



UNIVERSAL SERVICE FUND
ANNUAL REPORT **2020**

TABLE OF CONTENTS

TABLE OF CONTENTS	2	6. STATISTICS	11
1. BACKGROUND	3	6.1 Fixed Line Subscriptions	11
1.1 What is the Universal Service Fund?.....	3	6.2 Broadband Internet Subscribers	12
1.2 Who contributes to the Universal Service Fund?	3	6.3 Portable Computers	14
1.3 Management of the Fund	3	6.4 Desktop Computers	15
2. SWOT ANALYSIS	4	6.5 Mobile phones	16
2.1 Strengths	4	7. BROAD RESPONSE STRATEGIES	17
2.2 Weaknesses	4	8. RESULT INDICATORS 2020	17
2.3 Opportunities	4	9. OBJECTIVES FOR 2021	18
2.4 Threats	4	10. AUDITED FINANCIAL STATEMENTS	19
3. CRITICAL ISSUES	4		
4. SECTOR REVIEW	5		
4.1 Financial Performance of the Universal Service Fund	5		
4.2 Projected Revenue for 2021	6		
4.3 Public Awareness.....	6		
5. USF PROJECTS STATUS	8		
Community Access Project.....	8		
Payphone Project.....	8		
Schools Project.....	8		
Maritime Project	9		
Police and Health Center Project.....	9		
SMART Project	9		

1. BACKGROUND

The Universal Service Fund was established under Section 42 of Telecommunications Act (Cap 418) of the Revised Laws of St. Vincent and the Grenadines 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 which is used by the NTRC to compensate any telecommunications provider that 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 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 2017, all telecommunications providers shall contribute to the Universal Service Fund (USF). In terms of due dates for payments of these contributions, Section 4 of the Contribution Order states that within forty-five (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 USF. 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 was 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 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 plays an integral role in the development and technological innovation of the telecommunications sector and of the country.

2. SWOT ANALYSIS

2.1 Strengths

- The NTRC has been able to leverage the resources of the USF to ensure that new contracts are in place for projects which came to an end.
- The NTRC has continued to encourage ICT development nationally through the icode784 competition.
- The NTRC has been able to work along with various stakeholder agencies including the Government of St Vincent and the Grenadines in executing various initiatives.

2.2 Weaknesses

- The Fund has not been able to source additional funding to execute large scale ICT projects locally.

2.3 Opportunities

- With the proliferation of smartphones and wireless internet devices in St Vincent and the Grenadines, the Wi-Fi service being provided by the USF island wide will be utilized more than in previous years.

2.4 Threats

- With the increased use of internet services being provided by the USF, there is a potential for an increase in the occurrences of phishing, cyber predators, cyber bullying, and persons falling for cyber scams.

3. CRITICAL ISSUES

There is one critical issue which is currently affecting the USF which is the ability to source additional funding to execute large scale ICT projects locally.

4. SECTOR REVIEW

Figure 1 shows the revenues generated by telecommunications operators between the years 2014-2020. There was a marginal increase of revenue of 1.5% in 2020 compared to 2019.

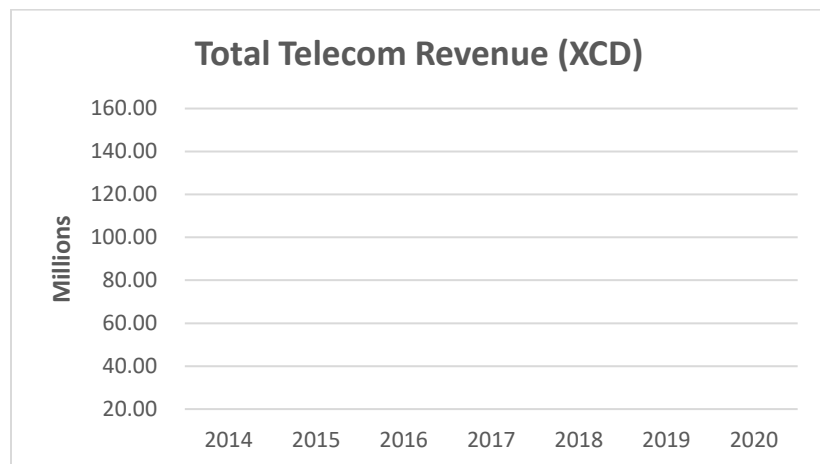


Fig 1. Source: NTRCs Annual Report 2020

4.1 Financial Performance of the Universal Service Fund

Revenue

For the year ended December 31, 2020, the Universal Service Fund had projected to receive a total of Two Million Eight Hundred and Sixty-Five Thousand, Six Hundred and Twenty-Six Dollars (\$2,865,626.00) from Telecommunications Service Providers and an interest of Fourteen Thousand Dollars (\$14,000.00). The actual

