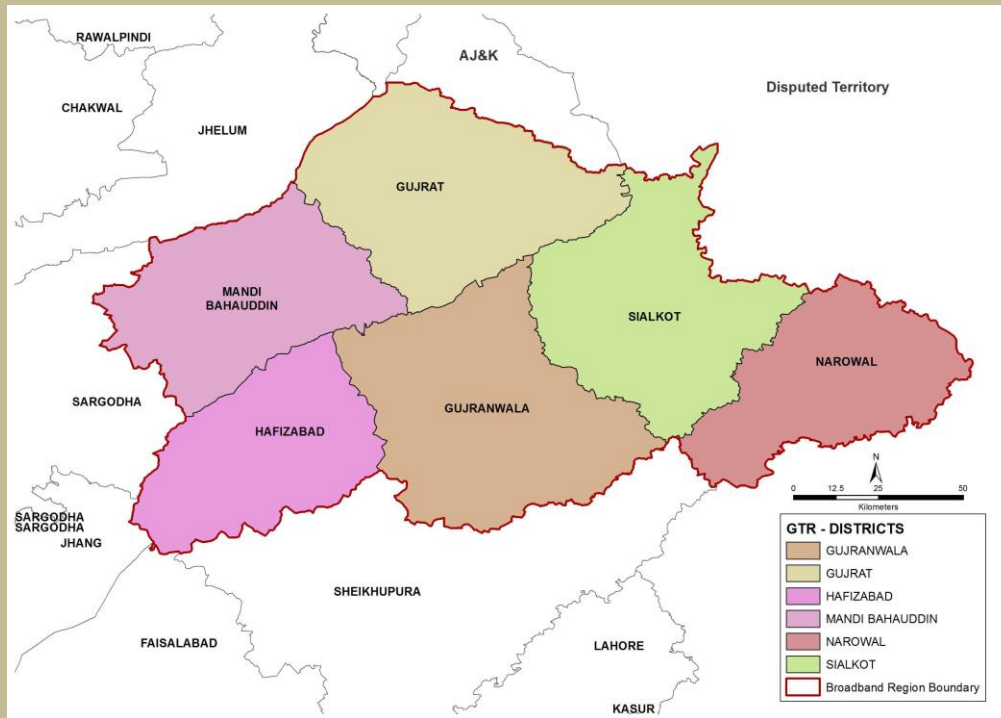
PTCL is being provided subsidy of Rs 1.2 billion by USF, the contract was signed on May 8th 2012.



Gujranwala Telecom Region (GTR)

GTR comprises the districts of Gujranwala, Gujrat, Mandi Bahauddin, Narowal, Hafizabad, and Sialkot and has an un-served population of 3.1 Million.

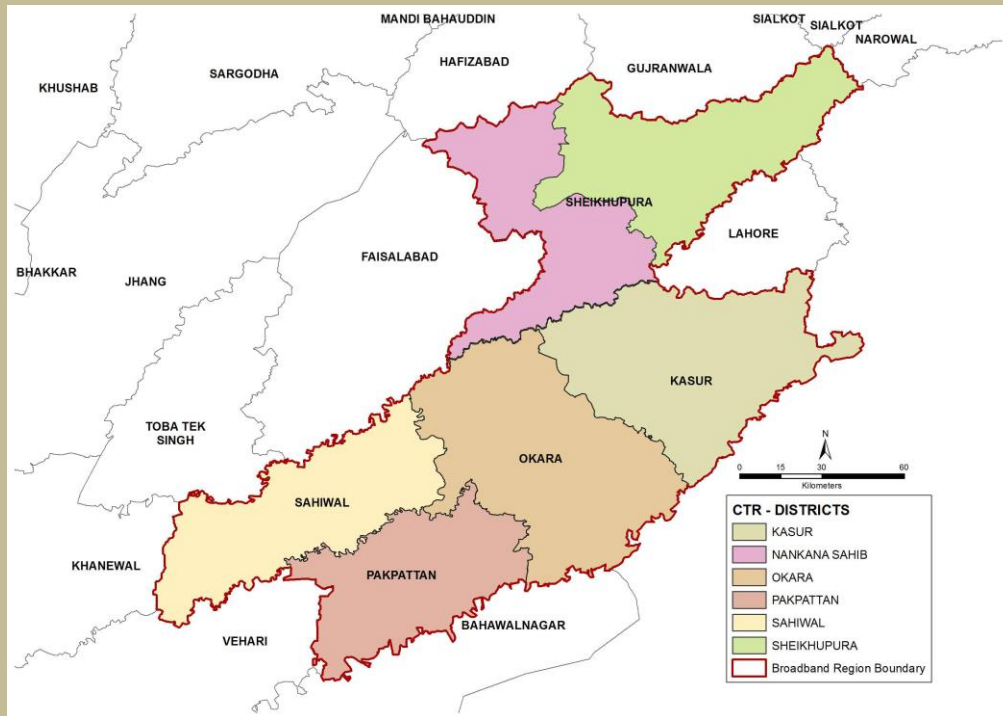
USF signed contracts for providing broadband services in un-served urban areas of Gujranwala Telecom Region with PTCL and Worldcall in March 2010 and with Wateen Telecom in April 2010. PTCL, Worldcall and Wateen Telecom are being paid Rs.1.12 Billion, to provide broadband services.



