

National Telecommunications
Regulatory Commission (NTRC)

UNIVERSAL SERVICE FUND
ANNUAL REPORT 2014

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1.0 BACKGROUND

The Universal Service Fund was established under Section 42 of the Telecommunications Act of St. Vincent and the Grenadines Revised Edition 2009. The Fund is managed by the National Telecommunications Regulatory Commission (NTRC) – which collects, disburses and makes relevant decisions with regards to the proper and effective management of the Fund.

1.1 What is the Universal Service Fund?

The Universal Service Fund (USF) is a fund to be used by the NTRC, to compensate any telecommunications provider who is required to provide or promote Universal Service.

Universal Service includes the provision of:

- Public voice telephony
- Internet access
- Telecommunications services to schools, hospitals, similar institutions and the physically challenged
- Other services by which people access efficient, affordable and modern telecommunications

The Fund will encourage efficient access to and use of telecommunications networks and services throughout St. Vincent and the Grenadines; with special focus on rural, under-served and maritime areas, and with the goal to help promote social, educational and economic development.

The Fund will also ensure the reasonable availability and affordability of basic and advanced telecommunications services, where the commercial telecommunications market is unable to deliver such services in a financially viable manner independently; and also to the physically challenged, elderly and indigent communities.

The Fund will also provide support for the introduction and expansion of telecommunications services to schools, health facilities and other organizations serving public needs.

1.2 Who contributes to the Universal Service Fund?

As set forth in the Telecommunications (Universal Service Fund Contribution) Order 2008, all telecommunications providers shall contribute to the Universal Service Fund. In terms of due dates for payments of these contributions, Section 5 of the Contribution Order states that within 45 days of the reporting year, the contributor must pay and provide supporting documents used in the calculations. Parliament may also appropriate funds for use by the Fund. Grants and donations may also be made to the Fund by individuals or legal entities.

1.3 Management of the Fund

Effective September 16, 2008, the Telecommunications (Universal Service Fund) Regulations 2008 were gazetted and came into operation. The aim of these regulations is to provide for the efficient and effective management of the USF. The regulations govern the way in which the Fund operates. Along with these regulations, there are the Universal Service Guidelines issued under Section 7 of the Telecommunications (Universal Service Fund) Regulations to facilitate the proper operation of the Fund. These guidelines are an indication of the policy and procedures that must be followed in the operation of the Fund.

The USF will play an integral role in the development and technological innovation of the telecommunications sector and of the country as a whole.

2.0 SWOT ANALYSIS

2.1 Strengths

- To date, the USF has been able to provide increased internet access to all schools, various public institutions, learning resource centers, community centers, tourism sites, and various households throughout the country, which has provided benefits to numerous Vincentians. Additionally, with the implementation of the Maritime Project, coverage at sea has been improved so that in the event any distress occurs, fishermen's communication processes will not be hampered.
- The USF has been able to coordinate with various stakeholders and engage with the public on a large scale. Therefore, the public has been constantly reminded of the functions and activities of the USF. As a result of this, proposed project ideas have been received, and the Commission addresses any concerns raised by the public. Thus, making the USF a household name.

2.2 Weaknesses

- The USF has implemented seven projects to date and, therefore, project monitoring must be done on all seven projects on a regular basis. As a result, additional staff had to be brought in to assist with the monitoring of these projects.

2.3 Opportunities

- With the introduction of the I² Competition, various applications and ideas have been developed by the students which can be implemented globally to assist in the advancement of the technology sector.
- The availability of advanced educational programs to the Vincentian public to improve their educational background, which are currently being provided under the SMART Project – therefore, making more job opportunities possible.
- With the benefits that have been derived from the implementation of the USF projects, there are opportunities for global organizations to provide external funding for the maintenance and implementation of additional projects.

2.4 Threats

- Over the past few years, the USF has seen a decrease in the revenue that has been received from telecommunications providers.
- Possible misuse of the equipment and services which have been provided under the projects. However, to reduce the occurrence of these incidents, the Commission normally embarks on activities to sensitize the public on refraining from such negative actions.

3.0 CRITICAL ISSUES

With regard to the decrease in USF revenues for the past few years, this can potentially affect the maintenance of existing projects, and also the implementation of future projects.