revenue received by the Universal Service Fund in 2020 was Two Million Eight Hundred and Ninety-Seven Thousand, Eight Hundred and Six Dollars and Ninety Cents (\$2,897,806.90). A 2019 receivable of Thirteen Thousand Three Hundred and Fifteen Dollars and Seventy-Three Cents (\$13,315.73) was collected from a Telecom provider in 2020. Furthermore, the USF had a higher cash balance which led to more interest being received as some project payments have been deferred as the expected services are not yet in place.

Expenditure

Recurrent:

For the year ended December 31, 2020, the USF had projected to spend Four Hundred and One Thousand, Seven Hundred and Seventy-Five Dollars and Forty-Two Cents (\$401,775.42) on recurrent expenditure. However, Three Hundred and Seventy-Two Thousand, Eight Hundred and Nine Dollars and Fifty-Six Cents (\$372,809.56) was spent. Due to the current COVID-19 Pandemic, the NTRC had cancelled its 2020 MyApp Summer Programme and overseas travelling for the attendance of training and meetings.

Projects:

For the year ended December 31, 2020, the USF budgeted to spend Three Million, Three Hundred and Fifty-Nine Thousand, Six Hundred and Fifteen Dollars and Five Cents (\$3,359,615.05) for payments on projects. However, Nine Hundred and Thirty-Four Thousand, Two Hundred and Nineteen Dollars and Sixteen Cents (\$934,219.16) was spent. This is primarily because the contractual obligations under some of the USF projects were not met and therefore, the payments of fees were deferred until the issues were resolved.

4.2 Projected Revenue for 2021

For the year ended December 31, 2020, the Universal Service Fund had projected to receive a total of Two Million Eight Hundred and Sixty-Five Thousand, Six Hundred and Twenty-Six Dollars (\$2,865,626.00) from Telecommunications Service Providers and an interest of Fourteen Thousand Dollars (\$14,000.00). The actual revenue received by the Universal Service Fund in 2020 was Two Million Nine Hundred and Seven Thousand, One Hundred and Seventy Three Dollars and Ten Cents (\$2,907,173.10). A 2019 receivable of \$13,315.73 was collected from a Telecom provider in 2020 and additional fees of \$19,965.81 were collected from a provider. Furthermore, the USF had a higher cash balance which led to more interest being received as some project payments have been deferred as the expected services are not yet in place.

Figure 1 below shows the projected and actual revenues received by the USF from respective telecommunication operators.

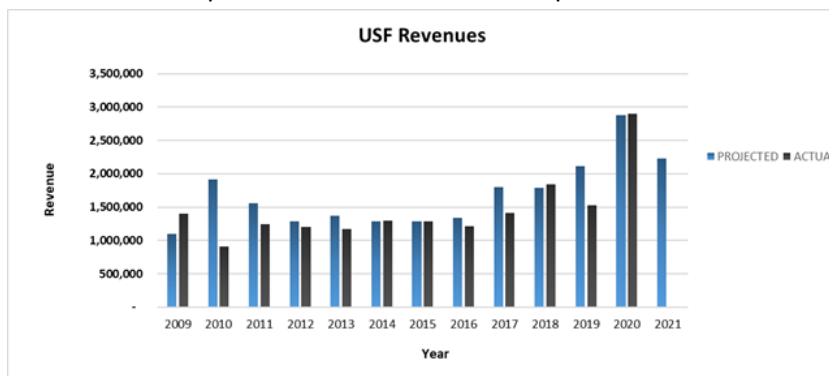


Fig 2. USF Projected Revenues

4.3 Public Awareness

In 2020, the NTRC executed several public awareness initiatives.

