THE REPUBLIC OF UGANDA

MINISTRY OF INFORMATION AND COMMUNICATIONS TECHNOLOGY

DRAFT TELECOMMUNICATIONS POLICY

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ABBREVIATIONS

ADCs	Agricultural Development Centres
FY	Financial Year / Fiscal Year
GDP	Growth Domestic Product
ICT	Information and Communications Technology
Kbps	Kilo bytes per second
Km	Kilometre
LAN	Local Area Network
Mbps	Mega bytes per second
MOICT	Ministry of Information and Communications Technology
MOWHC	Minister of Works, Housing and Communications
NBI	National backbone infrastructure
NDP	National Development Plan
NITA-U	National Information Technology Authority – Uganda
NPA	National Planning Authority
NTOs	National Telecommunications Operators
PIP	Public Infrastructure Provider License
PPPs	Public Private Sector Partnerships
PSP	Public Service Provider
RCDF	Rural Communications Development Fund
UBC	Uganda Broadcasting Council
UCC	Uganda Communications Commission
UPE	Universal Primary Education

FOREWORD

It has been established that Communication is a key factor in any development process. In light of the catalytic role that communication plays in National development, the Government has set up a policy frame work to ensure optimum utilization of this resource for the attainment of social economic development goals. For Government to implement the long term national development programmes, especially the National Develop Plan (NDP 2010), reliable means of communication must be available at all levels of implementation. Developments in information and communications technology (ICT) have dramatically changed the way information is transmitted and disseminated thus making communication one of the most powerful tools for modernization and development.

The following specific factors make the policy review necessary and imperative at this moment in time:

a) The key objectives of the first policy, namely; separating the roles of policy formulation, regulation and operations, increasing penetration of services to a given level, giving access to a wide range of competitively priced services and increasing private investment in the sector, have largely been achieved. It is now necessary to set new horizons.

b) Promotion and regulation of public private partnerships in the development of telecommunications infrastructure and services.

c) The need to harmonise the currently distinct regulatory regimes and operations of the traditional telecommunications and broadcasting industries as a result of technology convergence.

d) With the end of the limited competition period, more investors were allowed in the market. However the customer has not fully gained. Moreover some customers are still not served.

e) Convergence of transport and delivery infrastructure regardless of user services offered is now a reality and both the policy and regulatory environments are not set up to cope with its demands.

The policy recognizes that the developments in communication technology have led to convergence of services hence the emphasis on broadband communications highways across the country. ICT has been identified as one of the rapidly growing areas that have the potential to 'leap frog 'Uganda to benefit from the globalised economy and a key pillar of national development as per the NDP 2010. E-commerce and other ICT based services have been earmarked among the priority areas for export development particularly through the smart strategic partnership programme between government, private investors and development partners. In this regard the need for a robust broadband telecommunications infrastructure cannot be overemphasized.

Further, recognizing that Telecommunications is a subsector under the broad frame work of the national ICT policy framework (2002) the proposed policy has been defined to implement the specific Telecommunications and infrastructure concerns under the framework. The policy takes into account the National Development Plan (NDP-2010) and the National vision 20-25 as the basis for promoting sustainable development as identified by the Government. These plans in turn respond to broader world development aspirations stated in the Millennium Development Goals (MDG's). Telecommunications and infrastructure needs under the national IT bill, the draft broadcasting policy, the press and journalist statute, the electronic media statute (1996) have been highlighted and addressed.

For purposes of identifying and addressing the Telecommunications and infrastructure needs of other sectors, the policies and ICT initiatives undertaken in the health, education, Governance, Agriculture and

commerce have been identified as has been the relevant regional and international initiatives in ICT.

Once the policy is launched, the relevant legislation will be put in place to ensure a conducive environment for the policy to work. When the policy is successfully implemented, it will stimulate more participation in the Social, Economic, Political and other development activities which should ultimately under pin sustainable national development and lead to improved standards of living for the majority of Ugandans.

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MINISTER OF INFORMATION AND COMMUNICATIONS TECHNOLOGY

EXECUTIVE SUMMARY

Background

The current telecommunications policy and regulatory environment in Uganda was established through the telecommunications sector policy framework of 1996, the Uganda Communications Act of 1997 (Laws of Uganda Cap 106), and the licenses that were issued to the two National Telecommunications Operators. Key components of the policy strategy were the creation of an independent regulator, implementation of a limited competition period (specifically in basic telephony services, cellular telecommunications services and satellite services) and the unbundling of the Uganda Posts and Telecommunications Corporation.

