



REPUBLIC OF SOUTH SUDAN REVITALIZED TRANSITIONAL
GOVERNMENT OF NATIONAL UNITY



MINISTRY OF INFORMATION, COMMUNICATION TECHNOLOGY AND
POSTAL SERVICES

UNIVERSAL SERVICE AND ACCESS FUND SECRETARIAT

SIX MONTHS REPORT



APRIL 2020

SUBMITTED TO
HON. BABA MEDAN KONYI
DEPUTY MINISTER OF INFORMATION COMMUNICATION
TECHNOLOGY AND POSTAL SERVICES

REPUBLIC OF SOUTH SUDAN RE-VITALIZED TRANSITIONAL
GOVERNMENT OF NATIONAL UNITY

MINISTRY OF INFORMATION, COMMUNICATION
TECHNOLOGY AND POSTAL SERVICES

UNIVERSAL SERVICE AND ACCESS FUND SECRETARIAT



SIX MONTHS REPORT
SUBMITTED TO HON. BABA MEDAN KONYI
DEPUTY MINISTER OF INFORMATION COMMUNICATION
TECHNOLOGY AND POSTAL SERVICES

TABLE OF CONTENTS

ABBREVIATIONS.....	ii
FOREWORD.....	iii
ABOUT THE USAF.....	v
Mandate of the USAF	v
Our Vision.....	v
Our Mission.....	v
Our Core Values.....	v
1. INTRODUCTION.....	1
2. CURRENT STATE OF USAF.....	2
2.1. Propose Plans, Programs and Administrative Policies and Procedures.....	2
2.1.1 Establishment of Interim Standard Operating and Implementing Procedures..	2
2.1.2 Development of the Fund Strategic Management Plan.....	2
2.1.3 Development of the USAF Legislation and Regulations	3
2.1.4 The Headquarters of the Fund.....	3
2.1.5 Recruitment of Critical Staff.....	3
2.2 Procurement.....	4
2.2.1 Assessment of nation-wide ICT Infrastructure service, access and usage.....	5
2.2.2 Acquisition of two (2) stations wagons.....	6
2.3 Account Opening and Budgeting.....	6
2.3.1 Opening and Operating Bank Accounts.....	6
2.3.2 Preparation of Establishment Budget.....	6
3. MAJOR LIMITATIONS AND CHALLENGES.....	8
3.1 Compliance to Universal Access obligation.	8
3.2 Risk of limited forex.....	9
3.3 Lack of dedicated Means of Transport to undertake Fund Activities.....	9
4. CONCLUSIONS AND PROPOSED WAY FORWARD.....	10

ABBREVIATIONS

ACREM	: African Center for Research and Management Consultants
DG	: Director General
ICT	: Information and Communications Technology
ISOIP	: Interim Standard Operating and Implementing Procedures
ISP	: Internet Service Provider
MICTPS	: Ministry of ICT and Postal Services
MNO	: Mobile Network Operator
NCA	: National Communication Authority
RFP	: Request for Proposal
RFQ	: Request for Quotation
SG	: Secretary General
SMP	: Strategic Management Plan
SSP	: South Sudanese Pounds
USAF	: Universal Service and Access Fund
USD	: United States Dollars

FOREWORD

The National Communication Act, 2012, Act No. 24 established the Universal Service and Access Fund (USAF or the Fund). In line with the law, and in exercise of the powers vested upon the Minister of Information, Communication Technology and Postal Services (Hon. Michael Makuei Lueth), by Presidential Decree No. 222/ 2016 and section 7(3) read jointly with sections 1, 2 and 4, the Minister operationalized the Fund through a Ministerial Order No. 5/ 2019. In addition, through a Ministerial Order No. 6/ 2019, I was appointed as the Secretary General.



I am therefore, delighted to present what will be my first statement to you as the inaugural Secretary General of the Fund. I have joined the Fund at its inception where there is continued Government commitment in upholding the laws that govern our young nation. I welcome this opportunity and pledge total commitment in supporting the development and deployment of reliable and affordable communication services in underserved/ unserved and remote areas. To enable this, I will continue to seek the support and collaboration of all stakeholders.

