ANNUAL REPORTS

2012-13

Telecom for all

Universal Service Fund
Telecom for all

5th Floor, HBL Tower, Jinnah Avenue
Blue Area, Islamabad
Ph: 051-9212308-9 | Fax: 051-9214261
www.usf.org.pk

Universal Service Fund
Telecom for all

CONTENTS

ANNUAL REPORTS

2012-13

Universal Service Fund

DIRECTORS' REPORTS

Universal Service Fund

Directors' Report

for FY 2012-13

Directors' Report for FY 2012-13

The Board of Directors of Universal Service Fund (USF) is pleased to present its report for the Financial Year 2012-13.

Overview

In fiscal year 2012-13, USF made vast progress in enhancement of e-services in rural and urban areas of the country. USF has also contributed in other fields such as establishment of Telemedicine networks and population living in underserved areas is significantly benefitting from such initiatives.

- In Rural Telecom Program, a total number of **3,800** un-served muzas have so far been covered with basic telephony and data services.
- In Broadband program, **260** cities/towns (second and third tier) have been provided broadband facilities whereas **474,000** broadband connections have been provided along with establishment of **1000** Educational Broadband centers (EBCs) and **300** Community Broadband centers (CBCs).
- In Optic Fiber Program, more than **4,200** KM of optic fiber cable has been laid to connect 67 un-served tehsils and towns till the end of FY 2012-13.
- To take broadband internet to the villages, USF has launched another Program namely establishment of Universal Telecenters (UTCs).
- USF has also set-up telemedicine networks in and around **3** large cities (Karachi/Multan/Rawalpindi) connected to **12** remote sites. With these achievements, USF has created a success story for the public-private partnership entities nationally and internationally.

With these achievements, USF has created a success story for the public-private partnership entities nationally and internationally.

Financial Performance

Given below are details of the subsidies committed and the disbursed amounts for the projects:

	PROGRAMME	Subsidy committed for project awarded in FY 12-13 (in Millions)	Disbursed Amount (in Millions)
1	Rural Telecom Programme		
	Projects award in FY 2012-13 (Turbat/Kech)	3,952	303
	Projects award in FY 2011-12 (Mastung)		600
	Projects award in FY 2009-10 (Nasirabad)		314
2	Broadband Programme		
	Projects awarded in FY 2011-12 (Southern Telecom Region V)		241
	Projects awarded in FY 2009-10 (Gujranwala Telecom Region & Multan Telecom Region)		218
3	Optic Fiber Project		
	Projects awarded in FY 2008-09 (Balochistan Package 1, Balochistan Package 2, Sind)		487
4	Special Projects		
	Projects awarded in FY 2010-11 (Telemedicine Project)		45
	Total	**3,952**	**2,208**

Directors' Report

for FY 2011-12

The Board of Directors of Universal Service Fund (USF) are pleased to present its report for the Financial Year 2011-12.

Overview

In fiscal year 2011-12, USF made considerable progress. In Rural Telecom Programme, till the end of FY 2011-12, USF provided basic telephony and data services in more than 3,600 unserved muzas. Broadband services were provided in 256 new 2nd and 3rd tier cities/towns along with providing more than 440,000 broadband connections while establishing more than 1000 Educational Broadband centers (EBCs) and 300 community Broadband centers (CBCs). Under Optic Fiber Programme, more than 4,200 kms of new optic fiber cable was laid to connect 58 un-served tehsils and towns. To take broadband internet to the villages, USF launched another Program, namely, establishment of Universal Telecenters (UTCs). With these achievements, USF created a success story for the public-private partnership entities nationally and internationally.

Given below are the details of progress made in USF programmes during FY 2011-12:

1. **Rural Telecom Programme:**
   a. Launched Rural Telecom Project in unserved rural areas of Mastung lot.
   b. Completed milestones in unserved areas of Larkana lot in Sind.
   c. Achieved project implementation milestones in Mirpur Khas.
2. **Broadband Program**
   a. Launched Broadband Project in the un-served urban areas of Southern Telecom Region V.
   b. Achieved all project implementation milestones in Hazara Telecom Region and Southern Telecom Region 1.
   c. Milestones were achieved in Gujranwala Telecom Region.
3. **Optic Fiber Program**
   a. Launched Optic Fiber Project Balochistan Package 4, to provide Optic fiber connectivity to un-served tehsils and several small towns in the province.
   b. Achieved implementation milestones in Balochistan Package 2.
4. **Special Projects**

   Launched following Special Projects;
   a. Establishment of Telemedicine network.
   b. Establishment of Model ICT Labs in prominent educational institutions which are otherwise in un-served/under-served areas.

With all these success indicators, USF plans to go a long way in achieving its objective of penetration of telecom services all over the country. Business plus socio-economic benefits like employment opportunities, opening avenues in healthcare and education are the by products of all these projects.

Recognition of achievements of USF at international level has enabled many countries to replicate USF model and benefit from the services referred above.

Financial Performance

Given below are details of the subsidies committed and the disbursed amounts for the projects:

	PROGRAMME	Subsidy committed for project awarded in FY 11-12 (in Million)	Disbursed Amount (in Million)
1	Rural Telecom Programme		
	Projects award in FY 2011-12 (Mastung)	3,156	
2	Broadband Programme		
	Projects awarded in FY 2011-12 (Southern Telecom Region V)	1,206	
	Projects awarded in FY 2009-10 (Multan Telecom Region, Gujranwala Telecom Region & Hazara Telecom Region)		804
	Projects awarded in FY 2008-09 (Multan Telecom Region - PTCL)		203
3	Optic Fiber Project		
	Projects awarded in FY 2011-12 (Balochistan Package 4)	1,975	395
4	Special Projects		
	Projects awarded in FY 2011-12 (Telemedicine Project)	60	8.9
	Cadet College Petaro -establishment of Model ICT Lab		24
	Projects awarded in FY 2009-10 (MCT Pilot Sites)		0.2
	Total	**6,397**	**1,434**

Directors' Report

for FY 2010-11

The Board of Directors of Universal Service Fund (USF) is pleased to present its report for the Financial Year 2010-11.

Overview

Fiscal year 2010-11 was a challenging year for USF. Despite various internal and external issues, USF managed to make noteworthy progress in its on-going programmes. This progress can be measured through figures which show that basic telephony and data services are now available in almost 3,500 villages and broadband has reached more than 237 2nd and 3rd tier towns and cities along with 754 higher-secondary schools and colleges where broadband has been provided. In addition to this, 3,009 kms of optic fiber has also been laid to connect 44 un-served tehsils.

Given below are the details of progress made in USF programmes during FY 2010-11:

1. **Rural Telecom Programme**
   a. Completed projects in unserved rural areas of Mirpur Khas lot in Sindh, Pishin lot in Balochistan and Dera Ghazi Khan lot in Punjab.
   b. Achieved project implementation milestones in unserved rural areas of Mansehra lot in Khyber Pakhtunkhwa (KPK), Larkana lot in Sindh and Nasirabad lot in Balochistan.
2. **Broadband Programme**
   Achieved project implementation milestones in un-served towns of Faisalabad Telecom Region, Multan Telecom Region, Southern Telecom Region – 1 and Hazara Telecom Region.
3. **Optic Fiber Programme**
   Achieved project implementation milestones in all optic fiber projects i.e. Balochistan Package 5, Balochistan Package 3, Balochistan Package 2, Balochistan Package 1 and Sindh.
4. **Special Projects**
   a. Achieved project implementation milestones in the Special Project for Conversion of Computer Centres into Multi-purpose Community Telecentres at nine sites in all four provinces.
   b. Launched pilot project for the establishment of Universal Telecentres to provide the benefits of ICT facilities to the people in rural areas.
   c. Establishment of Model ICT Lab.

After achieving the above, USF plans to intensify its efforts in FY 2011-12 with special emphasis on taking broadband to villages through establishment of Universal Telecentres (UTCs) and telemedicine networks. Not only that, several more projects are also in the pipeline as far as Rural Telecom, Broadband and Optic Fiber programmes are concerned.