1. icode784 competition

On September 8, 2019, the Commission had rebranded and launched the icode784 competition previously known as the i² competition. The reason for the name change is to reflect our objectives of targeting some of the goals within the seventeen (17) UN Sustainable Development Goals (SDGs). Our competition seeks to achieve the following six (6) SDGs; No Poverty, Zero Hunger, Quality Education, Decent Work Economic Growth, Industry Innovation and Infrastructure and Sustainable Cities and Communities.

As per previous years, the focus of the competition was on the development of mobile apps and ideas that can facilitate the implementation of new systems or improve existing systems within both the Private and Public Sectors of St. Vincent and the Grenadines. The aim is to improve the efficiency of their services and to increase their profits which will lead to national development.

In 2020, there was an increase in the number of entries for the competition compared to 2019. Eighty-one (81) entries were received in 2020 as compared to fifty-seven (57) entries which were received for the 2019 competition.

The schools that entered the Secondary level were Petit Bordel Secondary School, St. Clair Dacon Secondary, Mountain View Adventist Academy, Union Island Secondary School, St. Vincent Girls High School, St. Vincent Grammar School, Georgetown Secondary School and the St. Joseph's Convent Kingstown.

The Open Category saw participation from sixteen (16) teams from the public.

The finals of the competition concluded on November 18, 2020 at the Kingstown Methodist Church Hall. The winners of the various categories of the competition were as follows:

- Secondary Idea Category: "Astra" from the St. Vincent Grammar School.
- Secondary Mobile Application Category: "SciGirls" from the St. Joseph Convent Kingstown.
- Open Category (Individuals under the age of 35 years): "Charismatechs".

2. Financial Assistance Program

In 2017, the NTRC developed a yearly program where financial assistance is given to one (1) Primary School student and one (1) Secondary School student. This program continued for its fourth consecutive year, where Jaheim Pompey a student attending the Troumaca Secondary School received an amount of \$1,000.00 and Jahrett Prescott a student attending the Argyle Primary School received an amount of \$500.00. A letter is sent to all Primary and Secondary schools for the principals to submit the names of students who would qualify for the assistance and the reason(s) why they should be considered. As such, the NTRC selects the neediest students based on the objectives of the program. The financial assistance program will continue for the foreseeable future.

3. Radio and Interview Sessions

Radio and Television interviews were conducted at the Agency for Public Information (API), Xtreme FM and National Broadcasting Corporation Radio Station (NBC). These interviews were used as a promotional tool to relay information to the General Public regarding the activities that were being carried out by the NTRC such as the NTRC's 2020 icode784 competition.

4. Social Media Campaign

In an effort to reach a wider audience, the NTRC engages the public on Facebook and Instagram providing them with information about our organization. In addition, several competitions were held on our social media networks to engage the public and to increase our followers on Instagram and Facebook.

5. USF PROJECTS STATUS

The following gives an update of the USF projects currently being implemented under the USF:

Community Access Project

This project is the combination of the first project undertaken by the NTRC, The Internet Project, and the sixth project, The Community Center Project. The contract for this project was signed on March 8th, 2019 between Cable and Wireless and the NTRC for a total of Three Hundred and Thirty-Three Thousand One Hundred and Seventy-Two Dollars and Three Cents (EC\$333,172.03) and was commissioned on December 19th, 2019 as all the services and equipment were in place. This project will run for two years and come to an end on December 18th, 2021. Under this project, forty-seven (47) locations will benefit from wireless internal and external internet access points with minimum speeds of 20Mbps download and 3Mbps upload.

Payphone Project

The second project is the Payphone Project, and was signed with Cable and Wireless in 2011, at a cost of One Million, Four Hundred Thousand, Five Hundred and Seventy-Five Dollars (EC\$1,400,575). Under this project, twenty-five (25) payphones were installed at various locations across SVG, including tourism sites, beaches and at points along the main road. Internet access was also 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. This project was commissioned in January of 2017 and will run for a five-year period, coming to an end in January 2022.

Under this project, electricity will be placed at the Mt Wynne beach site for the equipment. This installation of electricity to this site was expected to be completed by the first quarter of 2020, however due to the covid-19 pandemic, the contractor had difficulties sourcing the necessary materials to have this completed. In October of 2020, we coordinated with the National Parks, Rivers and Beaches Authority to have electricity brought to the Mt. Wynne beach by the St. Vincent Electricity Services Ltd. The electricity was installed on and the equipment at the site are currently functional.