From global best practice, my leadership at the Fund shall always embrace evidence-based decision-making to enable informed decisions on projects that the Fund shall prioritize, in line with the USAF Strategic Management Plan (SMP) 2020-2024 and our core mandate.

The Fund is engaging a consultant to undertake a nation-wide assessment of Information and Communication Technology (ICT) infrastructure, service, access and usage. The assessment will accrue two major benefits that is; provision of reliable, evidence-based information on ICTs in the nation on both the demand and supply sides and also guide and assist in the current strategic planning as well as justify allocation of funds to prioritized projects. This will bridge the communication digital divide between the center and rural areas through promoting communication service delivery to cover the entire population of South Sudan with special emphasis on underprivileged groups and hard-to-reach communities.

I therefore call upon all interested stakeholders both private and public to help drive the development and deployment of ICTs that will cover the entire population of South Sudan, through attraction of investments from and collaborations with both local and international organizations as well as local participation in ICTs at individual and business levels.

We approve the focus of the SMP and believe the Fund is positioning itself to design and implement programmes and projects that will fast-track provision of reliable and equitable services to the entire population of South Sudan.

Thank you.

A handwritten signature in blue ink, appearing to read 'Lemi Yoseke'.

Lemi Isaac Yoseke (Eng.)
Secretary General

ABOUT THE USAF

The National Communication Act, 2012, Act No.24 of the laws of South Sudan, Chapter XIII detail the Universal Service and Access Fund (USAF). Section 73 (1, 2, 3 & 4) provides for establishment of USAF, with the major objective of developing and deploying communication services to cover the entire population of South Sudan, to include, urban, rural and remote areas to ensure universal service and access. This section specifies that the Headquarters of the USAF shall be within the National Capital and further specifies that fund shall perform its functions under the direct supervision and oversight of the Competent Minister. Pursuant to its mandate, the USAF Fund started operation in October 2019 and is embarking on various projects to realize its mandate.

Mandate of the USAF

The Act mandates USAF to undertake the major functions summarized below:

- 1) Implementing Government policies related to the core principle of universal service and access;
- 2) Laying down policies, plans, programs, regulations and guidelines for bridging the communication digital divide between the center and rural areas with special emphasis given to unprivileged groups and hard-to-reach communities;
- 3) Setting rules and regulations for planning and managing resources of the Fund in order to achieve the core objective of universal service and access;
- 4) Leveraging synergies and resources by coordinating activities and efforts with regional and international agencies promoting universal service and access;
- 5) Developing programs for generating resources for the Fund including fees and charges for services delivered in order to support the core goal of universal service and access;
- 6) Performing such other functions as are necessary to effectively execute the functions of the Fund and achieve its goals.



Our Vision

“Reliable and Equitable Communications Services for all”

Our Mission

“To facilitate and support the development and deployment of reliable and affordable Communication services in underserved/ unserved and remote areas”.

Our Core Values

The USAF core values can be summarized in the acronym “TICIPS” which stands for;

- Transparency,
- Integrity,
- Collaboration,
- Innovation,
- Professionalism, and
- Service Excellence

1. INTRODUCTION

The Universal Service and Access Fund (USAF or the Fund); was established by the National Communication Act, 2012, Act No.24, as an independent corporate body to implement the provisions of Chapter 13 of the National Communication Act, 2012 in accordance with the laws of the Republic of South Sudan. The principal mandate of the Fund is to develop and deploy communication services to cover the entire population of South Sudan, to include, urban, rural and remote areas to ensure universal service and access.

In exercise of the powers vested upon the Minister of Information Communications Technology and Postal Services (Honorable. Michael Makuei Lueth) by the presidential Decree No. 222/ 2016 and section 7(3) read jointly with Section 1,2 and 4 of the National Communication Act, 2012, the Minister on 14th October 2019 issued a Ministerial Order No. 5/ 2019 that operationalized the establishment of the Fund in the Republic of South Sudan.