Central Telecom Region (CTR)

This region comprises of Kasur, Okara, Pakpattan, Sahiwal, Sheikhupura and Nankana Sahib districts and has 36 towns.

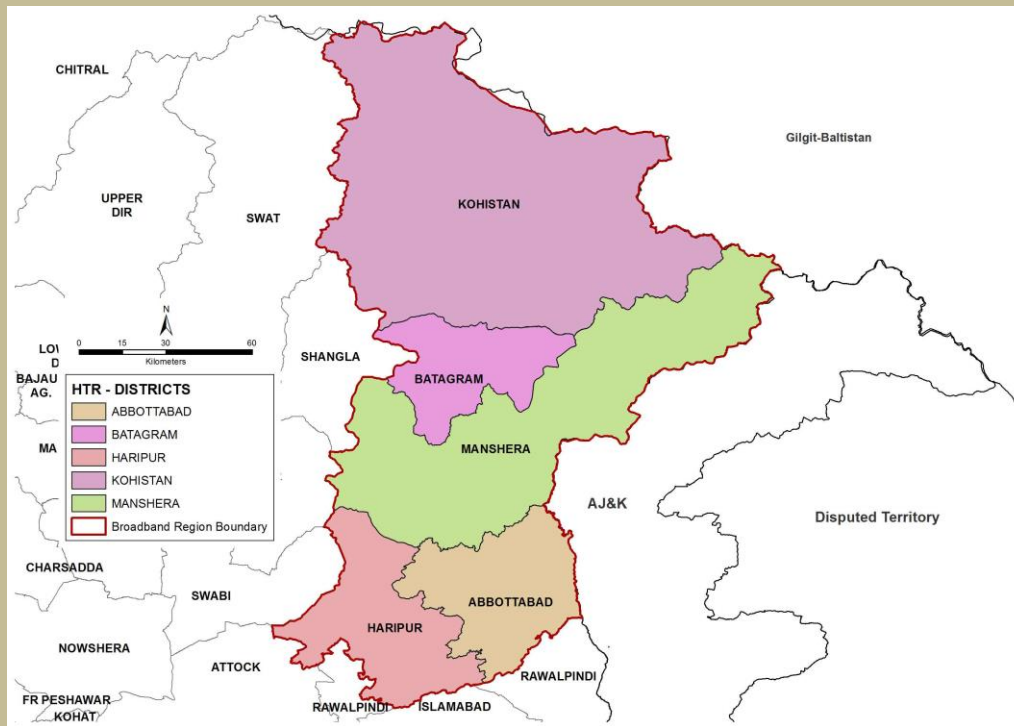
USF signed contracts for providing broadband services in the un-served urban areas of Central Telecom Region with PTCL and Wateen Telecom in April 2010. They are being paid Rs. 1.037 Billion under this project.



Hazara Telecom Region (HTR)

Hazara Telecom Region (HTR) consists of 17 towns of Abbottabad, Batagram, Haripur, Kohistan and Mansehra districts.

