

DIGITAL INCLUSION, INFRASTRUCTURE, AND LEGAL EQUITY:

BRIDGING NIGERIA'S CONNECTIVITY DIVIDE

Technology, Media & Telecommunications Insight

August 2025



P a g e s C O N T E N T S

2 Abstract

3 Introduction

3 The Urban-Rural Digital Divide: A Persistent Challenge

4 The Universal Service Provision Fund: A Legal Lifeline?

5 Legal Strengths and Loopholes of The Universal Service Provision Fund (USPF)

7 Starlink and the Legal Ecosystem: Opportunity or Obstacle?

9 Bridging the Divide: A Path Forward

ABSTRACT

Nigeria's digital landscape presents a stark urban-rural divide. Despite having a population exceeding 200 million and over 100 million Nigerians with internet access, a pronounced urban-rural divide persists. Millions residing in rural communities still lack basic telecommunications services. In 2022, the Universal Service Provision Fund (USPF) deployed over 500 base stations and secured a \$2 billion pledge in 2025 to link all 774 local government areas. However, the USPF's influence is undermined by funding disagreements, transparency concerns, and gaps, including unclear timetables, as well as the lack of sanctions for non-compliance. This article examines the role of the USPF, established under the Nigerian Communications Act (NCA) of 2003, in promoting equitable access to Information and Communication Technologies (ICT) in underserved regions.

1. Introduction

With more than 100 million internet users driving one of Africa's most dynamic digital ecosystems, Nigeria is positioned for significant digital growth.¹ Urban societies, such as Lagos, are enjoying the expansion of 5G connectivity, whereas millions of people in rural areas remain stuck in a 'digital dark age' and are excluded from opportunities in healthcare, education, and business. The Nigerian government has consistently pledged to bridge this gap by appropriating telecommunications levies into rural infrastructure development and ambitiously aims for last-mile connectivity goals through the Universal Service Provision Fund (USPF). However, despite technological advancements, obstacles such as high costs, inconsistent enforcement, and underfunded initiatives persist.² A critical question remains: Can the USPF's legal framework ensure equitable digital access across Nigeria's diverse regions, or will legal and financial shortcomings perpetuate the digital divide?

2. The Urban-Rural Digital Divide: A Persistent Challenge

The Nigerian digital space is divided into two realities. Urban areas such as Lagos and Abuja benefit from robust 4G and emerging 5G networks, powered by telecom giants like MTN and Airtel. On the other hand, rural areas, where approximately half of Nigeria's population resides, tend to be bereft of even basic 2G access.³ A 2023 report by the Nigerian Communications Commission (NCC) estimates that 30 million Nigerians, primarily rural residents, live in areas without access to telecommunications. At a 2025 stakeholders' meeting in Lagos, Dr. Bosun Tijani, Minister of Communications, Innovation, and Digital Economy, emphasised how this divide hinders economic growth, healthcare, and education.⁴ He also noted that without inclusive connectivity, rural communities will remain cut off from digital financial services, online learning platforms, agricultural market access, and emergency telemedicine, thereby aggravating cycles of poverty and exclusion. He emphasized that the lack of connectivity is not just an issue of infrastructure, but a broader developmental problem that exacerbates inequality and restricts upward

1 Saifaddin G, "Number of internet users in Africa as of February 2025, by country" (*Statista*, April 22, 2025). Number of internet users by country in Africa 2025 | Statista accessed on July 1, 2025

2 Adeyemi A, "Nigeria must address systemic challenges to dominate regional tech ecosystem" (*The Guardian*, November 6, 2024). Nigeria must address systemic challenges to dominate regional tech ecosystem, accessed on July 3, 2025

3 Omoleye O, "Despite 5G rollout, data shows that 70% of Africans only have access to 2G/3G networks" (*Technext*, September 15, 2022). Despite 5G rollout, data shows that 70% of Africans only have access to 2G/3G networks accessed on February 7, 2025

4 Achenimie B, "USPF: We're Investing \$2bn In Telecoms To Bridge 30m Gaps - FG" (*New Telegraph*, March 13, 2025) <https://newtelegraphng.com/uspfp-were-investing-2bn-in-telecoms-to-bridge-30m-gaps-fg/> accessed March 10, 2025

mobility. Bridging this gap, Dr. Tijani argued, is not merely a technological or economic imperative but a pillar to national development, public safety, and equitable participation in the digital world.