In addition, the Minister issued Ministerial Order No. 6/ 2019 for the appointment of Mr. Lemi Isaac Yoseke Laku as the Secretary General of the Fund.



2. CURRENT STATE OF THE FUND

The establishment of the Fund in October of 2019 resulted into a number of key critical activities as detailed below;

2.1 Propose plans, programs and administrative policies and procedures

In conformity with Section 77 (5) c, of the ACT, the secretary general through global best practice on management of Universal service funds has drafted the critical administrative policies and procedures as well as proposed plans and programs for the fund as detailed below;

2.1.1 Establishment of Interim Standard Operating and Implementing Procedures

Section 75 (3) of the Act gives the Fund mandate to set rules for managing resources of the Fund in order to achieve the core objective of universal service and access. In addition section 77 (5) (e) vests powers up on the Secretary General to prepare proposed budgets for the Fund.

In accordance with these sections, the Fund is committed to effectively carry out its financial and administrative functions and ensure that expenditure is within the approved budgets and in line with requirements of the Public Finance, Management and Accountability Act, 2011. To achieve this, the Fund developed an Interim Standard Operating and Implementing Procedures (ISO&IP) that provides guidelines and operating principles under which communications development projects undertaken by the Fund shall be managed, administered and implemented.

The ISO&IP is an essential strategic document, which describes how the Fund shall fulfill its mandate. This document highlights the specific rules with respect to critical issues such as governance, procurement, accounting standards, project selection criteria; technical partner selection criteria, tendering processes and procedures, disbursement procedures and project monitoring and evaluation among others. The ISO&IP is attached .

2.1.2 Development of the Fund Strategic Management Plan

The Act further mandates the Fund to plan in order to achieve its core objective of universal service and access in the Republic of South Sudan. Specifically, Section 77 (5) (c), of the Act vests powers up on the Secretary

General to propose plans, programs and administrative policies and procedures that are within the mandate of the Fund.

Under this provision, and in order to have a more precise and formalized road map for the Fund over the next year or more a five (5) year strategic plan is needed. We are glad to report that the draft Final USAF Strategic Management Plan (SMP) for the period 2020-2024 was developed.

Development of this SMP was based on a benchmark from six (6) Countries, not only as a roadmap clearly defining the best route for the Fund over the next five (5) years but also to give management and staff of the Fund a sense of purpose, with a definitive mission and clear goals and objectives to work towards.

The Fund SMP (2020 -2024) is aligned to section 73 (a, b & d), of the National Communication Act, 2012 and as such clearly defines five major components that is; the Vision and Mission statements, the USAF core values, SWOT analysis, long term goals and yearly objectives plus the action plans over this period. The SMP also details the Fund's programmes and sample projects, which will facilitate the achievement of each goal and outlined indicative key performance indicators for each programme, these have been detailed.



2.1.3 Development of the USAF Legislation and Regulations

Section 75 (2) of the Act empowers the Fund to lay down policies, plans, programs, regulations and guidelines for bridging the communication digital divide between the center and rural areas through promoting communication service delivery to cover the entire population of South Sudan with special emphasis on underprivileged groups and hard-to-reach communities.

In addition, section 75 (3) of the Act mandates the Fund to set rules and regulations for planning and managing resources of the Fund in order to achieve the core objective of universal service and access.

In fulfillment of these provisions of the Act, the Fund in consultation with the Principal Legal Advisor in charge of ICTs) at the Ministry of ICT and Postal Services, and after benchmarking with other Universal Service Funds in the

region, initiated the process of developing a draft USAF legislation. The Fund shall consult with all the relevant stakeholders before availing it to the Ministry of Information Communication and Postal Services for input and onward execution in its draft format.