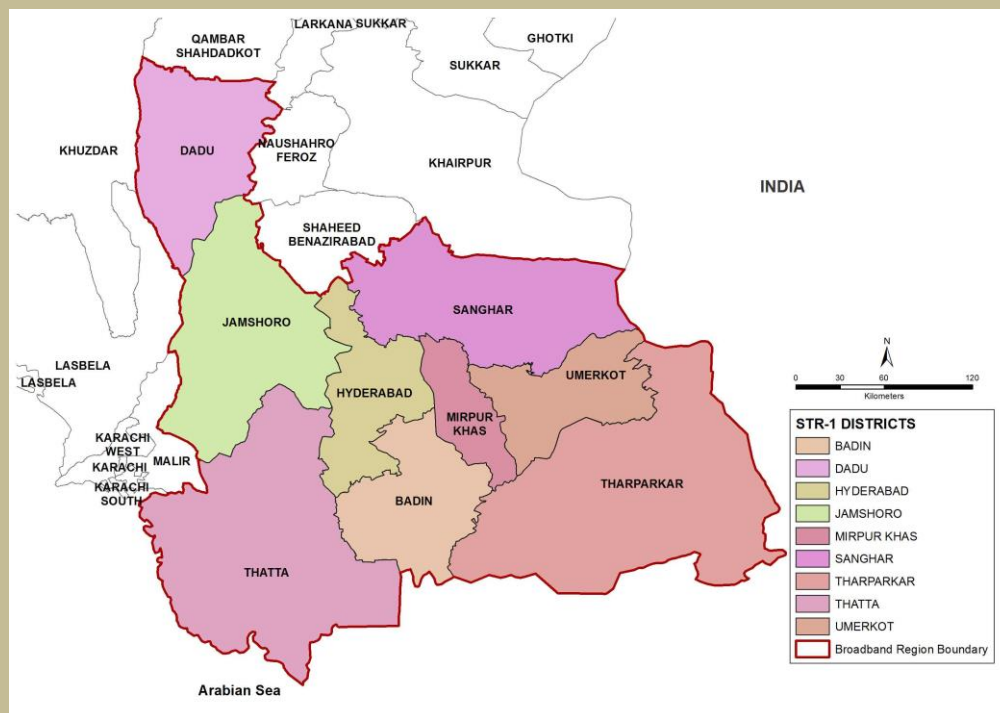
USF signed a contract for providing broadband services in un-served urban areas of HTR with PTCL and Wateen Telecom on November 24, 2009. PTCL and Wateen Telecom together are being paid Rs. 266 Million, to provide broadband internet services in HTR.



Southern Telecom Region-I (STR-1)

STR-1 comprises the districts of Badin, Dadu, Hyderabad, Jamshoro, Mirpur Khas, Sanghar, Tharparkar, Thatta, Matiari, Tando Allah Yar, Tando Mohammad Khan and Umerkot.

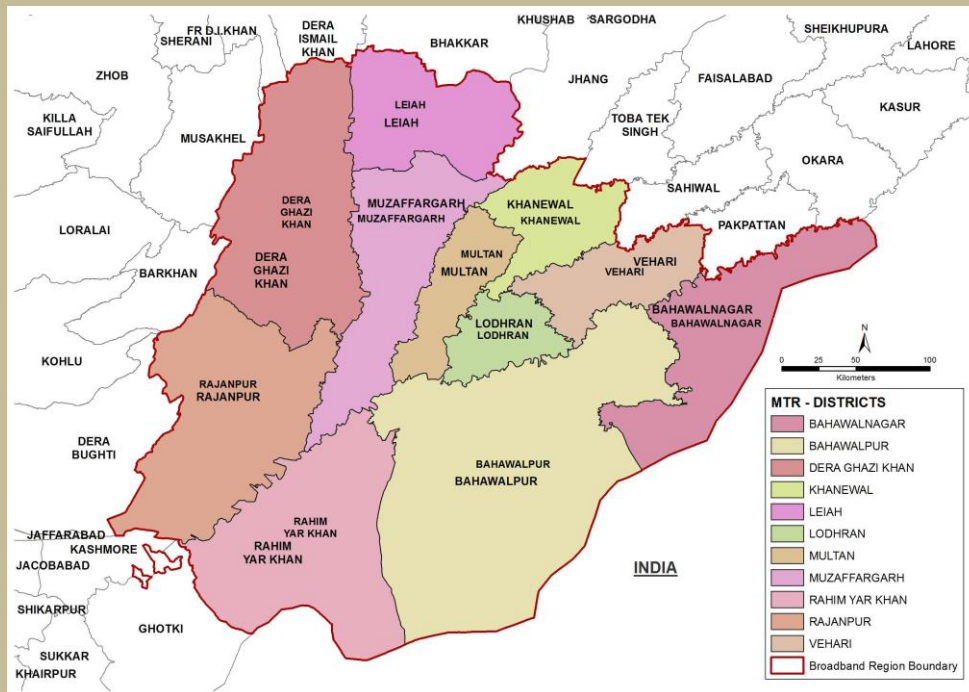
USF signed the contract for providing broadband services in un-served urban areas of this region (minus the city of Hyderabad) with PTCL in June 2009 worth Rs. 550 Million.



Multan Telecom Region (MTR)

Southern Punjab (known in the Telecom Industry as “Multan Telecom Region”), as a whole, has a total area of about 100,000 Sq Kms. It consists of the districts of Bahawalnagar, Bahawalpur, D.G. Khan, Khanewal, Leyyah, Lodhran, Multan, Muzaffargarh, Rahim Yar Khan, Rajanpur and Vehari.