Following the end of the exclusivity regime, the Uganda Communications Commission developed a new Telecommunications Licensing Regime upon the issuance of Ministerial Policy Guidelines of May 11th and August 20th 2006. The new regime is based on a distinction between Infrastructure Provision and Service Provision. According to the Ministerial Guidelines, infrastructure is interpreted to mean plant, equipment and systems associated with transmission, reception and switching of telecommunications (electronic) signals. A telecommunications service is taken to be the relaying of messages of any form (audio, video or data) over communication infrastructure between a sender and a receiver

Policy Focus

To provide telecommunications services in Uganda, one must obtain one or more of the following service licences; Public Service Provider (PSP) Licence, Public Voice and Data Licence, Capacity Resale Licence, Public Infrastructure Provider License (PIP) and a G*eneral License.*

Various analyses on sector performance have shown that Uganda has one of the best regulatory environments in Africa and that the key objectives set out in 1996 have been exceeded several times over. The studies however also show that penetration of services still remains relatively low, thus constraining the ability to provide the necessary efficiency in service delivery; as well as social and economic transactions compatible with sustainable human development. Another observation is that the 1996 policy objectives focused only on provision of infrastructure and were not driven by a holistic consideration of the infrastructure requirements necessary to support the many programmes that are addressing poverty alleviation and human development in Uganda. The end of the limited competition period on July 24th 2005 provided an opportunity for a review of the telecommunication sector policy so that it is driven by human development needs. Five policy pillars characterise the policy framework, namely;

a) To continue promotion of rollout of telecommunications infrastructure and affordable basic and value added services that will enable sustainable human development.

b) To further strengthen legal and regulatory environment that supports development of Uganda's Telecommunications sub- sector.

c) To create a conducive environment for the establishment of a fully liberalised technology neutral and competitive telecommunications sector.

d) To promote human resource capacity development in the telecommunications sector.

e) To deliver high level information and service needs to all sectors of society especially the marginalised sections of society (rural or low income communities and people with disabilities)

Institutional Framework

The policy framework identifies the institutions that will actively participate in the implementation of the policy clearly setting out their roles and responsibilities. These institutions include Government (MoICT, Cabinet, parliament and judiciary), the communications Regulatory Authority (UCC), the National IT Authority Uganda (NITA-U), Telecommunications Operators, Regional and International Organisations. These stakeholders were identified based on their linkages with the telecommunications industry.

Legal Framework

The policy takes into consideration the communications Act Cap 106 (Laws of Uganda), the electronic media Act Cap 104 (Laws of Uganda), the National Information Technology Authority- Uganda Act, and all the regulations promulgated under these acts.

The policy also proposes legal framework changes, among others, to harmonise the current communications Act and the electronics media Act to provide for a single regulatory body.

Financing and resource mobilisation

The MoICT shall take the lead in coordinating resource mobilisation in collaboration with the MoFPED for the successful financing and implementation of the Telecommunications policy. Other sources of finance will be through public, private partnerships (PPP'S) and the Rural Communications Development Fund (RCDF). The MoICT will seek to provide for equitable and transparent resource allocation amongst the various market players, supported by a coherent monitoring and evaluation system.

Implementation, Monitoring, and Evaluation

The implementation monitoring and evaluation of the telecom policy shall be the responsibility of the MoICT, Uganda communications commission, National IT Authority, Telecom operators, and service users. The MoICT in collaboration with UCC and NITA-U, and Telecom operators and service users will need to develop and put in place a coherent participatory monitoring and evaluation framework for assessing the performance of the telecom industry. Performance indicators for the ministry of ICT, UCC, NITA-U and Telecom Operators will need to collaborate to provide a measure of the roll out, usage and impact of the policy provisions.

Conclusion

The National Telecom policy has been developed to address the shortcomings of the Telecom Policy of 1997 and the subsequent policy guidelines of 2006 given the current status of the Telecom environment. The ministry is in the process of formulating lower level policies to address the issues related to Spectrum management and Infrastructure management among others. Government will use the Telecom Policy and future related policies to provide the necessary guidance and direction for all stakeholders in the Telecom industry, with a view to contributing towards attainment of the objectives of the NDP and therefore social-economic transformation of the citizens of Uganda.

CHAPTER 1: INTRODUCTION

1.0 Background

The current policy and regulatory environment in Uganda was established through the telecommunications sector policy of 1996, and operationalised by the Uganda Communications Act, 1997 (Laws of Uganda Cap 106). These, together with the National Telecommunications Operator licenses, established a regulatory environment and a market structure that had a very significant positive impact on the availability and affordability of telecommunications in Uganda up to the end of the exclusivity period in 2006. A sector performance review and related analyses conducted during 2003 established that despite the successes, there were gaps and short-comings that needed to be addressed in the policy if the telecommunications sector was to achieve the expected impact in supporting human development in Uganda.

Following the end of the exclusivity regime, a new Telecommunications Licensing Regime was developed upon the issuance of Ministerial Policy Guidelines of May 11th and August 20th 2006. The new regime is based on a distinction between Infrastructure Provision and Service Provision. To provide telecommunications services in Uganda, one must obtain either or all of the following service licenses; Public Service Provider (PSP) License, Public Voice and Data License, Capacity Resale License, Public Infrastructure Provider License (PIP) and a General License.

The new regime has registered a great success as depicted from the figures below:

No.	Measure	Growth from 1996/97 to 2004/05 FY	Growth from 2005/06 to 2008/09 FY
1.	Contribution to GDP	-	36%
2.	Industry Turnover	-	100%
3.	Mobile Subscribers	38,734%	368%
4.	Fixed Lines	82.7%	98%
5.	National Telephone Penetration	-	310%

Table 1.1: Success Measures of the post exclusivity period

From analyses, Uganda has one of the best regulatory environments in Africa and the key objectives set out in 1996 have been exceeded several times over. However, penetration of services is still insufficient to provide the necessary efficiency in service delivery as well as social and economic transactions compatible with sustainable human development. The 1996 policy objectives focused only on provision of infrastructure and were not driven by a holistic consideration of the infrastructure requirements necessary to support the many programs that are addressing poverty alleviation and human development in Uganda. The end of the limited competition period on July 24th 2005 provided an opportunity for a review of the telecommunication sector policy so that it is driven by human development needs.