2.1.4 The Headquarters of the Fund

Section 73 (3) of the National Communications Act 2012, provides for the setting up of the headquarters of the Fund within the National Capital. In fulfillment of the above, the Secretary General wrote to the Undersecretary of the Ministry who initially responded by allocating two (2) offices on the upper floor of the Post Office building. However due to insufficiency of the space, the Undersecretary later verbally directed the Fund Secretariat to occupy and utilize the Prefab buildings located in the compound of Post Office in Block No, EV, Plot No. 1- 6 Market Street as the headquarters of the secretariat effective 17th February 2020. The Fund Secretariat is yet to receive the written directive. The Fund has since embarked on the renovation of the said premises.



2.1.5 Recruitment of Critical Staff

The Act under section 77 (5) (i), mandates the Secretary General to “recruit, retain, discipline, motivate and terminate employees of the Fund when appropriate in accordance with the Funds policies and consistent with Public Service laws and regulations”. In execution of this obligation, the Fund has hired and continues to retain Six (6) key critical staff; of whom three (3) have attained at least a Master’s degree while the rest are Bachelor degree holders. Cognizant of the need for gender balance and the government’s policy for affirmative action, the Secretariat deliberately ensured that two (2) staff are female, representing a 33.3% gender sensitivity and government affirmative action in respect of qualified female South Sudanese.

2.2 Procurement

Pursuant to section 75 (5) of the Act mandating the Fund to acquire and dispose of movable and immovable property, the Fund, as enshrined in its draft Strategic Management Plan prides herself among others on transparency and integrity. To this end, the Fund set out to ensure that all procurements must adhere to the strict ethical standards and responsibilities that apply to procurement activities as per the laws of south Sudan and in order to protect the integrity, fairness and transparency of the procurement process within the Fund. From October of 2019, the Fund has engaged in the procurement of two major services and products as detailed below.

2.2.1 Assessment of nation-wide ICT Infrastructure service, access and usage

From reviewed literature, it was evident that “when talking about the challenge of reaching the whole populace with communications services, it is often referred to collectively, without distinction, as ‘the access gap’. However, we can identify two separate ‘gaps’ which must be understood and addressed differently. We refer to these gaps as the Demand Side Gap and the Supply Side Gap”¹. Therefore, to enable evidence-based and informed decision making from the onset, the Fund finds it prudent to make an assessment of both the demand and supply side communications gap assessment, to integrate the best available research evidence into the decision-making process as regards to ICTs and Postal Services in the Republic of South Sudan.

On 13th February 2020, the Fund issued a notice of request for proposals (RFP) together with the terms of reference (TORs) for the “Assessment of Nation-wide ICT Infrastructure Service, Access and Usage” with the view of closing this knowledge gap. The request was open to both local and international consultancy firms with the ability to execute the ToRs as issued. Both the RFP and the ToR were uploaded on the Communications Portal of South Sudan NGO Forum.

Given the Technical nature of the RFP and the TORs, despite attracting more than 200 viewers, only one East African based consultancy firm (African Centre for Research and Management Consultants (ACREM) Uganda Limited) responded with both Technical and Financial proposals, attached to this report.

The Fund therefore established a multi-skilled and Competent seven (7) member Evaluation Committee comprised of staff from, the Ministry of Information Communications Technology and Postal Services, the National Communications Authority (NCA) as well as the Universal Services and Access Fund (USAF) to evaluate the technical and financial feasibility of the received proposal from ACREM Consultants (U) limited.

The committee diligently carried out its obligation, and went an extra mile to hold a physical meeting in Juba on 12th February 2019 with the ACREM (U) Limited team. The meeting aimed at clarification of some of the technical elements of both the technical and financial proposals received as per their ToRs and submitted an evaluation report to the Fund on 17th February 2020. The Committee recommended the consultant to be contracted by USAF, as detailed. The Fund however proposed that due to the consultants’ Team skillset and for the greater good of the Republic of South Sudan, their scope of work be expanded by splitting the study into two; Demand-Side Study and Supply side Study to be called Volume 1 and Volume 2 respectively as this would enable a more comprehensive assessment. The Consultant accepted this proposal.