Internationally, popularity of USF has been on a rising graph. Representation of USF at global and regional forums was a contributing factor to this. ITU and World Bank at multiple occasions have also praised USF and also called it one of the most successfully run programmes in the world.

Financial Performance

Given below are details of the disbursed subsidies for the projects during FY 2010-11:

	PROGRAMME	Subsidy committed for project awarded in FY 10-11 (in Million)	Disbursed Amount (in Million)
1	Rural Telecom Programme		
	Project awarded in FY 2009-10 (Nasirabad)		315
	Project awarded in FY 2008-09 (Mirpur Khas)		372
2	Broadband Programme		
	Projects awarded in FY 2009-10 (Multan Telecom Region, Hazara Telecom Region & Central Telecon Region)		460
	Projects awarded in FY 2008-09 (Faisalabad Telecom Region & Southern Telecom Region-I)		563
3	Optic Fiber Project		
	Projects awarded in FY 2009-10 (Balochistan Package 3 & Balochistan Package 5)		1,096
	Project awarded in FY 2008-09 (Sindh, Balochistan Package 2)		652
4	Special Projects		
	Projects awarded in FY 2009-10 (Conversion of Computer Centres into MCTs)		30
	Establishment of Model ICT Lab	24	-
	Total	**24**	**3,488**

Directors' Report

for FY 2009-10

The Board of Directors of Universal Service Fund (USF) is pleased to present its report for the Financial Year 2009-10.

Overview

Fiscal year 2009-10 was a productive year for USF. During this year, USF, after successfully sustaining its rural telecom, optic fiber and broadband programmes, made the achievement of launching more special projects. These achievements are evident from the statistics that basic telephony services have now started in more than 3,100 villages, broadband has been started in more than 190 new towns and cities and optic fiber cables are being laid to connect 53 un-served tehsils.

In order to achieve the objectives of USF i.e. providing Telecommunication Services in unserved rural areas, increasing overall broadband penetration in the country and enhancement of e-services, following projects were initiated and sustained during the fiscal year 2009-10:

1. **Rural Telecom Programme**
   a. Launched Rural Telecom Project in unserved rural areas of Nasirabad Lot in Balochistan
   b. Completed projects in unserved rural areas of Bahawalpur, Sukkur and Dadu Lots in Punjab and Sindh
   c. Achieved several project implementation milestones in Larkana, Mirpur Khas, Mansehra, Pishin and DG Khan Lots in three provinces

Achievement in Khyber-Pakhtunkhwa remained minimal due to challenges faced with respect to security situation there.

2. **Broadband Programme**

   Launched Broadband Projects in the un-served urban areas of Multan Telecom Region, Hazara Telecom Region, Gujranwala Telecom Region and Central Telecom Region in Khyber-Pakhtunkhwa and Punjab

3. **Optic Fiber Programme**
   a. Launched two Optic Fiber Projects to provide connectivity to un-served tehsils and several small towns in Central Balochistan
   b. Achieved project implementation milestones in Sindh, Western and Southern Balochistan.

4. **Special Projects**
   a. Launched two Special Pilot Projects i.e. conversion of computer centres into Multi-purpose Community Telecentres (MCTs) and establishment of new MCTs.
   b. Completed two projects to enable persons with disabilities to use telecom services at Al-Shifa Eye Trust (Rawalpindi, Kohat and Sukkar) and central Audio recording facility for the Blind of 'Pakistan Foundation Fighting Blindness' (Islamabad).

Pakistan's USF program is receiving increasing attention from different countries of the world where it is considered a "success story". Organizations like World Bank and International Telecom Union (a UN organization) are mentioning Pakistan as a "best practice" country.

Through all these programmes, USF has been able to shift the focus of the telecom operators from urban towards rural population and also come a long way to provide broadband, optic fiber and e-services. Despite many obstacles, USF has been able to achieve so many milestones in a short period of time and other countries are also very keen to follow in the footsteps of USF. USF is making it possible for citizens of Pakistan to get better economic opportunities, regardless of age, gender or geographical boundaries leading to poverty alleviation and economic empowerment. Therefore, USF plans to take more initiatives in the next fiscal year for the proliferation of basic telephony, broadband internet and e-services.

Financial Performance

Given below are details of the subsidies committed and the disbursed amounts for the projects:

	PROGRAMME	Subsidy Committed (in Million)	Disbursed Amount (in Million)
1	Rural Telecom Programme		
	Project awarded in FY 2009-10 (Nasirabad)	1,572	315
	Project awarded in FY 2008-09 (Dadu, Bahawalpur, Mirpur Khas & Larkana)		762
	Projects awarded in FY 2007-08 (Sukkur, DG Khan, Pishin & Mansehra)		263
2	Broadband Programme		
	Projects awarded in FY 2009-10 (Multan Telecom Region, Hazara Telecom Region, Gujranwala Telecom Region & Central Telecom Region)	2,423	435
3	Optic Fiber Project		
	Projects awarded in FY 2009-10 (Balochistan Package 4 & 5)	2,484	197
	Project awarded in FY 2008-09 (Sindh & Balochistan Package 1)		165
4	Special Projects		
	Projects awarded in FY 2009-10 (Conversion of Computer Centres into MCTs)	52	12
	Projects awarded in FY 2008-09 (Special Project for persons with disabilities)		02
	Total	**6.531Billion**	

AN OVERVIEW

Universal Service Fund

An Overview

of Universal Service Fund

For bridging the telecom access gap, many countries across the world have been running schemes for providing subsidy (or grant) to private operators. In order to initiate the same practice in Pakistan, Universal Service Fund was established by the Government of Pakistan (Ministry of Information Technology) for the development of telecommunication services in un-served and under-served areas in 2006. This fund consists of contributions (1.5% of adjusted revenues) by the Telecom Operators with no Government funding involved.

Before the establishment of USF, there was a general belief that initiatives taken by public sector in Pakistan are either short-sighted or do not last for long for both want of funds and weak implementation procedures. The introduction of USF on a public-private partnership basis proved this perception wrong. Although, Pakistan had witnessed phenomenal growth in the telecom sector during the last decade and had more than 63% tele-density, there were areas where telecom services had not reached as they were not commercially viable. Main problem was that the areas being inaccessible required huge investments for provision of telecom services.

USF, which consists of contributions by privately owned Telcos, is implemented through USF Company. The structure of USF Company is first of its kind in Pakistan having a Corporate Model for achieving the targets set for the company in USF policy. USF Company has an independent and diversified Board of Directors which is equally balanced between four members from the government and four from the private sector (USF Board has representation of political leadership, technocrats, bureaucrats and consumers). CEO is the 9th director of the Board.

The basic aim of USF Company is to provide subsidy to telecom operators to deliver telecom services to previously un-served or under-served areas and enabling the operators to provide these services on normal commercial terms. Telecom services include basic telephony, broadband internet, infrastructure for these services (like Optic Fiber) and Community Tele-centers (for those who cannot afford the necessary instruments/devices) along with establishment of telemedicine networks. Initiatives like introducing alternate energy solutions have also been taken for green telecom revolution, not only this, but USF has also started to provide subsidy for operational expenses incurred in the implementation of the projects. It is noteworthy to mention here that licensees which are also contributors to the fund are eligible to get contracts for these projects

Since its inception, USF has come across various challenges to achieve its objectives as far as implementation of its projects are concerned. Problems such as security, accessibility of civic amenities, power shortage, increase in cost (inflation, rupee exchange rate), high operational expenses and low revenue generation have been arising.

In spite of the issues narrated above, USF, in a period of six years, has been able to shift the focus of the telecom operators from urban towards rural population areas and also came a long way in providing broadband and optic fiber services. The details of these projects have been covered in the subsequent sections of the report.

