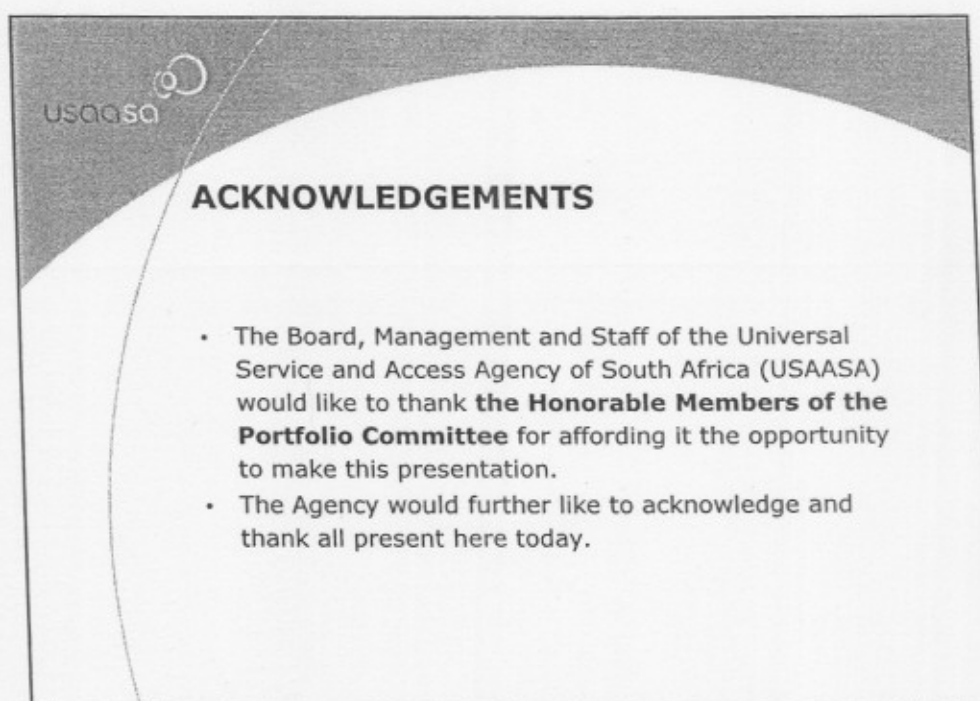




PRESENTATION TO THE PORTFOLIO  
COMMITTEE ON  
COMMUNICATIONS  
USAASA BUSINESS PLAN 2011/2012  
19 APRIL 2011

USAASA



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### ACKNOWLEDGEMENTS

- The Board, Management and Staff of the Universal Service and Access Agency of South Africa (USAASA) would like to thank **the Honorable Members of the Portfolio Committee** for affording it the opportunity to make this presentation.
- The Agency would further like to acknowledge and thank all present here today.