4.0 SECTOR REVIEW

4.1 Telecommunications Revenue

Table 1 shows data from the NTRC Annual report 2014

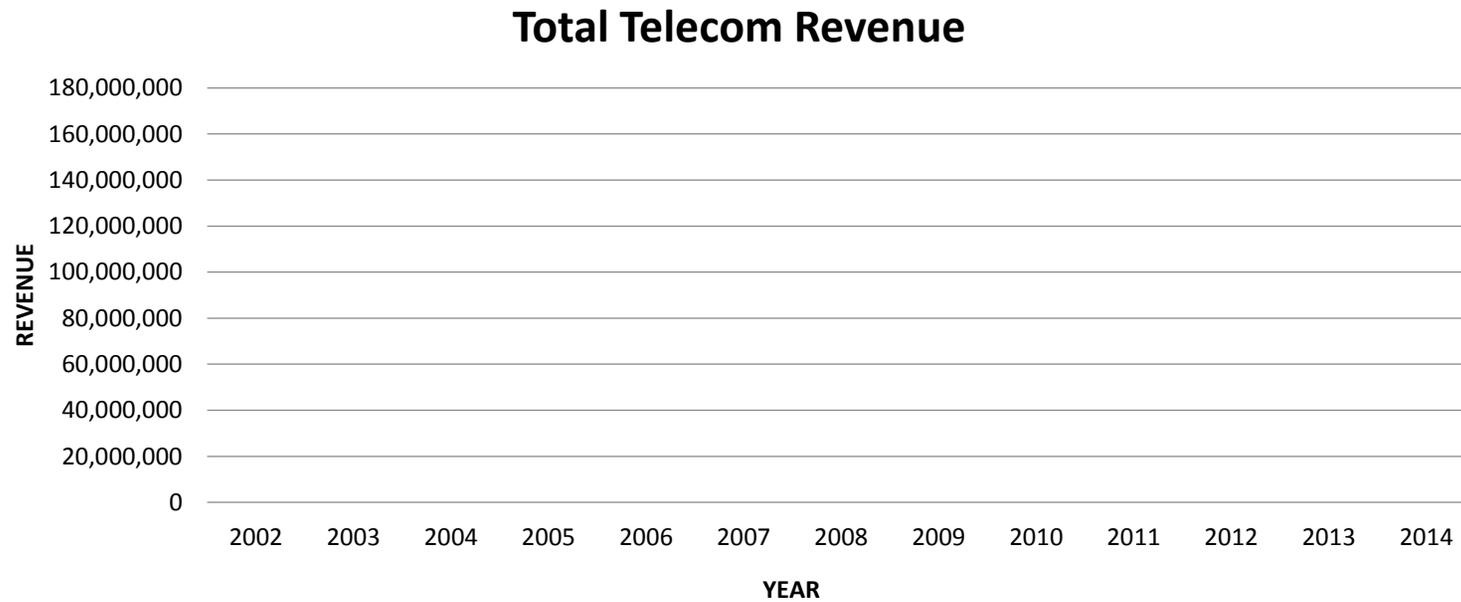


Fig 1. Shows data from the NTRC Annual report 2014

The revenue generated by telecommunications operators decreased by a margin of 3.25% in 2014. This was due to a decrease in Cable and Wireless' international and domestic revenue, despite there being a slight increase in its mobile revenue. There was also a marginal increase in both Digicel's and Karib Cable's revenue.

4.2 Financial performance of the Universal Service Fund

Revenue

For the year ended December 31, 2014, the Universal Service Fund budgeted to receive a total of One million, two hundred and eighty-three thousand dollars (\$1,283,000) from telecommunications service providers, and interest on the account was projected to be thirty-seven thousand, five hundred dollars (\$37,500). The actual revenue received by the Universal Service Fund in 2014 was one million, two hundred and ninety-nine thousand, one hundred and thirty-three dollars and fifty-two cents (\$1,299,133.52). A total of forty-one thousand, seven hundred and twenty-four dollars and ninety-three cents (\$41,724.93) was received as interest on the account. The increased interest was mainly due to fewer project payments being made than what was originally budgeted for. Therefore, more funds remained in the account and gained interest.

Expenditure

Recurrent:

For the year ended December 31, 2014, the USF budgeted to spend three hundred and eight thousand, and eighty-nine dollars and fifty-

six cents (\$308,089.56) on recurrent expenditure. However, three hundred and twenty Thousand, four hundred and forty-two dollars and seventy-one cents (\$320,442.71) was actually spent. This difference in figures was a direct result of an unexpected increase in the field work activities conducted by the USF. The Fund has recently been conducting impact assessments on the various projects in an attempt to gather feedback from the public. Secondly, the initial budgeted amounts allocated for the first annual I² Competition were under estimated; and thirdly, the USF produced infomercial videos for the Maritime and School projects which were also not included in the initial budget.

Projects:

For the year ended December 31, 2014, the USF budgeted to spend one million, eight hundred and sixty-eight thousand, one hundred and ninety dollars and seven cents (\$1,868,190.07) for payment on projects. However, one million, three hundred and seventy-four thousand, seven hundred and six dollars and eleven cents (\$1,374,706.11) was actually spent. The reason for this is, the NTRC had hoped that two projects namely, the Police and Health Center Project and the Payphone Project would have been commissioned in 2014. As this did not occur, some project payments had to be deferred.

Conclusion

The performance of the USF over the 2014 financial year was fitting, and the management of the fund continues to be efficient.

4.3 Projected revenue for 2015

The Fund is projected to receive just over one million dollars in 2015. This consists of contributions from telecommunications service providers of one million, two hundred and eighty-three thousand dollars (\$1,283,000.00), and an interest on the account of thirty-seven thousand, five hundred dollars (\$37,500).

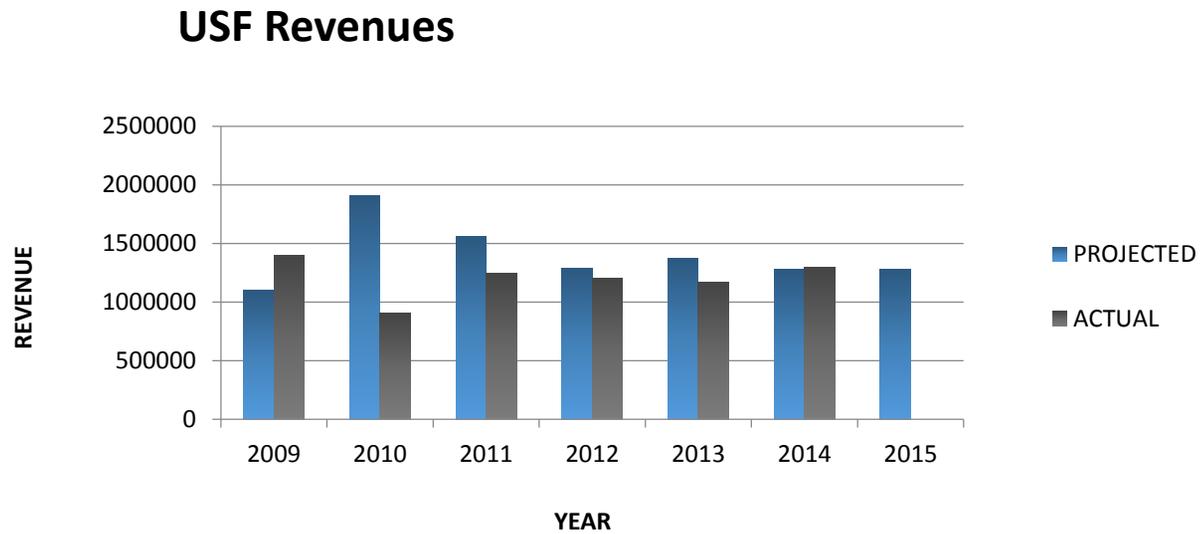


Fig 2. Shows data from the NTRC Annual report 2014

5.0 Human resource development for 2014:

The NTRC continued to expose its staff to relevant courses and seminars that would benefit the organization, both in the short and long term, taking into account the limited resources available.

Particular areas covered by the USF Administrator in 2014 were as follows:

- The Canto conference 2014 which was held in the Bahamas.
- Both the USF Administrator and the USF Assistant obtained a certificate in the program 'Managing Projects for Success'.