Elon Musk's satellite internet venture, Starlink, officially launched its services in Nigeria in 2023. The initiative was heralded as a potential solution to the country's longstanding internet connectivity challenges. With a network of low-Earth-orbit satellites, Starlink aims to provide high-speed internet access without relying on traditional terrestrial infrastructure. This innovative approach was expected to significantly bridge the digital gap, potentially offering constant internet coverage to Nigeria's remotest and underserved rural communities. Early adopters in rural Nigeria have reported speeds of up to 50 Mbps, compared to the current 27.70 Mbps. The new internet speed marks a significant improvement and relief for Nigerian internet users.⁵ However, adoption remains limited, which can be traced to the high cost of the starter kit and monthly subscriptions.

3. The Universal Service Provision Fund: A Legal Lifeline?

The Universal Service Provision Fund (USPF), established under the Nigerian Communications Act (NCA) of 2003, is mandated to: *“facilitate the achievement of national policy goals for universal access and universal service to information and communication technologies (ICTs) in rural and underserved areas in Nigeria”*.⁶ Managed by the Nigerian Communications Commission (NCC), the USPF pools 40% of telecom operators' annual levies to fund infrastructure projects, such as base transceiver stations (BTS) and fibre optic cables, in underserved regions.

The USPF has achieved notable milestones, including the 2022 deployment of over 500 BTS sites, which have connected millions,⁷ and Project 774, which aims to link all 774 local government areas with high-speed internet.⁸ Additionally, in 2025, the government spent \$2 billion investing in rural telecom infrastructure through the USPF, partnering with private firms to ensure its sustainability.⁹ These efforts demonstrate the NCC's commitment to equitable access, consistent with its ethos of inclusion.

5 Marcin Frackiewicz, 'Internet Access in Nigeria: A Comprehensive Overview' (March 3, 2025) <https://ts2.tech/> accessed on July 7, 2025

6 Universal Service Provision Fund (USPF) “2013-2017 Roadmap” Retrieved from www.uspf.gov.ng. (2017) accessed on February 14, 2025

7 *Ibid* 6

8 Tijani B, “Nigeria Seeks Digital Transformation for a Stronger Economy” *World Economic Forum* (September 18, 2024) <https://www.weforum.org/stories/2024/09/nigeria-digital-transformation-3mtt-technical-talent/> accessed April 2, 2025

9 Achenimie B, “USPF: We're Investing \$2bn In Telecoms To Bridge 30m Gaps - FG” (*New Telegraph*, March 13, 2025) <https://newtelegraphng.com/uspf-were-investing-2bn-in-telecoms-to-bridge-30m-gaps-fg/> accessed March 10, 2025

However, the impact of the USPF remains a matter of concern. In a 2017 Techpoint Africa exposé, it was revealed that between 2006 and 2013, USPF collected millions of dollars but released only three annual reports, raising concerns about transparency.¹⁰ Critics argue that rural coverage remains poor, with 33.7 million individuals still underserved as of 2015; this figure is likely higher today due to population growth.¹¹ The question looms: Can the USPF's legal framework deliver on its promise?

4. Legal Strengths and Loopholes of The Universal Service Provision Fund (USPF)

The Universal Service Provision Fund (USPF) was established to ensure equitable access to telecommunications services nationwide, with a focus on underserved areas. While the framework contains several robust legal provisions, it is also fraught with enforcement gaps and regulatory ambiguities that undermine its potential.