Schools Project

The School's project was first signed on June 7th, 2011 which saw all 107 schools throughout St. Vincent and the Grenadines with wireless internal and external internet access points with minimum speeds of 8Mbps download and 2Mbps upload. The original contract came to an end and a new contract for this project was signed on October 23rd, 2019. The contract will run for five years and would come to an end on October 22nd, 2024. Each school included in the project will now get one internet connection with a minimum download speed of 100 Mbps and an upload speed of 15 Mbps. Other selected locations will also get a minimum download speed of 100 Mbps with an upload speed of 100 Mbps based on the availability of the providers infrastructure to provide these speeds. In addition to this, some of the schools under the project will require the installation of a Cisco network switch to provide the service to the various access points at each school.

Additionally, on December 14, 2020 the contract document was amended to include the installation of 115 additional access points across 57 schools. This would see an improvement in the coverage at schools. The additional access points were purchased, and their

desired placement was finalized. The installation of the new access points is expected to be completed by the third quarter of 2021.

Maritime Project

The VHF Maritime Project was initially commissioned on November 20, 2012 which saw the provision of access to both emergency and non-emergency communications in the Exclusive Economic Zone (EEZ) of St Vincent and the Grenadines and saw the implementation of a Global Maritime Distress and Safety System (GMDSS) in St. Vincent and the Grenadines. The original contract came to an end and a new contract for this project was signed on March 8th, 2019 and Commissioned on March 24th, 2021 for a period of five years for a total cost of Five Hundred and Ninety-One Thousand, Eight Hundred and Forty Dollars and Sixty-Five Cents (\$591,840.65). Additionally, under this new contract the NTRC was able to purchase handheld GMDSS enabled radios and replacement components (such as antennas and batteries) for resale to sea fearers at a subsidized cost.

Police and Health Center Project

This project was signed on November 1, 2012 and it provided wireless internet access at all twenty-nine (29) Police Stations and forty-two (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 (EC\$711,015), and was implemented by Karib Cable (FLOW) for a period of two (2) years. Thirty-one (31) computers were installed at various clinics, and fourteen (14) computers installed at the Milton Cato Memorial Hospital. The Royal St. Vincent and the Grenadines Police Force (RSVGPF) Training School was also outfitted with ten (10) computers

to assist the recruits and other officers with their research work. This project was commissioned on June 12th, 2015 and came to an end in June 2017 and a project for the continuation of the maintenance of the services was tendered. The NTRC subsequently entered a contract with Cable and Wireless on May 14th, 2019 for the continued provision of services at the sites under the project. The contract for this project is Five Hundred and Forty-One Thousand, Three Hundred and Forty Dollars (\$541,340.00) and will run for two years.

SMART Project

The first contract for this project was signed on November 20th, 2012 at a total of One Million, Six Hundred and Ninety-Eight Thousand, Nine Hundred and Ninety-Four Dollars (EC\$1,698,994) for the supply of equipment and teaching aids at the St. Vincent and the Grenadines Community College (SVGCC) to enable them to offer specialized ICT training. This included a state-of-the-art computer lab containing Thirty-Five (35) high powered computers, twenty (20) of which were Apple iMac computers, were handed over to the SVGCC: Division of Technical Education. In addition to this, Three Hundred and Forty (340) needy households benefitted from subsidized internet access at a cost of ten dollars (\$10) per month for a maximum of two (2) years. This five-year project was commissioned on September 25th, 2014 and came to an end in September 24th, 2019.

The project new contract was entered with Cable and Wireless on March 26th, 2020. The new contract brought new equipment for the supply of specialised supplementary ICT training equipment at the St. Vincent Community College and the supply of internet access at the subsidized cost of ten dollars (\$10) per month to an increased Six

Hundred and Eighty (680) needy households. Also, Six Hundred and Forty (640) Computers would be disbursed to various schools throughout St. Vincent and the Grenadines.

Currently, the ICT training equipment have been delivered to the Community College, Three Hundred and Forty (340) households have an internet connection at a subsidized cost and One Hundred and Fifty (150) computers were disbursed to schools.