The following learning materials were also purchased and reviewed by both the USF Administrator and USF Assistant:

- Managing Yourself and Others (from the Harvard Business Review)
- Project Management Life
- Project Management – A Systems Approach to Planning, Scheduling and Controlling
- Managers' Tool Kit
- Being the Boss
- Project Management Body of Knowledge
- Thinking Fast and Slow
- Certificate in Managing Project for Success

6.0 Public awareness

The USF held three community discussions at the following locations during 2014:

- Barrouallie Learning Resource Center
- Layou Learning Resource Center
- Vermont Community Center

The USF also held two Open Day Sessions at the following locations during 2014:

- Barrouallie Learning Resource Center
- South Rivers Learning Resource Center

Furthermore, the USF held three school discussions at the following schools during 2014:

- West St. George Secondary School
- St. Mary's R.C Primary School
- Stubbs Government School

USF Advertisement

The USF television advert was aired on SVG TV in the month of September 2014.

Public Drive

The USF held a public drive at the gallery outside the Postal Corporation head office in the month of October 2014, where information about the USF and the NTRC was distributed. The USF and NTRC banners were erected at the location, and there were several pamphlets handed out to members of the public. In addition to this, the USF Project Officer and the USF Assistant were on hand to explain the inner workings of the USF and the NTRC, respectively.

7.0 TELECOMMUNICATIONS PROJECTS

In 2014, no new contracts were signed for the implementation of new projects by the USF. This decision was made so that the NTRC could ensure that all of the projects, which had previously been undertaken, were commissioned before additional projects were embarked on. So far, the USF has undertaken a total of seven projects.

7.1 Internet Project

The first project undertaken by the USF in SVG was called the Internet Project, and was signed in collaboration with LIME, at a cost of four hundred and twenty-seven thousand, six hundred and eight dollars and ninety-eight cents (\$427,608.98). It saw 28 rural locations outfitted with wireless internal and external internet access points with minimum speeds of 8 Mbps. These locations included 12 learning resource centers, 9 rural schools and 4 community centers. This project was commissioned in 2011, and will run for a period of five years.

7.2 Payphone Project

The second project is called the Payphone Project and was signed with LIME in 2011, at a cost of one million, four hundred thousand, five hundred and seventy-five dollars and forty-five cents (\$1,400,575.45). This project has seen 25 payphones installed at various locations across St. Vincent – including tourism sites, beaches and at points along the main road. Internet access will also be provided at the tourism sites and beaches at a minimal cost. Overt vandal proof security cameras were also installed at selected tourism sites and at the beaches to minimize the threat of vandalism to the payphones, as well as to provide some security for visitors to these locations. All of the equipment has been installed, but the payment solution for the wireless billing is expected to be completed, and commissioned at the beginning of the second quarter of 2015.

7.3 Schools Project

The third, and largest project is the Schools Project – which provides internet services to all 107 educational institutions via interior and exterior high-speed wireless connections, with speeds of up to 20 Mbps. This contract was signed in 2011 in collaboration with LIME, and the project was commissioned in 2012. The cost of this project is five million, two hundred and thirty thousand, six hundred and twenty-three dollars (\$5,230,623); with a duration of 5 years. There is also a content filtering system established for this project to prevent access to undesirable websites.

7.4 Maritime Project

The fourth project, which is the VHF Maritime Project, was implemented to provide access to both emergency and non-emergency communications in the Exclusive Economic Zone (EEZ) of St Vincent and the Grenadines. This project was done jointly with the NTRC and ECTEL. The Commission, through ECTEL, was able to secure part funding for the project via a grant made available by the World Bank in the amount of two hundred thousand U.S Dollars (US \$ 200,000). The contract for this project, as it relates to the capital cost, was signed on December 20, 2011, after an agreement was arrived at – with Cable & Wireless being the only entity to submit a bid. This contract was signed for a total of one million, one hundred and twenty-five thousand, seven hundred and eighty-one dollars (\$1,125,781). The funds from the World Bank were used to purchase equipment under this project. Additionally, a separate contract for the maintenance of the equipment and the system, for a period of five years, was signed between the NTRC and Cable & Wireless. This phase of the project was entered into on November 20, 2012, at a cost of four hundred and forty-four thousand, nine hundred and thirty-two dollars (\$444,932). This project will allow the use of VHF channel 16 and DSC channel 70 – new standard channels for maritime emergency communications.

The total cost of this project is one million, one hundred and twenty-five thousand, seven hundred and eighty-one dollars (\$1,125,781), and was awarded to Cable & Wireless. The project was commissioned in 2012, and the equipment included in this project was installed at the St. Vincent and the Grenadines Coast Guard Base and a remote site at Mt. St. Andrew. One hundred VHF / DSC handheld radios and 10 mobile VHF radios were also procured under this project, and are being sold to registered fishermen at a 50 per cent subsidy.

7.5 Police and Health Center Project

The fifth project is the Police and Health Center Project. This project provides wireless internet access at all 29 Police Stations and 42 Health Centers throughout St. Vincent and the Grenadines, at a minimum speed of 8 Mbps. The cost of this project is seven hundred and eleven thousand, and fifteen dollars (\$711,015), and is being implemented by Karib Cable for a period of 2 years. Thirty-one computers were also installed at various clinics, and 14 computers were installed at the Milton Cato Memorial Hospital. The RSVG Police Force Training School was also outfitted with 10 computers to assist the recruits and other officers with their research work. The commissioning process began on December 17, 2014, and the services were monitored for two months to ensure that they were stable – especially in the Grenadine islands. Through this project, internet services were introduced on the two Grenadines islands of Mayreau and Canouan for the very first time. This project will be commissioned in the first quarter of 2015.

7.6 Community Center Project

The sixth project implemented is the Community Center Project. This project provides wireless internet access at 14 Community Centers in various communities throughout St. Vincent and the Grenadines, at a minimum speed of 8 Mbps. The contract for this project was signed in 2012 with Karib Cable, at a cost of one hundred and nineteen thousand, five hundred and three dollars and twenty-nine cents (\$119,503.29), and it is being implemented for a period of two years. The project was commissioned on March 4, 2014. Under this project, the newly established Salvation Army Children’s Home will also be outfitted with 6 computers and internet access to assist with the

development of the children's ICT skills. All residents from the various communities, where these project sites are located, have access to the wireless internet on a 24/7 basis. This project was a follow up project to NTRC's first project. The telecommunications provider Karib Cable has agreed to increase the speeds to 20Mbps at all locations, and this will be completed by January 12, 2015.