This chapter captures the motivation, the background, the source documents, and the thinking that gives the basis for the specific recommendations on broad policy goals, specific policy objectives, implementation strategy, and implementation master plan.

1.1 Justification for the Sector Policy Review

Current reforms are motivated by the realisation that the development of the sector, especially the establishment of the core backbone infrastructure, cannot be left solely to the private sector. Public Private Sector Partnerships (PPPs) are now recognised and accepted as vital for an acceptably fast permeation of infrastructure, and affordable access. Additionally, the distinctive elements of ICT are now recognised by most of the key players, who realise that they will not be marginalized. The reforms culminated in the setting up of the Ministry of Information and Communication Technology, providing unified policy oversight.

The following specific factors make the policy review necessary and imperative:

a) The key objectives of the first policy, namely, separating the roles of policy formulation, regulation and operations; increasing penetration of services to a given level; giving consumers access to a wide range of competitively priced services; and increasing private investment in the sector, have been achieved. It is now necessary to set new horizons.

b) The limited competition period ended and more investors were allowed into the market increasing the competition hence related advantages and disadvantages to the customers. However, the customer has not fully gained and telephony penetration is still below 40% of the population.

c) Convergence of technologies regardless of user services offered is now a reality, and both the policy and regulatory environments are not set up to cope with this change. What were seen as value added services have become significant, and the decision of what and how

to regulate (or not to regulate) must now be made in a new environment.

d) Recognition and regulation of Public Private Partnerships (PPP) now that the Government is involved in provision of services, for instance, the National Backbone Infrastructure (NBI).

e) The need to harmonize the currently distinct regulatory regimes and operations of the traditional Telecommunication and Broadcasting industries as a result of technology convergence.

f) The need to address the current challenges in the Telecommunications sector, for instance, spectrum management and allocation, interconnection management, and all other scarce Telecommunication resources.

g) The need to redefine and align roles and functions of the different sector players; regulators, operators and Government.

h) The need to address impact on the environment by developments in the Telecommunications Industry.

i) The need to address the misuse of the Telephone Line (SIM card and Handset).

j) The need to reposition the Telecommunication sector to enhance support to other sectors in achieving the NDP goals.

There is need to build on the various strengths, and to address the gaps, shortcomings and failures of the current policy and regulatory regimes.

1.2 Holistic Approach to the Review

The Telecommunications Sector Policy objectives (1996) were driven by the need to provide an acceptable minimum of infrastructure to enable basic voice communication. With due consideration of past achievements, Uganda is now able to approach the new sector policy with enhanced services to further enable provision of support to other sectors to achieve their set goals.

It is desirable to have a policy that can create a telecommunications environment that is responsive to the development needs of the country. The starting point for this review is therefore the National Development Plan (NDP – 2010), National Vision (Vision 2000-25), as well as any amendments of this that may arise from its proposed review to Vision 2035, with recognition that ICT is one of the major pillars for sustainable development identified by the government of Uganda. Such national plans respond to the broader world development aspirations stated in the Millennium Development Goals, which have also been taken into account. Human development impact then becomes the defining measure of success, with the extent of infrastructure and service provision only being an indicative measure. *The National ICT Policy Framework more specifically addresses what role telecommunications is expected to play and was therefore a key document in the review.*

The holistic approach also takes due cognizance of the majority of often marginalized citizens (rural communities, women, youth), most of whom are currently living below the poverty line. This approach also takes care of environmental concerns.

1.3 Situational analysis

Situational analysis looks at the political, economic, social, technical and environmental needs that were taken into account to ensure that the resultant policy is realistic, responsive, achievable and successful.

1.3.1 Political

The Uganda Government introduced the liberalization program that was very successful in reducing inflation, curbing the budget deficit and spurring growth. The performance of the telecommunications sector since reform and privatization has been on an upward trend.

The political leadership in Uganda is unequivocally committed to development of the Telecommunication sector as a key ingredient of a sustainable social-economic development of the country. As a reflection of this, the Government recognizes ICT development as one of its overriding and critical policy priorities, and a key pillar to economic transformation of the country as per the NDP 2010.

In recognition of the growing linkages between the public and private sectors, the Government is increasing its support to Public Private Partnerships, for instance, the National Backbone Infrastructure (NBI), Rural Communication Development Programme (RCDP) and Business Process Outsourcing (BPO) programme. This is in a bid to ensure Universal access to Telecommunication services and sustainable socio-economic development in Uganda.

1.3.2 Economic

Uganda's real Gross Domestic Product (GDP) growth averaged at 7.2% between 1997/98 and 2000/01, 6.8% between 2000/01 and 2003/04, increasing to over 8% over the period 2004/05 and 2007/08 and finally

reducing to an average of 6.5% over the period 2008/09 to 2009/10. The drop in the last two financial years (2008/09 – 2009/10) is attributed to the economic recession that hit the whole world.