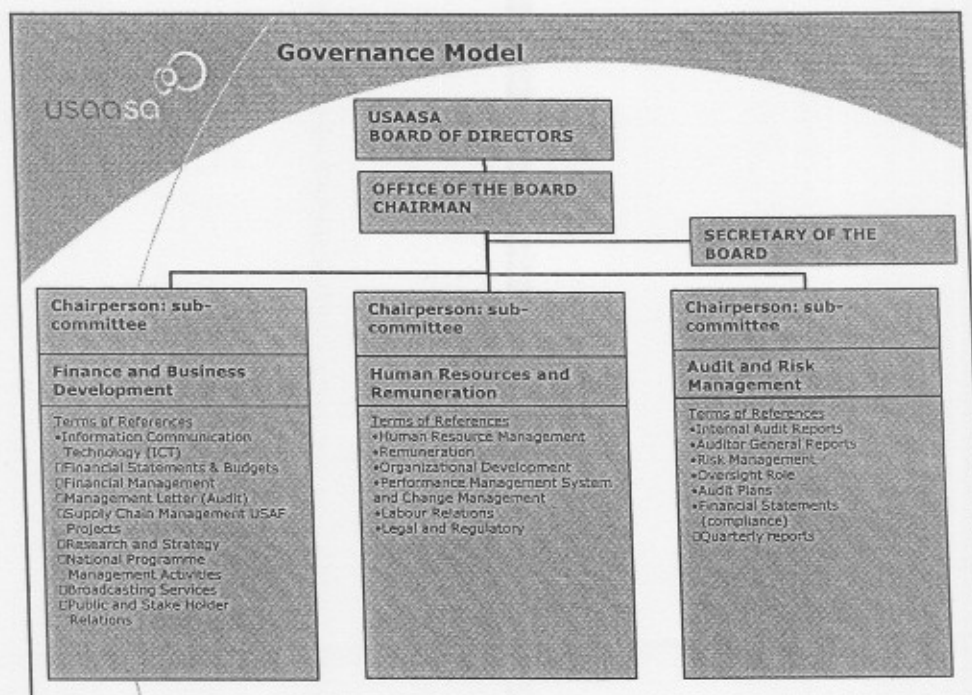
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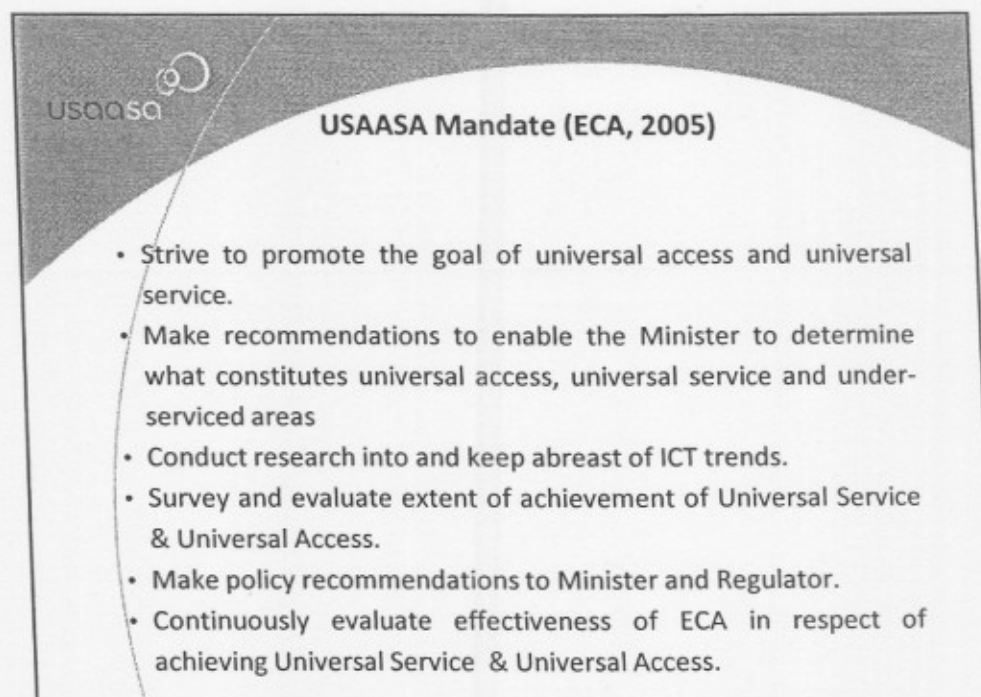
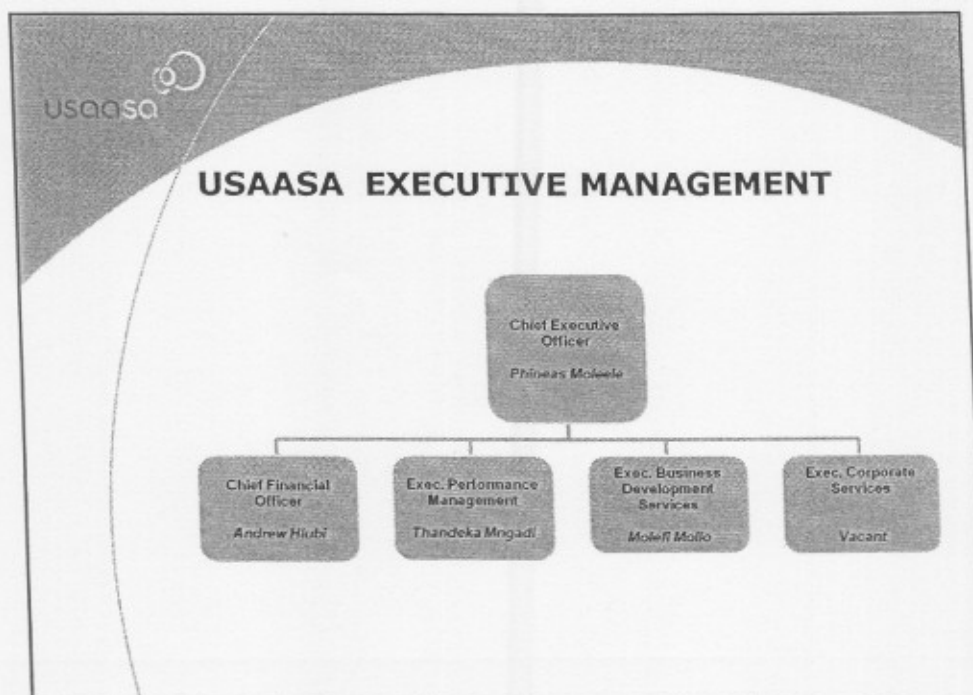
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## **OVERVIEW OF USAASA**