Board of Directors

Public Sector

Ms. Anusha Rahman Khan
Minister for
Information Technology
Chairman USF Board

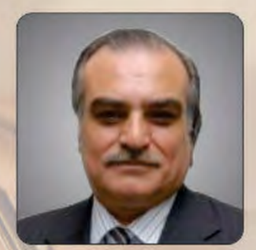
Mr. Akhlaq Ahmad Tarar
Secretary, IT & Telecom
Ministry of
Information Technology

Dr. Ismail Shah
Chairman PTA
Pakistan Telecommunication
Authority

Mr. Mudassar Hussain
Member (Telecom)
Ministry of
Information Technology

Private Sector

Mr. Fan Yunjun
CEO & Director
CMPak ltd



Mr. Walid Irshaid
President and CEO Pakistan
Telecommunication
Company Limited

Mr. Azfar Manzoor
Vice President
ISP Association of Pakistan

Mr. Kaukab Iqbal
Chairman Consumer Association
of Pakistan

Mr. Faisal Sattar
CEO
Universal Service Fund

MESSAGES

Mr. Faisal Sattar
CEO – Universal Service Fund

CEO's Message

Universal Service Fund presents its annual reports for the Fiscal Years 2009-10, 2010-11, 2011-12 and 2012-13. It is with satisfaction that I look at the thriving entity that Universal Service Fund is today.

Today USF is known in the telecom industry not only for its success in facilitating rapid development of ICT in the un-served areas but also for its professionalism, transparency and low-key but focused approach towards attainment of targets set by the Government.

Despite many issues, the last 4 Fiscal Years have been great learning years for USF, during which USF completed and sustained several Rural Telecom, Broadband and Optic Fiber projects. Apart from this, many new projects have also been an achievement during this period.

Through Rural Telecom Program, USF is aggressively working all over the country for providing telephony in areas where people have to walk kilometers to make a single phone call. The field teams faced immense hurdles in laying infrastructure at some of these areas. But these projects worth Rs. 11.3 billion have started bearing fruits and telecom services have started in more than 3,800 villages. As for Broadband program, projects worth Rs. 7.5 billion have been launched aiming at improving broadband penetration in those second/third tier urban areas which are un-served from the Broadband perspective. Special emphasis is on educational institutions, where the subsidy winners are required to set-up computer labs (Educational Broadband Centers) with broadband connectivity in all the higher secondary schools, libraries and colleges in their respective areas and Community Broadband Centers for those who cannot afford their own computers. Till the end of FY 2012-13, broadband connections have been provided in more than 256 new towns and cities. The third program aims to extend the reach of Optic Fiber Connectivity to un-served Tehsils so that modern-day information highways reach up to Tehsil level. Contracts worth Rs. 6.5 billion were awarded under Optic Fiber Program to connect 56 un-served tehsils through 6,703 kms of optic fiber cable. Under Special Projects, Telemedicine Program is being executed where initially three main hospitals in different cities are being connected to four remote areas each. It has enabled medical professionals to diagnose and treat patients at distant geographical location, who are geographically at a different location. In addition to this, Universal Telecentres (UTCs) program is also being launched. These centres will consist of multiple computer terminals and printers/fax powered up by alternate energy solutions. These centres will be established in rural areas in all provinces.

Another achievement of USF is that it has made it mandatory for the telecom operators in rural areas, where USF is providing subsidies to power sites with solar energy. So far, 63 solar powered sites have been completed through USF projects. This decision has played an important role in reducing the energy costs and is also a small contribution towards dealing with the energy crisis in Pakistan.

At USF, the first emphasis in on strict adherence to Rules – USF Rules, Public Procurement Regulatory Authority Rules or any other rules of the country. At the same time, USF always tries to facilitate its partners (mainly licensed telecom operators) as much as the rules permit. Whenever there was a need to address the problems faced by telecom operators as to requirement of changes in bidding terms and conditions a consultative approach was adopted to come out with workable solution and eventually getting it approved by the board.

Transparency in an organization implies visibility into the functions of organization for its stake holders. USF as an organization has been practicing transparency through its well defined processes. All information about USF bidding documents, procurement notices, job vacancies, appointments of consultants/auditors, draft contracts, even bid evaluation summaries are placed on the website.

USF is working all over the country for providing telephony in areas where people have to walk miles to make a single phone call, laying optic fiber cables (present day's information motorways) to each and every unserved Tehsil of the country, taking broadband to smaller cities, towns and finally to villages through Telecentres. All this would not have been possible without the assistance of a very supportive Board of Directors, the Ministry of Information Technology, the regulator, Pakistan Telecommunication Authority (PTA), industry stakeholders who went into difficult areas and last but not the least a very professional team at USF. The credit of whatever success USF has had so far goes entirely to the it.

Management

Mr. Haaris Mehmood Chaudhry
Chief Financial Officer (CFO)/
Company Secretary

Universal service Fund has been working diligently with the focus to assert ourselves as a successful public private entity. We are proud to declare that we have established transparent and efficient principles, practices and methods of financial administration and management. The "Financial and Accounting Manual" is a self speaking evidence of this accomplishment.

Our admin unit is working in complete harmony to cater to the needs of USF for better coordination and smooth functioning. It is imperative to mention here that providing swift administrative support speaks volumes of the commitment of whole team. In addition, our communication department is engaged in developing innovative ways for visibility of USF in the outer world. Our publicity campaigns are all but a result of excellent team work. Moreover, our IT staff is always ensuring seamless working environment in office. Simultaneously, our Human Resources department has not left a stone unturned in order to bring excellence in functioning of the company.

In addition to this, our aim is the implementation of policies, procedures and processes that are proposed by the board in line with the provisions of law.

Syed Sibt-e-Hasan Gardezi
GM-Law

Our primary task is to formulate, evaluate and vet contracts on behalf of USF. Efficient coordination of legal activities of different directorate/departments under MOIT/USF is ensured for timely and transparent execution of projects. The department asserts itself where legal opinion, drafting, preparation of court cases, legislation of rules and regulations regarding USF is required. Legal arm has become an integral part of USF as the company continues to evolve positively.

Syed Asif Kamal
Chief Technical Officer (CTO)

Our projects and technology department has made its mark when it comes to achievement of targets set by USF Board of Directors. Our project execution mechanism involves identification of un-served areas, a comprehensive study to analyze pros and cons of the project, project launch, evaluation of proposals and ultimately the award of contract. Projects &Technology unit consists of a very hard-working team which is looking after Rural Telecom, Broadband, Optic Fiber and Special Projects. I feel great pride in narrating here that so far, USF in spite of so many obstacles has been smoothly running its projects and this fact has been highlighted at world renowned national and international forums.

Mr. Usman Wadud
GM-quality Assurance & Monitoring

Quality Assurance & Monitoring (QAM) department has played a vital role in the execution of projects as USF continues to evolve. To ensure transparency, USF has set up a strict monitoring methodology which requires execution of technical audits by third parties accompanied by QAM teams. Each project milestone is certified as complete after successful conclusion of technical audit. In order to achieve USF mandate, QAM teams routinely travel to extremely hard and security prone areas to ensure a healthy network. Through their hard work, USF has been able to achieve multiple landmarks in a short span of time. Our team plans to maintain the same level dedication and devotion in future.

PROGRAMMES

a. Rural Telecom Program

USF has been running rural telecom projects to provide basic telephony and data services in several remote areas of Pakistan thus creating opportunities also for the individuals in rural areas to get equal access to ICT facilities.

One of the most significant achievements made in Rural Telecom Programme during these fiscal years was USFs decision that operators will bid for all future infrastructure program in un-served areas employing renewable energy solutions. As a result of this, 63 solar powered sites have been completed by operators. This decision has played an important role in reducing the energy costs and is also a small contribution towards efficient green energy. Inspite of numerous security concerns, USF still went ahead and delivered rural telecom services in one of the most difficult geographical locations in the country.

This section covers the rural telecom projects initiated during the FY 2009-10, 2010-11, FY 2011-12 and FY 2012-13 and the overall progress of these projects during these financial years.