The following are worth noting on the economic status of the Telecommunications sector:

a)   Uganda managed to sustain inflation at single digit figures up to 2008, shooting up to 12% from 2009 to date;

b)   The total revenues in the sector are over 20 times what they were prior to the sector reforms with most of the revenue derived by the major operators;

c)   While the national GDP has been growing at an average rate of 7% for the past five years, the Telecommunication sector has been growing, on average, at a rate of about 25% annually since 1998;

d)   Investment in telecommunications infrastructure has had a steady increase over the years, rising from USD 15.5 million in 1999 to over USD 326 million in 2008;

e)   Excise duty on airtime of mobile phone service has grown from UGX 7 billion in 2002 to UGX 88.73 billion in 2008;

f)   Employment in the sector, both direct and indirect, has grown from 116,640 persons in 2002 to over 400,000 persons in 2008.

Worth noting is that the average charge per minute of a call and per Kilobyte of Internet has drastically gone down over the last two years (from UGX 3.6/Kb to UGX 1.8/Kb for Internet and from UGX 280/minute to UGX 180/minute for voice) increasing the affordability of the services hence penetration and usage.

1.3.3 Social

With increased affordability of services, more citizens have been able to utilize them, increasing their standards of living. Communication between individuals has been made easy with increased accessibility towards universal access.

For example invitations for functions today are no longer sent in hard copy cards but e-cards inform of an SMS. Most information about services and products on the market, like pricing, but be accessed by sending a Shirt message to a preset number.

1.3.4 Technical

Over 99% of the Telecommunication equipment is digital. This resulted into digital efficiency hence reduced tariffs to the customer. Value Added Services have been developed and a Telephone is now a major tool not only for communication but also for e-commerce through service like Mobile Money.

Broadband Infrastructure is in the major towns of the country and voice spurns even a greater part of the country. Services like e-commerce (e.g. e-tax, e-banking), e-education and e-health, are now accessible over this infrastructure. Currently the Government is undertaking a migration of broadcasting technology from analog to digital by 2012.

1.3.5 Environmental

Much as the Telecommunications sector has come up with developments it has also led to environmental concerns like the duplication of masts. All Base Stations are powered by diesel generators as the main or standby source of energy which have an adverse impact on the environment.

The uncoordinated deployment of optic fibre cables by various operators has led to digging of several trenches along the same route leading to unnecessary destruction of roads, utilities infrastructure and the natural cover.

Currently there is no coordinated and proper disposal of Telecommunication waste, e.g. used airtime cards, SIM cards, telephone sets and obsolete equipment.

1.3.6 Challenges

While success has been achieved in the telecommunications sector, the following challenges remain:

a) **Overlapping mandate of the Regulatory bodies:** Currently there exist the Uganda Communications Commission and Broadcasting Council for the regulation of the Telecommunications and Posts, and Broadcasting sectors respectively, whose functions overlap in some aspects.

b) **Lack of a Tribunal**: There is lack of a body to attend to disputes which have not been satisfactorily addressed by the regulator and the responsible Minister.

c) **Lack of a Competition law**: Currently there is no regulation that specifically protects consumer interests and ensures that entrepreneurs can compete fairly in the market.

d) **Lack of Customized Telecommunication devices:** All available telecommunication devices are in foreign languages that are not easily understood by the majority of the population.

e) **Enhancement of relevant content and applications** to address needs of the local population.

f) **Lack of Public ICT Awareness:** There is lack of strengthened and

fully supported public awareness for the available Telecommunication services.

g) **Non participation in Production:** Ugandans are mere consumers of technology and hardly contribute to the development and innovation of new products and services.

h) **High Cost (Unaffordable) of telecommunications services**: The cost of telecommunication devices (e.g. Mobile phones) and services are still prohibitively high to most of the population. Mobile technology provides a potential for rapid achievement of nationwide access if the key barriers – mainly the initial cost of the phones and the 10% excise duty currently imposed on prepaid airtime are addressed through PPPs.

i) **Lack of Electricity**: In the wider part of the country, the absence of electricity to power up telecommunication infrastructure and to charge phone batteries prohibits use of the mobile technology.

j) **Low Internet usage**: The following challenges limit usage of the internet is Uganda;

    i) Prohibitively high cost of accessing the Internet
    ii) Lack of generation and dissemination of relevant content
    iii) Lack of last mile connectivity to the national data backbone
    iv) Need to integrate ICT skills training at all levels of education

CHAPTER 2: THE TELECOMMUNICATIONS POLICY

2.0   Introduction

This chapter sets out, within the context of the broad policy goals the proposed general and specific objectives of the new Telecommunications Sector Policy.

2.1   General Statement

In recognition of the crucial role that easy access to relevant information and efficient communications play in supporting human development, it is government policy to ensure equitable and affordable access to telecommunication services for all the citizens of Uganda through an enabled and competitive private sector.

Government recognises that a purely commercial approach would marginalize the majority of the citizens, and has therefore made universal access, supported by appropriate PPPs, a key objective.

Government has established the convergence of all ICT sectors under single political leadership to ensure maximum synergy and harmonised policy, laws, and regulations.

Government shall ensure that ICT services are readily accessible to all citizens at reasonable cost and good quality of service.