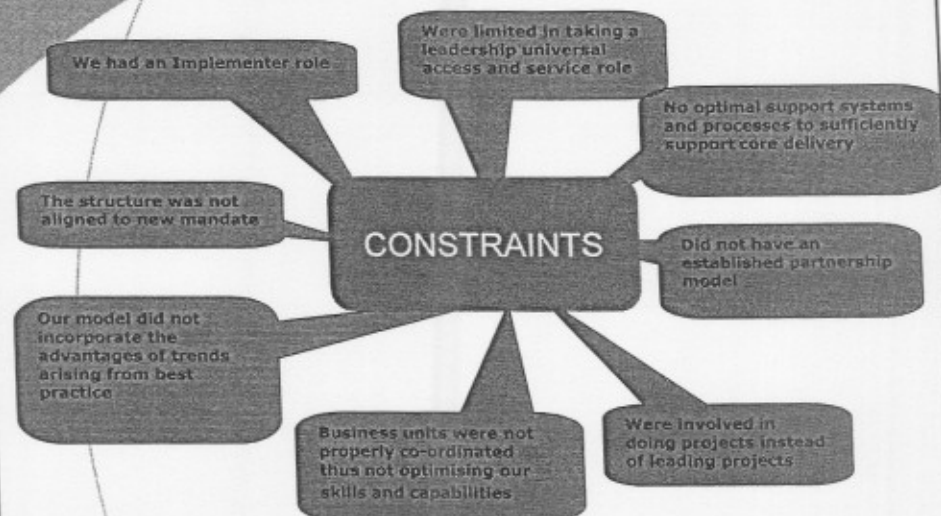
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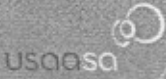
### USAASA Mandate (ECA, 2005)

- Manage the USAF
- Subsidise
  - Needy persons for the cost of provision / use of Electronic Communications Service.
  - Licensees for construction or extension of Electronic Communications Network Service in under-serviced areas.
  - Schools & colleges for provision of Electronic Communications Service and access to Electronic Communications Network Service.
  - Training & allowances to operators of centres.
- Competitive tender for Universal Service & Access projects in under-serviced areas in order to roll out infrastructure and services by the licensees


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### CHALLENGES FACED IN THE PAST





**IN 2009 THE AGENCY TOOK A LEAP FORWARD – A NEW STRATEGIC PLAN WAS DEVELOPED.**



**VISION AND MISSION**

**VISION**

By 2020 USAASA, with its partners, will have created for:  
"Every man, woman and child whether living in the remote areas of the Kalahari or in urban areas of Gauteng – opportunity to connect, speak, explore and study - using ICT"

**MISSION**

Facilitate and maintain universal service and access to ICT services to all South Africans in partnership with other stakeholders to achieve an inclusive information society

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## STRATEGIC OBJECTIVES of USAASA

- Provide universal service and access strategy, policy and leadership
- Facilitate interventions in ensuring affordable and equitable access and usage
- Monitor and evaluate effective use and social appropriation
- Efficient and effective management of the Universal Service and Access Fund
- Achieve project based organisational excellence
- Facilitate multi sectoral networks towards improving the public profile of the universal access and service