7.7 SMART Project

The seventh and last project that is currently being undertaken by the NTRC is the SMART Project. This project will facilitate the necessary infrastructure and platforms at the St. Vincent and the Grenadines Community College to enable it to offer its existing and new courses online and in real time. Another component of this project is that 340 households will benefit from subsidized internet access at a price of \$10 per month for a maximum of 2 years. Additionally, a state-of-the-art computer lab containing 35 high powered computers including 20 Apple Mac computers were handed over to the Division of Technical and Vocational Education. This project will be executed at a total of one million, six hundred and ninety-eight thousand, nine hundred and ninety-four dollars (\$1,698,994), and is being implemented by LIME. This project was commissioned on September 25, 2014.

On September 16, 2014, classes commenced at the Division of Technical and Vocational Education for the Mobile Application, Mobile Application Advanced and the Cyber Security programs.

To date, 266 applicants have been selected for the subsidized internet access component, and equipment/services have been installed by LIME.

In addition to the USF projects being implemented, the government of St. Vincent and the Grenadines has continued the implementation of several projects which began in 2011 and 2012.

7.8 Improvement of Education with ICT

This project's overall objective was to develop human resources in the country, through the sustainable provision of learning opportunities for all persons in the State. This aims to equip them with the required values, skills, attitude and knowledge necessary for creating and maintaining a productive, innovative and harmonious society. The project was funded under the 9th EDF Project, and commenced in September 2008. However, the project came to an end in 2014.

7.9 CARCIP

Caribbean Regional Communications Infrastructure Program (CARCIP) is another project being implemented in this country. CARCIP is a World Bank financed initiative which seeks to increase St. Vincent and the Grenadines' access to regional broadband networks, and advance the development of an ICT-enabled service industry in the Caribbean region. CARCIP will be structured into three components with corresponding subcomponents as follows:

Component 1 comprises of a Regional Connectivity Infrastructure valued at US \$3.45 million. This component will support bridging priority connectivity gaps in St. Vincent and the Grenadines, and will connect the country with neighboring countries and regional backbones.

Component 2 comprises of an ICT- led innovation valued at US \$2.0 million. The objective is to stimulate growth of the IT enabled service industry, and to position St. Vincent and the Grenadines and the rest of the region as attractive destinations for IT and IT enabled businesses.

Finally, **Component 3** is the Implementation Support phase worth US \$0.55 million. The project was approved by the World Bank Board of

Directors on December 11, 2012. To date the project team has been fully engaged in undertaking the preliminary procurement activities. This project is expected to come to a close on February 1, 2017.

The following objectives have been achieved to date:

1. An ICT skills and certification study has been completed. Prescribed courses were recommended, and will be supported through the project.
2. Equipment for an internet exchange point (IXP) has been procured, and the management is working closely with the NTRC to commission and launch the IXP in February 2015.
3. There was a launch in September 2014 to implement the business incubation and training grants programme. Currently, they are in the process of evaluating expressions of interest for incubators, and calls have been made for proposals from incubates in the first quarter of 2015.
4. Training proposals have been issued for businesses that are interesting in developing the skill sets of their employees, and for training institutions to deliver a prescribed set of training. The deadline for submission was February 6, 2015.
5. Lastly, an assessment of the broadband network in SVG is currently ongoing.

7.10 SVG ENet

This project provides an internet-based solution for the Ministry of Education, where stakeholders with access rights and privileges will have access relevant educational resources from any location and at any time. It will comprise of two major sections: (i) an internal framework (intranet) for use by staff of the Ministry of Education, Head-teachers and Teachers and (ii) a public website for access by other stakeholders (parents, students, etc). This project was launched on March 27, 2012 and the website is being managed by the Media Unit in the Ministry of Education. The project was executed for a total of one hundred and seventy-seven thousand, four hundred and twenty-two dollars and two cents (\$177,422.02). This project was also a component of the improvement in education through ICT, and came to an end in 2014.

7.11 Technical Vocational Education and Training (TVET) Project

This is a project undertaken by the Ministry of Education, which was launched in December 2012, and officially started in January 2013. The project is being done through a \$5 million loan from the Caribbean Development Bank, and a \$1.4 million loan from the Government of St. Vincent and the Grenadines.

The main objective of this project is to increase the number of skilled and employable labourers in St. Vincent and the Grenadines, who possess certification that have national and regional acceptability; as well as to enhance employment opportunities for graduates and overall competitiveness in the country.

This will be carried out by training the teaching staff on a short-term and long-term basis, improving the infrastructure of the Technical Institutes and selected secondary schools, and provide equipment and supplies for the implementation of CVQ and NVQ programs; as well as introducing new services and facilities to meet the Caribbean Vocational Qualification (CVQ) standards.

The project will also train up to a maximum of 1,000 young people, who may be considered at risk. The project is expected to be completed by 2016.

8.0 OTHER ACTIVITIES OF THE USF

8.1 I² Competition

In 2014, the National Telecommunications Regulatory Commission (NTRC) hosted its second annual Idea and Innovation Competition known as the I² Competition.

In order to make the event a success, the Commission partnered with the National Insurance Services (NIS), the Searchlight Newspaper, the Ministry of Education, and the Centre for Enterprise Development (CED). Additional support was also given by the SVG Broadcasting Corporation, Toastmasters Organisation and Hot 97 SVG radio station.

This year's competition saw an increase in the number of entries. The competition encouraged students from various secondary, technical and tertiary level institutions from across the country to put forward ideas that could lead to the implementation of new systems or improve existing systems in the current departments within the Public Service of St. Vincent and the Grenadines, and other state agencies that provide services to the public. Such improvements should lead to cost savings or result in the faster delivery of services.

The competition primarily focuses on the importance of idea creation and the possibilities that can develop from the seeds of innovation that are planted in the minds of our young people. The students were also challenged to develop and present projects in the form of 'Innovative Ideas' and 'Mobile Applications'.