2.2   Policy Vision

A prosperous Uganda, where telecommunications services are a key driver of sustainable national development.

2.3 Policy Mission

To position telecommunications as a key pillar of national development through provision of accessible, available and affordable services.

2.4 Guiding Principles

To enhance national socio-economic growth and transformation, the Telecommunications Policy shall be guided by the following principles:

a) Separation of policy, regulatory and operational roles;
b) Promotion of efficient and effective competition in service delivery;
c) Promotion of Public Private Partnerships;
d) Recognition of convergence of technologies;
e) Encouragement of local participation;
f) Promotion of environmental sustainability;
g) Ensuring mainstreaming of gender and needs of persons with disabilities in service delivery;
h) Promotion of universal access.

2.5 Broad Policy Objectives

The broad objectives of the policy are intended to be achieved by 2015 and are the following:

a) To empower consumers by providing information to enable them make informed choices;
b) To create a conducive environment for the establishment of a fully liberalised, technology neutral and competitive telecommunications sector;
c) To continue promotion of rollout of telecommunication infrastructure and affordable basic and value added services that will enable sustainable human development;

d) To promote human resource capacity development in the telecommunication sector;

e) To deliver high level information and service needs to all sectors of society, especially the marginalized sections of society (rural or poor communities, women, people with disabilities);

f) To create a legal and regulatory environment that supports development of Uganda's Telecommunications sector.

2.5 Specific Policy Objectives

The specific objectives of the policy are intended to be achieved by 2015 and are the following:

a) Institutional Data Access Points of speeds not less than 2Mbps: For all universal primary education schools and post primary institutions; all Educational Institutions; Government health units at LCIII; Agricultural extension units and other public institutions;

b) At least one Public Data Access Point of speed not less than 2Mbps within each parish/(LCII) of the Administrative districts of Uganda (as of Dec 2010);

c) Public Voice Access Points within each Local Council first Level (LC1)/Village of the Administrative Districts of Uganda (as of Dec 2010);

d) Interconnection of all Local Government headquarters and Town Councils by gigabit links as part of the National Data Backbone;

e) A universal service target of 60% of the projected population, up from the current 35%;

f) Internet connection at greater than 512kbps to at least 20% of households;

g) Harmonisation of the Uganda Communications Act, Electronic Media Act and any other relevant laws.

2.6   Policy Strategies

Objective 1: To create a conducive environment for the establishment of a fully liberalized, technology neutral and competitive telecommunications sector.

Strategies:

a)   Enforce re-farming of frequencies in line with technological changes and market conditions;

b)   Enforce a harmonized National Number Plan and Mobile Number Portability that takes into account technological changes, fair competition and other market conditions;

c)   Ensure unlimited competition for the provision of telecommunications services and infrastructure;

d)   Ensure fair and efficient issuance of scarce resources such as spectrum, numbering and rights of way;

e)   Adopt a converged regulatory and license regime and ensure optimum use of available resources such as shared infrastructure even from other sectors;

f)   Promote and encourage the licensing of regional links through the harmonisation and cooperation in respect to regulatory policies; and

g)   Develop the telecommunications sector specific competition provisions and ensure they are reflected in the national competition law of the country when developed.

Objective 2: To promote rollout of telecommunication infrastructure and affordable services that will enable sustainable human development.

Strategies:

a) Maintain a liberalized sector in order to attract additional investment in the sector;

b) Encourage utilisation of the National Backbone Infrastructure throughout the country;

c) Promote PPP particularly in sharing of infrastructure like the provision of duct routes for fibre optic backbone systems along the highways through integrated planning and implementation of the relevant Government infrastructure projects (effective use of road reserves);

d) Enforce sharing of infrastructure and other telecommunications resources among operators;

e) Support and actively participate in regional infrastructure development initiatives;

f) Establish telecommunications backbone infrastructure to all educational institutions and other specified points serving identified institutions like health, agriculture and local administration to support ICT applications.

Infrastructure resource sharing between the various institutions and the community-based organizations will be encouraged;

g) Develop a pricing and tariff regime that will facilitate the achievement of affordable telecommunications services and cater for special pricing models for education and health (E- rate pricing model); and

h) Provide incentives such as tax relief for network infrastructure, ICT development, application tools and software, and reduction of excise

tax as well as VAT on ICT end-user tariffs in order to improve affordability.

Objective 3: To promote human resource capacity development in the telecommunication sector.

Strategies:

a) Create the opportunity and potential for the youth to be the drivers of ICT in Uganda through the early integration of ICT in the curricula of education system at all levels and support for the establishment of Vanguard educational institutions;

b) Participate as appropriate in the development and implementation of a coordinated policy and strategy for ICT in the education sector;

c) Encourage and promote the use of low cost ICT technologies for educational institutions;

d) Develop a low cost rate policy for educational institutions (E-Rate model for schools);

e) Accord due regard to intellectual assets through the establishment of the necessary policies and laws that attach value and reward to intellectual assets (check availability of copyright law); and

f) Encourage and support research and development in ICT through local universities and research institutions, publicize and disseminate information with a view to encouraging greater participation.

Objective 4: The delivery of high level information and service needs to all sectors of society, especially the marginalized sections of society (rural or poor communities, women, and people with disabilities).