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## New Operating Model

From

To

A legacy focus



Custodian of integrated strategy and 2020 ICT vision

Implementer



Leadership and Facilitator

Talking to partners



Working with partners as a networked organisation

Ad hoc research



Knowledge Hub – aligned to strategy

Doing projects

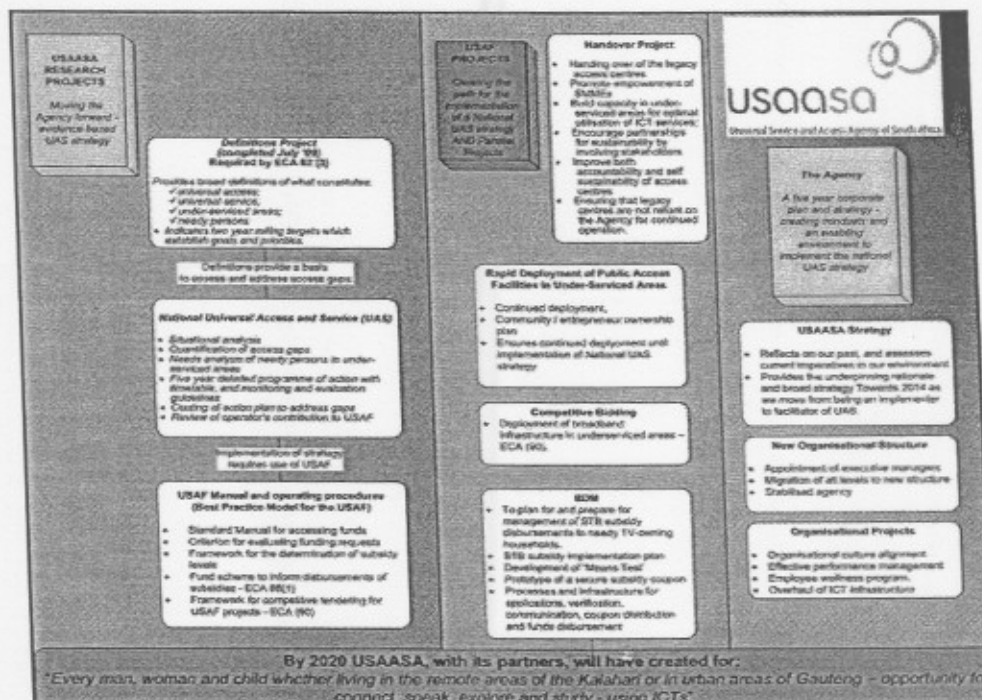
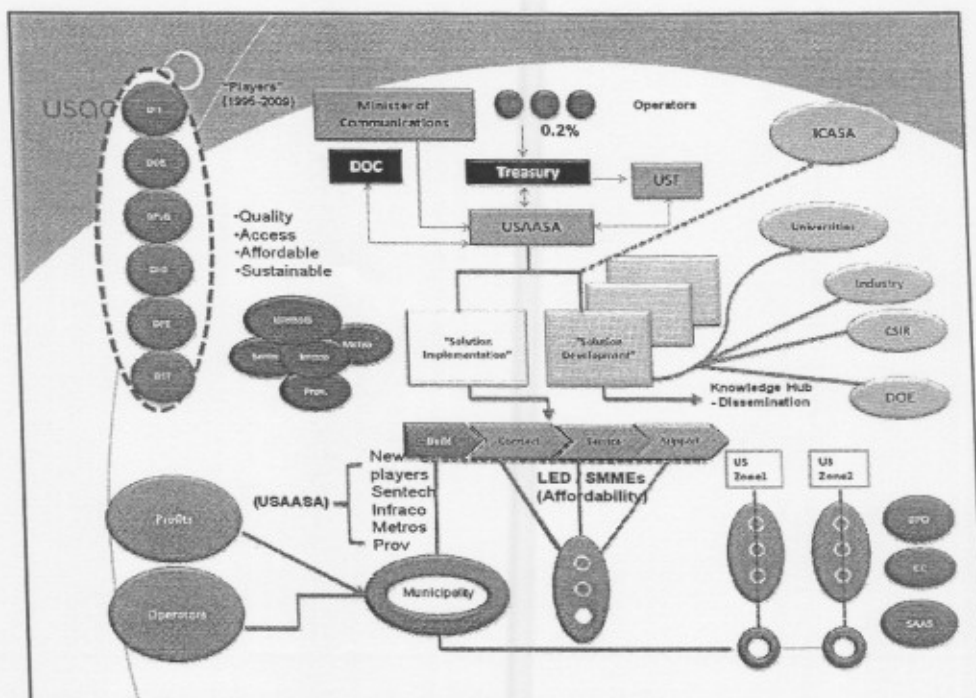


Managing projects through a PMO in collaboration

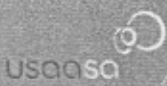
Not spending all available funds



Focused spending within new operating model and strategy








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### 5 PRIORITIES

- Job creation;
- Education and skills development;
- Health care;
- Rural development;
- Fight against crime and corruption.