6. STATISTICS

6.1 Fixed Line Subscriptions

The graph below shows Fixed Line Subscribers over the last eight (8) years.

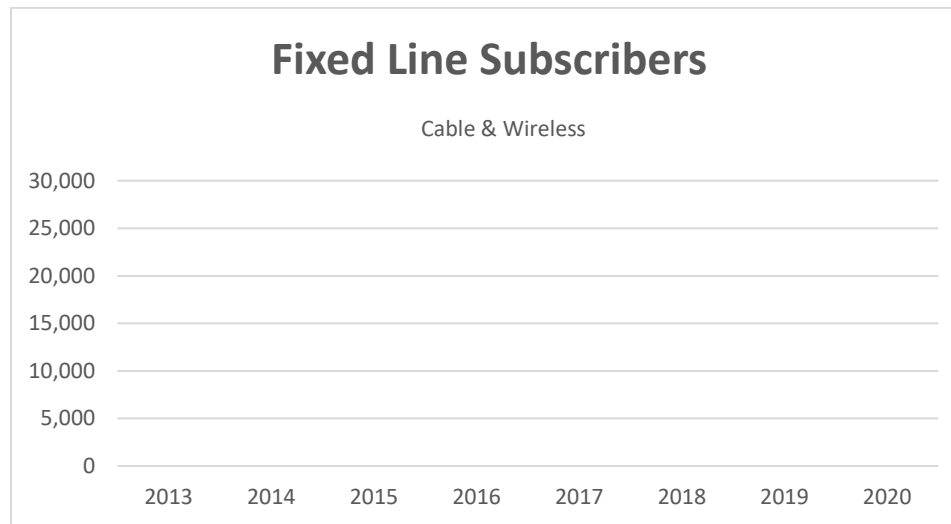


Fig 3. Source: NTRCs Annual Report 2020

6.2 Broadband Internet Subscribers

Figure 4 below shows the number of Broadband Internet Subscribers from 2013 to 2020 on a whole. There has been an increase in the Broadband Internet Subscribers from 2013 to 2020 with the exception of 2018 and 2019.

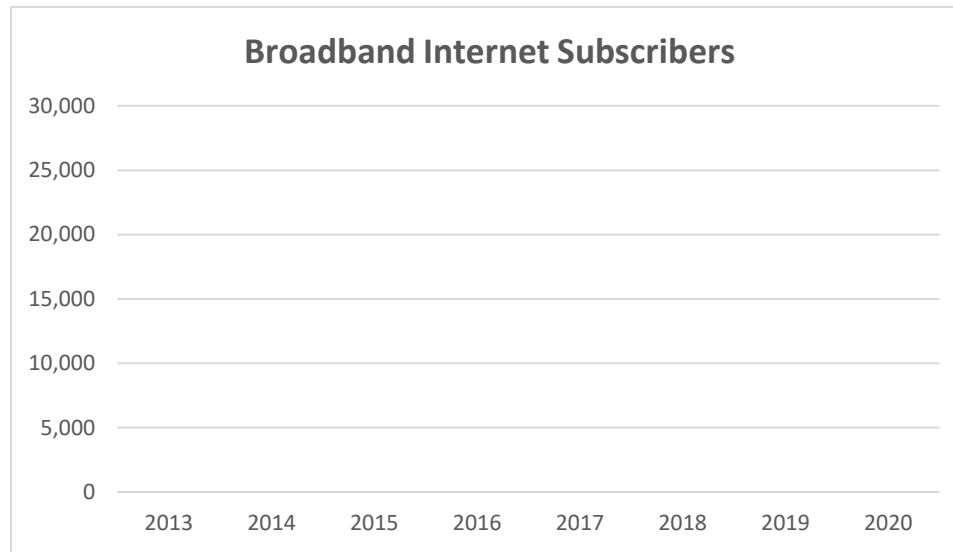


Fig 4. Source: NTRCs Annual Report 2020

Figure 5 shows the number of mobile subscribers for the years 2013 to 2020. The figure shows a slight increase in the figure for 2020 as compared to 2019.