The competition officially began on Thursday, September 11, 2014, and concluded with the finals on Thursday, January 15, 2015. The finals consisted of 6 groups in the secondary school category for 'Mobile Applications', and 6 for 'Innovative Ideas'. For the tertiary level institutions, there were 2 groups for the 'Innovative Ideas' category, and for the 'Mobile Applications' category. In relation to the secondary school level, the St. Vincent Grammar School won the 'Mobile Applications' category, and the Union Island Secondary School won the 'Innovative Idea' category. The Division of Arts, Sciences and General Studies won both the 'Innovative Ideas' category and the 'Mobile Applications' category for the tertiary level institutions.

The Commission will further seek to have the relevant ideas and mobile applications, which have been presented throughout the competition, implemented where needed in the various Ministries, and explore the possibility of having the applications implemented globally. The NTRC has recognised the importance of this initiative, and will continue to have this event annually. The NTRC will be making additional efforts to increase the number of entries for the 2015/16 competition by making presentations at all secondary and tertiary level institutions throughout the country.

8.2 Infomercials

In 2014, the USF finalised the development of the two infomercials for the USF Schools and the Maritime Projects. These infomercials showcased the various aspects of each project with unscripted interviews from various stakeholders and recipients of the services.

The ten-minute infomercials will be used as a public awareness tool to assist the USF with the sensitization of the general public on the various projects implemented.

8.3 USF Impact Assessment

In 2014, the NTRC began to engage in an impact assessment to gather information from various individuals in different communities on the services provided by the various projects that have been implemented by the Universal Service Fund to date. This feedback will both identify the deficiencies within the services being provided, and also will highlight those areas where improvements are required. The commission is almost at the end of gathering information for the Internet Project, and will continue to do so for the other six major projects in 2015.

8.4 Handing over of free VHF radios

The NTRC handed over a total of 13 GMDSS VHF standard horizon radios to randomly selected fishermen across the country to assist in the communication process when they are at sea, and also to support them in the event an emergency occurs.

8.5 CANTO Award

In 2014, the NTRC won the first place CTC Project of the Year 2014 at the CANTO Conference, which was held in the Bahamas from August 10 -14. This was based on an infomercial that that was done for the SMART Project.

9.0 STATISTICS

9.1 Fixed line subscriptions

Figure 3 shows the fixed line subscribers over a six year period. In 2014, there was an increase in the number of subscribers to Cable & Wireless (LIME). However, there was a marginal decrease pertaining to Karib Cable's number of subscribers.

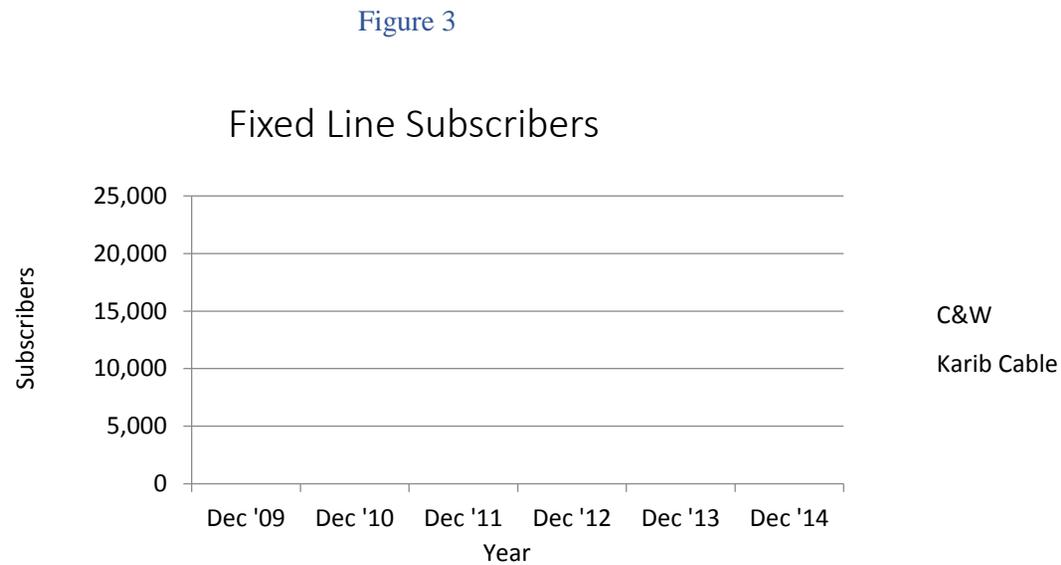


Fig 3. Shows data from the NTRC Annual report 2014

Figure 4

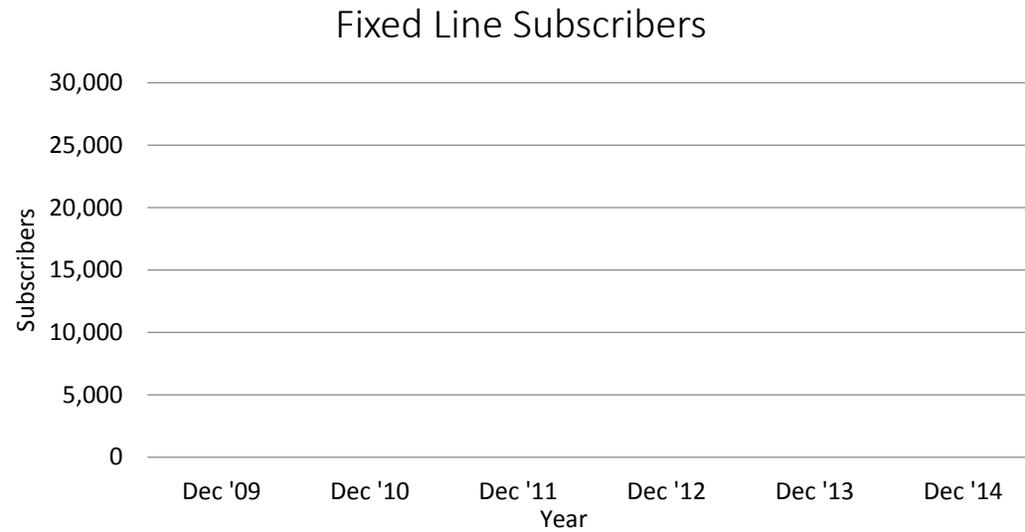


Fig 4. Shows data from the NTRC Annual report 2014

Figure 4 above shows that overall fixed line subscribers have increased in 2014, compared with the figures for 2013. This information was obtained from Cable and Wireless (LIME) and Karib Cable.