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### DELIVERY AGREEMENT 12 OUTCOMES

- Output 1: Improving competition and regulation
  - ECA Amendment
  - ICASA Amendment
  - Integrated ICT Framework
  - Review of legislation having a bearing on ICT
- Output 5: Communication and Information Technology
  - Improve broadband to 256 Kbps through broadband policy intervention
  - Increase Broadband penetration from 2% to 10% by 2014
- Output 6: Develop a set of operational indicators for each segment
  - Scheme for Ownership support for poor TV owning households, finalized and approved

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## Priorities as outline by the Minister of Communications in the press briefing on the 11 Nov 2010

**In his first press briefing the Minister outlined the strategic thrust that the Department will focus on and they were:**

- Building an integrated National Broadband Plan
- Building a people-centered inclusive Information Society and Knowledge Based Economy
- Regulation and convergence
- Spectrum management
- Broadcasting Digital Migration
- ICTs and Climate Change

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**Priorities as outline by the Minister of Communications in the press briefing on the 11 Nov 2010**

**The Minister highlighted that the following projects will be prioritized by the Department:**

- e-Skills Institute
- ICTs and Rural Development
- Corporatization of the Postbank
- E-Connectivity and 2010 Legacy
- Local and Digital Content Development Strategy
- International Relations

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## ALIGNMENT TO DOC STRATEGIC OUTCOMES

<b>SG1:</b> Enable the maximization of investment in the ICT sector for socio-economic development, with focus on job creation	<b>SO4</b> Efficient and effective management of the Universal Service and Access Fund
<b>SG2:</b> Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secured to meet the needs of the country and its people	<b>SO2</b> Facilitate interventions in ensuring affordable and equitable access and usage
<b>SG4:</b> Accelerate the socio-economic development of South Africans by increasing access to, as well as the uptake and usage of ICT's through partnerships with business and civil society and 3 spheres of Government	<b>SO1</b> Provide universal service and access strategy, policy and leadership

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## ALIGNMENT TO DOC STRATEGIC OUTCOMES - CONT

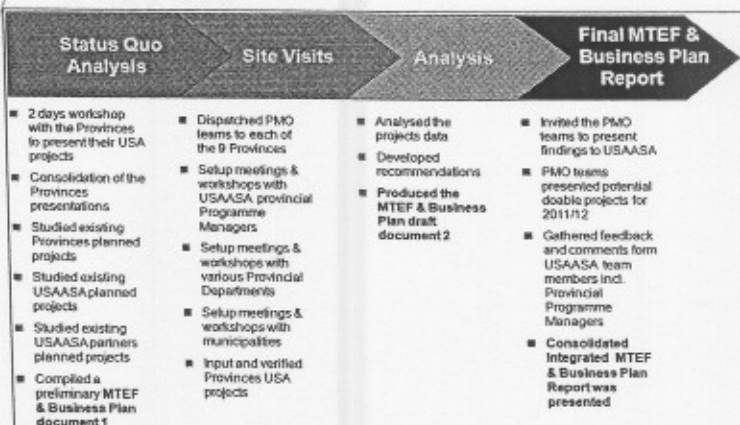
<b>SG6:</b> Enhance the role of ICT SOE's as the delivery arms of Government and support the Regulator	<b>SO5</b> Achieve project based organisational excellence
<b>SG7:</b> Contribute to the global ICT Agenda prioritizing Africa's development	<b>SO6</b> Facilitate multi-sectoral networks towards improving the public profile of the universal access and service
<b>SG8:</b> Facilitate the building of an Inclusive Information Society to improve the quality of life development	<b>SO3</b> Monitor and evaluate effective use and social appropriation

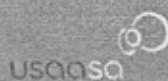


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## SUMMARY OF THE PROCESS FOLLOWED





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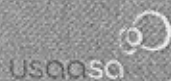
## USAF BASELINE ALLOCATION AND FUNDING REQUIREMENTS

Programme	2010/11 Rm	2011/12 Rm	2012/13 Rm	2013/14 Rm	Total Rm
Handover of e-connectivity	7.5 (7.5)	7.9 (7.9)	8.3 (8.3)	8.8 (8.8)	32.5 (32.5)
Rapid deployment	16.5 (16.5)	19.8 (19.8)	44.0 (44.8)	44.8 (44.0)	124.3 (124.3)
Broadband infrastructure	13.5 (13.5)	31.5 (9.0)	45.0 (13.5)	45.0 (0)	135.0 (26.8)
Broadcasting migration	180.0 (180.0)	220.0 (220.0)	2,050.0 (200.0)	0 (0)	2,650.0 (600.0)
Smart phones for people with disabilities	1.6 (0)	5.7 (0)	9.00 (0)	13.3 (0)	29.6 (0)
TV access device for people with disabilities	n/a	0.7 (0)	1.1 (0)	1.2 (0)	3.0 (0)
e-connectivity	171.7 (0)	291.0 (0)	400 (0)	507.8 (0)	1,370.5 (0)
<b>Total:</b>					
Required	390.8	577.6	3,557.4	628.1	4,145.9
Baseline allocation	317.5	396.7	365.8	51.8	792.8
Shortfall	-173.3	-320.9	-3,291.6	-567.3	-3,353.1