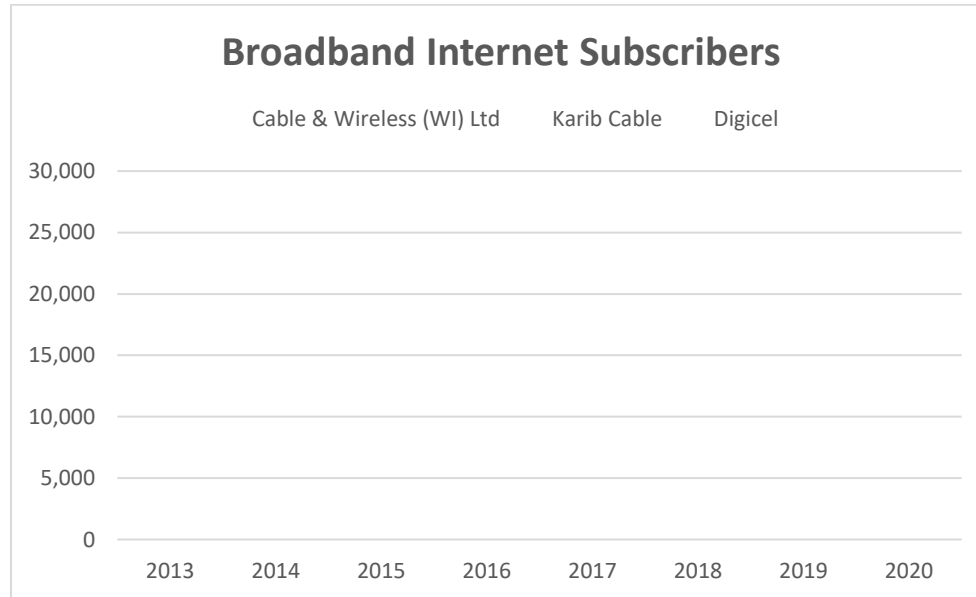


Fig 5. Source: NTRCs Annual Report 2020

6.3 Portable Computers

Figure 6 below depicts the number of portable computers entering St. Vincent and the Grenadines. In 2019, Four Thousand, Four Hundred and Nine (4,409) portable were imported into SVG while 2020 saw Seven Thousand, Six Hundred and Seventy-One (7,671) devices being imported. This represents a 74% increase from 2019.