Kech / Turbat Lot

Kech / Trubat Lot consists of Panjgoor, Gawadar and Turbat districts. It has 190 un-served muzas. A population of around 300,000 people will benefit from this project.

Furthermore Panjgoor Lot, which was advertised as a separate lot, has also been merged in the Turbat Lot. Panjgoor Lot covers 5% of the area and 5% of the total population of Balochistan and is strategically located at the south western part of Balochishtan province, whereas Iran also borders from the West of Panjgoor district.

The contract for this project worth 3.95 billion was awarded to CMPAK Ltd.

Mastung Lot

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. Total settlements (Muzas) in this lot are 351 with population of approximately 0.36 million. Roughly 29% of the muzas in these districts are un-served covering 21% of un-served rural population of this lot.

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

Nasirabad Lot

This project aims at providing 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. There are 648 un-served muzas which have a population of around one million.

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. Till the end of FY 2012-13, first 3 implementation milestones was achieved for this project by covering 364 muzas.

Larkana Lot

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. Living in 72 muzas.

USF awarded this contract to PTCL on May 17, 2009. A subsidy of Rs. 228 Million is being provided to PTCL for this project for providing these services. All project implementation milestones for USF Larkana lot have been achieved by PTCL.

Mirpur Khas Lot

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 covering 218 Muzas.

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. All milestones for the implementation of this project have been achieved.

Bahawalpur Lot

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 in 888 muzas.

This contract was signed on September 22, 2008 and a subsidy of Rs. 248 Million is being provided to Telenor for these projects. All project implementation milestones have been achieved in Bahawalpur lot covering all muzas.

Dadu Lot

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 comprising 12 tehsils. This lot has an un-served population of around 648,361 which lives in 427 muzas.

USF and PTCL entered into this contract on July 25, 2008 for a subsidy of Rs. 250 Million. All project implementation milestones for USF Dadu Lot have been achieved by PTCL.

Mansehra Lot

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 comprising 12 tehsils. This lot has 1,479 muzas and an un-served population of around 921,000 people.

USF and PTCL joined hands on June 24, 2008 by entering into a contract of Rs. 300 Million. Till the end of FY 2012-13, first two milestones of this project were achieved by covering 631 muzas.

Pishin Lot

Pishin Lot covers roughly 5% in the North – Western part of Baluchistan province. It comprises of the districts of Killa Abdullah, Pishin and Quetta. There are 312 un-served muzas in Pishin Lot having an un-served population of around 229,000 people.

USF and PTCL entered in this contract on May 29, 2008. A subsidy of Rs. 175 Million was provided to PTCL for this project. All project implementation milestones for USF Pishin Lot have been achieved by PTCL.

DG Khan Lot

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 covers districts of DG Khan, Rajanpur, Layyaah and Muzaffargarh. An un-served population of 651,000 people resides in 539 muzas.

USF and Warid Telecom entered in this contract on February 07, 2008. A subsidy of Rs. 91 Million was provided to Warid for this rural telecom project. All project implementation milestones have been achieved by Warid Telecom.

Sukkur Lot

Sukkur lot covers the area in the North-Eastern part of Sind province, represents roughly 25% of the total area of Sind. It consists of districts of Sukkur, Ghotki, Khairpur, Nawabshah and Naushahro Froze. An un-served population of around 658,000 people resides in 253 muzas.

USF and Mobilink entered in this contract on January 15, 2008. A subsidy of Rs. 112 Million was provided to Mobilink for this rural telecom project. All project implementation milestones have been achieved for this project.

b. Optic Fiber Programme

USF aims to promote development of telecommunication services in un-served and under-served rural areas of Pakistan to make the voice telephony and basic data services, throughout the country available and affordable. It requires establishment of a stable and reliable Optic Fiber Network throughout the length and breadth of country. This program's main focus is to extend the Optic Fiber connectivity to the un-served Tehsil HQs in Pakistan, for meeting the growing requirements of Voice, Data and Video services in these areas. Most of the optic fiber projects are being run in areas where security situation is very critical but USF has still been successful in achieving objectives of these programs.

Following are the details of the optic fiber projects of USF:

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 1,100 KMs of optic fiber cable. A population of nearly 1.7 million people will benefit from this project.

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 to connect 12 Tehsils of Bhag, Sanni, Dera Bugti, Phelawagh, Sui, Gandawa, Jhal Magsi, Kahan, Kohlu, Maiwand, Chattar & Lehri in Balochistan (along with Shoran, Maiwand Riffles 71 & Maiwand Riffles 72) and 2 Tehsils of Jand & Kotli Sattian in Punjab (including towns of Lehtrar & Rangli). A population of nearly 1.5 million people is benefitting from this project. Till the end of FY 2012-13, three project implementation milestones were achieved by connecting 9 tehsils and 2 towns for Balochistan Package 5.

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

USF entered into a 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 1,100 kms of optic fiber to connect 9 un-served tehsils (including 6 Tehsil HQ's of Besima, Kharan, Washuk, Panjgoor, Zehri & Nal and 5 other towns of Gidder, Nag, Saleemabad Grog, Balbul(Dogan) in Central Balochistan and 3 Tehsil HQ's of Minchinabad, Choubara & Noorpur and 3 other towns of Addhi surgal, Addhi Kot & Rangpur Bakhor in Punjab). Around seven hundred thousand people living in these Tehsils will benefit from this project. Till the end of FY 2012-13, three project implementation milestones were achieved by connecting 3 tehsils and 3 towns for Balochistan Package 3.

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

Contract worth Rs. 1.2 Billion was awarded to PTCL for laying 1,400 Km of Optic Fiber cable in Southern Balochistan on June 25, 2009. This will provide connectivity to Kech, Dasht, Buleda, Tump, Awaran, Jhal Jao, Dureji, Kanraj and Pasni Tehsil HQs including Peerdrk, Mehnaz, Kalag, Kalatuk, Nodaiz, Hoshab, Nasirabad, Bilecha and Daddar cities. In addition, this cable will provide additional link to Gawadar and Jiwani as well. Till the end of FY 2012-13, three project implementation milestones were achieved which involves providing optic fiber connectivity in 5 tehsils HQs and 2 towns while third was claimed by connecting 9 tehsils and 5 towns.

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 to 5 un-served Tehsils of Mushkhel, Taftan, Dalbandin, Nokundi & Dasht in Western Balochistan touching also the cities of Dringar, Ahmadwal, Nokundi and Chaghi on May 17, 2009. Wateen Telecom shall be laying 900 kilometers of Optic Fiber Cables to connect these Tehsils. Till the end of FY 2012-13, all project implementation milestones were achieved.

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. Through this contract, 18 out of a total of 91 Teshils in Sind which have no access to Fiber Optics, will be connected to rest of the country with Fiber. The approximated route length of cable to connect these 18 Tehsils comes to more than 1000 Kms and will benefit an un-served population of 3.5 Million. Till the end of FY 2012-13, all project implementation milestones were achieved by Wateen Telecom by covering 17 tehsils.

c. Broadband Programme

USF Broadband programme targets to deliver the social and economic benefits of ICTs to the masses through affordable broadband, thus helping to achieve Government's objective of breaking the poverty cycle and eliminating the social divide. Broadband is also a key element of the United Nations Millennium Development Goals on poverty reduction and is globally bringing a paradigm shift to the way people lead their lives. It is also transforming every facet of communications, from entertainment and telephone services to delivery of vital services like health care. This program includes provision of broadband connections along with establishment of educational broadband centers (EBC) and community broadband centers (CBC).

Given below are the details of the Broadband Projects being run by USF:

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. This region has 73 towns and population of 3.3 million approximately.

PTCL is being provided subsidy of Rs 1.2 billion by USF and the contract was signed on May 8, 2012. Target number of 125 Educational Broadband Centers (EBCs) and 55 Community Broadband Centers (CBCs) and 56,500 broadband connections in this region has to be achieved.