9.2 Broadband Internet subscribers

Figure 5 below shows the number of broadband Internet customers by provider. Both telecommunications service providers Cable and Wireless (LIME) and Karib Cable have experienced an increase in broadband subscribers in 2014.

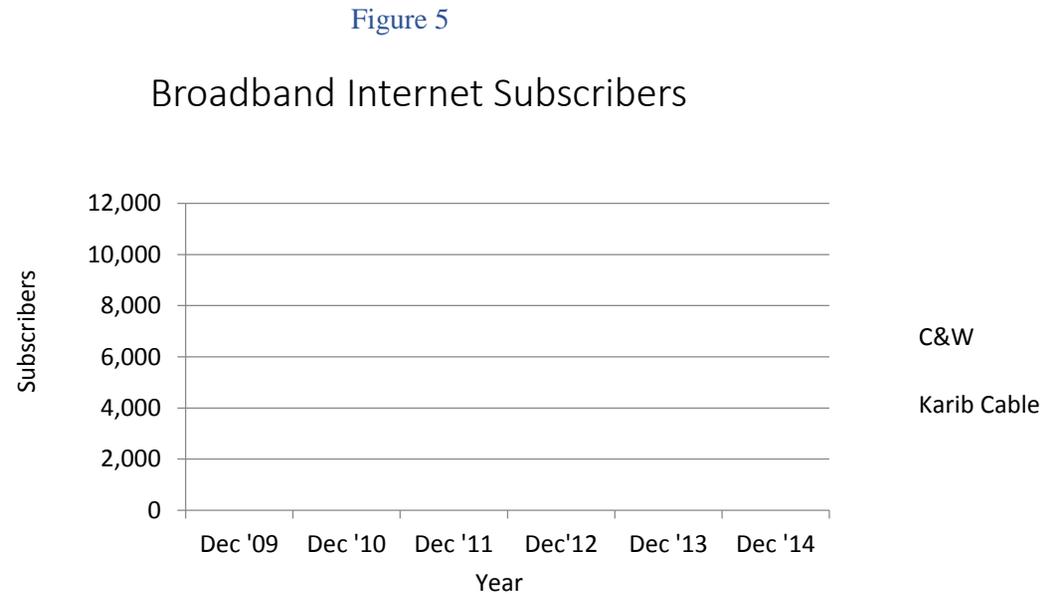


Fig 5. Shows data from the NTRC Annual report 2014

Figure 6 below shows the total broadband Internet customers in the country. The graph show an 11.7 per cent increase in 2014, in comparison to the figure for 2013.

Figure 6

Broadband Internet Subscribers

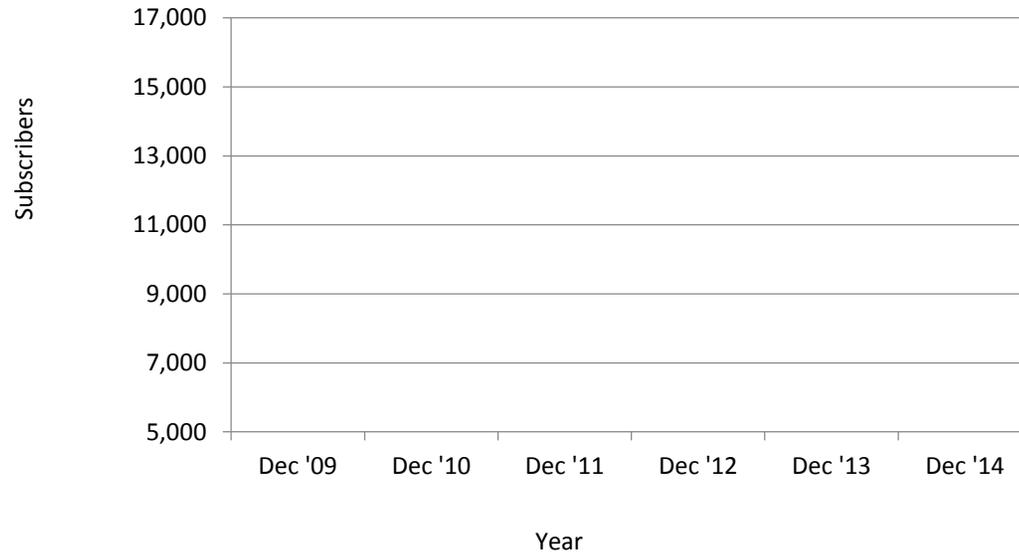


Fig 6. Shows data from the NTRC Annual report 2014

9.3 Portable Computers

Figure 7 below indicates the number of portable computers entering St. Vincent and the Grenadines. The diagram indicates that there has been an increase in the total number of portable computers which entered the country in 2014. The figures rose from 1,564 portable computers in 2013 to 17,417 in 2014. These portable computers have increased ten times compared to the 2013 figures. This major increase in the importation of portable devices in 2014 can be attributed to the ‘one laptop per child’ initiative for the secondary institutions throughout the country. This initiative was implemented by the Government of St. Vincent and the Grenadines in 2014.