Legal Strengths:

- i. ***Clear Statutory Foundation and Institutional Mandate:*** The USPF is firmly rooted in statute. *Section 118 of the Nigerian Communications Act (NCA) 2003* establishes the USPF Secretariat within the Nigerian Communications Commission (NCC), charged with the day-to-day administration and implementation of the Fund. This statutory backing provides the Secretariat with institutional legitimacy and safeguards it against arbitrary dissolution.
- ii ***Policy Oversight and Accountability Mechanism:*** *Section 115 of the NCA* provides for the establishment of a supervisory body known as the *USP Board*, responsible for policy formulation, strategic direction, and oversight of the USPF. This two-tiered governance structure introduces a layer of checks and balances, theoretically ensuring transparency and policy alignment.
- iii. ***Mandatory Contributions:*** *Section 114 of the NCA 2003* establishes the

¹⁰ Omolayo O, "The Secret Life of USPF" (*Techpoint Africa*, August 9, 2017) <https://techpoint.africa/insight/the-secret-life-of-uspf/> accessed April 11, 2025

¹¹ *Ibid*

USPF and states explicitly that it comprises funds from several sources, including appropriations from the National Assembly, contributions from the Commission based on a portion of the annual levies paid by licensees, and other sources, including gifts, loans, and aids. Similarly, *Section 120* empowers the NCC to make regulations relating to contributions by licensees (i.e., telecom operators) into the USPF. This compulsory contribution mechanism provides the Fund with a sustainable source of financing.

Legal Loopholes and Weaknesses:

- i. ***Absence of Enforcement Timelines and Penalties:*** Despite its authority, the NCA fails to specify deadlines for project implementation or explicit penalties for non-compliance by operators. Such vagueness creates prolonged delays, minimal accountability, and opens the door to regulatory inertia. Operators can potentially evade obligations without facing material consequences, thereby undermining the deterrent power of the law.
 - ii. ***Poor Financial Transparency Mechanisms:*** A 2016 Freedom of Information (FoI) request by Paradigm Initiative Nigeria revealed inconsistencies in USPF financial reports, raising concerns of misappropriation or diversion of funds. This suggests a loophole in the statutory auditing and reporting requirements, which should have ensured rigorous financial oversight. The lack of publicly mandated disclosure mechanisms undermines stakeholder trust and hinders effective monitoring by civil society.
 - iii. ***Absence of a Legal Framework for Infrastructure Support Challenges:*** The USPF Service Charter identifies logistical challenges, such as inadequate roads, electricity shortages, and security issues, as persistent barriers to rural telecom deployment. However, the NCA does not include cross-sector legal mechanisms to address these bottlenecks. The absence of inter-agency legal coordination (e.g., with Ministries of Power, Transport, or Rural Development) weakens the Fund's implementation.
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iv. ***Discretionary Allocation Without Statutory Distribution Formula:***

The NCA does not provide a clear legal formula for the equitable distribution of USPF resources across Nigeria's geopolitical zones or underserved areas. This creates room for political influence or discretionary bias in project selection and resource allocation.

- v. ***Limited Legal Recourse for Affected Communities:*** There is no provision for legal redress or participatory grievance mechanisms for communities or stakeholders affected by delays or failures in USPF-funded projects. This lack of legal empowerment for beneficiaries limits public accountability and marginalizes the voices of the rural population.

5. **Starlink and the Legal Ecosystem: Opportunity or Obstacle?**

Starlink's entry into Nigeria's broadband market presents a significant challenge to the existing framework of the Universal Service Provision Fund (USPF), as it disrupts the Fund's foundational model, which is built around subsidizing terrestrial infrastructure, as opposed to subsidizing user-end access to non-terrestrial services. Unlike traditional telecommunication companies that employ fibre optics, base stations, and other ground-based infrastructure, Starlink delivers internet via low-Earth orbit satellites, effectively operating outside the geopolitical and jurisdictional scope of the USPF's current mandate. This divergence presents a conundrum for the Nigerian Communications Commission (NCC) and the USPF, which remain structurally oriented toward the deployment of legacy infrastructure.

Starlink's business model shifts the cost burden to end users, requiring the purchase of expensive satellite kits and monthly subscriptions that are beyond the reach of many rural Nigerians. This indicates a blind spot in the USPF's approach. While the focus has been on expanding coverage through infrastructure development, it has not adapted to address affordability or improve accessibility for end users in non-traditional models. The relevant question thus is: Can or should the USPF pivot to subsidise Starlink hardware and subscription fees for underserved users in remote areas? While

theoretically possible, such a shift would face a significant legal hurdle. *Section 112 of the Nigerian Communications Act (NCA)* limits the Fund's remit to promoting the widespread availability and usage of network services, primarily through supply-side interventions. It does not currently authorise the subsidisation of end-user equipment such as satellite kits. Therefore, enabling such support would require legislative amendments to expand the Fund's mandate to include affordability-focused, demand-side initiatives.