Central Telecom Region (CTR)

This region comprises Kasur, Okara, Pakpattan, Sahiwal, Sheikhupura and Nankana Sahib districts and has 36 towns. This region has an un-served population of 3.3 Million.

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 for an amount Rs. 1.037 Billion under this project. In CTR, 215 higher secondary schools, colleges and public libraries will get broadband connectivity and 57 Community Broadband Centres (CBCs) will be established. A number of 101,500 broadband connections are also targeted to be provided under this project.

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 getting Rs.1.12 Billion, to provide broadband services in 44 towns. Along with providing 108,500 broadband connections, 154 Educational Broadband Centres (EBCs) will be established in higher-secondary schools, colleges and libraries and 34 CBCs will be established. Till the end of FY2012-13, PTCL has achieved all implementation milestones, Worldcall has achieved 4 Milestones and audit for 4th Milestone is in progress and Wateen has completed 1 Milestone.

Hazara Telecom Region (HTR)

Hazara Telecom Region (HTR) consists of 17 towns of Abbottabad, Batagram, Haripur, Kohistan and Mansehra districts. Six hundred thousand people live in these small towns and cities.

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 for an amount of Rs. 266 Million, will provide broadband internet services in HTR. Apart from providing 10,750 broadband connections, 145 EBCs in higher-secondary schools, colleges and libraries and 21 CBCs will be established in all 17 towns of this region. Till the end of FY 2012-13, Wateen and PTCL have achieved all Milestones.

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. Along with providing 23,500 broadband connections, 82 EBCs and 43 CBCs will also be established in 77 un-served towns/cities of STR-1. All project implementation milestones have also been achieved by establishing 82 EBCs and 43 CBCs and providing the required number of broadband connections.

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 and a total population (rural and urban) of around 24 Million (i.e. 14% of Total Population of Pakistan). MTR (excluding the city of Multan) has an urban population of 4.4 Million which resides in 37 Cities/Towns. 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. Through this project, 101,500 broadband connections will be provided in Southern Punjab (called MTR). The project also includes establishment of EBCs in 327 higher secondary schools, colleges and libraries and 85 CBCs for those who cannot afford PCs. Till the end of FY 2012-13, PTCL and Worldcall have achieved 1 Milestone each.

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. FTR has 53 towns and cities of various sizes and a population of more than 3 Million that will benefit from this project.

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. Through this project, initially 72,500 broadband connections will be provided by PTCL and 16,500 by Wateen Telecom. A major highlight of this project will be the establishment of more than 250 EBCs in all the Higher Secondary Schools and Colleges in these towns and cities, besides more than 105 CBCs will also be set up. Till the end of FY 2012-13, first project implementation milestones have been achieved by PTCL and Wateen Telecom.

S. No.	Region	Districts	Towns	Broadband Connections	EBCs	CBCs
1	FTR	Bhakkar	6	5,000	25	10
		Faisalabad	7	12,000	25	10
		Jhang	9	25,000	50	25
		Khushab	7	9,000	30	10
		Mianwali	8	7,000	25	10
		Sargodha	12	19,000	65	30
		Toba Tek Singh	4	12,000	30	10
		Total	**53**	**89,000**	**250**	**105**
2	MTR	Bahawalnagar	5	14,500	39	10
		Bahawalpur	5	17,000	40	13
		DG Khan	2	5,500	37	10
		Khanewal	4	13,500	28	10
		Leyyah	2	4,000	37	6
		Lodhran	3	5,750	20	3
		Multan	3	2,000	7	10
		Muzaffargarh	3	13,500	34	5
		Rahim yar khan	4	10,000	28	2
		Rajan pur	3	4,500	19	5
		Vehari	3	11,250	38	11
		Total	**37**	**101,500**	**327**	**85**
3	CTR	Kasur	9	21,000	44	13
		Nankana	3	5,000	4	2
		Okara	9	22,000	42	13
		Pakpattan	2	8,000	23	4
		Sahiwal	3	12,000	49	7
		Sheikhupura	10	33,500	53	18
		Total	**30**	**101,500**	**215**	**57**
4	STR-1	Badin	10	2,500	11	5
		Dadu	10	3,500	14	6
		Hyderabad	12	5,000	17	7
		Jamshoro	4	1,250	6	2
		Mirpur Khas	7	5,000	8	5
		Sanghar	14	4,000	9	7
		Tharparkar	3	250	2	2
		Thatta	9	1,000	9	5
		Umerkot	8	1,000	6	4
		Total	**77**	**23,500**	**82**	**43**
5	HTR	Abbottabad	3	6,500	66	5
		Batagram	1	500	2	1
		Haripur	5	1,750	40	6
		Kohistan	2	500	0	2
		Mansehra	6	1,500	37	7
		Total	**17**	**10,750**	**145**	**21**
6	GTR	Gujranwala	11	26,250	22	6
		Gujrat	8	17,250	50	10
		Hafizabad	5	7,500	23	4
		Mandi Bahauddin	5	6,000	20	4
		Narowal	5	5,250	15	2
		Sialkot	10	46,250	24	8
		Total	**44**	**108,500**	**154**	**34**
7	STR-V	Ghotki	5	3,500	10	4
		Jacobabad	7	4,500	14	6
		Kambar Shahdadkot	5	3,000	8	3
		Kashmore	3	2,000	6	2
		Khairpur	17	6,000	22	10
		Larkana	6	14,000	15	7
		Naushahro Feroze	9	3,500	14	5
		Shaheed Benazirabad (Nawabshah)	8	6,000	14	6
		Shikarpur	7	4,000	10	5
		Sukkur	6	10,000	12	7
		Total	**73**	**56,500**	**125**	**55**
Overall till June 2013		**Grand Total**	**337**	**491,250**	**1,298**	**400**

d. Special Projects

Telemedicine

Telemedicine uses Information Technology to help medical professionals diagnose and treat patients who are at a geographically distant locations. By transmitting live or stored data, voice and video, these solutions allow doctors and patients to interact and share information as freely and naturally as if they were physically present there. This transfer of medical data utilizes a variety of telecommunication technologies.

Pilot project has been launched at 15 locations. There are 3 main hospitals as hubs and 12 remote sites as satellites. Each main hospital is connected to 4 such sites. Telemedicine centers are set up for provision of following consultation services, for which necessary instruments are provided:

- General
- Dermatology (Skin)
- ENT (Ear, Nose & Throat)
- Gynecology

Following hospitals were selected in consultation with Federal Ministry of Health.

a. Jinnah Postgraduate Medical Centre (JPMC) - Karachi - hub

Remote Sites

I. DHQ Badin
ii. DHQ Thatta
iii. DHQ Dadu
iv. DHQ Nowshehro Feroze.

b. Holy Family Hospital - Rawalpindi - hub

Remote Sites

i. DHQ Chakwal,
ii. THQ Talagang
iii. THQ Murree
iv. Rural Health Centre (RHC) - Domail (Basaal).

c. Nishtar Medical Hospital-Multan - hub

Remote Sites

i. DHQ Vehari
ii. DHQ Khanewal
iii. DHQ Lodhran
iv. DHQ Muzaffargarh

Contract worth Rs. 59 million was signed with M/S Oratier Technologies to setup telemedicine's network. 4 project milestones have already been achieved which comprises 90% of the work. It is noteworthy to mention here that THQ hospital in Murree did not have ultrasound machine and people used to come all the way to Rawalpindi / Islamabad for the facility. This project has greatly benefitted the people living in Murree by providing telemedicine services.

Establishment of Model ICT Lab

This Special Project involves establishment of Model ICT Labs in prominent educational institutions which are otherwise in un-served/under-served areas. In this project, a lab was established in each province. To start with, one such lab was established in Sind for a contract worth Rs. 24 Million. These labs are equipped with state of the art equipment.

Enabling persons with disabilities to use telecom services

USF completed a Special Project 'Enabling persons with disabilities to use telecom services' during fiscal year 2009-10. The main objective of this project worth Rs. 31 Million was to provide ICT related equipment to persons with visual disabilities at Al-Shifa Eye Trust (Rawalpindi, Kohat and Sukkur) and Pakistan Foundation Fighting Blindness.