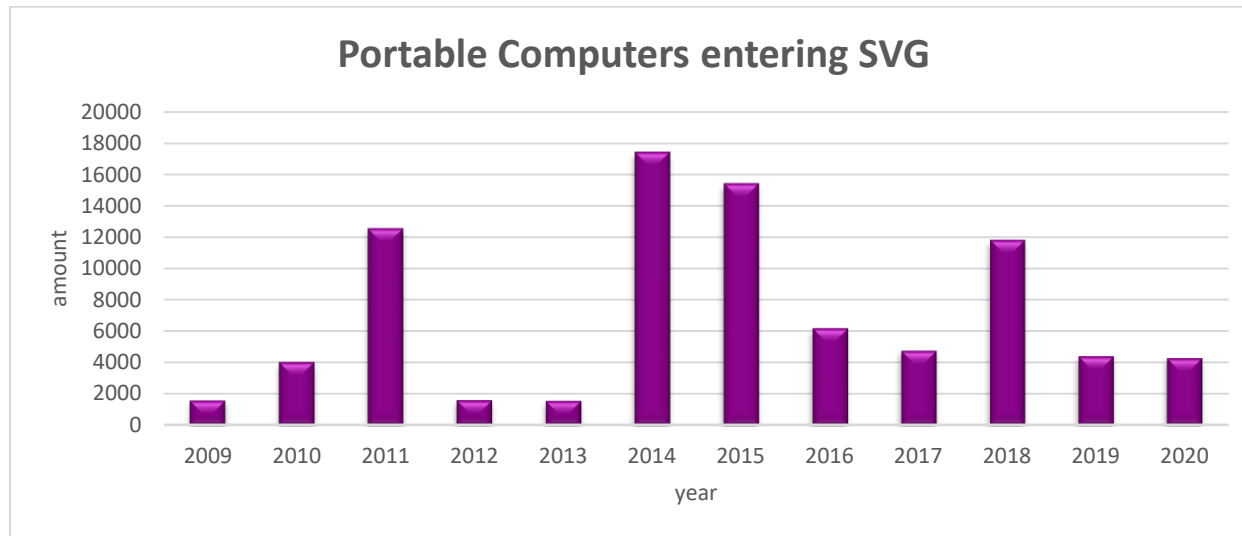


Fig 6. Source: Customs and Excise Department

6.4 Desktop Computers

Figure 7 below shows the number of desktop computers entering the country. The graph shows that there has been a decrease in the number of desktops being imported. In 2019, there were Nine Hundred and Sixty-Three (963) units which were imported compared to Four Hundred and Ninety-Five (495) units for 2020. This represents a 48.6% decrease in the figures from 2019.

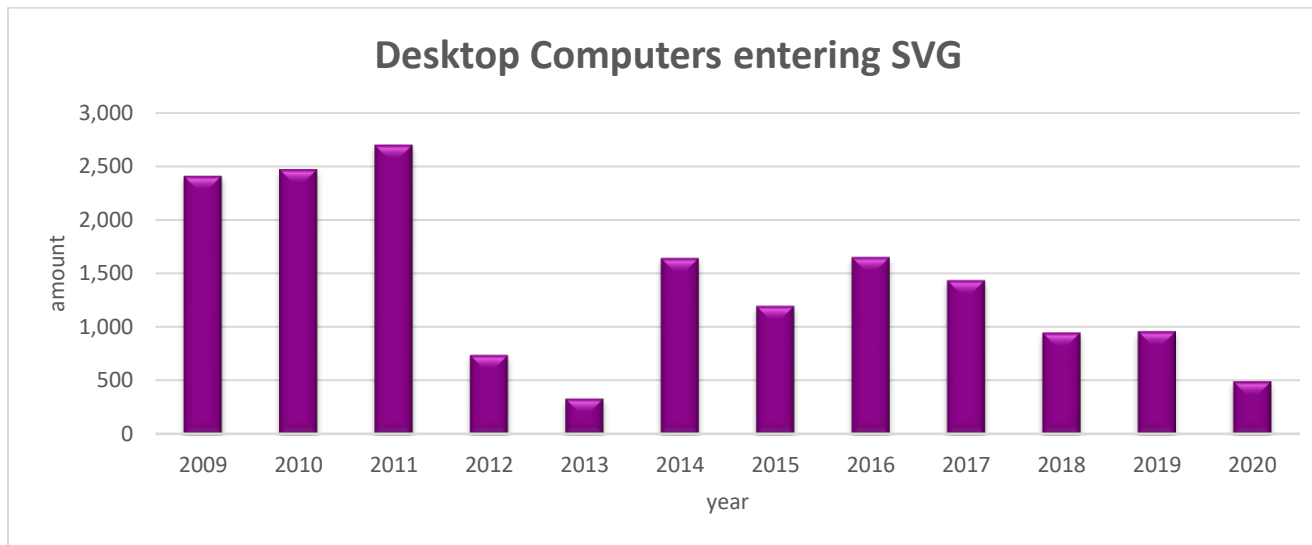


Fig 7. Source: Customs and Excise Department

6.5 Mobile phones

Figure 8 below shows the number of mobile phones entering the country. The graph shows that there has been a significant increase in the number of mobile phones being imported. The figure for 2019 was Twenty-Two Thousand, Eight Hundred and Nine (22,809) devices being imported while in 2020, the figure is now Thirty-Four Thousand, Nine Hundred and Eighty-Four (34,984).