Further compounding the issue is the shortage of funding. Although the government made a commitment of \$2 billion for broadband expansion in 2025, as announced through Nigeria's Broadband Alliance strategic roadmap and reaffirmed by the Federal Ministry of Communications, Innovation, and Digital Economy¹², industry experts argue that this is far from sufficient. According to estimates based on International Telecommunication Union (ITU) benchmarks, achieving universal broadband coverage in Nigeria would require between \$5 billion and \$10 billion, given the scale of the unserved population and the cost of infrastructure deployment across challenging terrains.¹³ These figures are drawn from global models detailed in the ITU's *Strategies Towards Universal Access and Service*¹⁴, as well as the Broadband Commission's 2023 *State of Broadband Report*.¹⁵ The report estimates that connecting each unserved individual costs between \$100 and \$200, depending on location and technology. With over 40 million Nigerians still lacking reliable internet access, the total investment needed significantly outpaces the government's current allocation.

The situation is further complicated by the absence of robust legal and financial mechanisms to attract and secure large-scale private investment. Unless the framework is reformed to accommodate emerging technologies like Starlink and address the full spectrum of accessibility, from infrastructure deployment to affordability at the user level, Nigeria's ambition for universal broadband access may remain largely theoretical.

12 Federal Ministry of Communications, Innovation and Digital Economy, Press Release: Government's Broadband Expansion Funding Commitment (January 2025) <https://www.fmcide.gov.ng> accessed 4 August 2025.

13 Nigeria Broadband Alliance, Outcome Summary of the National Broadband Investment Forum (2025) <https://www.broadbandalliance.ng/report2025> accessed 4 August 2025.

14 International Telecommunication Union, *Strategies Towards Universal Access and Service* (2022) <https://www.itu.int/en/publications> accessed 4 August 2025.

15 Broadband Commission for Sustainable Development, *The State of Broadband: 2023 Report* (ITU and UNESCO 2023) <https://www.broadbandcommission.org/publication/state-of-broadband-2023> accessed 4 August 2025.

6. Bridging the Divide: A Path Forward

To carry out its mandate, the USPF must consider both legal and practical reforms aimed at enhancing accountability, transparency, and technological inclusivity. A critical step in this direction is the amendment of the Nigerian Communications Act to include the imposition of fines for project delays, mandate public reporting, and the extension of subsidies to satellite technologies, such as Starlink, which have the potential to overcome the limitations of terrestrial infrastructure and bridge the digital divide more rapidly and effectively.

Additionally, financing should be expanded through robust public-private partnerships that leverage not only domestic investment but also international funding opportunities. This includes tapping into global development resources, such as grants and concessional loans provided by institutions like the World Bank, particularly those earmarked for digital transformation and infrastructure development.¹⁶ By aligning national digital strategies with the goals of these international programs, governments can attract greater investment, share financial risk with private sector partners, and accelerate the deployment of inclusive, sustainable digital technologies across underserved regions.

Third, to effectively bridge infrastructure gaps, comprehensive cross-sector legislation is necessary to foster coordination between the energy, transportation, and telecommunications sectors. This means aligning power and transport policies with the strategic goals of the telecom industry to ensure integrated planning, efficient resource allocation, and the seamless development of critical infrastructure across all sectors.

Nigeria's digital inclusion hinges on ensuring equity. While the USPF offers a foundation, its success will depend on plugging gaps and adapting to innovations like Starlink and other emerging technologies. Without bold reforms, the urban-rural divide will persist, stranding millions on the wrong side of the digital revolution. Nigeria's lawmakers must act to realize the promise of equitable access.

¹⁶ "Digital Progress and Trends Report" (World Bank) <https://www.worldbank.org/en/publication/digital-progress-and-trends-report> accessed April 11, 2025

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