Success Stories of special projects

Conversion of Computer Centers into Multi-purpose Community Telecenters (MCTs) – Pilot Project

There are a number of existing "Computer Centers" in Pakistan, providing useful basic computer education to the youth who are not connected with rest of the world. Through this Special Project, USF is providing connectivity to these Computer Centers and converting them into "Multipurpose Community Telecenters". The advantage these Centers have is that they are already operational thus sustainability is not an issue (which is otherwise the biggest concern). Through this project, USF is providing broadband connectivity and trainings to these computer centres. In this project, contracts worth Rs. 61 Million with PTCL, World Call and Nayatel have been signed for computer centres sites to be converted into MCTs:

Mera Bhagwal

Mera Bagwal is a small town with an estimated population of 5000 people in suburbs of Islamabad where the primary source of income is agriculture and farming. Lack of development in this area is evident from the fact that there is only one school which provides education till middle level. Although Mera Bhagwal is only a few kilometers away from the Capital, but even this geographical advantage did not help in providing broadband or other telecom services to this town.

In this scenario, a local elder of Mera Bagwal, Haji Muhammad Yousaf felt the need of modern technology for the younger generation of the area and provided space for a computer center. This computer centre provided basic computer training to students including females. Along with the computer centre, Haji Yousaf also created a small dispensary which provided free medicines to locals.

When USF launched its Special Project 'Conversion of Computer Centres into Multi-purpose Computer Telecentres (MCTs)', Haji Yousaf came forward to avail this golden opportunity. This Project aimed at providing broadband connectivity to the existing computer centres so that they could expand their operations, broaden the work opportunities and socio-economic participation. The selection of this centre for conversion into an MCT by USF turned out to be a blessing in disguise. In order to provide broadband connectivity, USF also laid optic fiber cable in Mera Bhagwal which locals were demanding for a very long time. Currently, people are making full use of high speed internet at the Mera Bhagwal MCT which helps them in preparing assignments, carrying out research and interacting with their relatives and friends abroad. One of the biggest benefits for the students is that they have improved their typing speed to a large extent and therefore can get many data entry jobs. Moreover, they are also using beneficial applications like Google Earth.

One of the students, Shumaila Tariq from Mera Bagwal MCT while sharing her experience said "This center has changed my life; I never thought that I would ever be able to learn use of internet so fast. When I got admission here I thought that it would be just like other computer centers with out-dated equipment and slow speed internet connection but it is the best computer center I've ever seen or heard about. High speed broadband connection here made it easy for me to download files, view interactive sites and send & receive data timely and swiftly. I am hopeful of my career prospects now because I m getting training from here"

Another student of B-Com, Amir Farooq is working as an instructor at the centre. He said "After attending college in the afternoon I come to this centre for giving computer related training to students which includes typing, MS Office and internet use. We have also held typing competitions at the centre and gave away cash prizes to motivate students. Apart from providing training to students, I also seek lot of help for preparing my own assignments and improving my English. Just because of this centre, I now do not have to go especially to Islamabad for accessing Internet"

Child Protection Centre-Quetta

Dr Quratulain Bakhteari in 1996 helped conceiving a learning space for the young people in Pakistan by forming Institute of Development Studies and Practice (IDSP). It is a National Institution which opens learning spaces for the young and deprived population to empower them for generating and regenerating responses to the existing challenges of education, learning, livelihood, peace and pluralism. To date, over 500 learners drawn from Pakistan have gradu ated from the IDSP courses and are using the skills and tools acquired to promote community and human development.

One of the projects of IDSP is Child Protection Centers (CPCs) which have been developed for the young children roaming around in the streets. Apart from providing training, children are also provided eatables to motivate them to visit these centres.

Two of such CPCs (one for boys and one for girls) are located near Kasi street Double Road on the edge of Quetta City. Each center also has a few PCs to teach the young children who either work in nearby auto workshops, as helpers at shops or collect garbage on the streets. There was no internet connectivity at the centre and it was catering for a large number of children by teaching them computer basics like MS Paint and learning-by-typing alphabets.

When Universal Service Fund (USF) launched its Pilot Project "Conversion of Computer Centres into Multi-purpose Community Telecentes", these CPCs saw it as a great opportunity for enhancing their services. Two centers were selected by USF as part of the Pilot Project of 11 Computer Centers to be provided Broadband.

The provision of broadband by USF has completely revamped these centres. Children worki ng in auto-workshops are being provided informat-ion about the modern tools and techniques, garage safety measures etc through the internet. Female students are benefitting by browsing websites of different livelihood skills such as making decoration items, knitting, stitching etc.

The main concept behind this is to enable girls and boys create better value and space for their livelihood and share work with others. These centres are also a source of entertainment for these children because they get amused by accessing cartoon clips on internet.

One of the children, twelve year old Ameer Magsi who works in an auto workshop nearby says "Before coming here, I used to spend the whole day at the workshop. This centre has made me realize that I can learn much more than just simple repair work at the workshop. Apart from this, I have been shown internet websites regarding health hygiene & recreation".

A female student named Nazdana says "I belong to a very poor family and I used to work as domestic help to assist my family. My main purpose of visiting this center is to learn skills such as dress making for generating some income. I am coming here for last six months, interested to improve my skills. With the help of my teacher, I explore websites and try to share our work through pictures. I want to approach international organizations which can recognize our efforts and initiate business with us."

Ten year old Saeed Ahmed who has a walking disability while sharing his experience said "I am unable to walk due to attack of Polio. One day my father told me about a Child Protection Center which is educating poor and needy children. He brought me to that center and told the staff that I do not do any work and lie at home all day. I was told that CPC has so many activities for children. And to my surprise they have the internet facility at their premises. I was told that internet is like a magic which can teach you everything you want. Now I visit CPC daily and participate in education, knowledge and entertainment activities provided by internet. My instructor teaches me how can I learn so many things through internet and be an active part of the society. I can see cartoons, draw paintings by my own and also learning Islamic education through internet. My life is completely changed now and my parents are also giving me more attention."

These CPCs are now not only visited by young children but even elder people are benefitting from them. One of the significant benefits of broadband at such centres is on-line availability of forms for child-birth registration, Hajj application and NADRA CNIC forms etc. In order to ensure positive utilization of broadband internet at these centres a set of policies has been made which includes informing the children that not all the information on internet is good, true and helpful. Moreover, care is taken that only the beneficial, relevant and safe websites are selected for the use of children.

Through this pilot project , USF has tried to open the doors to opportunities for these children and enabled them to contribute towards the society in a constructive manner. To take this project further and for spreading the socio-economic benefits, USF intends to provide Broadband connectivity to most of the 300 'Computer Centers' in rural areas, that USF has "un-earthed" in the recent past in the first phase.

FUTURE OUTLOOK

Future Outlook

This section covers the details of USF projects planned for the coming financial years.

a. Rural Telecom Programme

Khyber Lot

Khyber lot has 817 un-served muzas. A population of around 1.7 million people will benefit from this project.

Waziristan Lot

Waziristan lot has 846 un-served muzas. A population of around 1.1 million people will benefit from this project.

Sibbi Lot

Sibbi lot includes Barkhan, Sibi and Kohlu districts and has 305 un-served muzas. A population of around 200,000 people will benefit from this project.

Kalat Lot

Kalat lot consists of Kalat district and has 394 un-served muzas. A population of around 100,000 people will benefit from this project.