¹ The conceptual framework of the two gaps is developed in the World Bank Discussion Paper No. 432, Telecommunications & Information Services for the Poor: Toward a Strategy for Universal Access, Juan Navas-Sabater, Andrew Dymond, Niina Juntunen.

The Fund is therefore working with the Principal Legal Advisor in charge of ICTs at the Ministry of ICT and Postal Services, in developing a contract to engage ACREM consultants (U) limited to execute the assignment in line with the recommendation of the Evaluation Committee. The USAF/ ACREM draft contract is detailed .



2.2.2 Acquisition of two (2) stations wagons.

In recognition of the critical need for the Fund to have dedicated means of transport even in the interim times to effectively execute its mandate, the Fund issued a request for quotation on 2 March 2020 for supply of two (2) station wagons with reference number USAF-OSG-RFQ-2020-01.

The Fund is currently concluding a contract with Prosper International Ltd for the supply of the two (2) station wagons, as detailed.

2.3 Account Opening and Budgeting

The Act mandates operationalization of the Fund as a corporate body with its own seal and shall have powers to sue and be sued in its own name. In addition, it gives the Fund powers, to develop programs for generating resources for the Fund including fees and charges for services delivered in order to support the core goal of universal service and access, and this calls for operating an independent account of the Fund. It further mandates the Secretary General to carry out financial and administrative functions of the Fund and ensure that expenditure is within the approved budgets and in accordance with requirements of the Public Finance, Management and Accountability Act, 2011. These call for development and approval of the Budget.

2.3.1 Opening and Operating Bank Accounts

In executing the provisions of section 83 (3) of the Act, the Fund through the office of the Minister acquired a letter of no objection from the Ministry of Finance and Economic Planning to open and operate her accounts at the Cooperative Bank of South Sudan. The Fund opened and runs two block and operations accounts in (United States Dollars (USD) and South Sudanese Pounds (SSP) with Cooperative bank of South Sudan.

2.3.2 Preparation of Establishment Budget

Section 83 (1) of the Act mandates the Fund to have an independent budget. In response to this provision, the Fund has prepared an establishment budget as detailed.

It is worth mentioning that this budget, which was prepared in accordance with sound

accounting principles and in conformity with the laws of South Sudan Public Finance Management and Accountability Act 2011, covers a period of nine (9) months from 14th October 2019 to 31st June 2020. Further to this, section 77 (5) (e) stipulates that the draft budget should be submitted for approval by the Board of Trustees. In the absence of the board, the proposed budget was submitted to the Competent Minister who supervises and oversees the activities of the Fund. This is in accordance with section 73 (4) of the Act.

3. MAJOR LIMITATIONS AND CHALLENGES

Ever since its operationalization, in October 2019, the Fund has experienced some challenges, which have hampered the rate at which the Fund is being operationalized. Some of these challenges are highlighted below:

3.1 Compliance to Universal Access obligation.

Section 81 of the Act provides for Financial Resources of the Fund and Uses. Specifically, section 81(1) (c) provides for contributions by licensees as prescribed in regulations and in line with global best practice. Though the regulations are yet to be developed, the current policy stipulates that “communications licensees are obliged to contribute a 2% statutory levy from their annual gross revenue” which is the licensees' contribution to developing communications services in the rural, underserved and underserved areas of South Sudan.

Despite numerous and continuous reminders by the Fund to the licensed communication service providers to comply with their obligation as stipulated in the Act, and licensing conditions as regards to their universal service and access obligation, some of the licensees have continued to defy and resist compliance with this statutory obligation as in the Act.

3.2 Risk of limited forex.

Given the dynamic nature of the communications sector and planned projects as detailed in the Fund Strategic Management Plan. It is worth mentioning that a number of the Funds' current and future planned activities or projects will require foreign currencies like the United States Dollars and the British Pound Sterling just to mention but a few. However, much of the Fund's transactions with the licensees especially the Mobile Network Operators (MNOs) are in South Sudanese Pounds. This is evidenced by the two contracts that are yet to be signed .