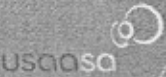
## KEY PROJECTS – 2011/12

- Set-Top Box (STB) Subsidies as part of Broadcasting Digital Migration (BDM)
- Broadband Infrastructure Roll-out Projects
- New Public Access Facilities in Under-Serviced Area
- Handover of Legacy Access Centres



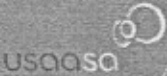
## PROJECT: STB SUBSIDIES AS PART OF BDM

- Project Objective
  - To plan for and prepare the Agency to successfully fulfil its role of managing STB subsidy disbursements to needy TV-owning households
- Key Deliverables
  - 'Means Test' for determination of a needy TV-owning household
  - Processes and infrastructure for applications, verification, communication, development of prototype of a secure subsidy coupon and coupon distribution and funds disbursement
  - STB subsidy implementation plan



## BROADCASTING DIGITAL MIGRATION


- USAASA's role in the Broadcasting Digital Migration is subsidy disbursement
- USAASA appointed a service provider to develop a strategy on subsidy disbursement
  - Development of Means test
  - Development of Processes for application capturing
  - System Design for STB distribution
  - Infrastructure Identification
  - Drafting of Retailer selection criteria
- The report has been presented to treasury with other SOE's of the Department indicating the status of the projects and milestones
- The strategy will be finalised in June 2011 and will be ready for roll out.
- SABC, Sentech, DOC, USAASA, SAPO and Treasury are partners in the project



## PROJECT: BROADBAND INFRASTRUCTURE ROLL-OUT PROJECTS

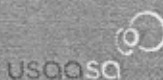
- Project Objective
  - To facilitate the deployment of a broadband network to cover the Municipal Areas (incl. schools, health facilities, police stations, municipality buildings, local business, the community and others)
- Key Deliverables
  - A broadband network covering a Tzaneen Local Municipal Area
  - Connected Government Institutions (schools, hospital, clinics, police station, court, local municipality, etc)
  - Connected communities





**PROJECT: BROADBAND INFRASTRUCTURE ROLL-OUT IN LIMPOPO**

- Project Stakeholders, which have been established
  - The Ministry of Communications (Incl. the Department of Communications)
  - Office of the Premier - Limpopo
  - CSIR
  - Tzaneen Local Municipality
  - Licensed Network Operators
  - Equipment Vendors/Manufacturers
  - Other local stakeholders



**BROADBAND ROLL OUT FOR RURAL DEVELOPMENT - Cont**

**May the Committee Consider and note the following:**

- Approval of the R 9million for Tzaneen site in partnership with the Tzaneen Local Municipality, National Treasury and CSIR
- USAASA and the provinces have done the feasibility studies on the following additional site for Broadband Roll Out
  - Muyexe
  - Emalahleni
  - Mantserere
  - Greater Giyane Municipality
  - Haskien Pan District
  - Francis Bard District



### PROJECT: NEW PUBLIC ACCESS FACILITIES IN UNDER-SERVED AREAS

- Project Objectives
  - To facilitate the deployment of public access facilities in under-served areas, in partnership with the ICT sector
  - To facilitate the empowerment of local SMEs in under-served areas
  - To facilitate innovative methods of achieving universal access and universal service
- Key Deliverables
  - Appointment of local entrepreneurs/SMEs in under-served areas where centres are to be deployed
  - Centres deployed in under-served areas
  - New access centre deployment model finalised



### BUILDING A PEOPLE-CENTERED INCLUSIVE INFORMATION

- 44 Public Access facilities will be deployed in the 2011/2012 financial year
- The Public Access facilities are done in partnership with the Municipalities and/or Provincial Government
- Training of centre managers is at the core of sustaining the centres and therefore accredited training will be offered
- These centres will be accredited for ICT training that will be offered to the community
- UNISA accreditation will be sought for distance learners to be able to utilise the centre