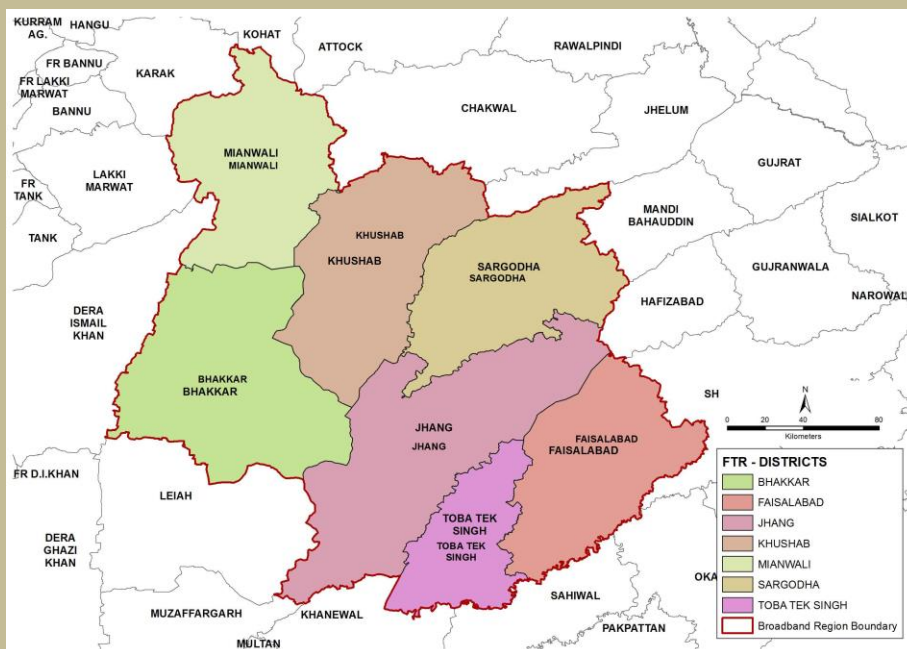
The contracts for the project to provide broadband internet connectivity in the un-served urban areas of MTR, were awarded in June and July 2009 to PTCL and World Call respectively worth Rs. 1.95 Billion in total.



Faisalabad Telecom Region (FTR)

This project involves providing broadband connectivity to districts of Faisalabad (excluding the served city of Faisalabad), Jhang, Sargodha, Toba Tek Singh, Khushab, Bhakkar, Chiniot and Mianwali.

USF awarded contracts, worth Rs. 1.43 Billion in total, for providing Broadband Services in the Un-Served Urban areas of FTR to PTCL and Wateen Telecom on April 27, 2009.



d. Establishment of Telecentres

Establishment of Telecentres is an initiative being launched by Universal Service Fund to provide and expand the benefits of ICT facilities to the people in rural areas. This will also help bridging the digital divide between the rural and urban areas. Telecenter will be a community resource center that will provide public with access to telecommunication services, primarily for the people in the un-served and under-served rural and semi-urban areas of Pakistan. In FY 2016-17, contract with Jazz was signed to establish 10 telecentres in the country.

4. Statistics

Project Statistics for Broadband for Sustainable Development Programme till the end of FY 2016-17	
Contracted number of muzas	9,970
Muzas covered till the end of FY 2016-17	5,642
Contracted number of Broadband connections	490,250
Broadband connections provided till end of FY 2016-17	784,279
Contracted number of EBCs	1,439
EBCs established till the end of FY 2016-17	1,330
Contracted number of CBCs	410
CBCs established till the end of FY 2016-17	369

Project Statistics for Special Projects till the end of FY 2016-17	
Computer Labs established in Pakistan Baitulmal	100
No. of Students trained in Pakistan Baitulmal	4,000
No. of teachers trained in Pakistan Baitulmal	100
Computer labs established in Pakistan Sweet Homes	12

Project Statistics for Optic Fiber Programme till the end of FY 2016-17	
Contracted length of optic fiber cable	6,785
Optic fiber cable laid till the end of FY 2016-17	6,447

5. Financial Highlights till the end of FY 16-17

Programme	Balance Commitment Subsidy till the end of FY 2016-17 (in Rs) *	Subsidy Disbursed till the end of FY 2016-17 (in Rs)
Broadband for Sustainable Development	16,101,296,159	20,446,554,904
Broadband Programme	524,788,341	8,871,399,492
Optic Fiber Project	1,233,600,000	5,238,400,000
Special Projects	216,936,811	350,382,742
Telecenters	230,000,000	28,000,000
Total	18,306,621,311	34,934,737,138