Zhob Lot

This lot includes Musakhel and Zhob districts. It has 243 un-served muzas. A population of around 260,000 people will benefit from this project.

b. Optic Fiber Programme

Khyber Pakhtunkhwa Package 1

KPK Pacage will connect Tehsil Headquarters of Kulachi, Paharpur, Banna (Allai), Kala Dhaka, Dassu, Palas, Wari, Dir, Chitral, Mastuj, Samarbagh, Alpuri, Puran, Chakesar, Martung and towns of Khal, Booni, Purran, Karora and Drora with 613 kms of optic fiber, An un-served population of 3.2 million people will benefit from this project. This lot consists of 19 Tehsils and 7 towns of KPK province.

c. Broadband Programme

Northern Telecom Region -I

Districts that fall under NTR-1 are Buner, Dir, Malakand, Swat, Shangla, Upper Dir, Charsadda, Chitral, Mardan, Nowshera and Swabi. An estimated population of 2 million will be served in 37 towns in this region. The targeted number of EBCs is 239 and CBCs is 46.

Northern Telecom Region -II

Northen Telecom Region-II comprises of Bannu, D.I. Khan, Hangu, Karak, Kohat, Lakki Marwat and Tank districts, NTR-II has 18 towns and an un-served population of 0.9 Million. USF plans to establish an estimated 138 EBCs and 21 CBCs in NTR-II

Rawalpindi Telecom Region (RTR)

Rawalpindi Telecom Region comprises of Attock, Chakwal, Jhelum, and Rawalpindi districts. RTR has 27 towns and an un-served population of 1.2 Million. USF plans to establish an estimated 180 EBCs and 31 CBCs in RTR.

Western Telecom Region I-A (WTR I-A)

This region consists of 15 districts and 36 cities/towns. An un-served population of 1.9 Million will benefit from this project. USF plans to establish around 111 EBCs and 47 CBCs in WTR I-A.

d. Special Projects

Telemedicine Network

Extension of telemedicine network is being planned to KPK and Balochistan as well as the expansion of the existing network in Sind and Punjab.

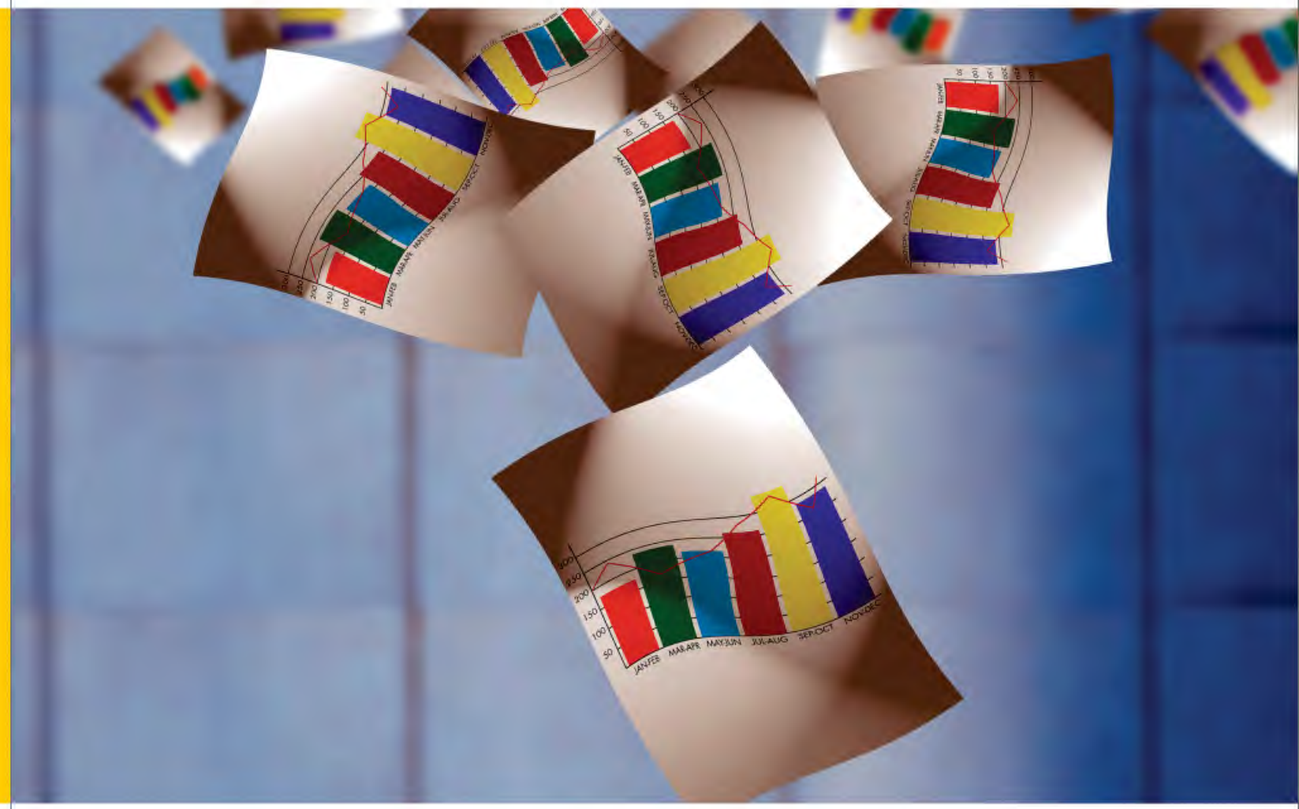
Telemedicine Vehicle

Telemedicine vehicles will be integrated in the existing network to meet the health care requirements more effectively. These vehicles will be equipped with basic medical facilities and broadband network connectivity. These mobile vehicles will be on move in the remote areas on regular basis. During national disaster or emergency situations (floods, earthquakes etc) timely response of medical teams can be ensured via this facility.

Establishment of Telecenters

Telecenters is an initiative launched by USF to provide and expand the benefits of broadband and ICT facilities to the people in rural areas. This will also help bridge the digital divide between the urban and rural areas. Basic Telecentre model will consist of multiple computer terminals, printer/fax powered by alternate energy solutions. USF will also provide broadband to these telecenters. Moreover, various facilities by NADRA and e-services by provincial government will be offered at these telecentres.