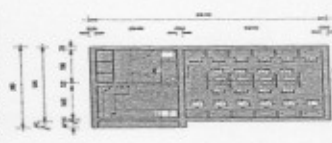


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## BUILDING A PEOPLE-CENTERED INCLUSIVE INFORMATION

### May the Committee consider and note the following:

- An additional 23 Public Access Facilities on site that have been already identified
- USAASA has done a concept document for the development of 9 ICT hubs
- The document identifies a site in each province
- The sites are identified in consultation with the provinces and Meraka e-skills institute

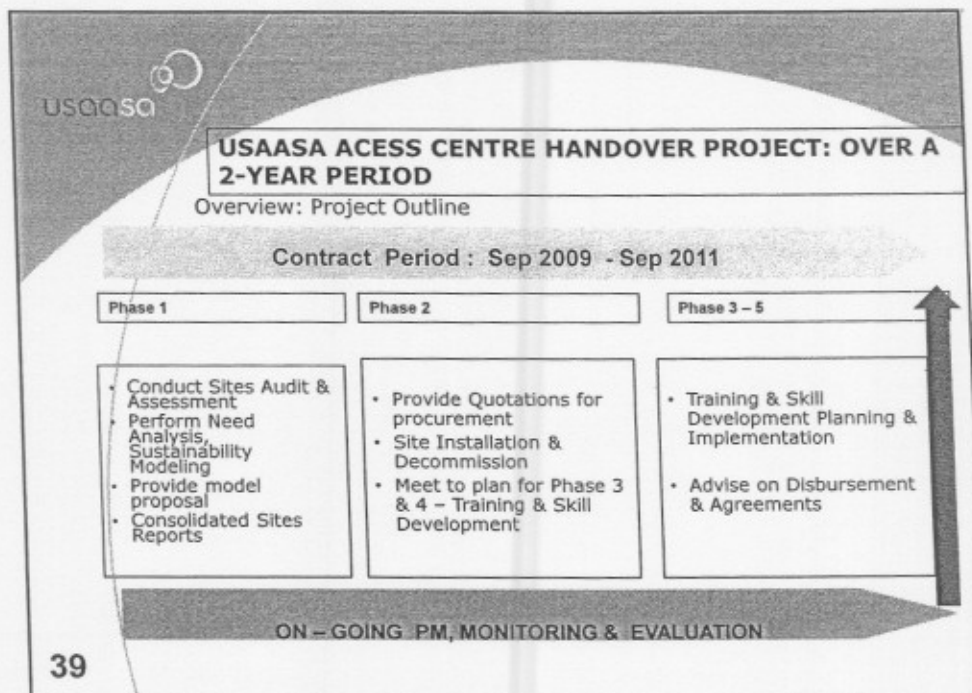


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## PROJECT: HANDOVER OF LEGACY ACCESS CENTRES

- Project Objectives
  - To ensure the long term self sustainability of legacy access centres
  - To empower entrepreneurs/and or communal structures at local level (through operations of legacy access centres)
- Key Deliverables
  - Engagements and agreements with key Government departments (Education, Rural Development and others)
  - Training and Skills Development of personnel in access centres and/or entrepreneurs to operate the centres
  - Effective Internet connectivity of all access centres





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### CONCLUSION ON USAF PROJECTS – JOB CREATION ESTIMATES

- USAASA anticipates that it will create 88 jobs through the Rapid Deployment of Access Centres
- 528 Temporary jobs will be created through the construction of the Access centres.
- 10 Temporary jobs will be created by Rehabilitation and Hand over project
- SA National Military Veteran Association(SANMVA) members to run iCafes creating about 200 jobs in Msinga
- 25 Community Access Centers will provide about 100 job opportunities in Msinga
- The BDM strategy development will create a 1000 temporary jobs for a period of a Month



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## CONCLUSION ON USAF PROJECTS

### May the Committee Note the Following:

- The following priority of the Minister is not addressed in USAF due to the limited baseline allocation even though the business cases have been developed for implementation:
  - E-Connectivity
- The following priorities will be addressed in collaboration with our partners:
  - 2010 Legacy
  - e-Skills

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## BASELINE NOT FUNDED

Programme	2010/11 Rmm	2011/12 Rmm	2012/13 Rmm	2013/14 Rmm	Total Rmm
Smart phones for people with disabilities	1.6 (0)	5.7 (0)	9.00 (0)	13.3 (0)	29.6 (0)
TV access devices for people with disabilities	n/a	0.7 (0)	1.1 (0)	1.2 (0)	3.0 (0)
e-connectivity	171.7 (0)	291.0 (0)	400 (0)	507.8 (0)	1,371.5 (0)