Figure 7

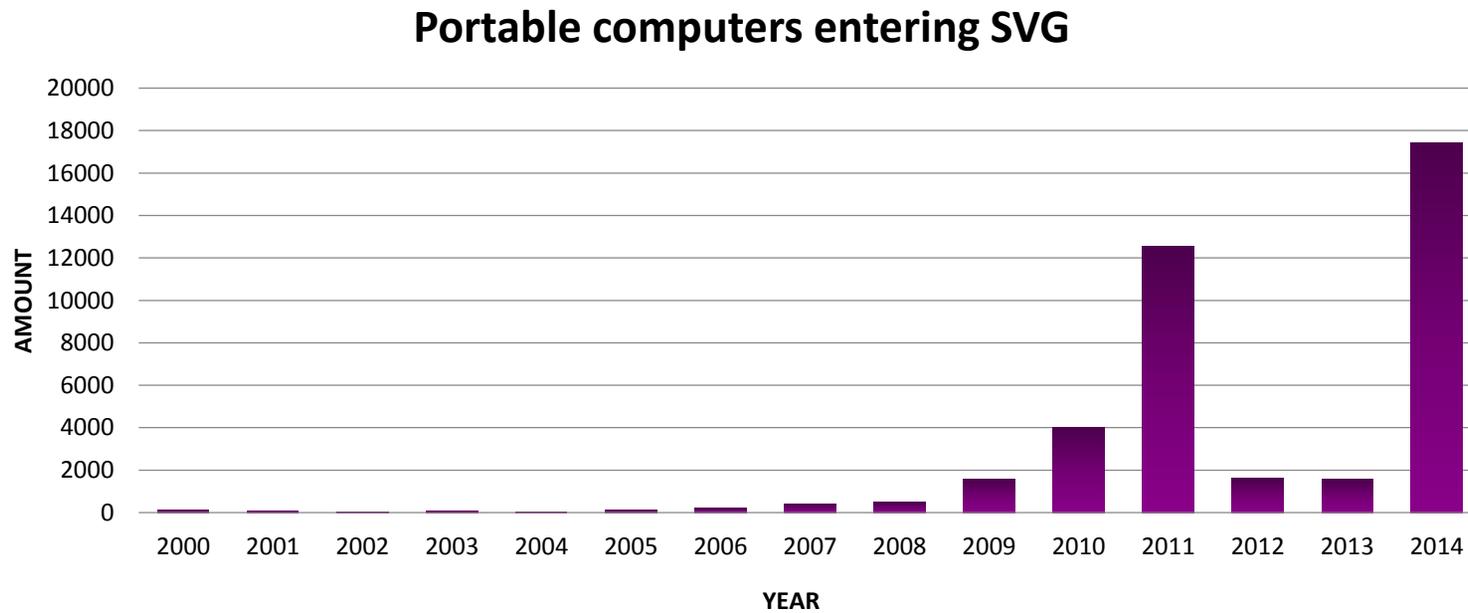


Fig 7. Shows data from the Customs and Excise Department

9.4 Desktop Computers

Figure 8 below shows the number of desktop computers entering the country. The graph shows that there has been an increase in the number of desktops being imported. The figures rose from 333 desktops in 2013 to 1,645 in 2014. This demonstrates a three-fold rate increase. This is possibly due to more businesses acquiring desktop computers for their companies' uses.

Figure 8

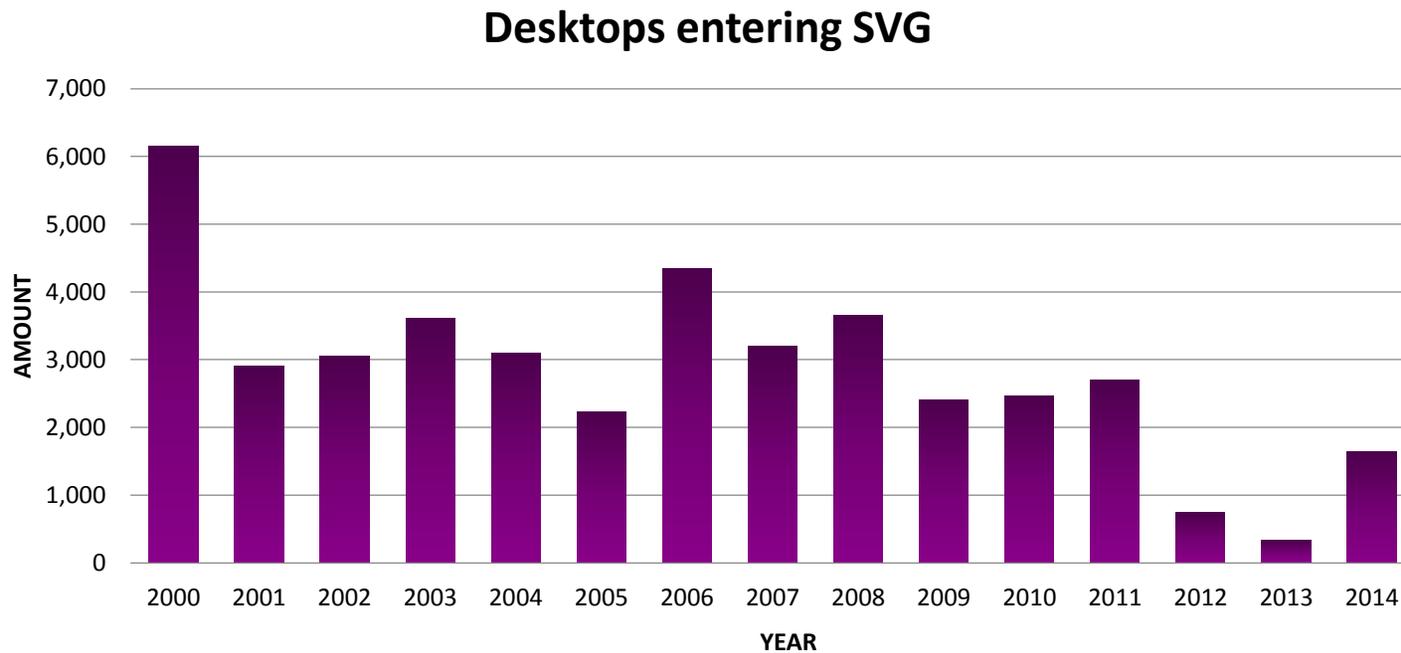


Fig 8. Shows data from the Customs and Excise Department

9.5 Mobile phones

Figure 9 below shows the number of mobile phones entering the country. The graph shows that there has been an increase in the number of mobile phones being imported. The figure rose from 8,285 mobile phones in 2013 to 32,416 in 2014. This demonstrates a four-fold rate increase. This is possibly due to the improved capabilities of the modern smart phones that are becoming increasingly available to consumers. Mobile phones are now capable of performing functions that only computers were previously able to do.