Strategies:

a) Ensure equitable distribution of services throughout the country through an appropriate licensing mechanism, while at the same time addressing the rural and poor areas through the RCDF programmes;

b) Develop and implement a mechanism for the sensitisation and creation of awareness on ICT's throughout the country in close collaboration with the Consumer Association and other stakeholders in order to enhance the use of ICTs;

c) Develop and operationalise a policy on gender mainstreaming in ICTs which also address the needs of people with disabilities;

d) Ensure equal participation for all including the poor, women, people with disabilities and all marginalized persons in all aspect of ICT application and usage.

Objective 5: To create a legal and regulatory environment that supports development of Uganda's Telecommunications sector.

Strategies:

a) Review existing legal framework to provide a competitive environment that facilitates and encourages investment in the telecommunications sector.

b) Continuously monitor and review as necessary the relevant policies that support and promote a liberalised, competitive and innovative telecom sector;

c) Harmonise similar laws in the ICT sector to avoid duplication.

CHAPTER 3: POLICY IMPLEMENTATION

3.1 Legal framework

These are the legal provisions applicable to the Telecommunications sector hence the proposed Telecommunication policy 2011. The existing laws that need repealing and the proposed ones are discussed.

3.1.1 Current Status

a) The Uganda Communications Act, Cap 106

The Uganda Communications Act, Cap 106 (Laws of Uganda) provides for;

1) the restructuring of the Communications industry in Uganda by establishing the Uganda Communications Commission, providing for its functions and administration; providing for the incorporation of Uganda Telecom Limited and Uganda Post Limited, to liberalize and introduce competition in the industry;

2) Establishment of the rights and duties of the state, enterprises, institutions, organizations and natural persons in the use and management of means of communication, in the establishment and management of communication networks, in the rendering of communication services as well as the general responsibilities for violation of the law.

Progress has been made in the telecommunications sector through the promulgation of appropriate regulations under the Communications Act. These are:

a) The Communications (Establishment and Management of the Rural Communications Development Fund) Regulations of 2002;

b) The Uganda Communications (Enforcement Procedures) Regulations

of 2004.

The other regulations have been adopted by the Commission and are awaiting promulgation:

a)   The Communications (Fair Competition) Regulations;
b)   The Communications (Postal Service) Regulations;
c)   The Telecommunications (Tariffs and Accounting) Regulations;
d)   The Telecommunications (Interconnection) Regulations;
e)   The Communications (Practice and Procedure) Regulations;
f)   The Communications (Telecommunications and Radio Communications Equipment Type Approval) Regulations;
g)   The Telecommunications (Licensing) regulations;
h)   The Communications (Radio) Regulations;
i)   The Communications (Universal) Service Regulations.

b)   The Electronic Media Act, Cap 104,

The Electronic Media Act, Cap 104 (Laws of Uganda) provides;

1)   Establishment of the Broadcasting Council to license and regulate radio and television sets, to amend and consolidate the law relating to electronic media and to provide for other related matters. The purchase, use and sale of television sets is also subject to licensing by the Council. Under the Electronic Media Act, a person shall only operate a TV station, a radio station or any broadcasting apparatus, upon a license being issued under the Act.
2)   The minimum broadcasting standards for broadcasters and provides for the functions of the Council.

c) The National Information Technology Authority-Uganda Act

National Information Technology Authority, Uganda Act 2008, provides for;

1) The establishment of the National Information Technology Authority, Uganda and its objects, functions, composition, management, finances and other related matters. One of the objects is to promote standardization in the planning, acquisition, implementation, delivery, support and maintenance of information technology equipment and services, to ensure uniformity in the quality, adequacy and reliability of information technology usage in Government and throughout Uganda.

2) The Authority to set, monitor and regulate standards for information technology planning, acquisition, implementation, delivery, support, organization, sustenance, risk management, data protection, security and contingency planning and to promote and provide technical guidance for the establishment of e-Government and e-Commerce in Uganda amongst other functions.

3.1.2   Proposed Legal framework Changes

The proposed legal framework is aimed at establishment of well developed and elaborate mechanisms, tailored to ensure functional and efficient competition in all the telecommunications market, with the allowing for, without exception of any possible future technologies or services. The framework should thus be capable of flexibly addressing the unpredictable markets with many more participants.

The following are proposed as adjustments to the current legal framework to enable complete implementation of this telecommunications policy. They include:

a) The amendment and harmonization of the Communications Act, Cap 106 and the Electronic Media Act, Cap 104 (Laws of Uganda) to provide for a single regulatory body and to create efficiency and harmony in the Communications Industry;

b) The proposed legal framework should duly address the phenomenon of **convergence** of technology (employ different types of networks for the provision of essentially the same type of services and convergence of equipment used by consumers);

c) The repealing of the Uganda Posts and Telecommunications Corporation Act, Cap 107, Laws of Uganda that established the defunct Uganda Posts and Telecommunications Corporation;

d) The harmonization of the Telecommunications licenses by removing the NTO and incorporating the licensed NTOs into and under the PIP and PSP license regimes;

e) The establishment of a Tribunal to provide a forum for arbitration and settlement of disputes in a speedy and reliable manner in regard of a regular judicial system which may not be equipped to provide a quick response, especially in a more liberalized environment;

f) Review the Regulators' jurisdictions/powers in respect to their roles and responsibilities like setting of fines; and

g) Address Intellectual Property Law issues unique to Telecommunications services and Technology.