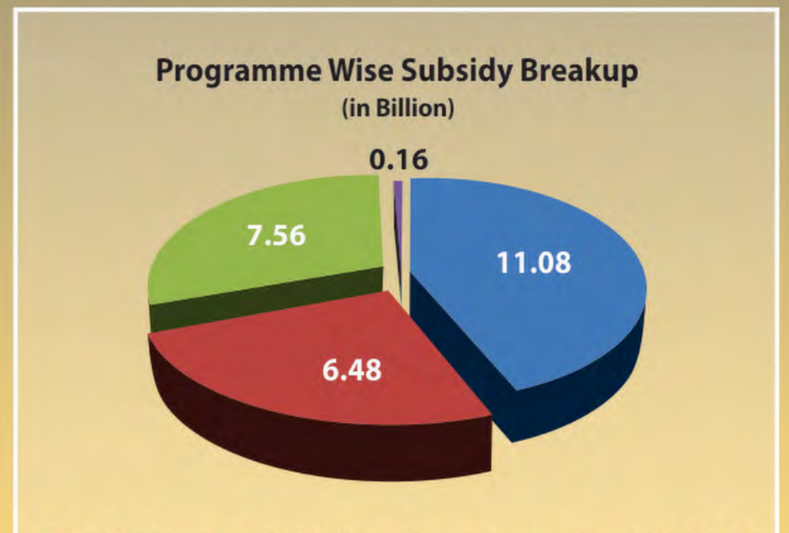
FINANCIAL HIGHLIGHTS

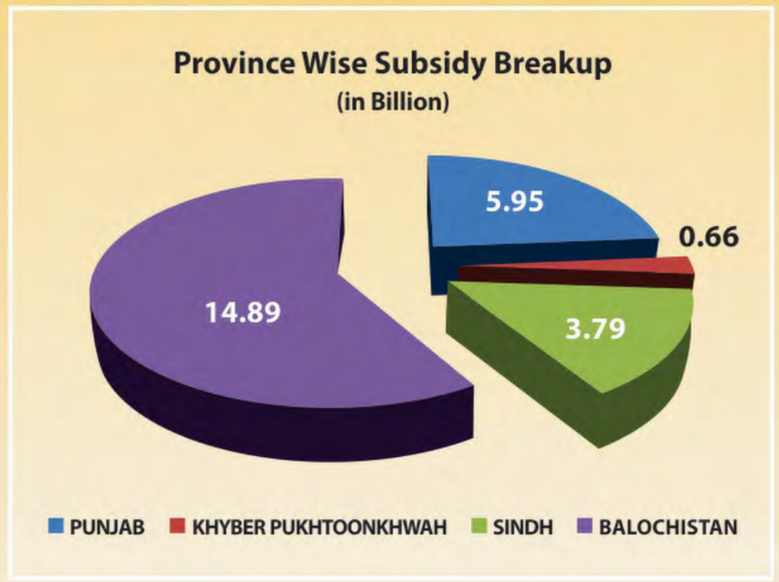


Universal Service Fund

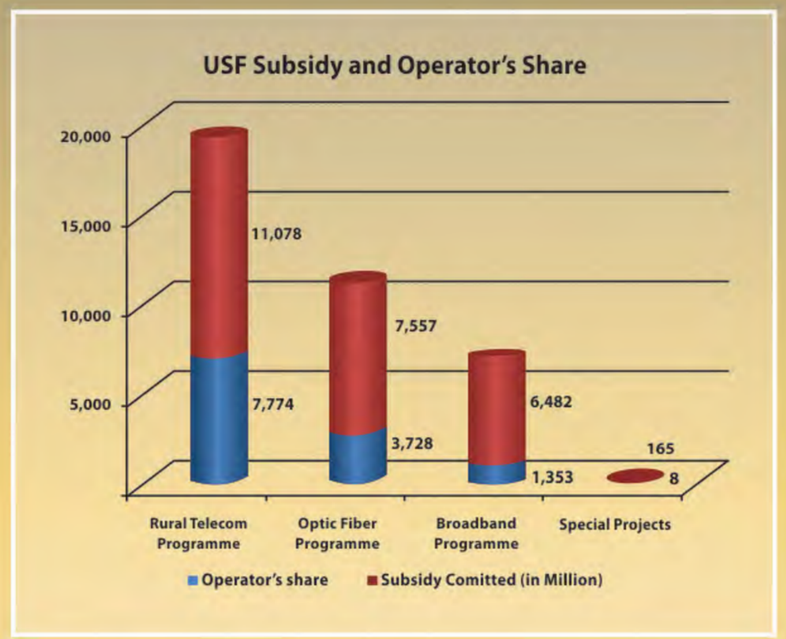
Financial Highlights till the end of FY 12-13

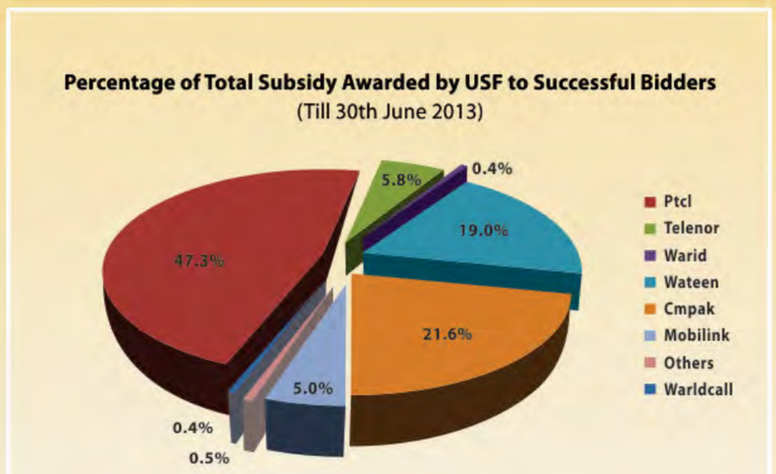
S. No.	Project	Subsidy (in Million)	Total Estimated Project Cost (in Million)
1	Rural Telecom Programme	11,078	18,852
2	Broadband Programme	7,557	11,286
3	Optic Fiber Programme	6,482	7,835
4	Special Projects	165	173
		25,282 million	38,146 million





KHYBER PUKHTOONKHWAH





Participation of USF in International & National Events

USF Asia Leaders Forum 2011

This forum, held from June 07-08, 2011, engaged key leaders of Asia and Middle East Universal Service and Access Funds (USAFs) to share experiences, challenges and ideas, and to contribute to the process of capacity building and knowledge sharing on USAFs throughout their respective countries.

CEO-USF shared the successful experience of running USF in Pakistan and also provided an opportunity to other participants to learn from the experience.

Workshop on Universal Service Obligations/ICT Funds

This workshop was hosted from February 15-17, 2011 by the Government of Indonesia's Ministry of Communications and Information to discuss the international experiences and best practices in using universal service obligation funds.

CEO-USF shared Pakistan's USF experiences, and carried out knowledge-sharing meetings with other participants and stakeholders.

Seminar on Broadband and Universal Service Obligation (USO)

This seminar, held from November 16-18, 2010, aimed at sharing regional knowledge and stakeholder discussions particularly on the broadband deployment and role of Universal Service Obligation. Speakers from different countries were invited to share their country's experiences and practices thereby not only benefiting the local stakeholders in Thailand, but also countries in the region as a whole.

CEO-USF delivered a presentation on "USF Pakistan: A Success Story" at the Seminar which was followed by an informative discussion.

e-Biz Training Program for Women

This training program was held from August 04-24, 2011 with the purpose of incubating public-private leaders to develop businesses and policies for promoting women's economic abilities. The training focused on providing an opportunity for a deeper understanding of e-Biz, and to assist policy development and execution efficiency. Training covered seminars, practical exercises and field experiences to maximize the understanding of instructed material.

During the training, USF presented a country report comprising the fact sheet of the country, telecom statics, ongoing telecom projects and ICT projects for women development.

Asia Pacific Telecommunity (APT) Policy and Regulatory Forum & Business Dialogue

This Forum which took place from July 12-16, 2010, provided APT members with an update of regulatory information and techniques, focusing on a range of topics that had been identified. 2010's event complemented with the Business Dialogue which provided a platform for candid exchange of views between regulators and industries.

CEO-USF gave a presentation on USF Pakistan's success story at the event which generated lot of interest among the

audience.

Connect 2010

USF participated in Connect 2010, 5th Information & Communications Technology Exhibition & Conference, held from May 05-08, 2010 in Karachi. Team of USF represented the company at the stall set up for the purpose. The representatives of USF gave detailed presentation on the programmes being run by USF and generated great interest among the participants.

ITU Telecom World 2009 Geneva

CEO-USF participated in ITU (International Telecommunications Union) Telecom World 2009 Geneva, held from October 05-09, 2009 as a panelist in one of the Forum sessions. Senior telecommunication and ICT industry leaders and decision-makers from around the world came together, to explore areas essential to the continued development of the information society at the ITU World 2009.

CEO-USF also delivered a paper on "Meeting the challenge of climate change in developing economies, an example from Pakistan" during the event.

ACMA-ITU International Training Program

CEO-USF, also represented USF at the 2009 ACMA (Australian Communications and Media Authority)-ITU International Training Program held in Melbourne in December 2009 as a trainee as well as a guest speaker on Universal Service. With 80 delegates from a record 33 countries, it turned out to be a lively and highly informative event where achievements of USF Pakistan were explained which impressed the participants a lot.

Asia-Pacific Regional Forum on Mainstreaming ICT Accessibility for Persons with Disabilities

The International Telecommunication Union (ITU) jointly with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) organized the "Asia-Pacific Regional Forum on Mainstreaming ICT Accessibility for Persons with Disabilities" in Bangkok, Thailand from August 25-27, 2009.

USF represented Pakistan at the forum and delivered a presentation on "USF Pakistan's Special Project on ICT for Persons with Disabilities".

Annual Report Compiled & edited by:

Noshin Masud
Manager-Communications

Fahad Inayatullah Khan
Assistant Manager-Communications

Saqib Fazil
Communications Officer

Feedback: **feedback@usf.org.pk**