Figure 9

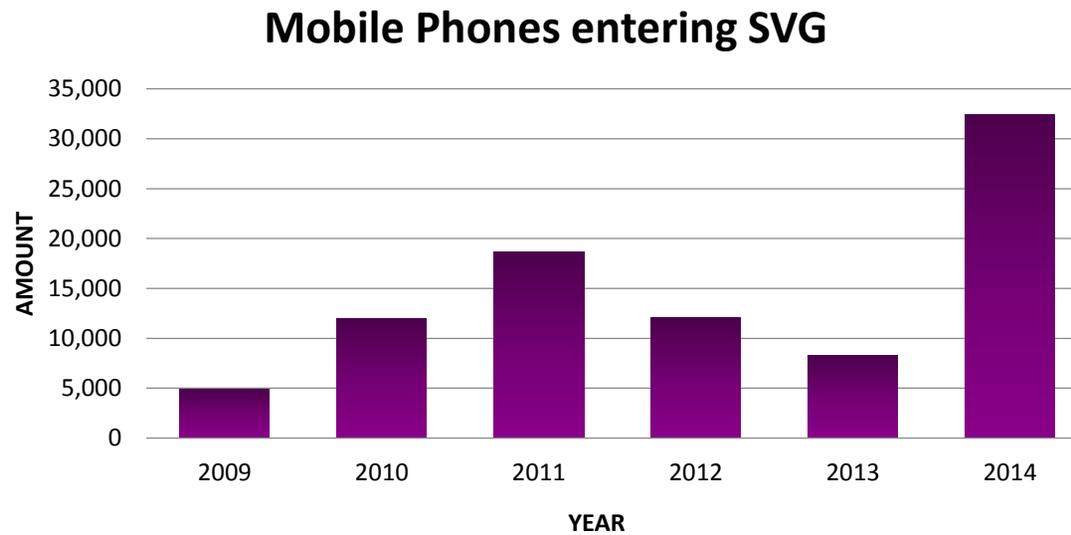


Fig 9. Shows data from the Customs and Excise Department

10.0 BROAD RESPONSE STRATEGIES

The USF has identified the need to continue interactions with the various stakeholders. The public awareness activities carried out in 2014 were successful, in that these events provided the general public, especially in rural areas, with a direct avenue to provide feedback to the NTRC with regards to their telecommunications issues. As such, the NTRC has an understanding of the issues that are affecting various stakeholders.

The USF will continue to carry out needed assessments by conducting the necessary surveys and field work activities in various communities throughout the country. These activities help identify new projects which can be implemented by the USF.

The NTRC will be seeking to have the rate of the USF contribution increased in 2015. This activity is of vital importance, as the scope of future projects may have to be reduced in order for them to be funded, if there is no increase in funding.

The USF will be increasing the monitoring activities of projects being implemented. This is to ensure that the equipment and services to be provided at over 150 locations are in place and functional.

The USF will continue to implement projects which will contribute to the increased access to and use of telecommunications services by the public.

For future projects, the USF intends to put penalties in place for failure to meet milestones in the implementation of the various projects.

11.0 RESULT INDICATORS 2014

1. An operating plan will be established. This plan will set out the objectives of the Fund for the operating year 2014.

This objective was completed. The USF Operating Plan 2014 was established. This plan outlines the priority goals of the USF for the year.

2. The public awareness plan will continue and will include a number of town hall meetings and open day sessions.

This objective was completed, with several public awareness drives being conducted. These included 3 public consultations, 2 open days and 3 school discussions, which were held across various communities on the island. The USF advertisement was also aired on the television, and on the various radio stations.

3. Additional projects will be identified to be undertaken by the USF.

There were no new projects proposed by the Commission, seeing as there are six outstanding projects that had already been identified in 2013, but are yet to be implemented. The Commission decided that the commissioning process needs to be completed for all existing projects before the implementation of any new ones. However, the commissioning process has not been completed for the existing projects. This process is expected to be completed in the first quarter of 2015. The following are the six projects that were proposed for execution in 2013, and continue to be of vital importance to the Commission with regard to implementation.

- I. **Emergency Communication Project** - This project will empower volunteers with the ability to access current weather and

seismic information, so that they can in turn notify their respective communities of any impending hazards in the event of natural or manmade disasters.

- II. **Hotspot Project** - The aim of this project is to provide high speed Internet access to the general public at high traffic areas throughout St. Vincent and the Grenadines.
- III. **Persons with Disabilities Project** -This project will provide communication capabilities to persons with hearing and visual disabilities.
- IV. **Rural Community Center Project** - The implementation of this project will increase Internet services at the community level. Suitable upload speeds will also be associated with this project.
- V. **Senior Citizen Project** - The objective of this project is to provide communication capabilities to senior citizens in the event of an emergency at their homes.
- VI. **Playing Fields and Hard-court Project** - This project will focus on providing wireless Internet access to persons going to the various playing fields throughout the country. Many of the country's hard courts and playing fields are located in rural communities, and are hubs for community activities. Providing Internet access at these locations will be of significant benefit to the community. Such access can also be utilized for the streaming of live sporting events.

4. New Projects will be tendered out and the existing projects will be executed.

In 2014, there were no new projects tendered out. This is because the Commission felt that the commissioning process needs to be completed for all existing projects before the implementation of any new ones. The Commissioning process is expected to be completed in the first quarter of 2015.

12.0 OBJECTIVES FOR 2015

- 1. The 2015 operating plan will be established. This plan will set out the objectives of the Fund for the operating year 2015.
- 2. The USF will be seeking funding from international funding organizations. This funding will supplement the USF contributions received from locally-operating telecommunications providers.
- 3. Projects which have been implemented thus far under the USF will be routinely visited to ensure that the services and equipment being paid for are present at the various locations.
- 4. The USF will be conducting the third annual I² Competition, which will seek to have students in the secondary and tertiary institutions create and present projects in the form of innovative ideas and mobile applications, to improve the existing and current systems in the public service and other state agencies. There are opportunities available for both

mobile applications and innovative ideas to be implemented locally, regionally and internationally.

5. Public awareness activities will continue, and will include 40 school discussions at various locations, and 5 public drives. The USF television advertisement which was produced will also be aired on the various radio and television stations. The infomercials produced will also be available for viewing by the students at the school discussions. We also intend to produce an in-house video for the I² Competition. This video will also be available for viewing at the school discussions to increase the number of entries for the competition.
6. Additional projects will be identified to be undertaken by the USF.
7. A project will be developed on a regional level so that the NTRC can get funding from an international organization.
8. Projects which are being implemented will be monitored to ensure that all the services and equipment are operational. Impact assessments will also be carried out at all of the locations under the seven projects that have been implemented.

13. AUDITED FINANCIAL STATEMENTS