3.2   Institutional framework

The Information and Communications Technology sector which the Ministry leads is divided into three institutional levels namely, Policy, Regulatory and Operational. The Regulatory level is composed of Uganda Communications Commission (UCC), Broadcasting Council (BC) and National Information Technology Authority (NITA-U), while the operational level is composed of

telecommunications, postal, Information Technology (IT) and broadcasting operators.

3.2.1 Ministry of Information and Communications Technology

The Ministry of ICT was established in June 2006 with a mandate of;

i) Providing strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations and strategy for the ICT sector.

ii) Ensuring sustainable, efficient and effective development; harnessing the utilization of ICT in all spheres of life to enable the country achieve its national development goals.

3.2.2 Uganda Communications Commission (UCC)

The Uganda Communications Commission was established by the Uganda Communications Act to among other things;

i) Implement the objectives of the Act;

ii) monitor, inspect, license and regulate services;

iii) to allocate and license the use of radio frequency spectrum and to process applications for the allocation of satellite orbital locations;

iv) to make recommendations to the Minister in relation to the issuance of major licenses under this Act;

v) to supervise and enforce the conditions of those licenses;

vi) to establish a tariff system to protect consumers from excessive tariff increase and avoid unfair tariff competition;

vii) to draw up, establish, amend and enforce a national numbering plan and perform block number allocations;

viii) to conduct, or authorize any person to conduct under supervision, technical evaluation relating to communications services;

ix) to set national communications standards;

x) to ensure compliance with national and international communications standards and obligations laid down by international communication agreements and treaties to which Uganda is a party and to issue certificates of compliance in relation thereto;

xi) to establish and run frequency and other monitoring stations; and

xii) to receive and investigate complaints relating to communications services and to take necessary action upon them; and to promote the interests of consumers and operators as regards the quality of communications services and equipment.

3.2.3 National Information Technology Authority (NITA-U)

The National Information Technology Authority Uganda's mandate is to coordinate, promote and monitor IT development within the context of national social and economic development.

NITA-U's main functions include;

i) Providing first-level technical support and advice for critical Government IT systems including managing the utilization of the resources and infrastructure for centralized datacenter facilities through the provision of the specialized technical skills;

ii) Identifying and advising Government on all matters of IT development, utilization and deployment. The specific expertise shall include, but not limited to, areas of Networking, Systems development, IT security, training and support;

iii) Setting, monitoring and regulating standards for IT planning, acquisition, implementation, delivery, support, organization, sustenance, risk management, data protection, security, and contingency planning;

iv) Regulating the electronic signature infrastructure and related matters as used in electronic transactions in the country;

v) Providing Technical guidance for the establishment of e-Governance in the country (including e-Government, e-Commerce, etc.);

vi) Being a regulator of the IT profession in the country for its effective promotion and development, in liaison with other relevant institutions or lead agencies and also act as an authentication centre for IT training in the country.

3.2.4   Telecommunications Operators

Currently the sector has three major categories of license holders providing Telecommunication services in Uganda;

i) the National Telecommunication Operator License which has 2 license holders;

ii) the Public Infrastructure Provider with 26 license holders;

iii) Public Service Provider (voice and data) with 37 license holders; and

iv) Public Service Provider (Capacity resale) with 9 license holders.

3.3   Proposed changes in the Institutional Framework.

The proposed institutional framework is aimed at harmonization of the regulatory regime taking into consideration technology convergence. The new institutional framework should address the new challenges presented by the convergence and development of technology.

The following are proposed adjustments to the current institutional framework:

a) Creation of a new regulatory body that harmonizes the plans and actions of the current Uganda Communications Commission and Broadcasting Council;

b) Creation of two distinct institutions from the current UBC;

    i) An institution responsible for Broadcasting Infrastructure under the stewardship of the Ministry of ICT

    ii) An institution responsible for Broadcasting Content reporting to the Ministry of Information

c) Review and alignment of the mandate and activities of NITA-U with a view of harmonizing the regulatory regime with those of the UCC/BC and possibility of creation of a single entity to handle regulation across the ICT sector;

d) To realign and strengthen the objectives, roles, functions, positioning and Strategic Management of the Rural Communications Development Plan / Fund;

e) Creation of an independent ICT Bureau of Standards body, distinct from the Regulatory arm of the sector, to set the Quality and Industry Standards that service providers must abide with, which are in turn monitored by the regulator.

3.4 Implementation Timeframe

In recognition of all stakeholders in the sector including operators, policy makers, regulators and consumers who require internalization and appreciation of the proposed regime, the following transition or implementation time plan is proposed;

Activity / Timeframe	Oct-Dec'10	Jan–Mar '11	Apr–Jun' 11	Jul–Sep' 11	Oct–Dec' 11	Jan–Mar '12	Apr–Jun' 12	Jul–Sep' 12	Oct–Dec' 12	Jan–Mar '13	Apr–Jun' 13	Jul–Sep' 13	Oct–Dec' 13	2014	2015	2016
Stakeholder Consultation	▓	▓														
Proposed Policy Paper final preparation and submission to Cabinet		▓														
Pronouncement of the Approved Policy			▓													
Formulation and enactment of new bill(s)			▓	▓												
Detailed Implementation of New Policy				▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓
Monitoring and Evaluation				▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓

Table 3.1: Gant graph of the Policy implementation

3.5   Financial Implication

The estimated cost involved in achieving the various policy targets spelt out in chapter 2 is summarised in tables 3.2.