3.3 Lack of dedicated Means of Transport to undertake Fund Activities.

Prior to the Ministerial order No. 5/2019, the National Communications Authority (NCA) dedicated an official vehicle with registration Number GOSS 5551 BC, to the Fund. With the Decree, there was an increase in the day-to-day activities of the Fund and one vehicle became insufficient in running the Fund's increased workload in line with the Act. This has and continues to affect the efficient running of planned Fund activities.

4. CONCLUSIONS AND PROPOSED WAY FORWARD

4.1 Conclusions

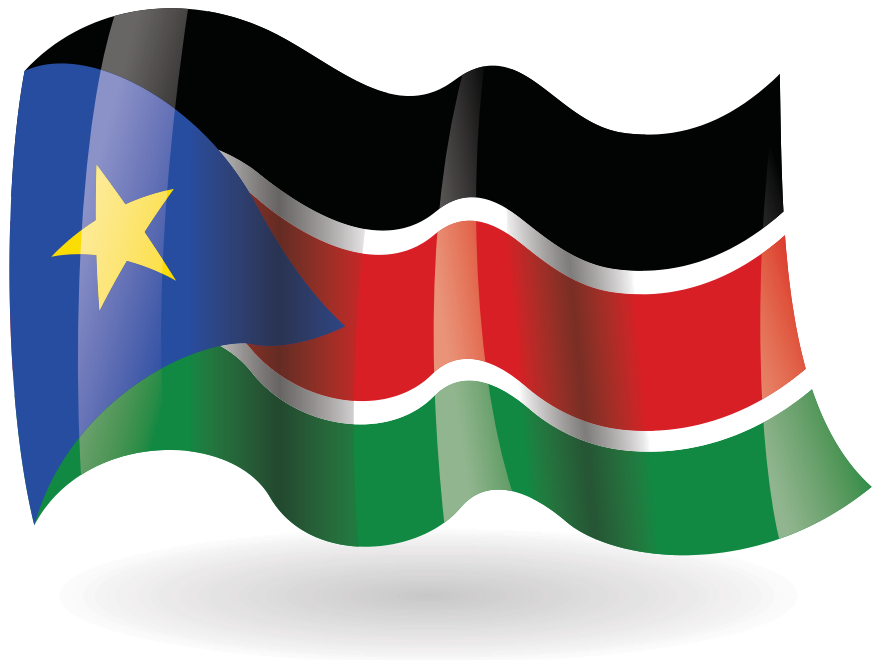
In a nutshell, as a new independent government entity, the Fund has continued to implement its planned activities as per the approved work plan. In addition, the Fund with the support and continued guidance of Honorable. Minister Michael Makuei Lueth; and Honorable. Baba Medan Konyi the Deputy Minister of ICTs and Postal Services; the Fund is on the right path and is destined to succeed in the fulfillment of its mandate as stipulated in the Act.

4.2 Proposed way forward

Cognizant of the above state of affairs, risk and challenges as mentioned in this report, the Fund proposes as follows;

- 1) The Fund should urgently exchange sufficient foreign currencies to enable the execution of the planned activities that require foreign currencies as a medium of transaction;
- 2) The Fund should fast track the expedition of the pending contracts;
- 3) As a new entity, the Fund will focus on building its human capacity in a variety of ways including training and the use of technical assistance – with a requirement to build local capacity;
- 4) To build institutional capacity, the Fund will fast track the procurement of furniture, computers, a web server, design of a web portal, supply of electric power, photocopiers, printers and scanner for the Secretariat; and
- 5) In line with its mandate and goals, the Fund shall continue engaging and involving interested stakeholders to cater for the ICT needs and interests of the entire population of South Sudan.





Block No, EV, Plot no. 1-6 Market street



+211 (0) 921230001



infor@usaf.gov.ss