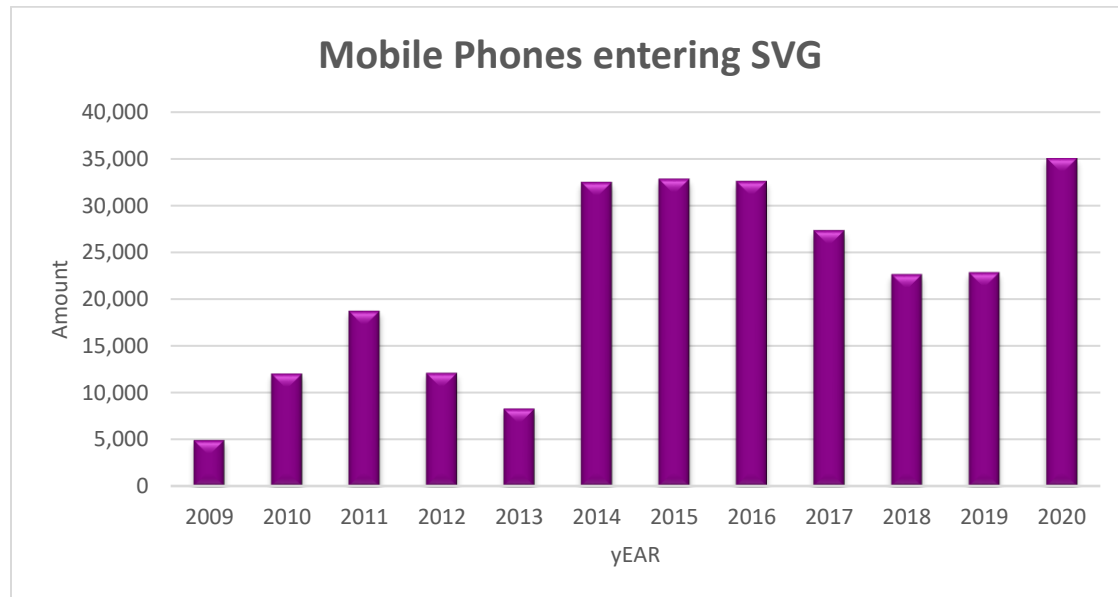


Fig 8. Source: Customs and Excise Department

7. BROAD RESPONSE STRATEGIES

1. The 9th edition of the icode784 Competition will be held in 2021.
2. The USF will continue its field work activities by visiting those sites which have services and equipment under the various projects being implemented by the USF Island wide.
3. The USF will continue to seek regional or international funding for projects which we have developed.

8. RESULT INDICATORS 2020

1. **The 2020 Operating Plan will be established by March 2020.**

This objective was completed in March 2020.

2. **The USF will seek funding from international donor organizations for two (2) projects which have been developed. The USF will be working along with the other NTRCs so that we can all benefit from these projects.**

This objective was not fully completed as the NTRC was only able to prepare and source funding for one project which is the GMDSS project. This project will see the expansion of the current GMDSS network with a new transmission site in Union Island.

3. **The 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.**

This objective was completed as site visits were conducted at 107 schools, 49 community locations and 13 tourism sites to ensure the existing services and equipment are in-line with the contract agreements.

4. **The USF will ensure that the new contract for the SMART project is entered into by the first quarter of 2020.**

This objective was completed as the SMART Project was signed on March 26, 2020.

5. **The USF will ensure that VHF training is executed for the police at the Owia, Barrouallie, Rose Hall and Paget Farm Police Stations.**

This objective was completed as all VHF training sessions were executed by December 2020.

6. **The USF will ensure that electricity which is supplied by VINLEC is placed at the Mt Wynne Beach under the Payphone Project to provide power to the equipment.**

This objective was completed. In October 2020, the NTRC coordinated with the National Parks, Rivers and Beaches Authority to have electricity brought to the Mt. Wynne beach.

9. OBJECTIVES FOR 2021

1. The 2021 Operating Plan will be established by March 2021. This plan will set out the objectives of the Fund for the operating year 2021.
2. The USF will seek funding for two new projects through the Ministry of Finance, Economic Planning and Information Technology.
 - a. **The Hot Spot Project** – This project identifies high traffic areas which we would provide with free wireless internet access.
 - b. **Public Access Project** – This entails the outfitting of Government waiting rooms and conference rooms with free wireless access.
3. Site visits would be conducted under the five USF projects at 107 schools, 49 community locations and 13 tourism sites to ensure that the necessary equipment and services are in place at the various locations.
4. Launch new project to provide wireless internet access to Eighteen (18) playing fields and hard courts throughout St. Vincent and the Grenadines.
5. Connect 340 needy households with wireless internet access at a subsidized price of \$10 per month in our efforts to bridge the digital divide.
6. The USF will ensure that a GMDSS training session is executed with the Coast Guard radio operators.
7. Expand current GMDSS coverage to the Southern Grenadines by installing a new transmission site in Union Island.

10. AUDITED FINANCIAL STATEMENTS