Overall policy targets for the period 2010 –2016

Network	Number of units	Total (US $)	Remarks	Financer
High capacity (gigabit) backbone infrastructure to all districts and major towns	4500km	45,000,000	This puts in consideration the existing infrastructure	Government + private sector
Last mile Broadband access	9300km	93,000,000	This puts in consideration the existing infrastructure	Government + private sector
Education • 15,000 UPE schools • 4,000 secondary schools • 3,000 post primary institutions • 200 tertiary institutions	22,200 Institutions	32,000,000	Subscriber costs Includes purchase of customer premises and equipment (including antennas and modems)	User units (Government) & private sector
Health • 2500 Health Units (LCIII level) • 150 Health centre IV • 40 District Hospitals • 10 Regional referral Hospitals • 1 National referral hospital[1] • 3 Military Hospitals	2,700 institutions	3,880,000		
Agriculture • 10 Agricultural agencies • 10 Research institutes • 20 research centres • 60 proposed ADCs • Extension offices at each sub county	100 institutions	1,480,000		

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[1] This refers to Butabika since the other national referral hospital, Mulago already has access through various projects

Network	Number of units	Total (US $)	Remarks	Financer
Local government • 20 higher local government headquarters2 • 930 sub county headquarters	950 institutions	1,580,000		
Public voice access points • 5,300 parishes • 10 regional referral hospitals (HC Level II) • 50 District hospitals (HC Level III)	5400	5,270,000	Only public phone access unit is considered	Private sector & RCDF
Public data access points	930	6,510,000		Private sector & RCDF

Table 3.2: Policy targets for the period 2010-2016

Investment gap analysis

The following assumptions apply:

i) Apart from spectrum fees which will be a fixed recurring cost year on year, investment will need to be sunk in ratio 40: 30: 15: 10: 5 over the five years to achieve the targets set.

ii) A smaller percentage of the total private investment currently goes into infrastructure roll out. Whereas overall private investment has been growing, albeit at decreasing rates year on year, the investment in infrastructure has generally been reducing. It is expected to decline much due to increased competition in service provision.

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[2] This number excludes the district headquarters, also higher governments, due to the fact that POPs at district headquarters have an associated cost of access to 10 subscribers of which one has to be the District headquarters offices

CHAPTER 4: MONITORING AND EVALUATION

4.1 Introduction

The mission of the telecom policy focuses on the development of National Broad Band Infrastructure and delivery of Universal Service. This in turn will ensure that the majority of Ugandans use Information and Communications Technology (ICT) services for social economic transformation.

4.2 Purpose and rationale of M&E

M&E is intended to give this Policy Implementation momentum and focus. The implementing agency and partners need to utilize their successes and failures to improve the telecom policy implementation, on a continuous basis.

4.3 Methods and approaches:

The following three approaches are proposed to carry out M&E

4.3.1 Assessment of impact: Assessment at the impact level should be able to assess the extent to which the policy has contributed to the social transformation of Ugandans.

4.3.2 Monitoring and assessment of outcomes: This M&E component will track and assess the effectiveness of the policy by monitoring the progress towards achieving the desired objectives.

4.3.3 Monitoring and assessment of Implementation: This component will address the following:

1) Whether the implementation is according to plan;

2) Whether there is sufficient institutional capacity to deliver on the policy;

3) Whether there are sufficient achievements on the delivery of universal service.

4.4 Indicators for Policy Progress and Effectiveness Assessment

These will be used to give information about an activity whose output is not a tangible entity but when the action translates into a tangible output then it will be measurable. At the output level quantifiable deliverables under each policy action shall be the basis for assessing compliance with set targets, as per the format in the table below;

Monitoring and Evaluation Framework

Policy action	Output	Outcome	Indictors
1. Roll out high capacity BB to all districts and major towns	Broad band capacity available at all districts and major towns	Improved communication to and from served areas	Ease of Communication
2. Provide Internet access to all sub-counties	Internet services at all sub-counties	Easy available and affordable service at the sub-county level of Government.	Increased number of sub-counties connected to the BB Internet access

Policy action	Output	Outcome	Indictors
3. Provide services to educational , Health and Agricultural Institutions .	Data access points of at least 2Mbps to selected education, health and agricultural institutions.	Easy available and affordable data services to selected Educational, Health, and Agricultural Institutions	Number of public Institutions connected to the BB network country wide.
4. Provide public voice access points	At least one public payphone in each Parish (LC-I)	Easy available and affordable communication in each Parish (LC-I)	Increased number of Parishes with public payphone access.
5. Creation of a merged communications regulatory body	Harmonization of the Uganda communications Act and the Electronics media Act.	Harmonized regulatory regime.	Timely and consistent response to regulatory matters.

Table 4.1: Monitoring and evaluation framework.