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## USAASA

	Estimated Outcome 2010/11	Medium-term estimate		
		2011/12	2012/13	2013/14
<b>Major Objectives</b>				
Research costs	3 409	2 750	6 500	8 500
BMD set-top boxes capacity building	15 800	23 000	-	-
Corporate Identity, branding and public awareness initiatives	2 214	7 440	21 805	22 862
Staff costs	23 025	28 125	29 802	31 446
IT system upgrade - Integrated solution	5 736	1 197	1 260	1 320
<b>Other Objectives</b>				
Corporate services	5 021	2 066	2 106	2 138
Other non-core administrative costs	11 099	17 614	18 970	20 831
Monitoring and evaluation	400	976	5 833	4 200
<b>Total</b>	<b>66 704</b>	<b>83 163</b>	<b>86 276</b>	<b>91 297</b>

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## IDENTIFICATION OF RESEARCH PROJECTS

-Research projects were identified through the outcome of the Universal Service and Access Strategy

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## OUTCOME OF THE UNIVERSAL SERVICE AND ACCESS STRATEGY

### STRATEGY 2011-2015 & Action Plan: Universal Access to Broadband

USQASA leadership towards the development of a National Broadband Plan

	Pillar 1 Affordability	Pillar 2 Competition	Pillar 3 USAF	Pillar 4 eSkills
Business Intelligence	Strategy ("the horizon") Knowledge management (analytics, internal reporting -sharing information). LEARNING INSTITUTION Monitoring and evaluation (USQASA performance metrics) R&D (specific intelligence for institutional competitiveness) Structured and systematic system of consultations with Government and Industry			
Advocacy	Price awareness campaign .spec commission of inquiry .e-rate redefinition .investig on Gov spending ICT .Media relations strategy .Lobbying Parliament .Liaise ICT gov institutions .Liaise ICT private sector	Policy formulations .national broadband plan .USAF mandate revision .open access .Regulatory interventions .SANREN license conditions .open access to networks .open interconnection regime .facilities sharing .LOCAL LOOP UNBUNDLING .Roles of ICT Gov & Priv Institutions .Spectrum management rural	Intelligent ecosystem projects Demand driven projects USAF utilisation .Focus last mile investment .Subsidise thru partnerships .Access Development Fund .(subsidy allocation through IDC/DBSA/Province DevAgs) .Best international practice use .USAF management .relook at the USALs .Monitoring & Evaluation projects	Liaison/partnership w DoE .ICT awareness facilitation .R&D best eSkills practices

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## **FEASIBILITY STUDY FOR NATIONAL BROADBAND: FUNDED IN BASELINE**

- (Orchestrating the Backbone infrastructure with current players) : Feasibility study for achieving 25% of universal access to broadband for the period 2011-2016
- To be undertaken in collaboration with Shareholder

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## **MONITORING & EVALUATION: US & A INDICATORS**

### **• Purpose**

- Monitor and evaluate effective use and Social appropriation

### **• Outcome**

- Validation of National indicators
- Audit report of public access facilities
- GIS system of National network coverage and public access facilities (2012/13)



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### **FURTHER RESEARCH PROJECTS: UNFUNDED**

- Spectrum Management
- E-Rate review project
- Open Access Networks
- Promotion of Affordable Universal Access: a Commission of inquiry into Broadband and communications pricing; Identify areas and option for regulatory impact on universal access and service

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## KEY NEXT STEPS

- Obtaining funding for the projects outlined in the Business Plan for 2011/2012
- USAASA through the provincial team to facilitate the planning and implementation of Universal Access and Services programmes in Provinces.
- USAASA to focus on the National Broadband Strategy for backbone infrastructure and facilitate the implementation thereof.
- USAASA to facilitate the unlocking and administering of the USAF in order to undertake the Identified programmes including the National Broadband Strategy for Backbone Infrastructure
- National repositioning of USAASA as a facilitator and fore runner of Universal Access and Universal Services



## CONCLUSION

- ICTs are an enabler of socio economic development
- The Agency in the context of the ECA is vested with a role to facilitate this development
- We are therefore a key stakeholder in the fight against poverty and under-development
- The projects in the 2011/12 Business Plan are demonstrative of the seriousness of both our intent and action thereto
- **USAASA has turned the corner and is ready to achieve on its 2020 vision**